[*Pursuant to the order of the House on September 30, 1971 the following report was filed on October 1, 1971*]

Mr. PATMAN: Committee on Banking and Currency. H.R. 9961. A bill to provide temporary insurance for the member accounts of certain Federal credit unions, and for other purposes; with an amendment (Rept. No. 92-543). Referred to the Committee of the Whole House on the State of Union.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

[*Omitted from the Record of Sept. 30, 1971*]

By Mr. BLATNIK:

H.J. Res. 908. Joint resolution to assure that every needy schoolchild will receive a free or reduced-price lunch as required by section 9 of the National School Lunch Act; to the Committee on Education and Labor.

By Mr. CULVER:

H.J. Res. 909. Resolution to assure that every needy schoolchild will receive a free or reduced-price lunch as required by section 9 of the National School Lunch Act; to the Committee on Education and Labor.

By Mr. REUSS:

H. Con. Res. 413. Concurrent resolution to authorize the President to strengthen the U.S. economy; to the Committee on Banking and Currency.

By Mr. DELLUMS:

[*Submitted Oct. 1, 1971*]

H.R. 11051. A bill to reduce the concentration of industrial power in certain markets; to the Committee on the Judiciary.

By Mr. LINK:

H.R. 11052. A bill to authorize the carrying out of certain repairs and rehabilitation work on the Mann Dam on the Heart River, N. Dak.; to the Committee on Interior and Insular Affairs.

By Mr. PREYER of North Carolina:

H.R. 11053. 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. PATTEN:

H.J. Res. 910. Joint resolution designating the song, "Keep America Free" the Bicentennial Song for 1976; to the Committee on the Judiciary.

By Mr. WOLFF (for himself and Mr. ABOUREZK, Mr. ADDABBO, Mr. ANDERSON of Tennessee, Mr. ASPIN, Mr. BADILLO, Mr. BIAGGI, Mr. BINGHAM, Mr. BRASCO, Mr. BURTON, Mr. CAREY of New York, Mr. DOW, Mr. GIBBONS, Mr. GUDE, Mr. HALPERN, Mr. JACOBS, Mr. KARTH, Mr. LEGGETT, Mr. MIKVA, Mr. PATTEN, Mr. PODELL, Mr. REES, Mr. ROE, Mr. ROSENTHAL, and Mr. WALDIE):

H. Res. 632. Resolution directing the Secretary of State to furnish to the House of Representatives certain information concerning the role of our Government in the events leading to an uncontested presidential election in South Vietnam on October 3, 1971; to the Committee on Foreign Affairs.

# SENATE—*Friday, October 1, 1971*

The Senate met at 9 a.m. and was called to order by Hon. ADLAI E. STEVENSON III, a Senator from the State of Illinois.

### PRAYER

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

O Father God, whose love never ceases and who wearies not at our oft coming to Thee, we bow in this forum of freedom to open our hearts to Thy grace and our minds to Thy wisdom. May Thy servants here concert their best endeavors for the highest welfare of the Nation. Bind them together heart to heart, soul to soul, mind to mind in common endeavor. To their human strength add Thy divine power. Give to each a sharpened intellect, a sensitive conscience, accommodation in the things which do not matter much, staying strength for the right, and unwavering fidelity to all that belong to that kingdom we pray may come on earth as it is in Heaven.

In His name who taught us thus to pray. Amen.

## DESIGNATION OF THE ACTING PRESIDENT PRO TEMPORE

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

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
*Washington, D.C., October 1, 1971.*

*To the Senate:*

Being temporarily absent from the Senate on official duties, I appoint Hon. ADLAI E. STEVENSON III, a Senator from the State of Illinois, to perform the duties of the Chair during my absence.

ALLEN J. ELLENDER,
*President pro tempore.*

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

## MESSAGE FROM THE HOUSE— ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 4713) to amend section 136 of the Legislative Reorganization Act of 1946 to correct an omission in existing law with respect to the entitlement of the committees of the House of Representatives to the use of certain currencies, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore.

## THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, September 30, 1971, be dispensed with.

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

## COMMITTEE MEETINGS DURING SENATE SESSION

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

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

## VIETNAM

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an article published in the Christian Science Monitor on September 30, 1971, written by Richard L. Strout, entitled "Side Effects of Viet War Pinch U.S.," and an editorial from the same newspaper on the same day entitled "Back to Bombs?"

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

SIDE EFFECTS OF VIET WAR PINCH UNITED STATES

(By Richard L. Strout)

WASHINGTON.—The Vietnam war, longest in U.S. history, keeps on rolling along and intermittently dominates the news.

On Sunday the South Vietnamese hold their one-man "election."

Senate Majority Leader Mike Mansfield of Montana has just reintroduced his end-the-war rider.

President Nixon reassures the wives of American prisoners.

The United States resumes bombing of North Vietnam.

The steady pullout of U.S. combat GIs goes on.

In historical perspective the Vietnam war is one of the most important that America has fought but hardly in the way expected. Its side effects may be more significant at home than abroad. It has cost some 50,000 lives and perhaps $100 billion.

ON THE ECONOMIC FRONT

Failure to "pay for the war" in the Johnson administration, most economists agree, precipitated the current inflation and set the stage for all the economic consequences that have followed, right down to the present gathering of delegates at the International Monetary Fund meeting in Washington. Sooner or later the dollar would probably have been cut adrift from gold—Vietnam made it sooner.

POLITICAL

President Johnson, who might otherwise have been elected in the two-term tradition, took himself out of the 1968 race largely because of Vietnam. In the hairline 1968 election Mr. Nixon got in, but without a clear mandate or a Republican majority in Congress. Certainly the Vietnam war was a factor in the events that changed political history and still deeply affect Mr. Nixon's situation.

CONGRESS

Erosion of congressional power has gone on for half a century, and Vietnam seemed to accelerate the trend. The conflict was begun without a congressional declaration of war; Congress voted for the Tonkin Gulf Resolution on what appears to have been inadequate information, without a single dissent in the House and only two in the Senate (Wayne Morse and Ernest Gruening, both defeated) and, again, the incursion into Cambodia by President Nixon was taken without advance notice to Congress. Senator

Mansfield now is still trying to get a six months end-the-war rider enacted, this time as an amendment to the $21 billion defense-procurement bill, but success seems doubtful. Congress has generally stayed almost wholly in the background.

COURTS

The Vietnam war brought the famous 6-to-3 Supreme Court decision in the Pentagon papers case. This settled the immediate dispute, but each of nine judges wrote separate views and left a general feeling that great issues have been raised for the first time and are left in some doubt for future crises.

MORALE

No war in history has so affected American morale. It all but disrupted the 1968 Democratic convention, sent repeated waves of protest into Washington, and brought examples of civil disobedience that resulted in widespread malaise. Phrases like "My Lai," "tiger cages," "Kent State," "moratorium," and "defensive reaction" entered the vocabulary. Using modern polling techniques the Potomac Associates of Washington, in a small booklet "Hopes and Fears of the American People," concluded that a majority of the people feel the nation is in deep trouble, and a plurality said that national unrest has reached a level at which it could produce a real breakdown.

INTERNATIONAL

What the war has done in Asia remains in dispute. The results hardly support views of U.S. leaders a few years ago. Vice-President Hubert H. Humphrey, in October, 1967, said:

"The threat to world peace is militant, aggressive Asian communism, with its headquarters in Peking, China. . . . The aggression in North Vietnam is but the most current and immediate, action of the militant Asian communism."

President Johnson in 1965 said:

"History and our own achievements have thrust upon us the principal responsibility for protection of freedom on earth. . . . No other people in no other time has had so great an opportunity to work and risk for the freedom of all mankind."

This mood of American global evangelism now is largely discounted, and a more modest approach to international affairs together with a latent isolationism are perhaps among the biggest consequences of Vietnam.

The war, it is felt, has not guaranteed democracy in South Vietnam nor even that country's continued existence. The so-called coming "election" is widely considered to be a fiasco.

Some optimists still see advantages in American intervention in Asia.

Most viewers, however, believe the extraordinary American intervention is unlikely to be repeated for many years.

BACK TO BOMBS?

We would prefer to think that the big American air raid on North Vietnam last week (Sept. 21) was a last off-stage sound of things receding into the past, but the chances are that it's the other way around. The overtones are disturbing.

It was a big raid. There were 200 reported sorties. It took eight hours for the big bombers flying in from their remote bases to unload their cargo. It was the biggest application of American air power to North Vietnam since March 21–22. It was the kind of thing we hoped was over and finished.

The clue to why it was done is in the weather. In Vietnam the rains are beginning to slack off. Campaigning can begin again fairly soon. Small-scale fighting that can be managed with limited local supplies is already building up again. And the South Vietnamese Army is not doing as well as its American trainers and teachers would have hoped.

If they can't do better than they have of recent days against small-scale attacks, what will happen when the rains are really over and the North Vietnam Army can come down out of the mountains in full force?

In other words, the great big final test of Vietnamization is just over the horizon. Everything that U.S. General Creighton W. Abrams, Jr. can do to get the South Vietnam Army ready for its ordeal has been done. It had better "shape up" now.

Washington has been clinging to the hope that it would be sufficiently trained and equipped to be able to defend itself effectively during the campaign season just ahead.

The very weight of the Sept. 21 bombing is itself evidence of anxiety. Every reason except military danger would counsel against it. The war is receding on the American home front, and in international relations. Anything which seems to revive the war is bound to revive uneasiness about it in the United States and in all world capitals. It seems atavistic, and out of date, and out of step with the new times which began with President Nixon's "opening to China."

It proves that in the minds of the American military leadership the North Vietnam Army has every intention of hitting the South Vietnam Army just as hard as it can as soon as the weather permits. And that in turn would mean that the men of Hanoi have never for an instant given up their intention of winning the war and gaining political control of Saigon.

The Nixon administration has hoped that most American ground forces could be out by next April without a collapse of the South Vietnam Army. It makes a big difference to Mr. Nixon's political position for the 1972 campaign if this hope is fulfilled. It could make a bigger difference if it is not.

The course of the fighting between the two rival Vietnam armies during the season just ahead will determine the political price Mr. Nixon will have to pay to get America out of the war and the prisoners out of the prison camps.

## ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, for the information of the Senate, and the distinguished deputy majority leader at my side, as well as the distinguished acting minority leader, it should be stated that at the conclusion of the morning business today we will go, under the agreement reached, into consideration of the school lunch program; and following disposal of that legislation, we will then revert to the amendment which was being considered last evening but not finally disposed of.

## REMOVAL OF INJUNCTION OF SECRECY ON AMENDMENT TO THE CONVENTION ON INTERNATIONAL CIVIL AVIATION

Mr. BYRD of West Virginia. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from a protocol dated at New York, March 12, 1971, relating to an amendment to the Convention on International Civil Aviation—Executive K, 92d Congress, first session—transmitted to the Senate on Thursday, September 30, 1971, by the President of the United States, and that the protocol, together with the President's message, be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

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

The President's message reads as follows:

*To the Senate of the United States:*

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of a protocol dated at New York, March 12, 1971, relating to an amendment to the Convention on International Civil Aviation.

The protocol, embodying a proposed amendment to Article 50 (a) of the convention, enlarges the membership of the Council of the International Civil Aviation Organization from 27 to 30.

I also transmit herewith, for the information of the Senate, the report of the Secretary of State regarding the protocol.

RICHARD NIXON.

THE WHITE HOUSE, *September 30, 1971.*

## MILITARY PROCUREMENT AUTHORIZATION — A UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that time on any amendment to the Montoya amendment on next Wednesday, October 6, 1971, be limited to 30 minutes, to be equally divided between the mover of the amendment in the second degree and the manager of the bill, and that such time come out of the time allotted to the amendment in the first degree.

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

Mr. BYRD of West Virginia. I further ask unanimous consent that time for debate on any motion or appeal, except a motion to table, relating to the military procurement bill H.R. 8687, or amendments thereto, be limited to 10 minutes to be equally divided between the mover of such motion or appeal and the manager of the bill.

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

## ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the distinguished Senator from Utah (Mr. BENNETT) is now recognized for 15 minutes.

## THE OPPORTUNITY AND THE CHALLENGE OF THE PRESIDENT'S NEW ECONOMIC PROGRAM

Mr. BENNETT. Mr. President, when President Nixon unveiled his dramatic new economic policy on August 15, he spoke about opportunity. He specifically said:

America today has the best opportunity in this century to attain two of its greatest ideals; to bring about a full generation of peace, and to create a new prosperity without war.

The President then went on to firmly grasp this opportunity and propose a detailed, comprehensive plan to meet the

economic challenges now facing this Nation.

The vast significance of the new economic program comes not in its individual parts. Each element of the program has been suggested and debated many times over recent years. The genius comes in putting all of these elements into an integrated, cohesive blueprint for restoring economic stability to our Nation.

Those who wish to constructively evaluate the President's program must recognize this fact. Taken by themselves, each proposal may be subject to criticism on one ground or another. And it is certainly conceivable that chipping away at the various parts will destroy the whole package. But we cannot allow this to happen. The President has advanced a unique, comprehensive program to stimulate economic growth, stabilize prices, reduce unemployment and improve our position in the world economy. We in the Congress must not ignore this opportunity and destroy the President's proposal to deal with these undeniable economic challenges by chipping away at details—and thus destroying the power and balance of the coordinated whole.

To meet the challenge of greater economic growth and reduced unemployment, the President has proposed as part of this balanced package, three tax measures. First is the job development credit, modeled on the investment tax credit first instituted in 1962. The job development credit was proposed at a 10-percent rate for the first year and 5 percent thereafter. It now appears that the other body will change this to a flat rate of perhaps 7 percent.

We should look closely at this alternative. The President's proposal intends to stimulate business investment over the immediate period, to provide increased jobs and economic growth now. Some have argued that business firms will merely "borrow" investment from future years to take advantage of the high 10-percent rate available now. This may be true to some extent. But we must remember that any increased stimulus now will produce favorable reactions in the economy which could well help to provide a higher level of consumption and investment in the following periods ahead. If our objective is to get the economy moving at a faster pace now, we must carefully consider the two-phase job development credit the President has proposed.

The job development credit will reduce Federal revenues by $4.8 billion in calendar year 1972. A number of people have criticized this proposal coming on top of the asset depreciation range—ADR—system announced in January as being too much tax relief for business. They suggest the ADR system be rescinded before the job development credit is enacted.

There are two points that should be made here. First, the ADR system and the job development credit are not interchangeable. We must not view the job development credit as in any way a substitute for the ADR system. They serve essentially different but equally necessary objectives.

The ADR regulations represent a major permanent improvement in the administration of depreciation deductions for tax purposes. Furthermore, they provide a framework for development of a much more intelligent depreciation system in future years. The new regulations allow taxpayers to shorten the "useful lives" of their assets up to 20 percent of the "guideline" lives originally specified for classes of assets in 1962. The regulations explicitly recognize the reality of continuing new developments in the duration of all productive plant and equipment, and thus will produce changes that business taxpayers are entitled to as a matter of fairness. The useful lives of assets are always being shortened in reality as a result of a constantly increasing rate of technological change, as well as by a greater degree of competition from foreign competitors with new, highly efficient facilities, and of the impact of the demand for broader environmental protection.

Viewed in this perspective, the ADR system produces no true revenue loss, but merely redresses the unfair and damaging treatment of productive assets over the last several years. Furthermore, this change raises our pattern of depreciation allowances closer to those of other major industrial countries.

This is an essential point. Few people realize that cost recovery allowances in this country fall far behind those of other leading industrial nations. For example, without the ADR system, the percentage of the cost recovery of industrial machinery and equipment allowed during the first taxable year in this country is only about 8 percent. In Western Germany, the comparable percentage is almost 17 percent, in France it is over 20 percent, in Japan it is almost 35 percent, and in the United Kingdom it is 57.8 percent. A 7-percent investment tax credit would only bring this recovery up to about 22 percent. Yet this would still be less than half of what Great Britain allows, and over a third less than what Japan permits.

This comparison is from the report of the President's task force on business taxation published a year ago. I will include the relevant table from that report at the end of my remarks.

Of course, this difference in cost recovery during the first year of an asset's life is not the sole factor retarding productive investment and cost competitiveness with other countries. However, as the Organization for Economic Cooperation and Development—the OECD has found, the United States has the lowest percentage of investment in productive facilities in relation to gross national product among all the principal industrialized nations. Certainly, our very conservative cost recovery allowances are a major contributory cause to our poor performance in this crucial area.

The ADR regulations provide a significant simplification of the administration of depreciation regulations. The reserve ratio test was adopted in 1962 to compare useful lives claimed for tax purposes with actual replacement practice. This test has proved to be totally unworkable, and the ADR system will be applied without it. Moreover, the ADR regulations simplify the treatment of repair and maintenance expenses and provide rules for ending unnecessary disputes over salvage value, all in a fair and reasonable manner.

This is the rationale for the ADR system. The job development credit has a different purpose—it is aimed specifically at stimulating investment and providing new jobs in our economy. It is not a reform or simplification measure. Our economy needs the stimulus inherent in the job development credit proposal. Our taxpayers deserve the reform represented by the ADR system. Our Nation will benefit from both.

It should not come as a surprise to members of this body that implementing tax incentives for investment along with depreciation reform is not a new idea. In 1962, the 1942 bulletin F standardized asset lives were replaced by the depreciation guideline lives, which were approximately 30 to 40 percent shorter. In the same year, President Kennedy's proposal for an investment tax credit was enacted by Congress, and the economy received the benefit of both measures. The arguments made at that time, that we needed to modernize and expand our productive capacity for a greater rate of economic growth and stronger competition in world markets, are just as applicable today.

The ADR system is a percentage reduction of business tax liabilities comparable to that of the guidelines in 1962. Furthermore, it makes good a pledge that Kennedy's Treasury Secretary Douglas Dillon made at that time:

> The guidelines will not be allowed to become outdated—as was the case for so long with Bulletin F, which the new guidelines replace. Our revision of depreciation guidelines and rules recognizes that depreciation reform is not something that, once accomplished is valid for all time.

The ADR regulations are the first significant revision of depreciation since that statement was made.

A second point must be made about the job development credit. When viewed in the perspective of tax legislative history, it is not the unfair shift of tax burden from corporate enterprise to individuals as some have argued. The Tax Reform Act of 1969 sharply cut the tax liabilities of middle- and low-income individuals while sharply increasing the taxes of business corporations. The Treasury Department has shown that when we measure the differing impact that the Tax Reform Act, the ADR system, and the President's recent tax proposals will have over the 5 years 1969 through 1973, we see a startling result. Over this period, individual Federal income tax payments will have been reduced by almost $34 billion. But corporate tax liabilities will have been cut by only slightly more than $1 billion.

When viewed in the proper perspective, the enactment of the President's tax recommendations will not shift tax burdens inequitably from business to the individual. The score in this tax reduction ball game is still 34 to 1 in favor of the individual taxpayer.

The President's proposals contain tax provisions that will directly benefit the individual as well. The administration

recommends that the increased personal exemption and the liberalized standard deduction, now scheduled for January 1, 1973, be moved forward 12 full months. This means that individuals will receive tax relief on January 1 of $4.9 billion, counting both scheduled and proposed tax reductions. This is substantial relief. It will further lessen the burden on low and moderate income taxpayers. Furthermore, it will provide a healthy boost to consumption and all the job and production benefits that it will produce.

The proposed repeal of the 7-percent automobile excise tax will also provide these dual relief and stimulus benefits. The relief comes from the reduction in automobile prices when the tax is removed, averaging about $200 per new automobile. Used car prices will be pressured downward as well, so that direct economic benefits will accrue to all income groups. And let us lay to rest the argument that this excise tax is an efficient and equitable source of revenue. All the President is asking Congress to do is make good on the promise we made in the 1965 excise tax cut. The automobile excise tax is just as inequitable now and its repeal just as beneficial as it was when that bill was enacted.

The removal of this tax will be stimulative as well. Lower automobile prices resulting from the repeal of this excise will reduce automobile prices which will stimulate demand for new cars. This can fairly be translated into 150,000 new and necessary jobs.

These are the important domestic tax proposals in the President's new program. They deserve speedy consideration, if we are to continue and contribute to the momentum the President has begun. Failure to act quickly on these measures will be to lose the opportunity to improve our prospects for increased economic growth and lower unemployment. We as a nation cannot afford to risk losing either.

Of course, the President's new economic program also attacks our other economic problems. To bring this inflation to a final conclusion, the administration has implemented a 90-day freeze on all wages, prices and rents. This freeze aims at two objectives. First, it has helped break the back of inflation by stopping spiraling prices and costs in their tracks for 90 days. It cannot by itself kill the momentum, but it has significantly restrained it. But we must realize that the freeze is not an end in itself. It is more importantly a means to buy time in which to create a mechanism that will work toward the elimination of cost-push inflation over the longer run.

The second objective of the freeze is to allow the government breathing space to develop a "phase II" wage and price policy. The President does not intend to produce this policy in a vacuum. He and his officials have been conferring with all sectors of the economy to solicit their views on the best way to fairly and systematically eliminate these cost pressures. What this policy will be, no one knows as yet.

The President has promised the Nation to announce his plan by the middle of October. But one thing is certain. The program will be aimed at solving the basic conundrum of a sound economic policy for our country in the modern world. How to reconcile a high level of economic growth, a low rate of unemployment, and price stability is a riddle which no nation has successfully solved. The President has set his sights on nothing less than a viable social compact among labor, business and government which will be effective for a long period of time.

I understand that some members have suggested that Congress take the initiative for developing a phase II incomes policy away from the President. If they suggest we give the Administration the benefit of our advice, and recommend alternatives or modifications of the phase II program, this is no less than our duty.

However, if they mean to develop a full-fledged program to be enacted in place of the President's merely in order to preempt the field, this would be most unwise.

Whatever the President's phase II policy turns out to be, it will be the product of delicate negotiations and compromise among the consumer, business and labor sectors of our economy, which have been actively proceeding for many weeks. Furthermore, any such program must be administered by the executive branch. The Congress is not equipped to do this. If Congress attempts to block the President's program with one of its own, the whole exercise will become a charade with no substance. Congress will have carried out its function if it will monitor and constructively evaluate the administration's phase II program. However, we must leave to the administration the task of creating and administering it. We must give this program a chance to work.

The domestic portions of the President's new program are aimed at expanding the economy and reducing inflation, both now and over the long run. The President's proposals to deal with our balance-of-payments difficulties are similarly designed.

It is essential that we take the lead to provide a basis for achieving essential changes in the international monetary system and long overdue reform of international trading arrangements and practices. We must remember that the wartorn and industrially infant nations we helped rebuild have now grown up. Europe and Japan are now industrially mature enough to meet with us on an equal footing in world trade, and in some respects, overmatch us. There is no longer any justification for them to hide behind discriminatory trade practices and unrealistic exchange rates that penalize us. Certainly, we can no longer afford to allow them this luxury. And the new economic program deals strongly with this reality.

By imposing a temporary import surcharge and cutting the dollar loose from gold in world markets, the President has forced other nations to look closely at their trading practices and exchange rates. The ball is definitely in their court. They must determine whether the free world will turn toward the freer trade and more realistic exchange rates which provide the only basis for a stable healthy and growing world economy. Once they agree to help us move in this direction—and the administration intends to stand firm until they do—we and they can get on with the job of building a more flexible and fundamentally sound international economy.

In closing, I do not think it is an exaggeration to say that the President's dramatic new economic program is rekindling the American spirit. Certainly the recent surveys of consumer confidence and polls of popular support for the President's program indicate this. The people are now generally optimistic about their economic future, and are apparently anxious to get America back on the track which will achieve a healthy, growing economy and provide the jobs and price stability the country must have.

If we in Congress will work with the President, take his program and modify it if need be, but basically support its principles, we can make it work to produce progress based on stability. It would be hypocritical at this point to minimize the challenges facing us. But if we firmly grasp the opportunity the President has created, we can achieve the full generation of peace and prosperity that is this Nation's birthright.

## ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order the Chair recognizes the Senator from New York for a period of not to exceed 15 minutes.

(The remarks of Mr. JAVITS when he introduced S. 2632 are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

(The remarks of Mr. JAVITS when he submitted Senate Concurrent Resolution 43 are printed in the RECORD under Submission of Concurrent Resolutions.)

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Virginia was to be recognized for a period of not to exceed 15 minutes.

Mr. BYRD of West Virginia. Mr. President, may I be recognized?

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from West Virginia.

Mr. BYRD of West Virginia. Mr. President, it is my understanding that that request was automatically vacated by the subsequent listing of Senators BENNETT and JAVITS to be recognized prior to the morning business.

The ACTING PRESIDENT pro tempore. In any case, the period for the transaction of routine morning business now begins.

Mr. BYRD of West Virginia. Mr. President, may I be recognized?

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from West Virginia.

## TIME ON MOTIONS TO RECONSIDER

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order entered a bit earlier today with respect to time on motions and appeals, relating to the military procurement bill and amendments thereto, be vacated

with respect only to motions and appeals as they may relate to amendments in the second degree to the pending amendment in the first degree by Mr. FULBRIGHT. I will explain why I make this request.

Last evening, there was considerable debate and discussion—and confusion—with respect to whether or not, in a situation in which time on an amendment is limited and a vote on that amendment is taken, and a motion to reconsider the vote is not tabled, there is any time available to debate the motion to reconsider.

If I am correct, Mr. President, that question has not yet been settled. There was a parliamentary inquiry regarding the question last night, and the Chair made a statement in response to the parliamentary inquiry, but there was no ruling.

It is my further understanding that there is really no direct precedent on the point, and that the material quoted last evening from the book on Senate procedure in reality can be traced back only to a parliamentary inquiry rather than to a ruling, and that, therefore, there is no clear precedent relating to the question.

I may be in error in what I am saying, but it is by way of explanation as to why I have just made the pending unanimous-consent request.

It appearing that the same situation occurring last evening could arise on any of the amendments to the pending military procurement bill which are yet to be voted on, I thought it appropriate to propound a request to assure Senators at least 10 minutes in which to debate any motion to reconsider, any motion to recommit, or any appeal from the ruling of the Chair. Otherwise, we cannot be sure that there would be any time for debate on such motions. There may or may not be such a situation. That request has now been agreed to.

There might be the appearance of evil in what I do, if there are those who wish to read that into it, but in order to avoid that appearance, Mr. President, may I say that with respect to the Fulbright amendment in the first degree the Senate is already beyond that point, anyway. It is already beyond the point of reconsideration, and its next vote, once amendments in the second degree are disposed of, will be on the amendment in the first degree. So my request had nothing to do with that, but it could arise with respect to an amendment in the second degree to that amendment in the first degree, and it is for that reason that I now request that the order limiting time on motions or appeals be vacated with respect to amendments in the second degree to Mr. FULBRIGHT's pending amendment in the first degree.

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

## EXTENSION OF AUTHORITY FOR INSURING LOANS UNDER THE CONSOLIDATED FARMERS HOME ADMINISTRATION ACT OF 1961

Mr. TALMADGE. Mr. President, I ask the Chair to lay before the Senate a message from the House on H.R. 10538.

The ACTING PRESIDENT pro tempore laid before the Senate H.R. 10538, an act to extend the authority for insuring loans under the Consolidated Farmers Home Administration Act of 1961, which was read twice by title.

Mr. TALMADGE. Mr. President, this matter has been cleared with the ranking majority member of the Committee on Agriculture and Forestry as well as with the committee having jurisdiction.

The Senate, earlier this year, passed S. 1806, which provided, among other things, for a 4-year extension of the loan insurance authority under the Consolidated Farmers Home Administration Act of 1961. H.R. 10538 would make that authority permanent. The law expired at midnight last night, so the bill is of an emergency nature. I ask unanimous consent that the Senate proceed to its present consideration.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to the consideration of the bill.

Mr. TALMADGE. Mr. President, I ask that the bill be passed.

The ACTING PRESIDENT pro tempore. The question is on the passage of the bill (putting the question).

The bill (H.R. 10538) was passed.

## FREE AND REDUCED PRICED LUNCHES FOR NEEDY CHILDREN

Mr. HRUSKA. Mr. President, later in the day the Senate will consider Senate Joint Resolution 157 on a limited-time basis. Rather than encroach upon the time alloted for that purpose, I shall now make sundry comments on the joint resolution and also present for inclusion in the RECORD some material which I hope will be helpful not only to the Senate but also to the other body concerning the subject to the national school lunch program as brought up in the other body.

In the first place, this observation, I believe, is in order: Senate Joint Resolution 157 in reality includes or contains appropriation language. It is different from Public Law 92–32, which was enacted by Congress on June 30 of this year, and that law authorizes the use by the Secretary of Agriculture of section 32 funds, whereas in Senate Joint Resolution 157 the Secretary is directed to use those funds. The precise language is that the "Secretary shall use section 32 funds."

There is another point of difference in the law that was enacted on June 30. There was a fund certain, namely, that the Secretary was authorized to use funds not to exceed $25 million. In Senate Joint Resolution 157, no specific amount whatsoever is mentioned in terms of dollars. Of course, as I am informed, Senate Joint Resolution 157 is capable of interpretation as an openend resolution, with open end features, and with no upper limit for reimbursement. It would make necessary a revision of regulations designed by the Department to comply with Public Law 91–248, the amendments which were enacted by Congress last year.

A further observation is that the funding structure for the school lunch program as embraced in Senate Joint Resolution 157 is a very complex structure. It has been made more complex by the involvement of section 32 funds, as indicated by the joint resolution itself.

The ACTING PRESIDENT pro tempore. The Senator's 3 minutes have expired.

Mr. TALMADGE. Mr. President, if I may be recognized, I yield my 3 minutes to the Senator from Nebraska.

Mr. HRUSKA. I thank the Senator from Georgia.

To illustrate this proposal in some detail, I ask unanimous consent that portions of a statement made by Assistant Secretary of Agriculture Lyng before the Senate Select Committee on September 7 be printed at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. HRUSKA. Mr. President, I call attention to the summary points contained in that statement which Mr. Lyng emphasized:

First, our proposals—

Proposals of the Department of Agriculture for the disbursement of funds for the school lunches—

are not designed to save funds. We expect to spend all the funds authorized in our 1972 appropriation act.

Second, we have not reduced the maximum rates of assistance that were authorized for last year.

Third, we will be placing a floor under section 4 and section 11 rates on a Statewide basis for the first time—a floor that is guaranteed no matter how much expansion a State is able to achieve.

Fourth, we do not believe that we should have continued a method of distributing funds among the States which—because of the vagaries of statistical apportionment formulas—allowed some States a "funding feast" while other States suffered from a "funding famine."

Finally, we want to reemphasize that the National School Lunch Act contemplated that the funding program would be a joint Federal, State, and local responsibility. This principle was reaffirmed in the Public Law 91–248 amendments. One of those amendments required, beginning this fiscal year, that all States put State tax revenues into the program. It also provided that States should disburse these tax revenues in a manner that would concentrate them on assistance to the neediest schools.

That is the conclusion of the points to which I referred in Mr. Lyng's testimony. It is my hope that later the Senate will direct its consideration to the points raised, particularly to the points raised by Mr. Lyng, so that we will make the best of a situation that will provide for the most desirable school lunch program possible.

Mr. AIKEN. Mr. President, will the Senator from Nebraska yield on my 3 minutes?

Mr. HRUSKA. I am happy to do so.

Mr. AIKEN. Of course, inflation has raised the cost of serving school lunches. It is higher than it was at one time. There is a proposal that the Government should provide up to 40 cents instead of the 35 cents for which lunches have been provided lately.

Mr. HRUSKA. That is correct.

Mr. AIKEN. If that is done, and a minimum of 40 cents is established, which will probably be the cost—it is almost impossible to get accurate infor-

mation—it will probably cost, according to the best estimates we can get, about $150 million more to carry on the school lunch program.

The Senator from Nebraska is the ranking member of the Subcommittee on Agricultural Appropriations. Does he have any doubt that the Committee on Appropriations would appropriate a sum adequate to meet whatever level is set to provide lunches, whether it be 30, 35, or 40 cents? Is there any doubt that the Committee on Appropriations would appropriate whatever sum is necessary if the matter is not taken away from the Appropriations Committee?

Mr. HRUSKA. I would not think so. As a matter of fact, members of the Appropriations Committee who are likewise members of the legislative Committee on Agriculture and Forestry have indicated that the joint resolution contemplates a 40-cent minimum. On that basis, the program would cost about $140 million more, because if the cost is increased 5 cents a meal, the increase would be about $70 million. That is on the basis of the present plan and the present number of meals. If the number of meals were to increase, that amount, of course, would also increase.

EXHIBIT 1

STATEMENT OF ASSISTANT SECRETARY RICHARD LYNG BEFORE THE SENATE SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS, SEPTEMBER 7, 1971

I am pleased to appear before the Committee today concerning the proposed amendments to the school lunch regulations which we issued for public comment on August 13th. It is apparent that there has been considerable confusion about those proposed regulations and their impact on the 1971–72 school lunch program. Therefore, we welcome this opportunity to clarify the issues.

Last year—the initial year of operations under the Public Law 91–248 amendments—resulted in substantial progress in the National School Lunch Program. In September of 1970, the month when most schools opened for the 1970–71 school year:

A total of 22.1 million children were being reached with a school lunch.

A total of 4 million children were being reached with a free and reduced-price lunch; and

A total of 77,454 schools were approved for participation in the program.

By April of 1971:

A total of 24.1 million children were being reached with a school lunch—up 9 percent over September.

A total of 7.3 million children were being reached with a free and reduced-price lunch—up 3.3 million over September, or 82 percent.

A total of 79,754 schools were approved for participation. Attendance in these schools represented 84 percent of all elementary and secondary school attendance.

That record of progress represented the combined work of local, State, and Federal government units, and thousands of dedicated school officials and concerned local citizens—back by the traditional combination of local, State, and Federal financial support for the program.

There was, in fact, a sharp increase in Federal funding of school feeding programs for 1971—largely as a result of the Administration's request for a supplemental appropriation of $217 million following approval of Public Law 91–248.

The amount of the direct appropriations under section 4 and 11 of the National School Lunch Act more than doubled—from $212.6 million in fiscal year 1970 to $429.8 million in fiscal 1971. In addition, these direct appropriations were augmented by over $150 million in special section 32 funds—most of which was intended for free and reduced-price lunches. This augmentation was specifically authorized in our 1971 appropriation act and was a very substantial increase over the $99 million in special section 32 funds made available in the previous year's appropriation act. This level of 1971 Federal funding was designed to support a national average section 4 rate of reimbursement of 5 cents per lunch and a national average rate of 30 cents under section 11 for additional assistance for free and reduced-price lunches.

I am here today, Mr. Chairman, because the Committee and a number of States have raised a question as to whether past progress in the program can be maintained in 1972—much less additional progress obtained—under the 1972 Federal funding structure outlined in the proposed regulations the Department issued on August 13th.

We believe that significant additional progress is possible. In fact, Mr. Chairman, we believe that our proposal presents a dramatic breakthrough in program funding.

*First*, we can avoid the mid-year funding uncertainties of last year. At that time, fund shortages in some States were threatening the continuation of their programs while other States had millions of dollars in excess funds.

*Second*, there is an increase in the amount of Federal funds available to provide special assistance for free and reduced-price lunches in 1972—about $78.8 million more than was spent in 1971.

*Third*, for the first time in the history of the program, a State—needing to expand its program to substantially more schools and substantially more children—can do so without fear that such expansion will be at the expense of an unwarranted reduction in levels of assistance to already participating schools and children.

That your Committee and some States could have such very different initial reaction to our proposed regulations certainly raises the question as to whether our proposals were, in fact, clearly stated or clearly understood.

The funding structure of the National School Lunch Program is complex. And it has become more complex in the past three years because our annual appropriation acts have authorized the use of some section 32 funds to augment the funds directly appropriated for the National School Lunch and Child Nutrition Acts. We have concluded, therefore, that to clarify the intent and impact of our proposed regulations, it is essential to explain the structure under which the school lunch program is federally funded; to review 1971 program funding; the situation that would have existed if we had continued the 1971 funding structure in 1972; and, finally, how our proposed 1972 funding structure will actually work.

THE BASIC FUNDING STRUCTURE

The National School Lunch Act authorizes two annual appropriations for the program—one under section 4 of the Act and one under section 11. The Act also specifies exactly how each of these annual appropriations is to be apportioned among the States.

*Section 4 funds* are apportioned among the States on the basis of the number of Type A lunches previously served by each State and the relationship between each State's per-capita income and the per-capita income of the United States. For fiscal 1972, the apportionment formula uses the number of Type A lunches served by each State two years ago—in fiscal 1970.

*Section 11* funds are apportioned on the basis of the relative number of school-age children in households with annual incomes below $4,000 that reside in each of the States.

*The section 4 funds* are used to help schools buy food for the lunches served to *all* children—to both children who pay the full price of the lunch and the children who receive free and reduced-price lunches. *The section 11 funds* are used to provide additional special assistance for lunches served free or at a reduced price to children who meet a school's eligibility standards for such lunches.

Both the section 4 and 11 funds are actually disbursed to schools by the State on the basis of an assigned per-lunch reimbursement rate. The section 4 rate is applied to all the lunches; the section 11 rate applies only to the free and reduced-price lunches. In the program regulations, the Department of Agriculture establishes maximum reimbursement rates that a State may pay under section 4 and section 11. Thus, the actual rates of assistance a State may pay a school under section 4 or section 11 depend upon two factors: (1) The amount of funds made available to the State for section 4 and 11 purposes each fiscal year; and (2) the maximum per-lunch rates of assistance authorized by the Department.

MAXIMUM RATES OF ASSISTANCE

Many people have interpreted our proposed regulations as requiring a reduction in the maximum rates of assistance that were in effect during the last school year. This is not the case.

The *maximum* rates authorized for section 4 and section 11 are, of course, considerably higher than the rates actually paid on an average basis. The higher maximums permit the States, if they so elect, to vary rates around the average—in order to provide above-average rates to poorest schools and less-than-average rates to the affluent schools.

In the regulations we issued last September for the 1970–71 school year, the following *maximum* rates were authorized:

12 cents per lunch under section 4;

30 cents in addition for each free and reduced-price lunch under section 11, with a proviso that the neediest schools could receive up to 60 cents for each free and reduced price lunch.

If a State determined that a school needed in excess of 30 cents for a free and reduced-price lunch, our regulations required that such a school receive section 4 assistance at the maximum rate of 12 cents. The section 11 rate could then exceed 30 cents up to a maximum of 48 cents—or a total of 60 cents in combined funds.

As you know, Mr. Chairman, this latter provision—called the "12-cent rule"—met opposition among the States. They felt it endangered the total program because section 4 funds had to be diverted from the more affluent schools in order to pay 12 cents in section 4 funds to the neediest lunches required by the neediest schools should be financed out of funds available for section 11 purposes.

Effective in February, we did, in effect, suspend the 12-cent rule. We allowed States to finance the required increase in section 4 rates for the neediest schools out of funds available for section 11 purposes.

The maximum rates of assistance we have authorized in the proposed regulations remain essentially unchanged from the 1970–71 rates. A State is still authorized to pay its neediest schools up to 60 cents for a free or reduced price lunch. (A maximum rate of 50 cents is authorized if the school is serving a significant number of reduced-price lunches because it would be receiving revenues from the reduced price payments.)

Our proposed amendments are concerned with the distribution of available funds among the States—with the average reimbursement to be paid on a statewide basis—not the maximum rates.

1971 PROGRAM FUNDING

The 1971 appropriation act contemplated a national average section 4 rate of 5 cents

and a national average reimbursement rate of 30 cents in additional assistance for free and reduced-price lunches.

The following amounts were provided in the 1971 appropriation act to finance those contemplated rates: A direct appropriation of $225 million in section 4 funds and a direct appropriation of $204.7 million in section 11 funds. The use of $154.7 million in special section 32 funds also was authorized in our appropriation act.

As I indicated earlier, the National School Lunch Act specified how the section 4 and section 11 funds are to be divided among the States. The use of the special section 32 funds is at the discretion of the Department but the appropriation act contemplated that most of the special section 32 fund would be used to supplement the section 11 appropriation for free and reduced-price lunches.

Without any experience on which to judge the impact of Public Law 91–248, the Department decided to use the special section 32 funds as follows:

The entire amount—$154.7 million—was apportioned to States under the section 11 apportionment formula. The section 11 formula was selected because most of these section 32 funds were expected to be used for section 11 purposes for free and reduced price lunches.

We did give States flexibility in the use of these section 32 funds. In addition to using them for free and reduced-price lunches, they were authorized to use the funds to augment funds appropriated for the school breakfast program and the funds for equipment assistance for needy schools, especially for "no-program" needy schools.

However, as we gained operating experience under Public Law 91–248, it was apparent that the method of distributing the special section 32 funds was creating a problem. It did not put the funds in the States where they were needed. By January, some States were reporting that they would soon exhaust their funds; other States reported they had a surplus in funds. By mid-April—under the cumbersome and time-consuming reapportionment method—we were able to transfer over $30 million from States with a surplus to States with a deficit. But, during the period we were effecting those fund transfers, the deficit States had to operate upon our assurance that we could obtain the release of funds from other States.

After this experience, we concluded that it would be in the best interest of all of the States if a method for distributing the available funds could be found that would better distribute the funds among the States in accordance with expected participation at the beginning of the school year.

This exploration led us to another conclusion; one that—in our view—represents a real breakthrough in school lunch financing. We concluded that we needed to go beyond funding at proposed national average reimbursement rates of 5 cents under section 4 and 30 cents under section 11. We felt we needed to guarantee each State that—no matter how much it expanded its program—it could be assured that it would be able to maintain a Statewide average rate of 5 cents under section 4 and a Statewide average rate of 30 cents under section 11.

This is the essence of our August 13th proposal.

States will be able to maintain average rates in excess of these guaranteed average rates if they can afford to do so out of their share of the direct appropriation of section 4 and 11 funds in 1972. No State will be asked to release any of their direct apportionment for use by other States. It is true that a few fortunate States would have been able to maintain even higher section 11 rates in 1972, if we had continued last year's method of distributing section 32 funds. But those higher rates would have meant that other States might have been able to pay only an average of 20 to 25 cents in section 11 assistance—and in a few States the rate could have been below 20 cents.

THE IMPACT OF OUR PROPOSALS

We have a series of charts that summarize the impact of our proposed regulations on section 4 and section 11 funding.

This first chart shows the 1971 expenditures for section 4 and section 11 purposes and the amounts provided under our annual appropriation act for 1972 for these same purposes:

[In millions of dollars]

| | 1971 | 1972 |
|---|---|---|
| Sec. 4 apportionment | 225.0 | 225.0 |
| Needy schools and children: | | |
| Sec. 11 apportionment | 203.8 | 237.0 |
| Special sec. 32: | | |
| To finance the 12-cent rule | 20.8 | ------- |
| Free and reduced price lunches | 86.8 | 153.2 |
| Subtotal | 311.4 | 390.2 |
| Grand total | 536.4 | 615.2 |

As this chart indicates, the amount of money available for section 4 purposes in 1972 is the same as was appropriated in 1971—$225 million.

There is $78.8 million more available for special assistance for free and reduced-price lunches than was spent in 1971—$390.2 million compared to $311.4 million.

Fewer total lunches, and fewer free and reduced-price lunches, were actually served in 1971 than had been estimated in the 1971 appropriation act. As a result, the 1971 national average section 4 rate was 5.9 cents, compared with the planned rate of 5 cents. The national average rate for free and reduced-price lunches (section 11) was 31.1 cents, compared with the planned rate of 30 cents. Additionally, substantial amounts of the special section 32 funds were used for equipment assistance, although the appropriation act contemplated that most of the special section 32 funds would be used for free and reduced-price lunches.

The second chart shows the Statewide average section 4 rates that were paid out of the $225 million in 1971 by the 50 States and the District of Columbia; the projected average rates that those States could have paid in 1972 without our proposed change in the use of the special section 32 funds; and the projected average rates under our proposal:

| | | Number of States 1972 | |
|---|---|---|---|
| | 1971 | Without revision | With revision |
| Statewide rate, sec. 4: | | | |
| 7 cents and above | 6 | 2 | 2 |
| 6 to 6.9 cents | 9 | 11 | 11 |
| 5 to 5.9 cents | 22 | 21 | 38 |
| 4 to 4.9 cents | 12 | 12 | 0 |
| Below 4 cents | 2 | 5 | 0 |
| Total | 51 | 51 | 51 |

In the absence of our proposed change, 17 States were faced with an average Statewide section 4 rate of less than 5 cents and five of these were faced with an average rate of less than 4 cents. We are proposing to guarantee every State a Statewide average rate of 5 cents.

The third chart shows the same information for the section 11 rates—the special assistance for free and reduced-price lunches: The average Statewide payments out of the $311.4 expended for this purpose in 1971; the projected rates that would have prevailed in 1972 if we had not proposed a change in the distribution of special section 32 funds; and the projected rates under our proposal.

| | | Number of States 1972 | |
|---|---|---|---|
| | 1971 | Without revision | With revision |
| Statewide rate, sec. 11: | | | |
| 40 cents and above | 11 | 15 | 0 |
| 35 to 39.9 cents | 9 | 8 | 1 |
| 30 to 34.9 cents | 15 | 9 | 50 |
| 25 to 29.9 cents | 12 | 7 | 0 |
| 20 to 24.9 cents | 2 | 9 | 0 |
| Below 20 cents | 2 | 3 | 0 |
| Total | 51 | 51 | +51 |

If we had continued last year's method of distributing the $153.2 million in special section 32 funds, *and every State used all of its section 32 money for free and reduced-price lunches,* 19 States could have faced Statewide average rates of less than 30 cents for free and reduced-price lunches. Of these 19 States, the average rates in 12 States could have been below 25 cents and 3 of the 12 could have faced an average Statewide rate of less than 20 cents for each free and reduced-price lunch. Our proposal guarantees every State at least a minimum Statewide rate of 30 cents for each free and reduced price lunch.

EQUIPMENT ASSISTANCE

Before summarizing these proposals on the distribution of available funds, I want to comment on a second part of our August 13th proposals—those that affect the equipment assistance funds.

Section 5 of the Child Nutrition Act authorizes Federal equipment assistance for schools which draw their attendance from areas in which poor economic conditions exist—in short, needy schools. The funds can be used to help needy schools which have "no, or grossly inadequate" food service equipment.

In 1971, a total of $15 million was appropriated for this equipment assistance. But States elected to use substantial amounts of their special section 32 apportionment for equipment assistance last year. In total, reports from the States now show that a total of $36.7 million was used for equipment assistance last year.

Our fourth chart shows the amounts used for equipment assistance for needy schools in 1970 and 1971. You will note that most of these funds went to schools that were already operating a food service.

There is no doubt that some already participating schools did have "grossly inadequate" equipment. But, we now believe greater emphasis should be placed on the use of these funds to bring needy "no-program" schools into the Type A program.

We are holding equipment funds in 1972 to the $16.1 million authorized in our appropriation act. We have amended our regulations to place a positive obligation on States to seek out—and work with—needy "no-program" schools. And, we are proposing that at least half of each State's equipment funds be held in reserve for "no-program" schools until March 1—unless the State can demonstrate that the funds should be released for already participating schools at an earlier date.

SUMMARY

Returning to our August 13th proposals on the distribution of cash assistance funds to the States, we would want to emphasize these points:

*First,* our proposals are not designed to save funds. We expect to spend all the funds authorized in our 1972 appropriation act.

*Second,* we have not reduced the maximum rates of assistance that were authorized for last year.

*Third,* we will be placing a floor under section 4 and section 11 rates on a Statewide basis for the first time—a floor that is guaranteed no matter how much expansion a State is able to achieve.

*Fourth*, we do not believe that we should have continued a method of distributing funds among the States which—because of the vagaries of statistical apportionment formulas—allowed some States a "funding feast" while other States suffered from a "funding famine".

*Finally*, we want to re-emphasize that the National School Lunch Act contemplated that the funding of the program would be a joint Federal, State, and local responsibility. This principle was re-affirmed in the Public Law 91–248 amendments. One of those amendments required, beginning this fiscal year that all States put State tax revenues into the program. It also provided that States should disburse these tax revenues in a manner that would concentrate them on assistance to the neediest schools.

## COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

PROSPECTUS RELATIVE TO ALTERATIONS TO TREASURY BUILDING

A letter from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus amending the authorization for alterations to the Treasury Building and the Treasury Annex, Washington, D.C. (with accompanying papers); to the Committee on Public Works.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PELL, from the Committee on Labor and Public Welfare, and the Committee on Interior and Insular Affairs, jointly, with amendments:

S. 2482. A bill to authorize financial support for improvements in Indian education, and for other purposes (Rept. No. 92–384).

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. JAVITS (for himself, Mr. BROOKE, Mr. HATFIELD, Mr. STAFFORD, Mr. TAFT, Mr. MATHIAS, Mr. PACKWOOD, Mr. SCHWEIKER, and Mr. SAXBE):

S. 2632. A bill to amend the Internal Revenue Code of 1954 to permit a tax credit for the creation of additional jobs. Referred to the Committee on Finance.

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

S. 2633. A bill to authorize an appropriation for a bridge on a Federal dam. Referred to the Committee on Public Works.

By Mr. ANDERSON:

S. 2634. A bill to authorize the Secretary of Agriculture to exchange certain National Forest lands within the Carson and Santa Fe National Forests in the State of New Mexico for certain private lands within the Piedra Lumbra Grant, in the State of New Mexico, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. PROXMIRE:

S. 2635. A bill to amend title II of the Interstate Commerce Act in order to exempt from certain provisions of such title, motor vehicles used in carrying processed milk products. Referred to the Committee on Commerce.

By Mr. HARTKE:

S. 2636. A bill to amend the Federal Hazardous Substances Act, to provide for a special study of household detergents and to provide for the labeling of those household detergents found to be hazardous, and for other purposes. Referred to the Committee on Commerce.

By Mr. BEALL:

S. 2637. A bill to extend to volunteer fire companies and volunteer ambulance and rescue companies the rates of postage on second class and third class bulk mailings applicable to certain nonprofit organizations. Referred to the Committee on Post Office and Civil Service.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JAVITS (for himself, Mr. BROOKE, Mr. COOK, Mr. HATFIELD, Mr. MATHIAS, Mr. PACKWOOD, Mr. PERCY, Mr. RANDOLPH, Mr. SAXBE, Mr. SCHWEIKER, Mr. STAFFORD, Mr. TAFT, and Mr. WILLIAMS):

S. 2632. A bill to amend the Internal Revenue Code of 1954 to permit a tax credit for the creation of additional jobs. Referred to the Committee on Finance.

Mr. JAVITS. Mr. President, I wish to address myself to the new economic policy, as my colleague, the Senator from Utah (Mr. BENNETT) has done. I shall be offering a measure which I hope will materially improve the administration's proposal for job development through an investment tax credit.

The difficulty, as I see it, with the job development investment tax credit as it has been proposed is that it is essentially based on capital goods and does not have a direct and immediate relationship to the increase of employment as a direct consequence of the incentive which is furnished by the tax.

Therefore, on behalf of myself and Senators BROOKE, COOK, HATFIELD, MATHIAS, PACKWOOD, PERCY, RANDOLPH, SAXBE, SCHWEIKER, STAFFORD, TAFT, and WILLIAMS, I introduce a bill, which I send to the desk for appropriate reference, to provide a direct incentive, through the use of a tax credit, to every business in America to expand its work force.

Under this bill any employer whose employees work more man-days during taxable years beginning in 1972 or 1973 than in the immediately preceding taxable year would be eligible for a tax credit in the amount of $4 per additional man-day—approximately $1,000 per man-year. All employers would be eligible and there are no restrictions on the amount of the credit which would be available except that in the case of additional man-days attributable to mergers or acquisitions or the fact that an employer was not in the business during the entire immediately preceding calendar year the amount of the credit would be determined pursuant to regulations issued by the Secretary of the Treasury.

It is estimated that at the maximum this tax credit will cost the Treasury $1.8 billion and result in approximately 500,000 new jobs in the first year of operation.

I believe that a tax credit linked directly to expansion of employment is a logical complement to the investment tax credit proposed by the administration; in my judgment both should play an important role in our efforts to restore economic vitality and full employment through a new economic policy. The investment tax credit is primarily designed to provide an incentive to businessmen to modernize capital facilities; but it will provide jobs only in directly and mostly in capital goods industries. It is also true that in some cases, the use of automation will actually reduce employment. That is nothing against it.

Just about one-half of American business is service and the other half is manufacturing. The President's proposal would, except in the indirect ways I mentioned, not really affect the service industries.

Under the bill I have introduced today, on the other hand, all industries, including the service industries which now employ almost 50 percent of all American workers, will be encouraged to expand their workforce. In addition, since the amount of the tax credit is keyed directly to additional man-days worked rather than net increase in payroll cost, it will particularly encourage employment of low-income, marginally skilled employees.

The use of additional man-days, rather than increased payroll cost, also greatly simplifies administration of the law. At the same time, because the term "man-day" is defined in the bill as a day upon which an employee works at least 7 hours—or a cumulative total of 8 hours in the case of part-time employees—there is no possibility that an employer will be able to take advantage of the tax credit simply by working his employees overtime or hiring part-time employees to replace full-time employees. Finally, the bill contains a safeguard against economic exploitation by providing that no credit is allowable for any man-days worked by employees who are paid less than the prevailing Federal minimum wage.

As I already stated, preliminary computerized analysis by the staff of the Joint Economic Committee indicates that the tax credit I have proposed could reasonably be expected to produce approximately 500,000 additional jobs by the end of the fourth quarter after it first goes into effect. The cost to the Treasury would total approximately $1.8 billion during the first year and would taper off sharply thereafter.

In addition, Senator BROOKE of Massachusetts, who is joining me in sponsoring this tax credit proposal, has brought to my attention a similar proposal by Professors B. F. Roberts and Richard N. Thunen of the California economic forecasting project. Although there are differences between the Roberts-Thunen proposal and my own, the general theory is the same: a tax credit linked directly to expansion of employment. They have concluded that such a tax credit "could significantly stimulate employment and production, increase both labor income and profits, reduce the Federal deficit, and diminish inflationary pressures."

I find considerable support for the basic concept which I have put forward, and I am deeply gratified that so many

Senators have joined me in sponsoring it. I hope we can get action on the measure, either in its own right or most probably as an amendment to the President's measure which will in due course be before us as it comes over from the other body. If other Members wish to join us in this effort, I would certainly be very grateful.

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

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

S. 2632

A bill to amend the Internal Revenue Code of 1954 to permit a tax credit for the creation of additional jobs

*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 "Employment Incentive Act of 1971".

STATEMENT OF FINDINGS AND PURPOSES

SEC. 2. The Congress finds and declares that—

(1) high unemployment persists in the Nation despite all previous efforts made to ameliorate it;

(2) high unemployment represents a tragedy for millions of workers who are unable to find gainful employment, and a waste of the Nation's most precious resource—its workers;

(3) high unemployment reduces the purchasing power of American consumers and thereby hinders economic growth;

(4) under section 1 of the Act of February 20, 1946 (15 U.S.C. § 1021) it is the responsibility of the Federal Government to take vigorous action to encourage full employment.

It is therefore the purpose of this Act to provide a special incentive to private businesses of all types to expand their work force.

SEC. 3. (a) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by renumbering section 40 as 41, and by inserting after section 39 the following new section:

"SEC. 40. EXPANSION OF EMPLOYMENT.

"(a) GENERAL RULE.—For the purpose of encouraging the expansion of employment there shall be allowed to a taxpayer as a credit against the tax imposed by this chapter an amount determined by multiplying four dollars by the number obtained by subtracting the total number of man-days worked by all of his employees during the base period from the number of man-days worked by all of his employees during the current taxable year.

"(b) LIMITATION.—The credit allowed by subsection (a) shall not exceed the amount of tax imposed by this chapter for the taxable year reduced by the sum of the credits allowable under section 33 (relating to foreign tax credit), section 35 (relating to partially tax-exempt interest), section 37 (relating to retirement income), and section 38 (relating to investment in certain depreciable property).

"(c) DEFINITIONS.—

"(1) BASE PERIOD.—As used in this section, the term 'base period' means the taxable year immediately preceding the current taxable year.

"(2) MAN-DAYS.—As used in this section, the term 'man-days' means a calendar day on which at least seven hours of work is performed by one employee, *provided that,* in the case of employees working less than seven hours per day, each eight hours worked by one or more such employees shall be counted as one man-day.

"(d) SPECIAL RULES.—

"(1) NEW BUSINESSES.—A taxpayer who had no employees during the base period, or who was not engaged in business during the full base period, shall determine the credit allowable to him under subsection (a) in accordance with regulations prescribed by the Secretary or his delegates.

"(2) MERGER CONSOLIDATIONS, ETC.—Whenever a taxpayer increases the total number of man-days worked by his employees during the taxable year by purchasing or otherwise acquiring the business operations of another taxpayer, he shall adjust his base period in accordance with regulations prescribed by the Secretary or his delegate in order to determine the credit allowable to him under subsection (a) for that and subsequent taxable years.

"(3) No credit shall be allowed under this section for any man-day worked by any employee unless such employee was paid for his work during such man-day at a rate not less than the minimum rate of pay then prescribed under section 6(a)(1) of the Fair Labor Standards Act.

"(e) REGULATIONS.—The Secretary or his delegate is authorized to prescribe such regulations as may be necessary to carry out the provisions of this section."

(b) The table of sections for such subpart is amended by striking out "Sec. 40. Overpayments of tax." and inserting in lieu thereof:

"SEC. 40. Expansion of employment.
"SEC. 41. Overpayments of tab."

(c) The amendments made by this section shall apply to taxable years beginning after December 31, 1971, and before December 31, 1972.

Mr. BROOKE. Mr. President, I rise today to join Senator JAVITS in introducing the Employment Incentive Act of 1971, which sets forth an employment tax credit proposal of enormous significance. Senator JAVITS and I have already joined together with other Republican colleagues in introducing Senate bills 2413 and 2414 which provide for the establishment of a Commission on Wages and Prices and a National Productivity Council to mitigate against the effects of inflation and bring about price stability.

The bill which we are introducing today is designed to provide a direct incentive for all employers to expand their work forces and, hence, productive capacity. This fiscal policy instrument could significantly stimulate employment and production, increase both labor income and profits, reduce the Federal deficit, and diminish inflationary pressures.

Faculty research at the University of California, Berkeley's School of Business Administration has dealt with the potential of an employment tax credit as an instrument for increasing employment and dampening inflationary pressures. The results of experiments using an econometric model suggest that the employment tax credit can have a significant impact.

Prof. B. F. Roberts, director of the California economic forecasting project at Berkeley, and his assistant, Richard N. Thunen, suggest in a policy working paper dated September 22, 1971, that if the employment tax credit were used as a supplement to the President's "new economic policy," by the fourth quarter of 1972 employment would increase by 1.9 million workers, GNP by $23.7 billion, wages by $24.3 billion and profits by $3.7 billion. In addition, the unemployment rate would have been reduced by 0.7 percent and the Federal deficit by $5.9 billion.

The proposed policy instrument is a tax credit granted to employers for net additions to employment. Under the proposal being advanced today, any employer whose employees work more total man-days in any year than in previous years, will be eligible for a tax credit in the amount of $4 per man-day, or approximately $1,000 per man-year.

As Senator JAVITS has pointed out, this proposal is a logical complement to the administration's proposal for restoration of the investment tax credit for capital facilities. The employment tax credit, however, would not depend on the acquisition of capital goods and would benefit all industries including those service industries which do not acquire capital goods.

It has been argued, and with some justification, that restoration of the investment tax credit may not have any significant impact on jobs in 1972. Last week, the New York Times reported that although the tax credit would be universally welcomed by business leaders, it probably would not have a major effect on capital spending plans for 1972. Most businesses, however, would reap substantial profits if it is applied to equipment which has already been ordered and to machinery that would have been ordered even if the tax credit had not been announced. While there were some exceptions to the general rule—most notably, the railroad industry. The New York Times' survey was significant. I ask that the complete text of this article be printed at the conclusion of my remarks.

While I support the basic proposition of an employment tax credit as outlined by Senator JAVITS, additional thought must be given to refining its provisions. Instead of limiting its effectiveness to a 2-year period as is true of the Javits bill and freezing the credit rate at $4 per man-day, greater flexibility might be included in such a proposal.

Thus, as has been suggested by the University of California study:

> The tax credit . . . [could] be calculated as a fraction of the wages paid to the employee during a specified period of time.

Additional incentives would thereby be provided to employ persons with technical background who might command higher salaries. In addition, as the Berkeley study recommends:

> Locational variations in the credit rate to preferentially promote employment in high unemployment areas could be obtained by calculating the credit rate as a function of the local unemployment rate.

To obtain maximum flexibility, the Secretary of Treasury or his designee—for example, the Commissioner of Internal Revenue—could obtain employment figures from the Bureau of Labor Statistics and thereafter announce tax credit rates applicable to various workers, various industries and various localities. The credit rate could be structured in such a manner that when unemployment rates were high, the employment tax credit could be pegged at a correspondingly high level. Conversely, as we approach full employment, the employment tax credit could approach zero.

The employment tax credit could thus be structured in such a manner as to in-

duce additional employment during periods of rising unemployment, while eliminating such inducements when labor is scarce. The advantages of such an automatic stabilizing system are clear.

The employment tax credit which Senator JAVITS and I are proposing is based on the presumption that employers will find the utilization of additional inputs of labor more profitable if the cost of these inputs is reduced; and that such fiscal stimuli should be applied during periods of high unemployment.

I have been extremely impressed with the initial conclusions of the Berkeley study. I ask unanimous consent that this policy working paper be printed in its entirety at the conclusion of my remarks. I am convinced that we must take bold measures to increase employment not only during this period of adjustment, but during similar periods which will undoubtedly recur. The employment tax credit offers an extremely effective tool which can be used to address to these pressing needs.

I urge President Nixon to give this proposal and the variations which I have discussed above his personal attention in formulating phase II policy recommendations.

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

[From the New York Times, Sept. 20, 1971]

TAX CREDIT SEEN AS A SPUR TO PROFITS, NOT JOBS; MINOR IMPACT ON SPENDING EXPECTED

(By Michael C. Jensen)

President Nixon's proposed tax credit of 10 per cent on business investments in new machinery and equipment appears more likely to increase corporate profits than to create additional jobs for unemployed workers next year.

And although the tax credit has been almost universally welcomed by business leaders, it probably will not have a major effect on capital spending plans for 1972, particularly during the first half of the year, according to a New York Times survey.

Most companies said they will replace machinery and equipment at about the same rate they had planned before last month's announcement of the proposed tax credit.

The program that was billed by President Nixon as one that will create more jobs for Americans may do precisely that in the long run.

EFFECT IS ASSESSED

But for the next six months to a year at least, its impact will be more strongly felt on corporate profit-and-loss statements, industrialists and economists asserted.

Few new jobs will be created quickly through plant expansion or in the industries supplying new machinery, the survey indicated. Most businesses, however, will reap extra profits if the tax credit is passed, because it applies to equipment already ordered and to machinery that would have been ordered even if the tax credit had not been announced.

It was generally agreed by those surveyed that the consumer holds the key to prosperity because of his accumulated savings. Also the general level of economic activity will be a more important factor in determining capital spending than the investment tax credit.

No businessmen were willing to go on record as opposing the credit, since it gives them a significant tax advantage for their machinery and equipment spending, whether or not such spending was planned before the announcement.

Most industries, however, said they would not substantially increase their level of capital spending. An exception was the railroad industry, which predicted a heavy influx of freight car orders if the tax credit is passed.

Many businesses, it was pointed out, have long lead times for their major capital projects, sometimes as long as five or six years. This reduces the short-term impact of a tax credit.

Economists generally agreed that the immediate impact would be slight. Albert H. Cox Jr., chief economist of Lionel D. Edie & Co., the economic forecasting arm of Merrill Lynch, Pierce, Fenner & Smith Inc., said capital spending will probably rise by about 8 per cent next year if the credit is allowed.

He explained, however, that the increase would probably be 6 per cent even if the tax credit were not passed by Congress and if new, liberalized depreciation guidelines were eliminated.

Mr. Cox noted that "a goodly part of capital spending for 1972 is already firmly in place," and said "remaining decisions, over the next six months at least, will depend to a very large extent on the tempo of incoming orders and production."

Martin R. Gainsbrugh, chief economist of the Conference Board, an organization of businessmen, agreed that the tax credit historically has had a stimulating effect, but with a six-month to nine-month time lag.

"Its impact won't be very great," he said. "It will be a minor rather than a major role, but is nevertheless a significant one."

Mr. Gainsbrugh was critical of the provision of the tax credit that restricts it to purchases of equipment made in the United States.

"Exclusions of that type can only lead to restraint of trade," he asserted. Furthermore, he said, for maximum effectiveness, a tax credit should be spread out over a protracted period. The President's proposed 10 per cent credit is for one year, with a 5 per cent credit thereafter.

Pierre A. Rinfet, president of Rinfret-Boston Associates Inc., a consulting company, predicted that the credit may be made retroactive to April 1 rather than Aug. 15 as proposed by Mr. Nixon. He also was optimistic about its impact on spending.

"My hunch is that it will make a difference next year," Mr. Rinfret said, noting that it usually takes three months after passage of such a tax credit for investment decisions to be made, and six months for the impact to be visible.

The tax credit, Mr. Rinfret pointed out, applies to machinery and equipment at the point it is placed in service, not when it is ordered or paid for.

NO SPEED-UP PLANNED

This means, he said, that the formula specifying a topheavy 10 per cent credit for one year is virtually meaningless, because most heavy machinery cannot be ordered and put into service within a year.

It seems likely, he observed, that a flat 7 per cent continuing credit will be adopted.

"The tax credit's initial impact will clearly be an improvement in the bottom line (of the profit statement)," he said, "but we should begin to see new orders moving forward by the second quarter of 1972."

Many businessmen asserted, however, that they had no intention of substantially speeding up their purchases of machinery and equipment next year.

A spokesman for American Metal Climax, Inc., a mining and manufacturing company, said the concern's capital spending next year probably will match this year's $170-million rate.

"The tax credit isn't going to make an awful lot of difference to us," he said. "On a one-year basis it's really meaningless in making decisions. We're in favor of it, though, because it will help business generally and stimulate demand for the things we produce."

An executive for one of the country's large steel producers said it was doubtful whether any capital spending programs in his company would be accelerated by the tax credit.

He pointed out that the industry has just finished a major round of capital improvement and is currently operating at only about 50 per cent of capacity.

A generally cautious attitude was found in the chemical industry. A spokesman for E. I. du Pont de Nemours & Co., Inc., said it would be difficult to pinpoint any short-term effect of the tax credit on du Pont's capital investment program.

NEEDS ARE CONSIDERED

The company makes decisions based on the needs of the business, he said, rather than on tax advantages. He noted, however, that over the long term, the credit will provide more funds for investment and could have a stimulating impact on future construction spending.

Gordon Grand, president and chief executive officer of the Olin Corporation, a chemical and metal producer, said that the investment tax credit would have little or no short-term effect, since the company's capital spending is scheduled on a long-range basis.

"However," the executive said, "to the extent that the credit would make additional cash available for capital projects, it would tend to speed up spending on those projects that were being deferred until more funds were available. The question often is not whether to go ahead with a certain project but when, and the tax credit might reduce the waiting time."

The impact of the tax credit in the chemical industry may be diminished, one observer said, by the amount of excess plant capacity, currently about 25 per cent. Surges in capital spending normally occur only when production reaches about 90 per cent of capacity, he asserted.

SOME CRITICISM VOICED

In other heavy industries, similar comments were voiced, as well as specific criticisms of the proposed credit. The controller of a major glass producer, who asked not to be identified, said he would like to see the Government be more consistent on the percentage of the credit.

Changes in either direction, he said, made corporate investment planning very difficult. President Nixon recently indicated he would accept a 7 per cent tax credit if he could not get a 10 per cent credit through Congress.

In the airline industry, the official position was spelled out by Stuart G. Tipton, president of the Air Transport Association.

He said restoration of the investment credit "would be one of the most important steps that could be taken to ease the financial distress within the airline industry."

However, Donald Lloyd-Jones, executive vice president for finance of American Airlines, said he doubted whether a restoration of tax credit would have much effect initially, because the airlines have most of their equipment purchases in place for the next few years.

RISE IN ORDERS UNLIKELY

"Because of a certain amount of overcapacity," he said, "it is doubtful that orders will be increased by the domestic carriers for some time."

Mr. Lloyd-Jones explained that the airlines have been unable to take full advantage of accumulated investment credits in recent years because their earnings "have been so low."

One exception to the generally reserved outlook for increased capital spending was the railroad industry. Frank E. Barnett, chairman of the Union Pacific Railroad, predicted a "great influx" of orders for new railroad equipment if the investment credit is restored.

He recalled that in 1966, when a 7 per cent

tax credit was in force, the railroads ordered 112,898 new freight cars, whereas last year their new orders fell to 58,201.

Mr. Barnett emphasized that the investment credit was critically important to the railroad car and equipment builders. "I hope to God they don't mess with it too long," he said.

INQUIRY ON ORDERS

Mr. Barnett's prediction was borne out by Samuel B. Casey, Jr., president of Pullman, Inc., the world's largest freight car builder. He said that within 72 hours of the President's speech, his company had received inquiries regarding possible purchases of about 10,000 cars, representing an investment of $150-million to $200-million.

"This is the same kind of exercise these railroads went through in 1961 and again in 1966 so they could be assured of delivery of cars in the event the credit was granted," he said.

A spokesman for the Norfolk & Western Railway, said the investment tax credit deliberations would be a "significant factor" in his railroad's consideration of its 1972 capital budget. In 1971 the N. & W. is spending $103.2-million on upgrading and improving its plant and equipment.

Representatives of leading paper companies said the investment tax credit was not likely to have much impact on their capital spending plans. The key reason, they said, was the current level of sluggish demand in the industry, a situation that has created considerable amounts of spare productive capacity.

Paul A. Gorman, president and chairman of the International Paper Company, the largest in the industry, offered this comment:

POLICIES SUPPORTED

"While the International Paper Company solidly supports the Administration's economic policies, the capacity situation in the paper industry is such that investment tax credit proposals are not likely to have an immediate influence on our capital spending plans."

Peter J. McLaughlin, a vice president of the Union Camp Corporation, Wayne, N.J., said it was "difficult to gauge the impact of the investment tax credit until its exact terms were known."

"A 7 per cent or 10 per cent credit by itself," he said, "should not be enough to sway a decision on equipment that's going to be used for 20 years."

A more important factor, Mr. McLaughlin explained, is the rate of return on investment. "Right now, returns in the paper business are so low that we are not planning any major expansion of capacity," he said.

"A more logical avenue" for paper companies, Mr. McLaughlin said, would be expenditures for relatively minor types of equipment that can help to reduce costs and improve the efficiency of existing larger equipment.

ACCELERATION OF PROJECTS

J. W. McSwiney, president of the Mead Corporation, Dayton, Ohio, said the company's capital spending plans would not be "much different" because of the investment tax credit but said some projects might be accelerated from 1973 into 1972.

Mr. McSwiney said the credit would be "a welcome help to cash flow and a good incentive for the future."

In the same vein, Mr. McLaughlin of Union Camp said that the investment tax credit would "help profits" and also be a "significant" contributor to cash flow.

He noted that Union Camp's earnings in 1970 and early 1971 were enhanced substantially by the completion of projects that began under the earlier investment tax credit program.

Some businessmen were wary of the tax credit. For example, L. Allan Schafler, president of Elgin National Industries, Inc., which imports and assembles watches and other consumer products, said the uncertainties about the timing of the credit have created confusion.

Some industries that are not capital intensive, like the pharmaceutical industry, said they did not oppose the tax credit, but did not find it particularly helpful either.

A spokesman for the Warner-Lambert Company said: "We believe the investment tax credit will be helpful to business in general and to Warner-Lambert. But since we are not a capital intensive industry, we won't be making 'go-or-no-go' decisions on plant expansion based on the proposed regulations."

"Our capital investment program in 1971 will again be in the area of $80-million, and therefore the proposed regulation should have a favorable effect."

A Pfizer, Inc., spokesman added that there had been no decisions on capital spending that were induced by the President's proposals.

The textile industry, like others, welcomed the investment tax credit as a significant earnings development.

James D. Finley, chairman of J. P. Stevens & Co., Inc., said:

"The investment credit proposed by President Nixon could be very significant to the United States textile industry. The industry is losing jobs because of imports, and I believe the investment credit will do some good toward rectifying this situation."

PLANS HELD UNCHANGED

James Robison, chairman of Indian Head, Inc., said: "The tax credit is very welcome but it does not change any of our plans. We lay out our capital expenditures program on a three-year model plan—and any single type of credit is not enough to make a margin investment viable. We have been investing $17 or $18-million a year steadily over the last few years—and it doesn't change much when business gets bad. Of course, we do take advantage of special situations as they arise, but that has nothing to do with a tax credit."

Ely Callaway Jr., president of Burlington Industries said his company's investment plans are based on the needs of the market and are not particularly influenced by tax credits. In the case of Burlington, he said, it has been subject to a disadvantage by the fact that large investments for knitting machinery made in Europe constitute a large part of the company's capital improvement, and there is no tax credit on foreign machinery.

Capital spending in the auto industry is expected to rise in 1972 spurred by both the incentives of the President's new economic policy and the sweeteners offered to car buyers by the elimination of the excise tax on purchases, observers said.

The elimination of the excise tax should increase the number of cars sold, putting pressure on existing plants and equipment while the capital spending portion of the program will encourage equipment purchases in 1972 rather than 1973.

The lower labor costs of foreign car manufacturers will make plant automation more attractive, with a likely increased commitment to this form of capital spending.

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## EMPLOYMENT TAX CREDIT: PROPOSAL FOR STABILIZATION POLICY [1]

(By B. F. Roberts and Richard N. Thunen, University of California, Berkeley, September 22, 1971)

This paper suggests a fiscal policy instrument—employment tax credit—which in the current economic situation could significantly stimulate employment and production, increase both labor income and profits, reduce the federal deficit, and diminish inflationary pressures.

It is estimated that a modest application of this instrument as a supplement to the President's new economic program could, by fourth quarter 1972, increase employment by 1.9 million workers, GNP by $23.7 billion, real GNP by $17.0 billion, wages by $24.3 billion, and profits by $3.7 billion; and reduce the unemployment rate by .7 percent, and the federal deficit by $5.9 billion, more than can be obtained by the President's program alone. Also, it is expected that implementation of the employment tax credit will improve the unemployment-inflation tradeoff and permit the phasing out of wage-price controls as early as 1972. In addition, this fiscal instrument can easily be structured as an automatic stabilizer which once implemented will not need adjustment, and can be administered by the Internal Revenue Service in cooperation with the Bureau of Labor Statistics without additional bureaucracy.

The proposed policy instrument is a tax credit granted to employers for net additions to employment. The tax credit associated with each net new employee would be calculated as a fraction of the wages paid to the employee during a specified period of time.[2] The magnitude of the credit fraction, or credit rate, granted the employer can be structured to depend progressively upon the unemployment rate, such that when the unemployment rate is high, the credit would be relatively large, but when the unemployment rate is low (at a level reflecting only transitional or frictional unemployment and generally regarded for practical purposes as "full employment"), the credit rate would go to zero. The employment tax credit would thus provide a progressive inducement, through labor cost reduction, to hire additional employees when labor markets are slack but would eliminate the inducement when labor markets are tight to avoid upward pressure on wage rates.[3] Structured this way, the employment tax credit has the character of an automatic stabilizer.

The presumption that the employment tax credit will induce additional employment rests on the plausible notion that entrepreneurs will find the utilization of additional factor inputs more profitable if the cost of additional input units is reduced. This notion has been the basis for numerous incentive schemes to promote local industry.[4] It is also the basis for belief in the effectiveness of the investment tax credit toward promoting expenditures for capital goods.[5]

While the employment tax credit shares the same conceptual foundation as the investment tax credit, and is in some ways symmetric with it, there are important distinctions relevant to the design of economic policy. The employment tax credit is tied to a primary factor of production (labor), provides a direct inducement to increase the productive employment of labor and thus increase the aggregate supply of goods and services and, subsequently, by increasing total wage income, stimulates demand. The investment tax credit is tied to a produced factor of production (capital), provides a direct inducement to order new capital stock and thus increase aggregate demand, and subsequently stimulates increased production of capital goods and the employment of labor.

The alternative channels of supply-demand versus demand-supply, through which the

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Footnotes at end of article.

two instruments are routed, are of crucial importance for designing stabilization policies under the current circumstances of high unemployment and strong inflationary pressures (price rises are being confined by the freeze but inflationary pressures persist). The conventional monetary and fiscal instruments, including the investment tax credit, operate through the demand-supply channel and are currently thought to face an unfavorable trade-off between attainable unemployment and inflation.[6] By supplementing the conventional instruments by others, such as the employment tax credit, which operate through the supply-demand channel, the terms of the apparent unemployment-inflation trade-off might be substantially improved.[7] A crucial effect expected from the employment tax credit is an expansion of the aggregate supply of goods and services relatively faster than aggregate demand, thus shifting the unemployment-inflation trade-off.

Whether the employment tax credit will actually work is, of course, an empirical matter that can be verified only if implemented. Reasoned estimates of the effects can, however, be derived from simulation experiments with econometric models. The numerical results of two such experiments, using the California Economic Forecasting Project national econometric model, are reported here.[8] The two cases reported are:

Case I—President's New Economic Program.

The principal assumptions of this simulation are: the President's program of August 14 is enacted, wage-price control will be implemented after the freeze to restrict inflation to three percent annual rate, the import surcharge is converted to a five percent revaluation of the dollar, and monetary expansion is gradually slowed to seven percent annual rate.

Case II—President's New Economic Program Plus Employment Tax Credit.

The principal assumptions of this simulation are identical with those of Case I plus a modest application of the employment tax credit. The credit rates and dollar amounts of the credits for this simulation are:

| Quarters | 1971 IV | 1972 I | 1972 II | 1972 III | 1972 IV | 1973 I | 1973 II |
|---|---|---|---|---|---|---|---|
| Credit rate (percent) | 26.0 | 23.8 | 20.0 | 16.6 | 12.2 | 8.2 | 5.0 |
| Credit (billions) | $2.1 | $4.0 | $5.5 | $6.6 | $5.2 | $3.7 | $2.5 |

The credit rates shown here have been calculated as an increasing function of the unemployment rate of the preceding quarter. This formulation permits the credit rate which will apply for any specific period to be calculated and announced at the beginning of that period. These credit rates represent the percent of wages paid to net new employees (at wage rate prevailing when hired) for a period of one year. Employers must maintain or increase the level of their employment for a one year period in order to receive full credit. Numerous other formulas, giving various degrees of employment incentive, are possible.

The simulation results of Cases I and II for selected variables are summarized in the following tables:

| Quarters | 1971 III | 1971 IV | 1972 I | 1972 II | 1972 III | 1972 IV | 1973 I | 1973 II |
|---|---|---|---|---|---|---|---|---|
| Total civilian employment (millions of dollars, seasonally adjusted): | | | | | | | | |
| Case I | 78.9 | 79.3 | 79.8 | 80.5 | 81.2 | 82.0 | 82.8 | 83.7 |
| Case II | 78.9 | 79.9 | 80.9 | 81.9 | 82.9 | 83.9 | 84.9 | 85.9 |
| Unemployment rate (percent, seasonally adjusted): | | | | | | | | |
| Case I | 6.1 | 6.0 | 5.8 | 5.7 | 5.5 | 5.3 | 5.1 | 5.0 |
| Case II | 6.1 | 5.9 | 5.6 | 5.3 | 4.9 | 4.6 | 4.4 | 4.2 |
| GNP (billions of dollars, seasonally adjusted annual rate): | | | | | | | | |
| Case I | 1,056.3 | 1,079.7 | 1,106.1 | 1,131.0 | 1,155.8 | 1,180.6 | 1,205.5 | 1,230.5 |
| Case II | 1,056.3 | 1,085.5 | 1,117.7 | 1,147.7 | 1,176.7 | 1,204.3 | 1,230.9 | 1,256.4 |
| Real GNP (billions of dollars, seasonally adjusted annual rate): | | | | | | | | |
| Case I | 742.3 | 754.7 | 768.1, | 780.2 | 792.3 | 804.1 | 815.9 | 827.6 |
| Case II | 742.3 | 759.1 | 776.7 | 792.6 | 807.5 | 821.1 | 833.8 | 845.7 |
| Wages and salaries (billions of dollars, seasonally adjusted annual rate): | | | | | | | | |
| Case I | 580.7 | 587.0 | 597.6 | 608.3 | 622.0 | 635.2 | 648.6 | 662.1 |
| Case II | 580.7 | 592.3 | 609.5 | 625.4 | 643.5 | 659.5 | 673.9 | 687.5 |

| Quarters | 1971 III | 1971 IV | 1972 I | 1972 II | 1972 III | 1972 IV | 1973 I | 1973 II |
|---|---|---|---|---|---|---|---|---|
| Corporate profits and inventory valuation adjustment (billions of dollars, seasonally adjusted annual rate): | | | | | | | | |
| Case I | 77.0 | 82.7 | 87.5 | 91.6 | 94.4 | 97.4 | 100.4 | 103.4 |
| Case II | 77.0 | 84.3 | 90.0 | 95.1 | 98.6 | 101.1 | 103.8 | 106.3 |
| Change in business inventories (billions of dollars, seasonally adjusted annual rate): | | | | | | | | |
| Case I | 1.1 | 5.2 | 8.5 | 10.2 | 11.4 | 11.7 | 11.7 | 11.4 |
| Case II | 1.1 | 7.5 | 11.8 | 13.6 | 14.4 | 13.9 | 13.1 | 12.1 |
| Federal deficit (billions of dollars, seasonally adjusted annual rate): | | | | | | | | |
| Case I | 22.3 | 24.2 | 29.5 | 27.6 | 26.1 | 21.2 | 18.5 | 14.6 |
| Case II | 22.3 | 24.9 | 29.2 | 25.8 | 23.0 | 15.3 | 10.3 | 5.1 |

The simulation results for Case I, the President's program, represent a moderately optimistic view. Some forecasters are suggesting greater optimism based largely on greater consumer and investor enthusiasm than is suggested here. Regardless which view of the President's program is used, the employment tax credit supplements that program and the relative improvement represented by Case II is of the greatest importance for estimating the impact of the employment tax credit.

The Case II results show an immediate response to the fourth quarter 1971 introduction of the employment tax credit. Employment, output, inventories, wages, and profits all show substantial gains. With the pace of activity increased, the federal deficit is gradually decreased suggesting that the employment tax credit more than pays its way.

The employment tax credit rates used for the Case II simulation may actually be higher than required to induce these levels of hiring. The model's response to the credit was intentionally dampened to minimize the possibilities of overstatement in favor of the tax instrument. Even if the initial rate is higher than necessary, the automatic stabilization feature of the proposal would make the system self correcting during subsequent periods and there would be little if any federal revenue loss due to initial high rate.

The assumption of wage-price control has been maintained for both simulations. All indications to date are that phase II of the President's program will include some form of wage-price controls so this assumption is probably realistic. However, it is interesting to question whether controls are actually necessary to contain inflation. The reasoning developed above suggests that the employment tax credit could be an inflation dampening force. To investigate this, simulations of Cases I and II with price controls removed mid-year 1972 have been run. For Case I (the President's program) the simulation suggested that the economy tends toward a stable situation characterized by a 5 percent unemployment rate and a 3.3 percent annual inflation rate, in terms of the consumer price index. For Case II (Case I plus employment tax credit) the economy tends toward a stable situation characterized by a 4.2 percent unemployment rate and a 3.7 percent annual inflation rate. Case II has a substantially lower unemployment rate but a higher inflation rate but this combination seems to represent a favorable shift in the unemployment-inflation trade-off.[9]

The tentative nature of the estimates in this paper should be recognized and their use in contemplating policy implications should be tempered with caution. They are estimates obtained through experiments with a specific econometric model and our judgments. Our work is continuing and we hope that the issuing of these estimates, while the nation is searching for effective new economic programs, will prompt other investigators to conduct independent experiments with the employment tax credit to evaluate probable impact.

FOOTNOTES

[1] This revises and extends an earlier draft given limited circulation dated April 26, 1971.

[2] The employment tax credit is similar to the negative wage bill tax discussed by Ragnar Frisch, *Price-Wage-Tax-Subsidy Policies as Instruments in Maintaining Optimal Employment*, Economic and Employment Commission, Economic and Social Council, United Nations, April 14, 1949.

[3] Locational variations in the credit rate to preferentially promote employment in high unemployment areas could be obtained by calculating the credit rate as a function of the local unemployment rate.

[4] See John E. Moes, *Local Subsidies for Industry*, University of North Carolina Press, 1962, and Harry Richardson, *Regional Economics, Praeger*, 1969, for discussions of local incentives to industry.

[5] See Robert E. Hall and Dale W. Jorgenson, "Tax Policy and Investment Behavior," *American Economic Review*, June 1967, and subsequent related communications by Robert M. Coen; Robert Eisner; and Robert E. Hall and Dale W. Jorgenson, *American Economic Review*, June 1969, for detailed examination of the investment tax credit.

[6] It is widely believed that low unemployment and stable prices are competing objectives and that the unemployment-inflation trade-off is such that high inflation must be accepted to maintain relatively full employment or, high unemployment must be accepted to maintain stable prices. This topic has received considerable recent discussion. See for example: *Economic Report of the President 1971*, Government Printing Office; Milton Friedman, "The Role of Monetary Policy," *American Economic Review*, March

1968; Arthur M. Okun, *The Political Economy of Prosperity*, Norton, 1969; George L. Perry, "Changing Labor Markets and Inflation," *Brookings Papers on Economic Activity 3*, 1970; Robert J. Gordon, "Inflation in Recession and Recovery," *Brookings Papers on Economic Activity 1*, 1971.

[7] A reminder of this possibility was given by Professor Stefan Robock in the *Wall Street Journal*, May 18, 1970:

"Strategy should shift to one of increasing supply rather than reducing demand. Inflation is most frequently described as an excess of demand over the supply of goods and services. But it is equally valid to consider inflation as a shortage of supply in relation to demand. In other words, inflationary pressures can be reduced by expanding supply faster than demand."

[8] A technical description of the CEFP national econometric model is in preparation.

[9] Estimated unemployment-inflation trade-off curves for the U.S. economy have been constructed by Robert J. Gordon, "Inflation in Recession and Recovery," *Brookings Papers on Economic Activity 1*, 1971. The unemployment-inflation combination of 5 percent, 3.3 percent, respectively, of the President's program is compatible with these trade-off curves. The combination 4.2 percent, 3.7 percent of the President's program supplemented by the employment tax credit falls below Gordon's trade-off curves.

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

S. 2633. A bill to authorize an appropriation for a bridge on a Federal dam. Referred to the Committee on Public Works.

Mr. BAKER. Mr. President, I send to the desk a bill and ask that it be appropriately referred which would provide authority for the construction of an additional two lanes on the bridge across the Tennessee River at the Chickamauga Dam, which is located across the Tennessee River in Hamilton County, Tenn., approximately 4 miles north of the central business district of Chattanooga.

At the time this dam was being designed by the engineers of the Tennessee Valley Authority, the Tennessee Department of Highways in cooperation with the U.S. Bureau of Public Roads—now the Federal Highway Administration—conducted a feasibility study to determine the desirability for utilizing the dam as a traffic carrying structure, to provide an additional highway facility across the Tennessee River in the vicinity of Chattanooga, and to relieve the then two existing bridges in downtown Chattanooga.

The above-mentioned study pointed out that a bridge across this dam would afford great savings in time and travel distance for both local and through traffic on the highways of this area. An origin and destination survey was conducted from May 5 to 16, 1947, to determine the traffic desire lines and to aid in projecting the volume of vehicles that could be expected to use this facility. From this survey and the statewide and local trends in traffic increases at that time, the study estimated that 3,914 vehicles a day could be expected to use the bridge in 1950. The 20-year projection to 1970 was for 5,714 vehicles per day.

The Chickamauga Dam is designed to accommodate a four-lane bridge with 52 feet between the curbs. The traffic estimates mentioned above indicated that a two-lane bridge with 30-foot roadway would prove adequate for quite a number of years; and therefore, only two lanes were included in the initial construction. The bridge across the dam was completed and opened to traffic in 1953 and since that time the traffic using this bridge has exceeded all expectations. The present traffic now using this bridge is in excess of 23,000 vehicles per day and on weekends the traffic volumes frequently exceed more than 27,000 vehicles, which is far beyond the practical capacity of this two-lane bridge; and of course, traffic volumes are expected to increase and to place an even greater demand on this facility.

It is apparent from the intolerable traffic congestion now being experienced at this bridge that it is one of the most serious traffic problems now facing the State of Tennessee.

The Tennessee State Department of Highways has conducted an extensive engineering investigation and economic analysis of the project from which they derive a benefit cost ratio for this project in the range of 2½ to 1.

Much of the increased traffic load across this dam is due to the construction of interstate routes in the Chattanooga vicinity for which this road serves as a connector. It is my belief that construction of this facility would increase the efficiency of use of these interstate highways as well as enhancing safety. This project has been carefully and objectively considered and would make an excellent addition to the highway system of the southeastern region.

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By Mr. ANDERSON:

S. 2634. A bill to authorize the Secretary of Agriculture to exchange certain National Forest lands within the Carson and Santa Fe National Forests in the State of New Mexico for certain private lands within the Piedra Lumbre Grant, in the State of New Mexico, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. ANDERSON. Mr. President, I am today introducing legislation which would enable the Forest Service to obtain, through a land exchange, a very valuable and useful museum in New Mexico which features exhibits dealing with forestry and nature conservancy. This proposal meets with the approval of the Forest Service, the owners of the museum, and other interested parties, and would most assuredly be in the best interest of the public.

The Ghost Ranch Museum, well known throughout the southwestern region, is located on U.S. 84 near the Carson National Forest in northern New Mexico. It is very effective in depicting man's place within the natural scheme of things, and pointedly illustrates—with graphic examples—how man must accommodate himself to the natural order if the life cycle is to be maintained, and indeed if man is to survive. The lesson is much more effective because of the beautiful natural setting of the museum, in an area of grassland mountains and timber and because part of the exhibits are not in the building at all but are a part of that natural setting.

The museum was financed by the Charles Lathrop Pack Forestry Foundation and is now operated by the Board of Christian Education of the United Presbyterian Church, which also operates a nearby retreat used by religious, educational, and other organizations. The appraised value of the museum and its improvements has been estimated at slightly more than $100,000.

The Board of Christian Education now wishes to turn over the museum to the Forest Service for use as a visitor information center. Such usage would be very compatible with the needs of the Forest Service because most of north-central New Mexico, an area larger than some States, is made up of national forests. In turn, the Board of Christian Education wishes to obtain several tracts of national forest land in the region which, for the most part, are occupied by economically poor small farmers and ranchers. The Forest Service finds this proposed exchange agreeable not only because it wishes to acquire the museum but because the land exchange would ease the administration of the tracts in the Sante Fe and Carson National Forests.

It should be added that the Board of Christian Education added additional acreage to its share of the exchange when it was found that the museum and immediate acreage did not amount to the value of the Forest Service lands. The values are now very nearly equal on each side.

Mr. President, I think this legislation is in the public interest, and I hope it will receive speedy approval.

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By Mr. PROXMIRE:

S. 2635. A bill to amend title II of the Interstate Commerce Act in order to exempt from certain provisions of such title motor vehicles used in carrying processed milk products. Referred to the Committee on Commerce.

MILK PRODUCTS AND THE INTERSTATE COMMERCE ACT

Mr. PROXMIRE. Mr. President, today I am introducing legislation to amend the Interstate Commerce Act so as to clarify the impact the act has on processed milk products carried by motor vehicles engaged in interstate commerce.

At the present time motor vehicles carrying ordinary livestock, fish, and agricultural commodities are exempted from the act by section 203(b)(6) of the act. This is one of a series of exemptions, including schoolbuses and taxicabs, that make it possible for certain activities to be carried out without the necessity of following time-consuming and costly procedures for the filing of tariff schedules, and so forth required by the act. This often results in cheaper and more convenient transportation.

Because this particular exemption is primarily intended to help the farmer get his products to market inexpensively and quickly, to the ultimate benefit of the consumer, the exemption expressly excludes manufactured products made from agricultural commodities. As a result of this exclusion certain farm commodities have been the subject of a series of confusing and often difficult to understand rulings as to whether they are ex-

empt. Perhaps dairy products are the best example.

Buttermilk is exempt from the act. Butter is not. Powdered milk is exempt from the act. Condensed milk is not. Pasteurized and homogenized milk are exempt from the act, but not chocolate milk.

My proposal will simply insure that all processed milk products are exempt from the Interstate Commerce Act. This will erase a number of inequities. Milk products shipped from the same cooperative processor will be governed by the same standards whether they be in the form of buttermilk or chocolate milk, powdered milk or condensed milk.

This sort of exemption is particularly appropriate because of the structure of the milk industry. Processed milk products are usually produced by dairy cooperatives that represent the farmers themselves and are acting on behalf of these farmers.

Mr. President, I hope that my proposal will receive early and careful attention. It should clarify a confused situation and insure the even-handed application of the law.

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By Mr. HARTKE:

S. 2636. A bill to amend the Federal Hazardous Substances Act, to provide for a special study of household detergents and to provide for the labeling of those household detergents found to be hazardous, and for other purposes. Referred to the Committee on Commerce.

NONPHOSPHATE DETERGENTS

Mr. HARTKE. Mr. President, today I am introducing legislation designed to make clear the legislative mandate of this Congress that dangerous products, such as household detergents, should be labeled as such.

Within the past 2 weeks, housewives have been subjected to statements from Government officials which are confusing and perplexing. In recent years, much publicity has been given to the fact that the phosphates which are contained in household detergents and other products are harmful to our environment. Most sewage treatment facilities in use today do not filter out phosphates. As a result, phosphates are transferred from the household drain to nearby lakes and rivers. These phosphates, in turn, pollute the waters of our Nation and result in the destruction of both plant and animal life in those waters.

In an effort to reduce the seepage of phosphates into lakes, streams and rivers, many housewives have resorted to using nonphosphate detergents. Unfortunately, at least some of these nonphosphate products contain caustic sodas which can be harmful to the eyes, nose, and throat. In addition, just as all other detergents, they pose an acute hazard to health if swallowed.

All of these facts, of course, are not new. They have been the subject of extensive discussion in the press and in Congress. What is new, however, is the recent Government advice to housewives to return to the use of phosphate detergents in light of the health hazards of many of the nonphosphate detergents. I consider this announcement to be one of the most ecologically irresponsible decisions of the Nixon administration.

Certainly the Government should alert housewives to dangers posed by any and all household products. But there is a proper and reasonable method of issuing such a warning. The Hazardous Substances Act already provides the Secretary of the Department of Health, Education, and Welfare with the authority to determine if any household detergents are hazardous substances within the meaning of the act. If any detergents can be so classified, the Secretary is further empowered to establish labeling requirements.

Despite this legislative authority, no effort has been made to ban any detergents from the market because of their hazard to human health; nor has any apparent effort been made to determine whether any detergents are hazardous substances within the meaning of the Federal statute. The announcement by Government officials was an ill-conceived response to the problem. It would have made far more sense for the administration to have used its statutory authority as the basis of a rational response.

The administration's announcement also serves to undercut the courageous efforts of those states, including my own State of Indiana, to ban the sale of phosphate detergents. They acted in an effort to protect the ecology of their waters. Now, they are being told that their efforts were in vain; that they must be outweighed by the hazards which nonphosphate detergents pose to human health.

I do not find this argument convincing. In the first place, there has been no evidence that nonphosphate detergents currently on the market pose so acute a hazard to human health that they should not be used. If the Government possesses such information, it should act promptly to ban the sale of these detergents. The fact that they have not acted in this manner indicates that they have no such evidence.

Second, in light of the fact that phosphate detergents pose a threat to the Nation's waters, and at least some nonphosphate detergents pose a potential threat to human health, the Government should have acted to make this information available through such statutory devices as the Hazardous Substances Act.

Third, the Government's announcement fails to take into account the imminent development of nonphosphate, biodegradable detergents which will also be substantially nontoxic. It is my understanding that, if such products are not on the market today, they will be there very soon.

Fourth, the Government's announcement bases the solution of the phosphate problem in the construction of newer, more effective sewage treatment facilities. Unfortunately, this position fails to take into account the snail's pace at which local and State governments have moved within the past decade to construct such facilities.

In light of these facts, I am introducing legislation today which has three specific objectives.

First, it directs the Secretary of Health, Education, and Welfare to conduct a special study to determine if any household detergents are hazardous substances within the meaning of the Hazardous Substances Act, or if they are otherwise a threat to the public health and welfare.

Second, it directs the Secretary to establish labeling requirements for use in connection with any detergent found to be a hazardous substance.

Third, it authorizes the Secretary to enter into contracts for the development of a "child proof" container for detergents. This provision will help to neutralize the potential hazards of detergents containing caustic sodas as well as the potential hazards of other detergents which have long been on the market.

Mr. President, this legislation embodies the type of response which I believe the Government should have made to the phosphate detergent dilemma. It is both reasonable and effective. If this legislation is enacted into law, it will help to end the confusion now confronting the housewife.

I ask unanimous consent that the text of my bill be printed in the RECORD at the conclusion of my remarks.

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

S. 2636

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Federal Hazardous Substances Act (74 Stat. 372) is amended by redesignating section 19 as section 20 and inserting immediately after section 18 the following new section:

"DETERGENTS

"SEC. 19. (a) The Secretary is authorized and directed to conduct a special study to determine if any household detergents are a hazardous substance within the meaning of this Act, or are otherwise a threat to the public health and welfare.

"(b) The Secretary shall establish labeling requirements pursuant to this Act for use in connection with any detergent found to be a hazardous substance under subsection (a).

"(c)(1) The Secretary is authorized and directed to enter into contracts with public or nonprofit private entities for development of a 'child proof' container for detergents.

"(2) For the purpose of making payments pursuant to contracts made under this subsection there are authorized to be appropriated $100,000."

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By Mr. BEALL:

S. 2637. A bill to extend to volunteer fire companies and volunteer ambulance and rescue companies the rate of postage on second-class and third-class bulk mailings applicable to certain nonprofit organizations. Referred to the Committee on Post Office and Civil Service.

Mr. BEALL. Mr. President, I rise to introduce a bill to extend to volunteer fire companies and volunteer ambulance and rescue companies the rates of postage on second-class and third-class bulk mailings applicable to certain nonprofit organizations.

I have always admired the unselfish work of the volunteer fire companies, and have felt that Congress must do everything possible to assist them in their indispensable duty.

In the 91st Congress, I was proud to be a cosponsor of House Joint Resolu-

tion 1154, authorizing the President to proclaim "National Volunteer Fireman's Week" and was indeed pleased when this measure was signed into law.

Also, in the "Education Amendments of 1971," which passed the Senate prior to the recent recess, I helped add in committee an amendment to the proposal introduced by my colleague, Senator BOGGS of Delaware, making volunteer firemen eligible for training under vocational education programs. Under present law, training programs are not considered to be vocational education programs unless such lead to "gainful employment." Volunteer firemen do not serve for pay and therefore they are not considered "gainfully employed." Thus, their training was not considered fundable vocational education programs. This important amendment should generally aid the training of volunteer firemen.

Now we must focus our attention on another pressing problem. The measure I advance today deals with the problem often common to volunteer fire companies that of adequate finances. This bill will ease volunteer fire companies from a financial burden that threatens to impair their levels of effectiveness.

Mr. President, let me point out that the members of these fire companies and rescue and ambulance squads are indeed volunteers—men sacrificing their time, often at the risk of their own health and lives, to serve their communities. They ask for no material rewards, seeking instead the inner satisfaction that comes with helping their fellow man.

These organizations receive little or no help from Government. Thus, the costs for purchases and maintenance of modern equipment must be raised often through direct mail campaigns, as the companies seek help from the people they serve so well.

These companies undoubtedly need every penny they raise. Ironically, however, all too much of the contributions garnered from these citizens is swallowed up in the commercial postage rates these public-service groups are forced to pay under present law. Hence, the money which was given by concerned citizens for the the newest equipment to fight the disasters of fire and the anguish of personal injury is instead diverted to meet the rising costs of regular second and third class postage. This, Mr. President, is an unnecessarily high overhead that must be reduced.

Volunteer firemen have continuously shown a sincere dedication to the job of protecting persons and physical property. It is incumbent on the Congress to do all it can to aid their missions of mercy. This bill is a big step in that direction.

## ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 2097

At the request of Mr. PERCY, the Senator from Kansas (Mr. PEARSON) was added as a cosponsor of S. 2097, to establish a Special Action Office for Drug Abuse Prevention in the Executive Office of the President for the purpose of concentrating the resources of the Nation against drug abuse.

S. 2593

At the request of Mr. HUMPHREY, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 2593, the Universal Child Nutrition and Nutrition Education Act of 1971.

SENATE RESOLUTION 157

At the request of Mr. TALMADGE, the Senator from South Dakota (Mr. MCGOVERN), and the Senator from California (Mr. CRANSTON) were added as cosponsors of Senate Resolution 157, to recognize the 50th anniversary of the Disabled American Veterans.

## SENATE CONCURRENT RESOLUTION 43—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO DOLLAR PARITY

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

Mr. JAVITS. Mr. President, I now allude directly to the presentation made this morning by the distinguished Senator from Utah (Mr. BENNETT). The Secretary of the Treasury made what is very widely considered to be a much more precise definition of what the President proposes to the other major trading nations of the world in order to bring about an alleviation of the difficulties in our own balance of payments and to realine the relationship of the dollar to other currencies.

The Secretary of the Treasury for the first time, and I have been urging it constantly, gave clear notice that the United States is ready and willing to negotiate, and gave some indication that the negotiations would not require an absolute and complete and immediate realization of the three objectives of the United States, to wit, a redressing of the balance of payments, the establishment of a new international monetary system, and a means for getting over the worst effects of the major barrier to trade and more equitably sharing the burden of the defense security and the deployment of U.S. troops, especially in Europe, but in other parts of the world. He indicated the United States is ready to make a short-term arrangement for taking off the import surcharge.

The danger of keeping the tax surcharge on for an unduly long period of time, much as I approved its being put on as a necessary bargaining device, is the fact that it will become imbedded into our economic situation so that even the President cannot remove it, and could, over time, engender retaliatory trade wars all over the world, which could plunge the world into a depression, in view of the fact that there is no stopping that kind of declaration, in terms of economic activities, once it starts.

So I welcome this statement by the Secretary of the Treasury, and ask unanimous consent that the speech which he made on yesterday, before the delegates and governors of the World Bank and International Monetary Fund on the part of the United States, be made a part of my remarks.

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

STATEMENT BY THE HONORABLE JOHN B. CONNALLY, SECRETARY OF THE TREASURY AND GOVERNOR OF THE BANK AND FUND FOR THE UNITED STATES, AT THE JOINT ANNUAL DISCUSSION

After a remarkable quarter century of stability and development, nurtured by close collaboration within the International Monetary Fund and the World Bank, events have challenged the underlying premises and functioning of the system devised at Bretton Woods. Some of those basic premises are now invalid.

Those at Bretton Woods planned for the transition from a war-torn world to a world of reconstruction and peaceful prosperity. The founders could assume, without challenge, a world in which the United States, for a time, possessed the dominant economic and financial power. The challenging goal was to rebuild the strength of others, in a context of flourishing trade, freedom for payments, and rapid development.

Now, our very success has produced new problems. Trade has grown enormously—but the patterns have not been in sustainable balance. International transactions have been substantially freed and investment accelerated—but we have not learned to maintain an equilibrium in underlying payments or in exchange markets. And, after twenty-five years, international monetary stability can no longer depend so heavily on a single nation.

The announcements by President Nixon on August 15 recognized these long-building realities. In doing so, his intention was to launch the United States into a new economic era—and to assure more balanced and sustainable economic relationships with the rest of the world. His actions accept, as a basic point of departure, the links already emphasized here by several Governors between effective domestic performance, a secure balance of payments, and international financial stability.

We are committed to curbing inflation and revitalizing the American economy—not just this year or next, but for the longer pull. We are committed to ending the persistent deficit in our external payments; indeed, at this point in time, the only choice can be the means to that end, not the end itself. Finally in taking the difficult decision to suspend the convertibility of the dollar into reserve assets, we are committed to negotiating with our friends for a monetary order responsive to the needs and conditions of this generation.

The United States has not been alone among the countries represented here in grappling with the problem of achieving vigorous growth and productivity while dealing with the destructive forces of domestic inflation.

To cope with this situation, President Nixon moved boldly to apply a 90-day wage-price freeze to make a simple point as forcibly and directly as he could: cooperation in the elimination of inflation is a prime national priority.

We are now deeply engaged in a broad effort, involving all elements in our economy, to develop an effective, forceful follow-on program to the freeze. In a matter of weeks, that program will be announced. At the same time, we will be implementing other parts of the President's domestic program to assure both near-term growth and lasting gains in efficiency, productivity, and technology.

In its entirety, this program is designed to fulfill our first obligation both to ourselves and to the international monetary system: a stable, prosperous domestic economy.

Nevertheless, crucial as they are, I believe it is now fully understood that domestic measures alone cannot deal with the present and prospective imbalance in the external payments of the United States. The specific monetary and trade measures which we introduced on August 15—including the imposi-

tion of a temporary import surcharge—will not in themselves solve the problem. They were, however, the necessary first steps to arrest an intolerable deterioration in the balance of payments position of the United States. The deterioration in our position has, of course, had its counterpart in improvement abroad—and only by working together can we find solutions conducive to expanding trade and monetary stability.

I would like to emphasize the connection we see between the balance of payments adjustment now required, on the one hand, and the long-range evolution and improvement of the monetary system on the other.

First, without a full and lasting turnaround in the balance of payments position of the United States, any new monetary arrangements inevitably would break down.

Secondly, such a turnaround cannot be fully assured and lasting unless necessary exchange rate changes are accompanied by trading arrangements that assure fair access to world markets for U.S. products.

Thirdly, a more balance sharing of responsibilities for the security of the free world can and must be a part of a balanced economic order.

These adjustments are both entirely feasible and eminently desirable in the light of the impressive economic growth and strength of other leading trading nations. Indeed, we believe our objectives are shared by all nations with a fundamental interest in a stable and balanced world trading and monetary system. We also share a common concern in seeing our deficit eliminated by means consistent with open economies and expanding trade.

We do not underestimate the difficulties of the process. But I am in no way disheartened or surprised by the absence of instant solutions in the six weeks since the President's action. The simple fact is that progress is being made. In contrast to early August, I believe there is explicit and general recognition that:

We face together an adjustment problem of substantial magnitude;

There is a need for a broad realignment of relative currency values;

Measures outside of the exchange rate field are a factor in restoring lasting strength in the U.S. balance of payments;

For the longer run, the international monetary system requires far-reaching reform, including a lesser role, at the least, for gold.

Indeed, we are now launched into an agreed program of work toward a solution in all these areas as soon as feasible.

Much can be done in bilateral and multilateral negotiations in the weeks ahead.

We are all gratified, I believe, that we have progressed this far. But none of us, at least I don't, mistake progress in understanding and agreement on procedures for the hard policy decisions necessary for a satisfactory solution. Much difficult work remains, both of an urgent and of a painstaking nature.

As you know, the United States has made explicit its own analysis of the needed turnaround in our own balance of payments position. It reflects the hard fact of a substantial underlying adverse trend in our trade position.

Some have urged that the adjustment sought by the United States is too large. We are told time is of the essence. It is said we must be satisfied with an admittedly partial solution, lest restrictions and even retaliation begin and recessionary forces take hold. At the same time, we are told that the quick and partial solution must entail a change in the official dollar price of gold and that our surcharge must be removed as a prelude to negotiations.

We can fully appreciate the expressed concerns. We also fully understand that our surcharge—while applied across the board in a non-discriminatory way—as a practical matter affects products and countries unevenly. We are conscious of the political sensitivities of decisions on exchange rates. Yet, in the interest of frankly discussing the issues, I must say plainly that we find a certain inconsistency between the expressed concerns and the proposed remedies.

A change in the gold price is of no economic significance and would be patently a retrogressive step in terms of our objective to reduce, if not eliminate, the role of gold in any new monetary system. Removal of the surcharge, prior to making substantial progress toward our objectives, would accomplish nothing toward correcting the balance of payments deficit. Nor can measures by others to resist exchange rate realignment or other adjustment measures by controls, restraints, or subsidies help the process of resolving the situation promptly and effectively.

We must find more timely and constructive ways to meet these economic and negotiating problems—to avoid the contentious issue of the gold price, to achieve the earliest possible removal of the surcharge, and to help determine the size and distribution of the needed exchange rate realignment. Faced with these difficulties, I believe we should welcome the help that the market itself can provide in reaching crucial decisions.

Many nations already are allowing their currencies temporarily to float, but they have done so with widely varying degrees of intervention and controls. As a result, some adjustments clearly needed are being delayed or thwarted, the process of multilateral decision-making impeded, and political questions multiplied. In this respect, our surcharge and restrictions on capital flows could, like those applied by other countries, themselves be a disturbing influence.

If other governments will make tangible progress toward dismantling specific barriers to trade over coming weeks and will be prepared to allow market realities freely to determine exchange rates for their currencies for a transitional period, we, for our part, would be prepared to remove the surcharge.

This would provide one possible path for moving expeditiously, reversing any tendency to maintain and extend restrictive trade and exchange practices and to provide more satisfactory arrangements for settling individual transactions, consistent with the Resolution that has been proposed to the Governors.

I recognize that floating rates will not necessarily, over any short time period, indicate a true equilibrium. I also know full well from experience that the present fixed rate system has failed to maintain an equilibrium, and we need assistance, during this difficult transitional period, from the objective, impersonal forces of the market place in making decisions.

In any event, we will continue to work in detailed and frank negotiations, bilaterally and multilaterally, to seek agreement on appropriate measures which may most fruitfully achieve and maintain the needed adjustments. This will lay the foundation for constructive consideration of the longer-term problems of our trading and monetary arrangements.

I am following with great interest the suggestions of other Governors concerning the shape of the future world monetary system. These comments bear out what President Nixon said on August 15 regarding the need for a new monetary system. Chairman Schiller forcefully pointed out at the start: we cannot expect or wish simply to go back to the old and familiar.

In contrast to the world that faced the architects at Bretton Woods, there is a far greater balance of strength, particularly among the North American, the European, and Japanese economies. This development—so welcome in its own right—in turn calls for a different and more symmetrical balance of opportunities and responsibilities.

We and the world had grown accustomed to U.S. deficits. The counterpart of those deficits were rather persistent surpluses for others, and those surpluses helped satisfy the individual goals of other countries. But a monetary system dependent on U.S. deficits is no longer tolerable, economically, financially, or politically, for you or for us.

The implications are fundamental. A return to specified parities without United States deficits will require ample alternative sources of official liquidity, internationally managed and controlled. There must be arrangements for adequate exchange rate flexibility, available to all countries, to help maintain a reasonable payments balance. There must be means—more effective than those incorporated in the Fund Agreement at present—of encouraging timely and appropriate action by surplus countries which escape the financial pressures forcing adjustment on deficit countries.

There is another area in which we are, in a sense, victims of our own progress. As economies have become more closely intertwined, as international capital markets become more effective and efficient, and as controls and restrictions are reduced, the potential for volatile and disturbing capital flows expands enormously. This had already been a matter for international consideration before August 15 and for considerable comment at this meeting.

If not yet unanimously acceptable, substantially wider margins are already viewed as a necessary part of any establishment of new parities. Other difficult questions concern the mix of national fiscal and monetary policies, joint or coordinated action in international money markets, and the proper role, if any, for limited restrictions on financial intermediaries—always keeping in the forefront the fundamental need of free and competitive markets to serve the needs of traders and investors.

A number of speakers have already emphasized that, whatever the particulars of new monetary arrangements, a fundamental need will remain for fair, widely understood, and enforceable international codes of conduct in trade and monetary matters. I share that emphasis. The further corollary is that the International Monetary Fund, itself, should play a central role in developing and monitoring such codes.

Discussions of these matters have now been launched not only in the Executive Board but in the Group of Ten. In emphasizing the need for these discussions, I also note these matters are of direct interest not only to large and highly developed countries but to that wider spectrum of Fund membership ready and able to assume a share of the responsibility for maintaining an effective monetary system.

While dealing with the monetary system as a whole, we shall, for our part, also proceed with the associated task of dismantling unfair barriers to trade and impediments, including our own, to the free flow of long-term capital.

We will also need to deal with many questions bearing more specifically upon the economic well-being of developing countries. My Government particularly welcomes the discussion at this meeting and elsewhere of the pressing problems posed by population trends in much of the world, the new emphasis on nutritional and environmental concerns, and the more careful consideration of the implications of external debt burdens.

We are impressed by the growing scope of the traditional activities of the World Bank and its affiliates under the able leadership of President McNamara. President Nixon has called for an increase in the emphasis that we, ourselves, give to multilateral institutions in our development assistance effort, and we plan to continue that process.

The high levels of lending by the World Bank Group are supported for the most part

by Bank borrowing in the developed countries. Twenty-five years of activity has encouraged increased direct financial support by all developed countries, and I hope other nations will continue to open their capital markets to the Bank.

As the level of activity expands, the Bank must take even more care with the efficiency and effectiveness of its operations and must question old premises. It is in this light that I welcome the evaluation efforts being undertaken by the Bank. It is important not only that we ensure that the Bank Group processes projects quickly and efficiently but also that its funds have their planned impact—including assurance that these resources are reaching all the people of the developing countries.

As the World Bank Group further develops its ambitious plans, I must also speak frankly of our own situation and intentions. I can do so explicitly with respect to the pending replenishment of the International Development Association, without which the plans for the years ahead will be gravely impaired.

We firmly support that replenishment. In reducing our total of assistance by some 10 percent over the current fiscal year, we mean to avoid any reduction in that major commitment. Within our constitutional system, however, IDA replenishment requires, but has not yet received, Congressional approval. The fundamental sympathy and support of the Congress for IDA over the years has, I believe, been amply demonstrated. Nevertheless, Congress will have to be convinced, as never before, that: first, this development assistance efficiently serves to promote growth in the developing world; and, second, that our own situation will strengthen to the point where this and other burdens on our payments can be safely assumed.

All these official efforts must be supplemented by flows of private capital. I am disturbed when I see instances of developing countries treating private investment in a manner not accepted by international law. In a world already short of capital to meet pressing demands, the adverse effects on the investment climate of such practices are bound, in a very tangible sense, to deny real benefits to the people. The damage in reducing the flow of capital can extend beyond the parties immediately involved to other potential investors or recipients of funds.

It is in this context that the United States firmly supports the creation of the proposed International Investment Insurance Agency. The maintenance of a healthy climate for private investment in those countries which recognize the important role such investment can play has become a matter of concern for all such nations. The interest in this proposal at last year's meeting has not yet produced a result. I am hopeful that a new resolve and firmer commitment to this idea by both developed and developing countries will produce agreement in the coming year.

A logical complementary development would be more active reliance on the Center for the Settlement of Investment Disputes. Of course, the policies of the World Bank itself, in situations when existing foreign investments are unfairly treated, will importantly affect the future climate for the flow of public development assistance as well as for foreign private investment.

In conclusion, I would only reiterate we have a large agenda before us. We all know the present situation has both risk and opportunity.

We should not fear the one nor fail the other.

With the same vision that motivated those at Bretton Woods, we can build a better monetary and trading world.

With wisdom, we can devise monetary arrangements that combine an essential stability with the capacity to adapt.

With courage, we can move together to reduce restrictions on trade and payments, in recognition of our mutual dependence.

With patience, we can work together, finding a balance of opportunity and responsibility for rich and poor alike that fits the imperatives of today's world.

These qualities are present in the men who have come to Washington this week and in the governments they represent. You can be sure the United States will join you in the vanguard of the effort. In this sure knowledge, I look ahead with confidence.

Mr. JAVITS. Mr. President, I now address myself to one specific question that was raised, but not answered by the Secretary of the Treasury. A particular impediment to reaching a short-term arrangement between the major trading countries of the world relates to any change in the gold price of the dollar. I believe that this issue, by the Secretary's statement, which I shall read into the RECORD, has now been brought out openly and publicly into the public domain and that it should have the attention of our colleagues, because only the Congress can, in a final way, make this change. It is one of the provisions of the resolution by which we have approved the Bretton Woods agreement. The Secretary said:

A change in the gold price is of no economic significance and would be patently a retrogressive step in terms of our objective to reduce, if not eliminate, the rule of gold in any new monetary system.

I hope to agree with the Secretary, but this still does not answer the point that the whole world, the active and industrial trading nations, insist we must make this gesture or contribution to the total settlement. Over the interim period a small change in the dollar-gold parity could even be encompassed in the power of International Monetary Fund to change the par value in terms of gold by 5 percent up or down.

In order to stimulate discussion upon this subject and to determine just how the Congress does feel about it—because the general impression abroad is that Congress has a rather strong bias against doing anything about it—I am joining with a Member in the other body, Representative REUSS, in submitting today—he introduced it yesterday—a sense of the Congress resolution making it clear to the President that the Congress believes that it would be fair to agree to some kind of change in the dollar-gold parity, but in a manner which is consistent with the articles of agreement of the International Monetary Fund and which will in due course be authorized by the Congress, but it will at least serve as a lightning rod to rally Senators as to what the President of the United States may feel necessary to do, knowing there is a sentiment in the Congress adequate to support it, as only the Congress can make this change in a final and finite way.

So, for that reason, and reserving to myself as well as all other Members their rights, but in order to crystalize the issue, I send forward this concurrent resolution, which has been introduced in the other body, to the desk and ask that it be appropriately referred, and I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 43) reads as follows:

S. CON. RES. 43

*Resolved by the Senate (the House of Representatives concurring)*, That it is the sense of Congress that the President of the United States, in the interest of strengthening the economy of the United States and in order to secure the appropriate revaluation of other major currencies, may agree to a fair and realistic change of the dollar-gold parity in a manner consistent with the Articles of Agreement of the International Monetary Fund, as amended, and as authorized by the Congress.

## AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961—AMENDMENTS

AMENDMENT NO. 453

(Ordered to be printed and referred to the Committee on Foreign Relations.)

## THE PRESIDENT ASKS—"A 10-PERCENT CUT IN FOREIGN AID"—BUT WHERE?

Mr. HUMPHREY. Mr. President, now that the Congress is considering the President's proposals to curb inflation, I want to draw the attention of the Senate to the specific recommendation for a 10-percent reduction in our foreign assistance program. The President called for this reduction in his two most recent national addresses on the economy without entering into the specifics of where he intended to make the cuts.

I appreciate the fact that the nature of these speeches did not permit the President to go into great detail and that further information would be provided by Government officials. In his testimony before the Foreign Operations Subcommittee of the Senate Appropriations Committee, Secretary Rogers threw some light on where the administration would be asking that reductions be made in the foreign assistance program: in nonmilitary assistance.

Based on Secretary Rogers' statement, I have been prompted to introduce an amendment to the Foreign Assistance Act of 1971, S. 2295, which would specifically tie the administration's request for a 10-percent reduction to the military and security sections as opposed to the nonmilitary, assistance program.

The total request made by the administration for the fiscal 1972 budget is $3.3 billion. Over $2 billion of the total is devoted to what is presently considered "security assistance programs"—security assistance includes both military and security supporting assistance. That leaves slightly more than $1.2 billion for economic development assistance. These figures, of course, do not include additional funding for military assistance through other legislation. If grouped together, the entire program would be anywhere in the range of $4.8 to $7 billion for 1972.

Recognizing the President's concern for economizing and the national goal of revitalizing our economy, I support in principle the idea of making selective reductions in federal expenditure. I cannot stress enough, however, that these reductions be selectvie—that they keep in mind the needs of our own citizens and people throughout the world.

A 10-percent slice in our foreign economic development assistance is not what I call a "selective" reduction. It does not conform to what I think should be our underlying concern for people. In the name of economy, the President is proposing a measure which is not particularly economical and which is disastrous from the point of view of human welfare.

This year's report on the Foreign Assistance Act of 1971 by the House Foreign Affairs Committee points out that our foreign aid program has steadily declined over the years. At the time of the Marshall plan roughly 3 percent of our GNP was for foreign aid and now, it is less than one-half of 1 percent. Among the 16 wealthiest nations in the world who form the Development Assistance Committee, the United States ranks 11th, expressed in terms of the percentage of its GNP devoted to foreign aid, whereas it once ranked first.

More to the point, our security assistance allotment has grown rapidly relative to the nonmilitary portion, especially over the last few years. According to the Brookings study, "Setting National Priorities, the 1972 Budget," development assistance expressed in 1972 dollars has gone from 6,592,000,000 during the Marshall plan period (1949–1952) to 2,287,000,000 in 1971. Security assistance, on the other hand, has travelled a different track. During the Marshall plan it was 1,842,000 and it was 4.436,000 in 1971.

Among the top recipients of our military and economic supporting assistance programs are Vietnam, Cambodia, Republic of China, and Korea. This selection raises another question of just where our security interests lie, and just what kind and quantity of assistance is needed to best implement this essential goal. Then there is the basic question of what supporting assistance is all about. Section 531 of the Foreign Assistance Act of 1971 says that—

> 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 Republic of Korea has put to good use the military and security assistance as has the Republic of China. This amendment should in no way be interpreted as a criticism of these two countries.

In his foreign aid message to Congress, the President states that—

> It is the sense of the Congress that security assistance shall not be provided to military regimes that deny the growth of fundamental rights or social progress to their people.

By this standard, the choice of recipient countries is somewhat questionable, at least it should be questioned.

One thing is certain, however. The amount of our security assistance can be reduced by 10-percent without substantially affecting our own security or the security of those countries who receive military and supporting assistance. Security assistance is the fattest part of our foreign aid program and can afford a little loss in weight.

Our economic development programs, on the other hand, cannot. Study after study, and expert after expert have told us of the growing gap between the developing and the developed world. They have described the extent of human suffering which is endured in other parts of the world. And our own inner selves must tell us that it is incumbent upon us to do whatever we can to relieve the suffering and raise the economic and social opportunities for all.

If moral responsibility is not enough of a motivation to continue and improve our economic development assistance, then there are sufficient economic arguments. Only from the most limited perspective can it be said that security assistance provides more economic benefit for ourselves than development assistance. On the contrary, development assistance includes direct capital transfers which raise the purchasing power of the recipients and hence, improve market conditions for our own goods. Several of our loan programs are tied to the purchase of American goods, so here again, there is a built-in stimulus for our own economy.

After all, that is what the President should be talking about—ways to stimulate our own economy and improve our trade position in the world. Development assistance can do just that with the positive side effects of directly affecting the social and economic welfare of those in less-developed countries.

I do not intend to degrade the value of security assistance by stressing the importance of development assistance. On the contrary, I think bilateral foreign aid must provide a mix of the two. What I am suggesting, however, is that in terms of economic efficiency, moral responsibility, and diplomatic expediency, it would be better to reduce by 10 percent out of necessity the security assistance portion of our foreign aid package than the economic development portion.

Ultimately, I think that our entire foreign aid program is in need of reform. The President has made several helpful suggestions and we in Congress should consider them carefully over the next year so that we can devise with the help of the executive branch a suitable policy for the future.

It is unfortunate that the United States is forced to tighten its belt at all when it comes to foreign aid. But if our temporary difficulties are presented in a positive light to other countries and to our own people, the prospects for the future will be most promising. All countries will stand to gain if a 10-percent reduction in security assistance is seen as a step to strengthen the U.S. economy and the fiber of international understanding; if a 10-percent reduction is viewed as over a 10-percent gain in the reordering and restructuring of the entire U.S. foreign assistance program.

For this reason, I urge my colleagues to accept my amendment and vote for a 10-percent reduction in our security assistance. I ask, Mr. President, that this amendment be printed in the RECORD and considered as part of the effort to reduce expenditures and the outflow of capital which are partially the cause of the present state of inflation in our economy.

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

AMENDMENT NO. 453

On page 5, line 7, after the dollar sign, insert the following: "540,000,000".

On page 6, line 2, after the dollar sign, insert the following: "635,000,000".

## ADDITIONAL COSPONSOR OF AMENDMENT

AMENDMENT NO. 437

Mr. BYRD of West Virginia. Mr. President, I was requested to do this late yesterday, but I inadvertently failed to do so, or was unable to do so—both of which excuses I think will apply—so now I ask unanimous consent that the name of the distinguished Senator from New Mexico (Mr. MONTOYA) be added as a cosponsor of amendment No. 437 to H.R. 8687.

The ACTING PRESIDENT pro tempore (Mr. STEVENSON). Without objection, it is so ordered.

## ANNOUNCEMENT OF HEARINGS IN MANILA, UTAH, BY SUBCOMMITTEE ON PARKS AND RECREATION

Mr. BYRD of West Virginia. Mr. President, on behalf of the distinguished Senator from Washington (Mr. JACKSON), and at his request, I announce for the information of the Senate and the public that on Friday, October 8, 1971, the Subcommittee on Parks and Recreation of the Senate Committee on Interior and Insular Affairs will hold a public hearing in Manila, Utah, to obtain information on the advisability of the Federal Government acquiring private property located within the boundary of the Flaming Gorge National Recreation Area and the effect of such proposal upon the tax base of Daggett County, Utah. The hearing will be held at the Manila High School at 1 p.m.

Any member of the Senate or of the general public who wishes to testify at this hearing should so advise the committee.

## ADDITIONAL STATEMENTS

### REDUCTION OF INTERNATIONAL AIR FARES

Mr. PEARSON. Mr. President, much interest has been aroused by the current wave of fare reductions for international air travel.

I think it appropriate and timely, therefore, to consider the thinking of one person in the aviation industry who has first-hand knowledge of these rapidly changing affairs and who has endeavored to adopt policies to deal with them in a sensible and effective manner. Mr. Edward J. Driscoll, an intelligent and straight-talking man, president of the National Air Carrier Association, recently spoke before the International Aviation Club on this subject. I ask unanimous consent that his remarks be printed in the RECORD. I invite them to the attention of the Senate.

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

"SANITY IN THE AIR—AN IMPOSSIBLE DREAM?"

(Address by Edward J. Driscoll, president of the National Air Carrier Association, before the International Aviation Club, Tuesday, September 21, 1971)

In looking at the title I selected for this talk several weeks ago, I begin to wonder if I might not have the gift of ESP.

For the events and actions of recent days could make one believe that "Sanity in the Air" is truly an impossible dream.

It is really ironic that an industry like ours, so advanced in technology, could have become so irrational and self-destructive.

All of us associated with the International Aviation Club can be proud of the role we play in a 20th century industry that has become the keystone of the world's transport system. We are proud to play a socially significant role in bringing the people of the world closer together and in transporting the products of industry and agriculture to every corner of the globe. But I dare say that we are not equally proud of the evolving practices which make us appear like peddlers in a Casbah bazaar, apparently with little worry as to the morrow.

Let me make it clear from the outset that when I chose the title for my talk, I did not anticipate the so-called "transatlantic rate war." I say "so-called" deliberately because to my mind the situation that some of my scheduled airline friends consider "fun and games" is nothing more than an outright plan to eliminate effective competition in air transportation. This was made clear when Lufthansa admitted that it would lose money during the first year of operation under its recently announced new fare structure.

The charter airlines favor low fares. We introduced them. We prompted them. We built our success on the conviction that the consumer has the right to the lowest cost of air transportation that could be provided by the carrier—without burdening other classes of passengers, without government subsidy—while still earning a fair and reasonable profit. It's history. It's a fact.

The latest fare announcements are merely outward symptoms of a much deeper problem. Even without them, we still feel that psychiatric advice is needed by an industry that refuses to take rational actions to cure its ills.

Perhaps we were so successful in riding the crest of a new and booming business that we never took the time to learn how one operates a public service business; how new markets are developed; and how one must operate within a budget. Isn't it time to forget the "glamor" of aviation, to put aside the notion that we're in show business, to stop dealing in such irrelevancies as live entertainment in 747 lounges, gourmet meals, exotic wines, and get about the business of air transportation? Isn't it about time that we thought less about pirating the other guy's customers and thought more about that vast and untapped market of Americans who have not yet been exposed to the advantages of safe, dependable and low-cost air transportation?

Let me cite some examples of the kind of irrational behavior that we accept as normal in the air transportation industry.

Is it rational that a youth or student pay less than another passenger for his transportation? Does he take less room? Does he eat less? Does it really cost less to furnish him air transportation or is the adult in the next seat paying an unnecessary premium to make this bargain possible? Think for a minute. Does he pay less for his typewriter, or his clothes, or his records? Are his tuition fees lower than those of an adult who goes to night school? The answers are no. Now it can be argued—with justification—that it is socially desirable for young people to have the educational experience of international travel. But we all know that these opportunities are already available, through student charters pioneered by the supplemental carriers. Each student pays his pro-rata share of the cost for such flights. These types of charters are available to students through their schools and through other arrangements, by scheduled and supplemental carriers. If we are going to furnish below-cost fares as a social service, why not provide them to our senior citizens? Why not increase rates again so that discounts can be given to low-income workers?

If student and youth fares are to be allowed, shouldn't we at the same time adopt the regulations which are followed in Europe, where all students are able to participate in charters without the necessity of adhering to any affinity regulations.

Is it rational behavior to create a fare structure that tells consumers that the longer they stay abroad the cheaper the fare, while at the same time announcing that they can secure reduced rates on domestic transcontinental travel of four days or less? It's Alice in Wonderland for the travel agent who tries to explain this to one of his customers. If it costs the airline less to carry the passenger who goes abroad for 14 to 28 days, and even less for those who have 29 to 45 days to spend abroad, a reasonable person would expect to travel free if he spends a year abroad. And if he is informed about our dollar drain and the Visit USA program, how can he understand a policy that encourages longer trips abroad but penalizes him if he wishes to take more than a four day trip across his own country?

Is it rational to tell the customer who wishes to purchase a fixed price Inclusive Tour to a particular vacation spot that government regulations require a minimum stay of 7 days, 3 overnight stops—50 miles apart even though he wishes to visit one particular vacation area. Yet that is what is required if he is to be eligible for the savings of an ITC—an inclusive tour charter. With our holidays now falling on Monday, these archaic rules make it impossible for us to exploit the vast potential of three-day holiday trips. We pride ourselves in the United States in being a progressive industry, yet in Europe a gigantic inclusive tour industry has been built on the ability of charter carriers there to offer short tour packages to a single destination.

Is it rational for U.S. charter carriers to be subject to daily bureaucratic whims of foreign civil aviation authorities concerning landing and uplift rights when governments protect the rights of scheduled carriers through bilateral agreements? Why isn't the American citizen who carries a valid passport and visa and who chooses to travel on a charter flight given the same government protection as his neighbor who travels on an individually ticketed basis on a route carrier?

Look at the situation that exists in so many foreign countries with regard to landing and uplift rights for U. S. supplemental air carriers. Now, I ask you, is there really any rational basis for giving preferential treatment to a charter operated by a scheduled carrier over one operated by a supplemental airline?

Neither are covered by any inter-governmental agreement. But, in most cases, a scheduled carrier can fly a charter between points A and B merely by filing notice, whereas the charter carrier must obtain prior approval for each and every flight—with no guarantee that approval will be granted in any given instance. How long can the United States go on being "Mr. Nice Guy," handing out licenses and permits on a non-reciprocal basis—providing foreign carriers with five year operating permits for charters, while U. S. carriers must ask permission for each and every flight to those same countries. Where is the reciprocity? By what stretch of the imagination can this be considered good for the United States, or even good for world aviation?

We must, therefore, come up with a system whereby permits for charter services, whether performed by independents, IATA carriers, or their charter subsidiaries, are provided for in bilateral agreements covering air transport services between respective countries. Is it rational for our government to allow foreign charter carriers the right to carry transatlantic cargo to or from the United States, while at the same time prohibiting its own charter carriers—the U. S. supplemental airlines—from transporting a single pound of commercial cargo on transatlantic flights? Why can't we develop a cargo industry that will be truly responsive to the needs and cost requirements of American shippers?

Let's not take piecemeal action such as restricting the right of air freight forwarders to charter. Before we take precipitous action, let's analyze the whole structure and system and develop a program for expanding the cargo market—for I believe a balanced system requires not only an individually way-billed system but equally an efficient cargo charter system. Is it rational to have non-IATA charter subsidiaries of IATA airlines? Lufthansa, BOAC, KLM, and others have formed such companies. What kind of relationship can we expect to see between these non-IATA "daughter" carriers and their IATA fathers. I have chosen the father-daughter analogy carefully, because I have the feeling that these young things are going to be well-protected and well-cared-for by their doting parents. Will these "subsidiary" charter carriers be permitted to operate without restriction in the United States while the governments that spawned them practice an exclusionary policy against the U.S. charter airlines that have Presidential approval to operate internationally.

I am not in any way opposed to scheduled carriers operating charter flights, and governments certainly should not try to dictate to any country what type of carrier should be used to perform its transportation services.

Just who is going to get reciprocal rights when these non-IATA daughter carriers start operating in and out of the U.S.? Certainly not Pan Am and TWA. They are expressly prevented by law from establishing any kind of non-scheduled subsidiary. And you can rest assured that foreign governments aren't planning to voluntarily grant reciprocal rights to the U.S. supplementals.

Reciprocity must be obtained if these carriers are to be permitted to operate into the United States.

One of the things that troubles me most is that in any given situation, more often than not, it's the U.S. carriers—and I'm talking about scheduled airlines as well as supplementals—who come out with the short end of the stick.

Is it rational to force consumers to join an organization before they can secure the benefits of low-cost charter travel? Would it not make more sense to allow any group of individuals to band together to buy bulk transportation at plane load rates? The CAB has moved in this direction in its non-affinity charter proposal, which we hope soon will be adopted.

Is it any wonder then that I question whether sanity in the air is an impossible dream?

The latest thrust, and I am sure that we may be in for more of the same, is that of the comic strip's Red Baron who advertises his "Everybody's Fares." If it is truly everybody's fare, why does the businessman or government traveler who cannot stay abroad for 14 days or more have to pay double the price for the same transportation?

I might remind the U.S. scheduled carriers who will have to match this fare that the Red Baron is eligible for a subsidy from his gov-

ernment . . . and when the damage has been done, and they count their losses for '72, it will do them no good to run around like Snoopy, shouting "Curse you, Red Baron!"

Our industry's basic problem is that it still does not understand that the consumer will support an everybody's fare that really is fair to all; that does not discriminate on the basis of length of stay, time of year, day of week, time of day, and age of passenger. Once the scheduled airline industry recognizes this and comes up with a low-cost, across-the-board rate structure in which the cost of service is borne equitably among all the passengers, I believe that regularly scheduled service will again begin to prosper.

The Department of Transportation recognized this principle in its recent opposition to youth fares. It said, in essence, that if the youth fare is not discriminatory, then it must be predicated upon reasonable cost. If it is, why not make it available to everybody? You can bet that if they did make it available to everybody, the airlines would accelerate their losses. You can't continue to amass the kind of losses that they have been suffering in recent years—and which some are going to experience in 1971—and then expect that a lower yield per passenger will put you in the black.

The IATA carriers apparently do not recognize what was so well stated in the President's International Air Transportation Policy, namely that there is a need for two separate and distinct types of air services to move goods and passengers. These are the scheduled and the charter services. There is need for both in a properly balanced system of air transportation.

Ladies and Gentlemen:

It is time for a return to reason.

It is time to forget the past, to dispense with "traditional" solutions to our problems, and to start finding answers that do more than shuffle passengers back and forth from one class of service to another, or from one class of carrier to another. We are just kidding ourselves if we think that is any way to fill the empty seats that have resulted from the vastly increased capacity of the past few years.

It is time for action.

As you know, Senators Magnuson and Cannon have announced that hearings on international air fares and other matters will be held on October 19, 20 and 21. In thirty days, the Senate Commerce Committee will hear the views of government, industry and the public.

In the past, the divergent views of every special interest have often side-tracked vital legislation. In the present crises, I believe that all of us have a higher duty. We have the duty to come to some consensus on what is best for all elements of the industry and the American public. More of the same old claims and counterclaims will only serve to prevent constructive action.

Therefore, I respectfully request that responsible government leadership bring all parties to the conference table. Let's make the maximum use of the next thirty days to assess the views of government—the CAB, the Department of Transportation and the Department of State; the industry—both scheduled and supplemental carriers; and the consumer of our services—the traveling public.

First, let's get an overview of our problems and the proposed solutions. Let's stop taking piecemeal action.

Then, let's see if we can agree on a plan, a program, and what needs to be done by Congress, the executive branch and the industry.

I'm not talking about another study designed to gather dust in government archives. I believe a properly designated representative group given a mandate for action, and irrevocable deadlines, can overcome parochialism and bring back some sanity in our air transportation system. We will all have to make some concessions if we are to right our ailing industry and restore it to its proper role in world aviation.

All of us will have our own ideas for consideration by this blue-ribbon panel. For my part, I would suggest that it consider the following five-point program.

First, broaden the base of air travel for both the scheduled and supplemental transportation systems. For example, this can be accomplished by the introduction of one-stop inclusive tour charters, non-affinity charters, and properly structured individually-ticketed promotional systems designed to reach the untapped markets which now exist. Markets such as low-income groups, the weekend holiday set, ski charters within the U.S. and the like. Let's make the three-day weekend really mean something. Let's develop two vacations a year rather than one. Let's not only make the people air-minded, let's make them air travelers.

Second, create a balanced air transport system which recognizes retail and wholesale concept of air transportation, and that individually ticketed and charter—or bulk—services are complimentary. Basic to the establishment of such a system would be a greatly simplified and rational fare structure. Adoption of two basic elements, cost and service, should be the guiding criteria in setting figures that benefit both the public and the airline industry.

Third, safeguard the U.S. market, which is the largest air transport market in the world into which all countries enjoy traffic-generating operations. Give the Civil Aeronautics Board adequate authority to deal with complex and destructive loss leader fares proposed or filed as tariffs by international scheduled carriers. Foreign scheduled carriers, of course, are protected by their governments and are subsidy eligible.

Fourth, recognize that landing rights are government rights, not carrier rights. Each government has the right to designate and certificate the carriers which will provide the services for its country. Once designated and certificated by the President, attempts to frustrate these rights must be vigorously opposed.

Rights into this country should not be granted under the bilateral agreement or pursuant to a permit, except on a satisfactory record that insures reciprocal rights to U.S. designated and certificated interests.

Permits must be conditioned to terminate rights granted by the U.S. should reciprocal rights be withdrawn!

And fifth, protect the consumer's right to reasonably priced air transportation and guarantee that his rights to free movement are not inhibited or abridged by reason of arbitrary and anticompetitive rules or regulations rifled against a particular class of carrier. Insure that the consumer is adequately represented in fare-setting and other regulatory proceedings.

I make no claim that these five points offer an all-inclusive cure to the current problems of the aviation industry. They merely represent my perspective. The blue-ribbon panel I have proposed should examine and assess everyone's ideas, for there are no pat solutions. All of us must recognize the claims of others. But above all, we must realize that our first priority is the perfection of a sound and balanced air transportation system that meets the needs of all travelers and all shippers.

I know the thirty day time-limit I have suggested may sound like an unrealistic deadline. But we are faced with a rate war in which there can be no victors. We are in a crisis situation that calls for emergency measures.

I think we owe it to the future of world aviation to make this effort.

## TESTIMONY ON GOVERNMENT FACILITIES RELOCATION ACT

Mr. CRANSTON. Mr. President, earlier this year, I was pleased to join as a cosponsor of S. 1282, the Government Facilities Relocation Act, introduced by Senator RIBICOFF. Last month Senator RIBICOFF testified before the Banking, Housing and Urban Development Committee in support of S. 1282. His testimony was both lucid and eloquent. It brought to light both facts and considerations which argue for the passage of this bill. I ask unanimous consent that Senator RIBICOFF's statement be printed in the RECORD.

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

TESTIMONY OF SENATOR ABRAHAM RIBICOFF BEFORE THE HOUSING AND URBAN AFFAIRS SUBCOMMITTEE OF THE SENATE BANKING, HOUSING AND URBAN AFFAIRS COMMITTEE ON TUESDAY, SEPTEMBER 16, 1971, IN SUPPORT OF S. 1282, THE "GOVERNMENT FACILITIES LOCATION ACT"

This subcommittee has long been at the forefront in the battle to assure decent housing to all Americans. The 1968 Housing Act reaffirmed our national goal of "a decent home and a suitable living environment for every American family." In the last decade, you have passed legislation to meet the increasing needs for adequate housing for our low- and moderate-income citizens.

This progress is now threatened by the tremendous growth of jobs and housing in the suburbs of this country to the virtual exclusion of millions of low- and moderate-income workers and their families.

The facts are clear. Nearly two-thirds of all Americans live in metropolitan areas. By 1985 these areas will contain an estimated 178 million people, a number equal to the entire U.S. population in 1960.

This enormous growth is taking place almost entirely on the suburban fringes of our metropolitan areas. In fact, while the population of our central cities increased by less than 2% from 1960 to 1969, the surburban areas experienced a 30% jump in population.

The population of our central cities, however, is not stable. While the total increase was less than 2%, the black population there rose by 32%. The leveling factor was a 5% decrease in white population—most of whom moved to the suburbs.

Although the number of blacks in the suburbs has increased substantially over the last decade, they remain a small minority. In 1969 nearly 96% of the suburban population was white. Of all the whites living in our metropolitan areas, 60% resided in the suburbs while close to 80% of the blacks lived in the central city.

Many of the blacks who have managed to escape the inner city find life not much different in the suburbs. Suburban Negroes often live in residentially segregated areas where the housing is unsound and crowded, family income is low, education is inferior and white-collar jobs almost nonexistent.

This shift of population to the suburbs has been accompanied by an equally rapid growth of industrial and commercial activities there. An analysis of nonresidential building permits reveals that in the last five years approximately 70% of all metropolitan industrial buildings were constructed outside the central cities.

The Suburban Action Institute found that the 40 largest metropolitan areas gained 5.1 million jobs in manufacturing, wholesale trade, retail trade and related services in the last five census years. The suburbs gained 4,370,000 or 85% of these jobs.

Many commentators have called this

movement industry's flight to the suburbs. The evidence is, however, that "flight" is a misnomer, and that the growth in suburban employment is primarily attributable to development of new businesses or expansion of existing suburban plants.

The Department of Labor has found that the expansion of manufacturing employment in the suburbs has primarily been in new types of industry such as electronics, aircraft and aerospace. The Suburban Action study found that the 40 metropolitan areas studied gained 2,080,000 manufacturing jobs, 2,055,000 or 99% of which went to the suburbs. This expansion has been followed by retail firms and a variety of service industries while employment in the central city increasingly is concentrated in finance, insurance, communications, and manufacturing headquarters.

The growth of manufacturing and service jobs in the suburbs has begun to distort our labor market because those most able to fill those jobs are often unable to reach them. Our present housing policies have served to effectively exclude millions of low- and moderate-income Americans from new employment opportunities in the suburbs.

Most of the nation's housing units now being constructed are going up in the suburbs. In fact, it is now estimated that only 1% of the vacant land in our central cities is zoned for residential use. The housing being built, however, is simply too expensive for low- and moderate-income families. The land is there to be used, but low- and moderate-income housing has been zoned out through the use of large-lot zoning and the absence of any provisions for low density multi-family zoning. The only growth policy in existence is a negative one which has made it all but impossible for low-income families to live near their jobs.

The House Banking and Currency Committee found earlier this year that 28.4 million families—101 million people—cannot afford payments on a $20,000 mortgage. Yet the median sales price for an existing single family home is now over $25,000. The average cost of a new home in Montgomery County, Maryland, is over $40,000 with virtually no homes in the $15,000 to $25,000 range being built.

In fact approximately 80% of the housing on the market nationally now is above the level a family with an $8,000 income can afford. This means that the people who need the jobs opening up in the suburbs are trapped in the central city. The result is a scarcity of needed employment for the poor and in some cases an actual shortage of low- and moderat-income employees for suburban concerns. Numerous suburbs are now discovering that they have even priced their teachers, firemen, policemen and other municipal employees out of their own cities.

Improved transportation programs are often offered as a solution to this problem. There's no doubt that our existing systems only aggravate the situation.

Our transportation systems are designed to bring suburbanites into the city in the morning and out again at night. Our nation's urban highway networks serve moderate- and upper-income workers who can afford to live in the suburbs and own a car. They are useless, however, to the low-income workers who cannot.

The majority of low-income workers must rely on public transportation systems to reach their jobs. For many such workers even reaching inner-city jobs is a formidable task. To get out to the new jobs in the suburbs is almost impossible—because of the time and cost involved.

Take Washington, D.C. for example: residents of outlying Maryland suburbs reach the central city each morning and leave each night on express buses which take an average of only 36 minutes. For a person going in the reverse direction at the same time to a job in the suburbs, the trip averages 54 minutes and usually involves two transfers.

Simply improving mass transportation out to the suburbs will not be enough, however. Many "reverse commuter" experiments have been tried and most have proven uneconomical. Suburban job locations are usually too dispersed to warrant, in economic terms, running separate transportation lines.

The only solution to the nation's housing shortage and labor market distortion is to build more of our low- and moderate-income housing units near suburban jobs. Unless the government begins to assist in building the necessary housing in the suburbs, the unemployment, welfare and social dependency now endemic to the central cities will continue to soar upward at an alarming rate.

The present Administration and its predecessors have shown a noticeable lack of interest in attacking this problem. HUD, for example, has continued to place most of its low-income housing in the inner cities at great expense to both the taxpayers and the residents.

As of June 20, 1970, only 25% of the Sec. 235 home ownership reservations, 12% of Sec 236 rental assistance reservations, 10% of rent supplement reservations and 13% of the 221(d) (3) below market interest rate reservations were located in the suburbs. The majority of these units are being built where the costs are the highest.

For example, the average cost of land purchased under the urban renewal program ranged from $46,000 per acre in Atlanta to $695,000 in New York City. The average cost of an acre on the suburban fringe is less than $4,000.

The Administration's position has been that restrictive zoning practices make it impossible to place more low- and moderate-income units in the suburbs and that such practices, unless clearly based on racial motives, are not illegal.

Without entering into an argument over the constitutionality of restrictive zoning practices, I believe that it is unconscionable for the Federal government to support and subsidize exclusionary zoning practices. Yet this is precisely what we have done for years. Numerous Federal agencies including the Departments of Housing and Urban Development, Health, Education and Welfare, and Labor still provide financial assistance to communities which have virtually outlawed low- and moderate-income housing.

The situation is indefensible when Federal agencies and Federal contractors are allowed to locate facilities in communities where the lack of adequate housing turns their workers into either long distance commuters or names on an unemployment compensation list. S. 1282 which I have introduced with the cosponsorship of Senator Mondale, Cranston and Brooke, deals directly with this facet of the problem.

S. 1282 would use the enormous leverage of Federal site location to help provide decent low- and moderate-income housing for employees near their jobs. This bill is not offered as a panacea, but rather as a first step toward ending the economic and racial separation occurring in the metropolitan areas of this country.

Government agencies and Federal contractors now locating in the suburbs are seldom limited to only one area. Numerous cities seek to obtain their favor.

The reasons are obvious. Location of a major installation in a community often sets in motion dramatic physical, economic and demographic changes. New services are started to serve the people coming in and often provide an impetus for other private or governmental development.

The Civil Rights Commission has documented the effect location of the Manned Spacecraft Center has had on Houston, Texas. Since 1960, the population in the area near the Center has increased 600%—from 6,500 to 40,000. Total area bank deposits rose from $4.8 million in one bank in 1964 to $30.9 million in five banks in 1966. NASA has estimated that for every 100 jobs at the Center an additional 65 jobs have been generated on the outside. The mere presence of the Center has caused an influx of over 125 aerospace firms alone.

This pattern has been repeated across the country and has led thousands of states and cities to compete vigorously for the location of such facilities. The Commission found, however, that despite the leverage the Federal government has in locating its facilities, it has made little or no effort to insure that its low- and moderate-income employees can find accessible housing nearby. In fact, some Federal moves into the suburbs have resulted in the loss of jobs to low- and moderate-income employees.

Government contractors have equally deplorable records. The Commission's hearings in St. Louis disclosed that one large contractor locating in the area failed to object to the obvious discriminatory practices of local realtors. In fact, the company's housing office at one time maintained separate lists of housing for blacks and whites.

My legislation, therefore, provides that before a Federal facility. State facility or Federal contractor's facility may be located in any community, the agency or contractor involved must secure, in the form of a contract between the community and the Chairman of the Equal Employment Opportunity Commission, assurances that the community provide at least one unit of adequate housing for each prospective low- or moderate-income employee. This legislation will simply grant the economic benefits of site locations to those communities that are also willing to assume the responsibilities for the workers in those facilities.

If a community reneges on its plan, the Chairman may take court action to enforce it. Should a contractor locate in a noncomplying community, the Chairman shall terminate existing Federal contracts. A State agency would be equally liable for any move into a noncooperating area.

The effect of such a requirement can be dramatic. The Federal government alone employs over 6 million men and women. Another 4.3 million people are directly employed under Federal contracts.

This legislation recognizes that many communities will find it difficult to handle an influx of low- and moderate-income families without some assistance. Much of the suburban opposition to low- and moderate-income housing stems from fears that taxes will have to be raised to maintain existing levels of municipal services, particularly education. Since as much as 50 to 65% of most suburban budgets is devoted to education expenses, S. 1282 provides assistance for education to any community that makes the housing required by this legislation available.

Many people will argue that no assistance should be provided to such suburbs. The mere fact that they get the facility should be sufficient incentive.

In many cases, that may be true. But I am concerned with those communities that would be willing to cooperate if they were assured that the level of their educational activities would not suffer.

An analysis of the Massachusetts anti-snob zoning law has shown that a primary reason for its ineffectiveness is that it ignores the economic and tax consequences imposed on suburbs that admit low- and moderate-income people. In particular, the failure to adjust school aid formula for suburbs has been highlighted as a major area of concern of suburban homeowners.

A few months after this bill was introduced, and perhaps in response to it, the Department of Housing and Urban Development and the General Services Administration joined in a memorandum of understand-

ing to help insure adequate housing near new Federal job sites.

Under the agreement HUD will advise GSA as to the availability of low- and moderate-income housing near a projected government facility. If GSA must locate in an area where no such housing is available, HUD and GSA will join in a plan to provide such housing within 6 months after the facility is to be occupied.

I applaud this action. It has taken the Federal government a long time to recognize its obligations to its employees. The agreement, however, does not go nearly far enough in meeting these obligations.

First, the agreement is simply that—a memorandum with no real power. If HUD and GSA agree that such action needs to be taken, then they should not hesitate to support legislative remedies.

Secondly, it is still possible under the agreement to locate a facility well away from any housing. If a community has zoned out the possibility of low- and moderate-income housing, there is little HUD and GSA can do to provide it.

For example, the 20 local governments in a 400 square mile area around Princeton, New Jersey have zoned enough under-developed land for industry and research firms to support 1,200,000 jobs. The same towns, however, have zoned the remaining land to house only 144,000 workers—one-tenth of the potential work force. Any other community could be equally restrictive on a smaller scale.

Finally, the agreement does not cover Federal contractors. Federal contractors and subcontractors are required by law to practice nondiscriminatory hiring policies. To allow the same firms to locate in areas where its low- and moderate-income workers cannot live could in effect negate the equal employment laws. The location of a plant can prove just as discriminatory as the failure to hire a man because of his race or religion.

Enactment and implementation of S. 1282 will not, of course, open up the suburbs overnight to low- and moderate-income workers. It will, however, show that the Federal government is willing to take the steps necessary to make the ideas or rational urban growth, adequate housing and equal employment opportunity a reality.

The top 500 corporations and their allied 50 largest corporations in banking, insurance, retail trades, utilities and transportation, account for approximately 80% of all new jobs created each year.

If these companies along with the government are made aware of the urban policy implications of their site selection procedure by this legislation, the effect would be dramatic.

## OPERATIONS OF THE BUREAU OF LABOR STATISTICS

Mr. McGEE. Mr. President, I ask unanimous consent to have printed in the RECORD a news report published in the Washington Post of September 29 and a related editorial published in the New York Times of September 30 concerning the Nixon administration and its alleged efforts to stack the Bureau of Labor Statistics with political appointees in order to interpret statistical data relating to the economy in a light favorable to the administration.

A hallmark of the Bureau of Labor Statistics has been its independence and fairness in surveying many sectors of our Nation's economic development and presenting statistical data to show where we are. Like the Bureau of the Census, it has steadfastly avoided any taint of political partisanship regardless of the administration in power. If the case were otherwise, the reliability of its reports would be so seriously jeopardized as to render its efforts a waste of the taxpayer's money.

There have been several proposals in recent years by a considerable number of Senators and Representatives to circumscribe the authority of the Bureau of the Census to ask questions of the American people because of the increasing impositions of Government data seekers on the American public.

As chairman of the Committee on Post Office and Civil Service, which has sole legislative jurisdiction over the Bureau of the Census and any other agency of the executive branch which collects statistics, I have refrained from endorsing that kind of legislation because of my faith in the integrity and philosophical detachment of those agencies.

The statistical data upon which the Consumer Price Index and other reports of the Bureau of Labor Statistics are based represents the information upon which the Government and many enterprises in the private sector of the economy bases major economic decisions. For instance, all Federal salary decisions, excluding blue-collar wage surveys, are based upon "comparability surveys" made by the Bureau of Labor Statistics. The administration actively supports legislation to include our 800,000 blue-collar employees within such statistical data gathering procedures. If adopted that would mean that 3 million soldiers, sailors, marines, and airmen, as well as 3 million civilian employees of the Government, would receive pay increases in accordance with the statistical results of BLS surveys. Nearly 1 million widows, orphans, and retired civil service employees receive pension increases according to the figures of the BLS; or to put it the other way, do not receive increases in accordance with BLS figures. The Consumer Price Index is used as the indicator for wage adjustments under the terms of several major labor-management contracts in the private sector of the economy. Thus, millions of Americans rely upon the reliability and integrity of these surveys. Even to suggest that these agencies might be used for any partisan political purpose would be an economic disaster to a major sector of our public and private economy. If the public and its representatives are expected to rely upon these invaluable statistics, we must be assured of their integrity—even if it might mean establishing such data-gathering agencies outside the purview of political interference.

The allegations suggested in the Washington Post report are very serious, and I would advise Senators today that when I have a report from the appropriate responsible officials in the executive branch I will do one of two things: Exonerate the administration from any culpability in trying to impose politics or partisan viewpoints upon the Bureau of Labor Statistics, or, if the evidence does not suggest that avenue, propose legislation to insure that partisan considerations will not be a factor in any data-gathering machinery operated by our Government which is paid for by our taxpayers.

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

NIXON OUSTING LABOR ANALYSTS

The Nixon administration is bringing hand-picked political appointees into the Bureau of Labor Statistics to interpret wage and price data, displacing career technicians who incurred White House displeasure last winter.

It is another chapter in a continuing controversy which the administration claims stems from the technicians being exposed to embarrassing policy questions. Critics charge, on the other hand, that the technicians' analysis of economic trends conflicted with the roseate interpretations put out by White House spokesmen.

A major victim of what the government calls a reorganization—and the critics call a purge—is Peter Henle, chief economist in charge of analysis. He is scheduled to leave BLS for a post with a private research foundation. He has refused to comment on the move.

Also affected is Harold Goldstein, assistant commissioner of labor statistics for manpower and employment. It was understood his job is being split in two with Goldstein assigned to presumably non-controversial long-range analysis.

Goldstein, who used to conduct monthly briefings for the press on employment and unemployment statistics, played a key role in the incident which culminated in the controversial abandonment of these briefings.

Last March, BLS reported that unemployment dropped from 6.0 to 5.8 per cent (it has since risen to 6.1 per cent). But some unfavorable developments—a contraction in the number of jobs and a decline in the average work week—caused Goldstein to call the February picture "sort of mixed."

At practically the same time Secretary of Labor James D. Hodgson was calling the February report, "favorable," "hopeful," and "indeed heartening." It was an open secret that the White House and Hodgson were miffed with Goldstein.

Two weeks later the government dropped its monthly briefings on both the job figures and the consumer price index.

Administration sources explain that the shakeup in BLS, which is slated to take place Nov. 1, is only the result of a long-planned reorganization of government statistical services set forth in a federal publication in July.

Under this, a new Office of Data Analysis will be established in BLS. It will have the responsibility, formerly borne by Goldstein and other top career technicians, for the analysis and interpretation of the consumer price index, employment and jobless figures, productivity statistics and the like.

There have been persistent reports that this job will be filled by an unidentified University of Texas economist recommended for the job by Sen. John G. Tower (R-Tex.).

At the same time there were similar reports that Goldstein's present functions will be taken over by John Myers, an economist for the Conference Board, a research organization supported mainly by business.

But Geoffrey H. Moore denied yesterday that these appointments have been made although he confirmed that the Bureau is going through a reorganization.

It was made clear that the present data-gathering functions of the bureau will not be affected, only analysis.

Congressional sources said they had been told a number of BLS professionals will receive reductions in grade as a result of the reorganization and some employees are being encouraged to retire. There was one report that an under secretary for statistics would be created in the Labor Department but there was no confirmation.

Advised of the impending BLS shakeup, Chairman William Proxmire (D-Wis.) of the

House-Senate Joint Economic Committee, charged that the Nixon administration "would bring in analysts whose conclusions would be subordinated to the political interests of the administration."

Proxmire, who strongly protested abandonment of the briefings and has summoned BLS officials to explain price and unemployment figures before his committee in their absence, said:

"After Nov. 1, when the Bureau of Labor Statistics provides an analysis of the latest economic figures, it will be what the administration wants the public to believe about the figures, not what objective economic experts believe they signify."

In another development yesterday, it was learned the Census Bureau will take what perhaps is the first public opinion poll conducted by the government itself about its own policies.

The poll was ordered by the Cost of Living Council, headed by Treasury Secretary John B. Connally Jr. The questions are designed to determine Americans' knowledge of the details of the 90-day wage-price freeze, how it has affected them, how effective they think it is, and whether they think it is fair.

A copy of the questionnaire for interviewers' use and obtained by The Washington Post also asks a number of personal questions—income, education, employment status and whether the person polled belongs to a labor union.

The latter question brought an explosive reaction from the AFL–CIO.

A federation spokesman, told about the survey, said "we think it's pretty obvious that this is a continuation of a campaign to drive a wedge between the leadership and the membership of labor to prove their (the administration's) ill-founded claim that George Meany is out of step with its membership."

After AFL–CIO President Meany criticized the freeze for alleged inequities, an administration leader suggested he is "out of step" with his members.

On learning of the poll, another labor official said "it strikes me as 1984 and doublethink."

It was reported that the questions will be asked of those making up part of the sample for the quarterly survey on consumer buying intentions conducted by the Census Bureau. The total sample is about 17,000, but since the freeze poll will involve only those about to be dropped from the sample after six surveys to make room for new interviewees, the number is expected to be a bit less than 3,000.

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POLITICIZING THE B.L.S.?

Few agencies in or out of Government have a more distinguished record for objectivity and integrity than the Federal Bureau of Labor Statistics. Instead of representing the bureau's most prized adornment, that quality of scholary detachment seems to have become a liability in the present Administration.

Last March the B.L.S. technicians, who had for years held monthly press briefings to answer reporters' questions on cost-of-living and unemployment trends, were abruptly muzzled because their factual responses did not fit in with attempts by their superiors in the Department of Labor and the White House to convince the country that things were getting better when, in truth, they were getting worse.

President Nixon's decision on Aug. 15 to junk his steady-as-you-go economic policy represented tacit acknowledgment that the B.L.S. economists had been quite precise in their analyses of what was happening to the economy. But the vindication supplied by events has brought no let-up in the Administration's apparent resolve to downgrade the career technicians responsible for these dispassionate appraisals.

Two ranking economists are reportedly planning to leave the bureau on the eve of a reorganization that would considerably reduce their areas of authority. Administration spokesmen insist that the shake-up, part of a general overhaul of Federal statistical services announced last July, has nothing to do with politics. The initial list of new appointees rushed out by the White House yesterday has done a little to dispel reports of political maneuvering in connection with B.L.S. restaffing.

The surest way of discredit both the bureau and the data it compiles would be to adulterate its statistics with political sugarcoating in the months before the 1972 Presidential voting. The country has just embarked on a painful period of wage-price controls. The confidence of all Americans in the reliability of the Government measuring rods for charting ups and downs in living costs and jobs will be more needed than ever, especially since the period of economic regulation may extend for many years.

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## PRESIDENT NIXON AND SECRETARY LAIRD SPEAK ON PRISONERS OF WAR

Mr. GRIFFIN. Mr. President, on September 28, 1971, President Nixon and Secretary of Defense Melvin R. Laird addressed the annual meeting of the National League of Families of American Prisoners and Missing in Southeast Asia.

I ask unanimous consent that the text of their statements before the group be printed in the RECORD.

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

REMARKS OF THE PRESIDENT AT THE ANNUAL MEETING OF THE NATIONAL LEAGUE OF FAMILIES OF AMERICAN PRISONERS AND MISSING IN SOUTHEAST ASIA

Mrs. North, Mr. Secretary, all of the distinguished guests who are at the head table and all of those who are in this audience:

I have spoken in this room many times over the past, believe it or not, 24 years, starting as a Congressman. I can assure all of you that this brief remark that I will now address to you is spoken more from the heart, I think, than anything I have ever said before.

The Secretary of Defense—and I have had an opportunity to read his remarks and endorse them—will address you later. He will tell you what we have been doing, what we are doing, what we hope to do with regard to the great objective in which all of you and all of us are interested, and that is obtaining the release of all of our POW's and missing in action wherever they may be in Southeast Asia.

But I wish to underline what the Secretary will tell you by indicating the personal commitment of the President of the United States. As you can imagine, whoever holds the office of the Presidency cannot take upon himself all of the various assignments that come across his desk. Much must be delegated.

I want each and every one of you to know, however, that from the time in the White House Library, at Christmas time, 1969, I met a group of wives and one mother of some POW's and missing in action, from that time, as the Secretary of Defense can tell you, and the Secretary of State can tell you, I have considered the problem of obtaining the release of our POW's and missing in action as being one that has Presidential priority.

I can assure you that every negotiating channel—and now I say something here that I am sure all of you will understand—including many private channels that have not yet been disclosed, have been pursued, are being pursued and will be pursued.

I can assure you that with regard to this problem, that whenever any matter comes to the attention of the Secretary of Defense, or the Secretary of State, from a Senator or Congressman or the rest, it is brought to my desk and we run out the lead, whatever it may be.

You know the tragedy we have found so often—hopes are raised and then dashed, because we are dealing here with a savage enemy, one who has no concern for humanitarian ideals.

But on the other hand, we believe that it is essential to check every possible lead; we don't care where it comes from. We are doing that.

I have personally ordered that and we will continue to do so, and I believe that we will eventually succeed in our goal. That is my commitment that I make to all of you.

Now, I have delayed your dinner too long, but I would like to add one other rather personal note. Many times when I travel around the country, people—particularly young people in school—will say, "You know, Mr. President, that must be a terribly awesome responsibility to serve as President of the United States." And people sometimes feel that all of the great burdens of the world are on the shoulders of the President and that the responsibilities are indeed awesome. I would be less than candid if I were not to say that the responsibilities are heavy.

But let me tell you something: Any day that I sometimes feel that it has been a rather hard day and that I have had to make some real tough decisions, and I haven't had very much support, and any time I begin to feel a bit sorry for myself, I think back to that day just before Christmas in 1969.

I think of airports where children have come up and said, "My daddy is missing in action." I think of the wives who I have seen and the mothers and the rest. I think of their courage and what they have done and what they have given for their country, and then realize my job isn't all that hard.

I am just so proud of how great you have been and I am not going to let you down.

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ADDRESS BY THE HONORABLE MELVIN R. LAIRD

In my many meetings with the wives, parents and other family members of our Prisoners of War and missing in action around the country, I have come to know many of you personally. To be with you here this evening is again an inspiring and humbling experience.

You have won the admiration of the nation and of a great part of the civilized world because you have borne uncertainty and loneliness with dignity and courage.

I pray that you will continue to have the inner resources to maintain that dignity and that courage until the day on which uncertainty ends and on which those who are prisoners are reunited with their loved ones. I want tonight to reaffirm my pledge to you that we will not forget your husbands, your sons, your fathers—and, we will not forget you.

Each of you is aware that the U.S. Government was following a policy of virtual silence on the issue of prisoners of war and the missing until early in 1969. This former approach was followed, I know, not because of lack of concern for the men who were in prison or whose fate was unknown. On the contrary, it was assumed that the welfare of the prisoners would be best served by public silence.

A change of policy was effected after President Nixon entered the White House. We felt that the enemy's violation of the Geneva Convention should not continue to pass unnoticed. We were disturbed by Hanoi's failure to account for our servicemen whom they held and for those who they knew had

died in territory under their control in North Vietnam, South Vietnam, and Laos. We were incensed by reports of inhumane treatment of Americans.

And so I recommended that a different policy be pursued and that we discuss the humanitarian issue of prisoners of war and missing in action, openly, candidly, forcefully, and repeatedly.

As you know, I have made it a point on my trips to Europe and even on my last trip to Vietnam, to make a stop in Paris for the exclusive purpose of meeting with our delegation on this issue. Also, I have sought, whenever possible, in any meeting with my fellow Defense Ministers or other foreign government officials to discuss it and to seek the active support of other governments for our efforts to return these men to their families. I will continue to do so every chance I get.

The President of the United States, our Commander-in-Chief similarly has made this topic a priority item on the agenda in his discussions with leaders around the world and he will continue to do so.

I need not remind you that President Nixon has made far-reaching proposals at the negotiating table in Paris, including specifically the immediate and unconditional release of all prisoners of war. That proposal was perhaps the most forthcoming ever made on prisoners of war in history. Yet, the other side has refused even to address it.

I believe that whatever the frustrations, whatever the uncertainties, we jointly should continue our policy of focusing world attention on our prisoners of war and the missing in action.

As long as Americans are held prisoners in Southeast Asia, as long as Americans missing in action have not been properly accounted for, our efforts must continue to keep this issue before the public in our own country and in the rest of the civilized world and to reinforce the demand for justice for these men.

We must continue unceasingly to demand that the rights of prisoners of war under the Geneva Convention be respected. We must continue to call attention to Hanoi's violation of those rights.

The Geneva Convention requires that prisoners be humanely treated and protected. This provision has been consistently violated. Among other things, the enemy paraded prisoners in the streets, forced them to make statements and used them for purposes of propaganda.

The Geneva Convention requires neutral inspection of prisoner camps be permitted, including interviews of the prisoners without witnesses in attendance. The enemy has never permitted such inspection or such interviews.

The Geneva Convention requires that the names of all prisoners be released promptly. Such names as the enemy has released have not been released promptly nor through regular channels. And its lists have not been complete. No list of prisoners held in South Vietnam and Laos has been furnished.

The Geneva Convention requires notification of deaths in captivity and full information on the circumstances of death and place of burial. There is strong ground for doubt that its list of the deceased is accurate or complete.

The Geneva Convention requires that prisoner of war camps be marked clearly and their location be made public. The enemy has not marked its camps nor divulged their location.

The Geneva Convention requires that the seriously sick and wounded be repatriated or interned in a neutral country. The enemy has refused to comply with this provision.

The Geneva Convention requires that prisoners be permitted to send at least 2 letters and 4 cards a month. The average has been 2 or 3 letters a year and none at all from some prisoners. Only one letter has been received from a prisoner held in South Vietnam, and none from prisoners in Laos. I am deeply disturbed that, after a marked increase in the mail received from prisoners last year, this year's trend has gone down. We have worked through international postal contacts to try to establish special channels for prisoner mail to no avail. In every instance, North Vietnam has rebuffed the efforts of our intermediaries. Most recently, earlier this month, the North Vietnamese stated they prefer the present arrangements.

The Geneva Convention requires that sufficient food must be given to prisoners. Yet, all of the released prisoners have been found to be underweight and suffering from malnutrition.

The Geneva Convention requires that prisoners not be held in close confinement. Yet, the enemy has held some men in solitary confinement for years.

This list of continuing injustices impels us to persist in our efforts to see that Americans who are prisoners anywhere in Southeast Asia are accorded all the rights they possess by the Geneva Convention. We will persist in our efforts to obtain full information about the missing. We are not satisfied that any list so far released of those held prisoner and of the deceased is complete.

We stand by all the proposals we have made relating to exchange and release of prisoners. We urge particularly that the sick and the wounded be released immediately.

At this convention, you have wisely given careful attention to the problems of readjustment which will be faced when these men return home. It is important to plan now to meet these problems. I want to assure you that the Department of Defense and other agencies of government want to do everything we can to help you meet this challenge.

Let me deal briefly with the varying interpretations of the enemy's Seven Points presented at the Paris negotiations on July 1 of this year. There are many Americans who have claimed on the basis of some direct or indirect contact with North Vietnamese that Hanoi is prepared to be flexible on the issue of separating the release of the prisoners from the other issues. Yet, whenever our delegation in Paris has pressed Hanoi's representatives for a clear-cut explanation of Hanoi's stand, they have received no response or a response veiled in ambiguity.

Among the questions of particular concern to you which Hanoi's representatives refuse to answer are these:

Does the release of prisoners mean *all* prisoners—or only those whom Hanoi has admitted it holds in North Vietnam? What about the other American prisoners including those held in South Vietnam, Laos, or elsewhere? When and how and where will release take place?

What about the missing? Will they be accounted for? Without such an accounting, we cannot know whether any list of prisoners is complete.

At the time of the 120th plenary session of the formal talks, the North Vietnamese had met about 130 times with various unofficial American delegations. These meetings have produced in our own society much misleading speculation about the war, the Paris talks, and the prisoners of war issue. In fact, Hanoi has never said to any one authorized to negotiate for the United States that the prisoners will be released if American troops withdraw, and, of course, there are other conditions which they want fulfilled.

On Setember 16 the North Vietnamese restated their seven point peace plan in the hardest terms, apparently repudiating the reports made by some Americans who see flexibility in Hanoi's propaganda.

Hanoi's inflexibility and changing signals, coupled with its failure to abide by the most rudimentary humanitarian standards, have led to unproductive results. We shall continue to press urgently for a full explanation of Hanoi's position, but we will not accept any proposition which is not clearly in the interests of this nation or of the prisoners themselves.

I wish I could say that I fully appreciate the anguish that each of you has undergone and continues to bear. Yet I realize that no one but you who are separated from your loved ones can know how hard it is to wait without knowing when the waiting will end. As I said at the outset, you and your loved ones are in our thoughts and in our prayers. We pray that you will continue to have the strength to hold fast to the conviction that the waiting will end—and it will.

Every resource of your government will be employed to speed the day when the waiting ends. Our efforts on behalf of the prisoners and the missing and on your behalf will not flag.

If together we continue to persevere, to remain united in purpose, to continue to keep the question of the prisoners and the missing high on the list of international priorities, we will achieve the objective for which we have been working. We will learn what has happened to the missing. And together we will welcome back our men.

## THE UNITED STATES ASTRIDE THE GLOBE

Mr. FULBRIGHT. Mr. President, Mr. Merlo Pusey, one of the most experienced and perceptive journalists of our time, has written an excellent book entitled "The U.S.A. Astride the Globe." His observations contain much wisdom from which this body, as well as the executive branch, can profit.

A review of this book by one of America's most distinguished historians, Henry Steele Commager, published in the Washington Post of today, gives a succinct and interesting account of the essence of Mr. Pusey's views. I ask unanimous consent to insert it in the RECORD.

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

THE U.S.A. ASTRIDE THE GLOBE

(By Merlo J. Pusey)

(NOTE.—The reviewer taught at Columbia University for 20 years and is now the Simpson Lecturer at Amherst College. He testified this spring before the Senate Committee on Foreign Relations on presidential powers in foreign policy.)

When James Russell Lowell wrote that America was nurtured "by strong men with empire in their brain" he had in mind that empire which stretched from the Atlantic to the Pacific, not one that encompassed the globe. To the generation of the Founding Fathers, and their successors through most of the 19th century, these two concepts of empire were antithetical; more, they were irreconcilable.

Mr. Pusey here conducts an inquiry into the nature of the new American empire, one which ostentatiously plunges into the "exterminating havoc" and the "degradations" of every quarter of the globe. The new American empire, in sharp (and perhaps in the long run beneficent) contrast to earlier empire, from those of Alexander and Augustus to those of Louis XIV and Queen Victoria, is neither cultural nor economic, but almost wholly military.

Mr. Pusey has analyzed and charted the manifestations of this American response to the Communist challenge: $1,000 billion in military expenditures; an annual military budget of some $80 billion; military bases in 33 countries; an elaborate network of alli-

ances which has led us to propping up the Franco regime in Spain, the rule of the colonels in Greece, the military regime in Brazil, the Thieu dictatorship in South Vietnam and so forth; the world's largest fleet off the China coast, perhaps the second largest fleet in the Mediterranean; enough nuclear overkill to destroy any enemy 10 times over; CIA subversion in some 60 countries. He has not explored, though he hints at, the larger costs—to the success of the United Nations, to our standing in the international community, to our own internal unity, to our economy, our culture and our morality.

How has it happened that a people who so long cherished the notion that they were happily isolated from the rest of the globe now eagerly embraces involvement—military and political involvement—in every quarter of the globe?

This is a large subject and one which Mr. Pusey does not undertake to illuminate. Two considerations appear to be relevant.

Santayana has said that Americans never really solve any problems; they amiably bid them good-bye. We are now in process not merely of bidding problems good-bye but of bidding good-bye to both history and experience; it may be doubted that there has ever been an American administration as ignorant of and contemptuous of history as that which now presides over our frustrations and defeats. The Founding Fathers did not feel themselves bound by history—indeed, they were confident that America was to open a new page in history—but they were familiar with it, and with its "lessons". They thought that history was "philosophy teaching by examples" and studied that philosophy and those examples: thus Madison and Hamilton in the "Federalist Papers," John Adams in the "Defense of the Constitution," Jefferson in all of his state papers; Tom Paine in "The Rights of Man."

We no longer read history in this way or to this purpose; yet Presidents Johnson and Nixon might have done worse than study the history of the Sicilian Expedition as told by Thucydides: taken to heart, that lesson might have allowed us to escape from Vietnam.

The last four administrations have been prepared, in little things as in big, to ignore history, even our own. They have been prepared to ignore what we ourselves long took for granted: that secrecy defeats itself; that you can't fool all the people all the time; that the military cannot be trusted with responsibility for national policies; that power corrupts; and that—in the words of John Stuart Mill—a government which dwarfs its men in order to make them docile instruments of power will find that with small men no great things can ever really be accomplished.

This readiness to forego the lessons of the past is in part responsible for the second major source of confusion and error: our persistence in a double standard—a double standard of national and international conduct that has by now become second nature. Examples are familiar: we denounce Russia (and justly) for invading Czechoslovakia to overthrow a government it disapproves, but we ourselves invade Santo Domingo for much the same purpose; we regard it as "a dark day for mankind" when China detonates a nuclear bomb but we ourselves dropped nuclear bombs on Japan and threaten Vietnam and China with them; we have one standard for the Germans guilty of war crimes at at Nuremberg and for Japanese in the Tokyo Trials, but a very different one for our own violation of international law, the laws of war, the treatment of prisoners, and the Mylai massacre.

It is, still, always the other side that cheats—Russia or China, or Cuba, or North Vietnam. They are the aggressors. It is they who violate the law. It is they who are the militarists and force us, all unwilling, to take to arms.

Mr. Pusey proposes some remedies and some changes designed to advance peace throughout the world and harmony at home. Put an end to the Vietnam adventure; get out of Southeast Asia, and, eventually, of Korea and the Philippines. Abandon our excessive bases in most parts of the globe—but not NATO: NATO is a beneficent institution. Limit the arms race, defuse trouble spots in the Middle East and India and the Caribbean, restore civilian control of the military and restore the balance between the executive and the legislative power.

All of this is, needless to say, to the good; needless to say it is not good enough. It leaves the Cold War almost as cold as ever. The Soviet is not going to loosen pressure on her border states as long as we maintain a mighty military presence in Germany; it is not going to stop playing a power game in the Middle East as long as the U.S. Navy dominates the Mediterranean and Greece and Turkey are part of NATO. China is not going to abandon the Cold War as long as we insist on a two-China policy or force rearmament on the Japanese, whom we once forbade to arm. The Pentagon is not going to be returned to that subordinate place which it should occupy in our political system as long as Presidents and Secretaries of Defense are prepared to act as its spokesmen and champions; the Congress is not going to recover its constitutional equality as long as so many of its members are pusillanimous in performance of duty. Americans are not going to abandon their delusive double standard either at home or abroad as long as their schools, their press, their television, their leaders continue to impress upon them that they are a peculiar people who are not to be judged by ordinary standards.

## CURRENT U.S. POPULATION

Mr. PACKWOOD. Mr. President, as we here in Congress and around the Nation continue to discuss and debate our ever-expanding population, I think it is vitally important for us to have up-to-date population figures available. I would, therefore, like to share with Senators and fellow Americans population estimates prepared by the Census Bureau. These are approximations only, but they convey something of the magnitude of the problem we are facing.

According to current calculations, the total population of the United States as of today, October 1, is 208,098,26c. This represents an increase of 164,408 since September 1, or roughly the size of Hartford, Conn. It also represents an addition of 2,165,244 since October 1 of last year, an increase which is larger than the size of Philadelphia, Pa.

## THE EISENHOWER-DULLES PRECONDITIONS FOR INTERVENTION IN SOUTHEAST ASIA

Mr. BEALL. Mr. President, as our military disengagement from Southeast Asia begins to enter its final phase, I believe that we should reflect back to the wisdom of late President Dwight David Eisenhower and his Secretary of State, John Foster Dulles. The Eisenhower-Dulles approach to foreign affairs was based on what was practical, realistic, and obtainable. I should like to bring to the attention of the Senate an editorial entitled "The Dulles-Eisenhower Rules" published in the Christian Science Monitor of July 6, 1971. In the article, President Eisenhower's four basic criteria for effective intervention are outlined. In light of the consequences of our involvement in the conflict in South Vietnam, a situation which did not fit the Eisenhower-Dulles preconditions for intervention, we might want to reflect on the wisdom of our 34th President.

I ask unanimous consent that the editorial be printed in the RECORD.

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

THE DULLES-EISENHOWER RULES

When all the meanings of all the words in the Pentagon papers are added up and put together and analyzed and squeezed down for what is most important we think we have a pretty good idea where it will come out.

We think it will mean that back in the days of Dwight D. Eisenhower and John Foster Dulles the United States had a pretty sound set of operating principles for American foreign policy which their successors could, to their advantage, have honored more than they did.

Mr. Dulles was great on high-flown rhetoric and thus earned for himself the title of "brinksman." He even invented "brinksmanship" by the claim that he found it necessary to walk up close to the "brink of war." Yet the truth of the matter is that Mr. Dulles's actual operating policies, as distinct from his rhetorical policies, when tempered by Eisenhower caution were conservative and restrained.

In the Dulles speeches which did not make headlines, and in his private conversations and in his actual management of American foreign policy he worked out for President Eisenhower a set of rules under which he would approve or disapprove of an American commitment to friendly factions in countries under real or presumed danger of internal or external aggression.

He was willing to give economic and military aid and even, if necessary, send American troops provided that:

1. The government in the country involved requested aid.

2. The government requesting aid was in effective control of the bulk of the country.

3. The government was backed by a majority of the population, and

4. Government and people were ready, willing, and able to fight effectively in their own defense.

Under this formula all of Western Europe, much of the Mediterranean, most of Latin America, South Korea, Japan, Oceania, and Southeast Asia were kept out of the hands of adventurers and adventurous elements unfriendly to the United States and its allies. Egypt was a loss against the plusses.

Even more important, so long as the Eisenhower-Dulles formula was observed, the United States did not get into any difficulty too big for it to handle. To over-simplify, President Eisenhower believed in intervention—when the odds were on his side. Playing it cautiously paid off. He never got himself dangerously overextended.

Intervention in Vietnam was not measured by the old Eisenhower-Dulles rules. Had they been applied, there never would have been an American commitment there at all.

In the beginning there was never even a request for American troops. President Diem had to be maneuvered into asking for them. It was his fatal misfortune that he did let himself get talked into asking for them.

At no time was the regime in Saigon in substantial control of the bulk of the country. There is no convincing evidence that it has enjoyed the solid support of a majority of the people. And the evidence is still all too painful that government and people have

yet to acquire the will and capacity to fight their own battles.

The Eisenhower-Dulles formula would have justified intervention in Korea. It would not have justified the massive intervention in Vietnam which came during the Kennedy-Johnson era. Every rule in their formula was ignored by the commitment to Vietnam.

The chances are that when the Vietnam affair is really over and the books are closed, as they are bound to be one of these days soon, someone will remember it all as an example—of how safer the old formula really was.

## POSTAL SERVICE DELIVERY

Mr. McGEE. Mr. President, I ask unanimous consent to have printed in the RECORD an article published in yesterday's Washington Post concerning the U.S. Postal Service's recent achievement of overnight delivery of some letter mail in metropolitan areas. The article is a column by Mike Causey, pointing out that letters which bear meter cancellations must be dated the day following their deposit in the mail system if they are actually mailed in business areas after 5 p.m., or whatever hour is the last regularly scheduled mail pickup.

Mike Causey's article also relates to a recent news story in the Post regarding the success of this program in Washington. According to Washington postal officials, next-day delivery reached 98 percent over a 4-week test period, and all this was done, the Postal Service proudly pointed out, without additional workers, overtime, or equipment. The simple additive to achieve this magic was that all night collections from mail deposit boxes were eliminated.

Claiming some expertise in the field of postal operations, I should like to suggest that an effective combination of these two schemes would be to require that all mail be postdated 1 day and required to be deposited by noon. In that way, perhaps more than 98 percent could be delivered before it was mailed.

Levity aside, I view this improvement in mail service, if that is what it can be fairly called, with some misgivings. Last year, when our Post Office and Civil Service Committee was drafting the language of the Postal Reorganization Act, the Postmaster General and his associates expressed great misgivings about any language requiring overnight delivery of letter mail as a goal of the Postal Service—mind you, not a requirement, but even as a lofty principle to look toward. In the postal reform bill which I introduced, S. 3613, the statement of policy on service was this:

> Modern methods of transporting mail by containerization and programs designed to achieve overnight delivery of mail to all parts of the Nation shall be a primary goal of postal operations.

The Post Office Department fought that language tooth and nail, and I must say, particularly after the postal strike and they had sufficient votes to carry the day, they prevailed upon Congress to eliminate such a lofty proposal from the policy of the Postal Service. The policy of the law now reads:

> Modern methods of transporting mail by containerization and programs designed to achieve overnight transportation *to the destination* of *important* letter mail shall be a primary goal of postal operations.

The italic are mine. The significance of the italicized portion of the policy statement is that the Postal Service recognized at once the duty of principle which we were attempting to establish, and did not want to shoulder the burden of delivering, attempting to deliver, and trying to attempt to deliver, everybody's letter mail expeditiously. Just important letter mail.

What "important" means remains to be seen. It may mean letters for which the customer may be assured overnight delivery to the place of destination—notice that does not mean to the addressee, just the city where the addressee lives—for a mere $1.50 postage, a cost, I might add, that surely bears much more weight of postal operations than a fair and equitable rate structure might establish. It may mean airmail, special delivery, which now costs 71 cents for 1 ounce, and which, in my most recent personal experience with that class of mail, was not actually delivered to the addressee.

Another aspect of this which bears some thoughtful problems is what effect this has on the mailers. Does a business which meters $500 of postage a day lose that postage if it incorrectly dates the mail? By incorrectly, I mean that they put the date on the letter of the day which they deposit the mail, but not the date of the day following the day which they deposit the mail. Postal regulations require deposit before the last collection of the day or the mail will be returned to the mailer for proper dating, or postdating, as it were. But when I raised this issue with the Postmaster General some months ago, he assured me that this was not the case. He said:

> Metered mail which is dated one day but which is not collected until the following day is not regarded as being wrongly dated.

Mailers might be pleased to hear that, were it not for the wording on the notices they have received which state:

> Postal regulations require meter mail bearing the date of mailing *must* be deposited in a mail chute in the building or street collection box before the last collection of that day. Mail prepared after the last collection must bear the next day's date.
>
> Firms that hire pickup or courier services to deliver their mail to the Post Office must inform the agent to deliver to the Mail Post Office before 9:00 p.m. of the date shown in the meter.
>
> Employees of your organization should be fully informed of these regulations to insure that your mail is properly prepared to conform with the procedures outlined above.
>
> Meter mail improperly prepared will be returned with instructons to enclose in new envelopes bearing the correct date in meter stamp.

The wording in that notice is taken from a bulletin received by mailers in Washington, D.C., from the local postmaster.

Mr. President, there is a definite contradiction here between what the Postmaster General told me as chairman of the Senate committee and what one of his subordinates told mailers. They had best get their heads together and find out just what the regulations and policies of the Postal Service are.

"Newspeak" may have reached the Postal Service just in time to assure yesterday's delivery of tomorrow's mail, making no night collections good and correct metering bad. The new advertising program for which the public will be asked to pay a great deal of money to put that sort of program over to itself may carry the day. But for those who are interested in improved service as a fact, at fair and reasonable postage rates, and not gimmicks and public announcements of test programs, the actual data from which never reaches the public eye, or money-back guarantees with fine print in the contract, the Postal Service has yet to make its case.

I ask unanimous consent to have printed in the RECORD several letters and papers relating to the subject I have just discussed.

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

STATEMENT BY WINTON M. BLOUNT

Postmaster General Winton M. Blount announced today plans for overnight delivery of virtually all of the nation's local area first class mail deposited by 5 p.m.

"The goal," Mr. Blount said, "is next-day delivery of letters and other first class mail within cities and surrounding areas. This affects more than half of all first-class letter mail. Customers of every post office in the country will benefit."

Well over 50% of the 52 billion pieces of first-class mail handled annually are for delivery in the city where deposited or in nearby communities.

The Postmaster General said that by September 9 regional and local postal officials will identify exact areas within which next-day delivery will be provided for ZIP-Coded first class mail deposited by 5 p.m. on weekdays in business areas, and at collection points on main thorofares.

At all collection boxes in residential areas for which the last collection is earlier than 5 p.m. a notice will be posted showing the location of boxes in shopping centers, near postal stations or on main thorofares where collection will be made at approximately 5 p.m.

Where possible, Postmasters will designate depositories in or near post offices where later than 5 p.m. deposits may be accepted and still make established standards.

The areas in which overnight delivery will be provided will extend well beyond local city boundaries. The next-day service boundaries will be announced publicly in every community. ZIP-Code definitions of the areas will be made available.

A minimum goal of 95% successful performance in each area by October 31 has been established. Constant monitoring will be used to identify any problem areas and to insure that the performance goals will be met.

Mr. Blount urged mailers to deposit as much of their mail as possible earlier than the 5 p.m. cutoff to help insure maximum success with the new first-class mail standards.

At a minimum, overnight delivery will be provided within and between all post offices in a postal "sectional center." Sectional centers include many surrounding post offices, as well as the sectional center post office—usually a larger, strategically situated office. In addition, post offices in immediately adjacent sectional centers will also get next-day delivery.

Postmasters at local offices will publicize lists of communities to which they can provide overnight delivery.

"Some areas of the country already are receiving next-day local delivery," Mr. Blount commented. "This program will reinforce

the already high delivery standards in those areas and broaden them in some cases.

"This new plan, however, adds a new dimension to local service, including specific delivery timetables to clearly defined areas, with known performance standards."

New improved standards for first-class mail moving out of local areas are under development and will provide delivery within specified timeframes, depending upon distance.

[From the Washington Post, Sept. 22, 1971]

NEXT-DAY DELIVERY OF DISTRICT OF COLUMBIA AREA MAIL HITS RECORD 98 PERCENT

(By Henry Aubin)

A Postal Service official said last week that 98 per cent of all letters mailed from one location to another within metropolitan Washington are being delivered the next day.

Carlton G. Beal, manager of metropolitan postal operations, said the finding was based on a survey over the past four weeks using 1,520 test letters, which serve to measure the time elapsed between collection and delivery.

A similar survey last June, before a new efficiency program was introduced, showed that only about 77 per cent of all letters were getting overnight service.

In its own survey of local mail service, the Washington Post mailed 100 letters over the last nine days from locations in the District of Columbia and suburban Virginia and Maryland. Ninety-five per cent of them were delivered to Post employees' homes, scattered throughout the area, the following day.

Four were received the second day and the fifth letter—mailed from Wheaton to a copyboy living in the 1100 block of Massachusetts Avenue NW took five days.

The surveys show that the local post office may already have attained the goal announced by Postmaster General Winton M. Blount to provide overnight service for 95 per cent of first class mail within all the nation's metropolitan areas.

'We're about to climb on cloud nine if this keeps on going, said Beall.

He said in an interview that quicker service was accomplished without increases in manpower, overtime or equipment. It may even cost less than before, he said.

To achieve the faster service, all night collections were eliminated. To get overnight service, residents must mail a letter before the last collection—which can be in the morning in some residential areas and as late as 5 p.m. along main arteries, Beall said.

Until this summer, some mailbox collections were as late as 1 p.m., he noted.

The former system of night collections seldom resulted in faster deliveries because, Beall said, the late mail generally used to lie around post offices all night before being processed.

In addition to the District, the new service applies to all of Fairfax, Arlington, Prince William and Loudoun counties and much of Falls Church, Alexandria and Fairfax.

In Maryland, it includes Prince George's and Montgomery counties and also parts of Howard, Calvert and Anne Arundel counties.

The Post survey found no pattern to the late letters. No neighborhoods appeared to get particularly shoddy service.

For example, a person living in the 4400 block of B Street SE received a letter mailed from downtown Washington two days later. But the following day, she received letters mailed five blocks away and she also received letters from Arlington, Leesburg and Wheaton the next day.

A reporter living in Bethesda received letters from Reston and Northeast Washington the next day, but he got a letter from Arlington two days later.

Beall agreed about the random nature of late letters. Postal officials blame them mostly on human error by employees or on unclearly hand-written addresses (The Post's envelopes were typed).

Beall said the Postal Service survey showed that mail sent from one location to another within the District of Columbia arrived the next day 97.9 per cent of the time. Mail flowing between the District and suburbs was slightly better, 98.2 per cent.

In another experiment, The Post tested zip codes' zip.

Ten letters without zip codes were mailed from the same mailboxes and to the same addresses as 10 letters including zip codes.

All 20 letters arrived the next day.

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[From the Washington Post, Sept. 30, 1971]

POST OFFICE ORDERS MAIL POST-DATED

(By Mike Causey)

The U.S. Postal Service has found a sure fire way to make the public believe mail service is getting better. Key to the operation is a gimmick billpayers with low bank balances have used for years, called post-dating.

Under the system, the mail-moving corporation now requires letters mailed after the last mailbox pickup to bear the next day's date on the postage meter stamp.

It also permits the Service to look better despite cutbacks in late-hours mail pickup.

In the old days, like last July, mailroom clerks in businesses stamped letters with the date they were mailed from their offices, usually between 5 and 6 p.m.

But since the postal service has eliminated some 7 and 8 p.m. mail pickups, complaints from customers expecting next day delivery have increased.

To counter this, the post office now requires "meter mail bearing the date of mailing must be deposited in a mail chute in the building or street collection box before the last collection of that day. Mail prepared after the last collection must bear the next day's date."

New regulations mean the mail rooms who miss the 5 p.m. pickup on Monday must redate their postage meters to Tuesday. Otherwise, the postal service returns their letters, rather than deliver them "late" to customers.

Mailers are furious over the new regulation, particularly since the Postal Service has shortened its pickup service day in many areas.

The post-dating method gives the Service a big-jump, and makes patrons think they are getting next-day, or same-day service when they aren't.

There is some tongue-in-cheek speculation that the postal wheels will next require two-day post-dating on mail going cross-country. That would give them an additional time cushion. In some cases, it would permit a letter from Washington to arrive in Los Angeles the day before it was written.

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U.S. POST OFFICE,
*Washington, D.C.*

Postal regulations require meter mail bearing the date of mailing *must* be deposited in a mail chute in the building or street collection box before the last collection of that day. Mail prepared after the last collection must bear the next day's date.

Firms that hire pick up or courier services to deliver their mail to the Post Office must inform the agent to deliver to the Main Post Office before 9:00 PM of the date shown in the meter.

Employees of your organization should be fully informed of these regulations to insure that your mail is properly prepared to conform with the procedures outlined above.

Meter mail improperly prepared will be returned with instructions to enclose in new envelopes bearing the correct date in meter stamp.

Very truly yours,

C. G. BEALL,
*Postmaster.*

MAY 27, 1971.

Hon. GALE MCGEE,
*Chairman, Committee on Post Office and Civil Service, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in further response to your letter of April 16 concerning the erroneous dating of postage metered mail.

The regulation to which she refers is intended to be applied only in those instances where a mailer regularly deposits wrongly dated metered mail after having disregarded requests for corrective action. Also, metered mail which is dated one day but which is not collected until the following day is not regarded as being wrongly dated.

Miss Jablonski also asks "who, other than the post office, really looks at the date on the envelope?" She might be interested in knowing that we receive hundreds of letters each week concerning delayed mail. Erroneous dating could make it appear as if mail had been delayed, when, in actuality, it had not.

Sincerely,

WINTON M. BLOUNT.

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## EMERGENCY EMPLOYMENT ACT FUNDS

Mr. TAFT. Mr. President, I continue to be disturbed about the way in which funds under the Emergency Employment Act have been allocated by the Department of Labor. Under section 6 of that act, $250 million was reserved for areas of substantial unemployment. These areas were to be determined by the Secretary of Labor upon his finding that they have experienced unemployment equal to or greater than 6 percent for 3 consecutive months.

The basis for my concern is the fact that $200 million of the $250 million has now been allocated by relying entirely upon the unemployment figures for the months of May, June, and July. Upon a determination that unemployment equalled or exceeded 6 percent during the months of May, June, and July, the allocation was then made on the basis of the May unemployment figures.

The reason the allocating this money on the basis of May unemployment entirely escapes me. The purpose of section 6 is to provide help where unemployment is—not where it was.

One of the reasons why I was not enthusiastic about S. 31 as it was reported from the Committee on Labor and Public Welfare was precisely because it did not provide funds for local areas of heavy unemployment. As I indicated in my individual views, "for the unemployed, it makes no difference whether the national rate of unemployment is more than 4½ percent or not."

Fortunately, the House-Senate conferees subsequently put in language, now in section 6, which provides special funds for local areas which are most heavily impacted by unemployment.

In allocating $200 million under section 6 entirely upon the May unemployment figures, the Labor Department has substituted administrative ease for the needs of America's unemployed.

In my own State of Ohio many of our steelmaking communities have been particularly hard hit by this allocation formula. May was a good month in Ohio as most steel mills were operating near ca-

pacity in anticipation of a summer strike. The massive unemployment in those areas now is not alleviated by an allocation formula based upon the May figures.

For example, of the $200 million allocated by the Department of Labor under section 6, not one dime has been provided for the cities of Youngstown and Warren or the counties in which they are situated. These great steelmaking centers are currently hard hit by unemployment. In the Youngstown area, I am informed that there are between 17,000 and 18,000 men and women currently unemployed, out of a work force of 110,000. Obviously this is more than 6 percent and if the Emergency Employment Act funds were not being disbursed according to out-of-date May figures, we could provide help for these unemployed workers and their families.

I believe that the funds under the Emergency Employment Act should be allocated over the full term of that act, using always the most current and up-to-date unemployment figures. Only in that way can we be sure that we are spending where it is needed.

## GENOCIDE: 2,000 YEARS OF PROGRESS

Mr. PROXMIRE. Mr. President, history reminds us that genocidal mass murder is not solely a modern-day concern. Perhaps the best chronicle of past incidents of genocide is not the statistical record of numbers murdered, but the anguished statements of civilized survivors.

For example, let me quote briefly from the writings of Seneca, the great Roman philosopher:

> We are mad, not only individually, but nationally. We check manslaughter and isolated murders; but what of war and the much vaunted crime of slaughtering whole peoples?

Having lived from 8 B.C. to A.D. 65, it is certain that Seneca must have witnessed or known of some of the rather gruesome incidents in the early history of genocide. What progress have we to show 2,000 years after Seneca?

No much.

As a result of tremendous increases in man's tactical and technological power, nations have become capable of greater and greater atrocities. It could almost be said that the passage of time has enabled man to refine his technique—if "refine" was not the wrong word to apply to acts as brutal and vicious as genocide.

Our duty, then, is to upgrade the effectiveness of our legal mechanisms deterring genocide. At present, no such legal mechanism exists. The conduct of nations on matters of international concern such as genocide is virtually lawless. Nations try to "coexist" in a state of relative anarchy, while guarding their right to anarchy by calling it "sovereignty."

I am not calling for an end to the concept of sovereignty. Obviously it is still a valid concept, and one that most of the world's people believe in.

But I do feel that we can add some measure of rule by law without sacrificing our cherished independence. Thus I propose that the Senate ratify the International Convention on Genocide, which would make genocide an international crime and establish procedures for trial and punishment of violators.

There are not constitutional barriers to ratification. There is no danger of jeopardizing our national interest. And most important, there is absolutely no justification for the inaction of the United States in this vital area of human rights.

Civilized man simply cannot allow the instruments of mass murder to outstrip the legal controls placed upon mass murder. Yet that is what is happening as we continue to delay ratification of the Genocide Convention. We cannot afford to wait any longer. Let us ratify the Genocide Convention now.

## THE "BIG SHOTS" OF THE DRUG WORLD

Mr. HARTKE. Mr. President, recently much attention was given to the announcement of the Turkish Government that it would end all legal opium production within 1 year. For many years, Turkey has been thought to be the source of as much as 80 percent of the heroin which reaches the United States. The announcement that opium production in that country would henceforth be illegal was both welcome and long awaited.

At the same time, the Turkish announcement does not mean that it will be more difficult to buy heroin in the United States. In recent years, an increasing amount of heroin has been produced in Southeast Asia. Iran recently resumed opium production after a 13-year hiatus. And in anticipation of the Turkish decision, heroin dealers throughout the world have stockpiled enough of that dangerous drug to supply the needs of American addicts for many years to come.

If we are to stop the international traffic in heroin, we must put out of business each and every laboratory which is used to refine opium into heroin. It is the laboratory which is the weakest link in the chain of international drug traffic. Opium is produced in farm fields spread throughout the world, but it is refined in a relatively few laboratories and then placed back into a complicated and impossible-to-detect transportation network.

One of the largest centers of laboratories in the world exists in Marseilles, France. This past spring, when I visited Paris, I met with John Cusack, head of European operations for the Federal Bureau of Narcotics and Dangerous Drugs. He emphasized the awesome task facing U.S. narcotics agents in Europe in their efforts to keep heroin from reaching our shores. It was clear to me following that discussion that, without the active cooperation of several foreign governments—almost all of them friendly to our own—there is no hope of stopping the international drug traffic.

Recently, a series of articles appeared in French newspapers containing interviews with Mr. Cusack. Mr. President, I ask unanimous consent that the articles, together with the response of the Director of the French National Police, be printed in the RECORD.

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

MARSEILLE: OBJECTIVE NO. 1 OF NARCOTICS BUREAU

(By Marc Ciomei)

JOHN CUSACK. The "Big shots" of the drug world are in Marseille, and we will catch them.

On a "ring" located within the limits of South-Eastern France, a regular death boxing match is being fought. On one side, 3 or 4 shadowy figures whose empire covers hundreds of thousands of people on their way to perdition: they are the "big shots" of the drug underworld, and they live and manage their business in Marseille. On the other side of the "ring", a "cop".

The "cop", I saw him . . . a few days ago, in Paris, on the 6th floor of the U.S. Consulate, on rue de la Boetie. He had just arrived from Washington, and was on his way to Rome. He is bald-headed, blue-eyed, and likes "bouillabaisse".

In a few weeks—perhaps less than two—he will be in Marseille, and not for culinary reasons. His name: John Cusack. His occupation: boss of the "Narcotic-bureau." He has received his mission from President Nixon himself, and he does not conceal it: to destroy Marseille laboratories which flood the U.S. with drugs.

He has promised to come back a winner. This is what he will explain to me for more than three hours in his transit office where, around a wooden table—with no whisky—but smoking blond tobacco cigarettes, some of his associates will join us.

On the wall, a map of Europe. John Cusack gazes fixedly on the French Mediterranean Coast, his eyes stop on the point marked "Marseille", and, as he realizes that I am watching him, he nods:

"Yes . . . Yes, it's there . . . It's in Marseille!" a meaningful smile on his lips.

He received me in "American fashion", of course, in a setting of "incorruptibles"; large waiting-room, two very "pin-up" (here I go using American language myself) secretaries come and go; a deputy whose appearance would not clash on the terrace of a cafe in Palermo or Marseille, and who, in an Eddie Constantine voice and accent, asks:

"Well, it's going to be a hard task."

The double-door swings open: John Cusack enters, hands outstretched, direct gaze. We move from the large office to a more comfortable corner of the room, where a large divan and easy chairs are placed.

For once I have taken a notebook out of my pocket, ready to write down, word for word, what he is going to tell me. But my pen remains up in the air . . . For a while, John Cusack talks about Marseille, which he already knows well, of the Vieux-Port, of the "bouillabaisse", and of souvenirs of a touristic nature . . . But, all of a sudden, his voice changes . . .

Chest forward, the "cop" leans his elbows on his knees. He does not even look at me anymore, busily searching for words. I even have the feeling that he is not talking, but that he is dictating, with precision and with a sort of calm and relentless will. In fact, right now I see John Cusack on the "ring" and, like a "champion" in the Middle-Ages, challenge his opponents.

WE WILL DESTROY THE ANT-HOLE!

"There are at present in Marseille"—he goes on "three or four big shots in the drug underworld who, on the strength from their bank accounts, their acquaintances and the respect which surrounds them, feel secure.

"They go about quietly, either because they are feared, either because some people do not believe they are guilty or feel that,

should they denounce them, it would be they, the people, to pay for it.

"This "state of things" must be done away with, first of all"

"I am certain that when people from Marseille and its environs learn that we have huge means at our disposal, they will come to us. They will give us the information needed by us to destroy the laboratories and the sources of supply".

"Together, we will kick the ant-hole with our feet, we will force the ants to come out, to disband; it will be up to us to destroy them, and especially to find the big ants.

"A big step will have been accomplished if we succeed first of all in Marseille, because it is there, and nowhere else, that opium passes in transit. It is in your city, in its nearby suburbs, that conversion laboratories are to be found. It is also in Marseille, and not elsewhere, that "big shots" in direct liaison with the Mafia and successors of Al Capone have established their residence."

"This is where we have to strike our blow, quickly and strongly".

After this real declaration of war, John Cusack remains silent for a while. Like a fighter before the fight, he concentrates . . . Most probably going over in his mind what he has just told me, examining every key idea, in order not to forget anything in the challenge to the Marseille underworld, to what he calls "the big shots," the quartet of rich financiers who scorn their fellow-men to build fortunes.

Because, as in all wars, money is its backbone. Thousands of dollars, millions of francs. In spite of the extreme risks, it is money that drives drug traffickers to this "occupation".

To fully understand this struggle, it is necessary to be aware of this economic factor: in Marseille only—in evaluating what John Cusack calls "domestic consumption", daily amount of about 10 million old francs is spent. And that is without counting the cost of deintoxification cures in hospitals, cures, etc.

CONCERTED ACTION WITH FRENCH POLICE

However, the aim of John Cusack and his agents is not directed at these "local" problems. This is the task of the French police, and the honest citizens of Marseille have the right to ask from public means to give the police the orders it is waiting for.

Of course, one is bewildered if one compares the paucity of the means the French Police has, to the powerful ones at the disposal of John Cusack.

"It is not within my duties to substitute for your police. I only know that it needs more men, more vehicles, more money, too".

"The duties of "Narcotic-Bureau" agents in Marseille will be to coordinate and obtain information. Our action will always be concerted with the French police. If we are in Marseille, it is because revelations made as a result of at least five seizures have convinced us that laboratories exist in Marseille or its surroundings.

"Every single time, whether it is in Porto-Rico, Barcelona, or New York, every important investigation brings us back to Marseille . . ."

Statistics provided by John Cusack are irrefutable and refer to recent seizures:

Late June, at the Spanish border: seizure of 50 kilos of heroin; the drugs were obtained at Marseille.

July 23, at Porto Rico, two Frenchmen from the South are arrested in possession of 100 kilos of heroin. Their car, a Citroen, transited in Marseille.

July 29, at Valencia (Spanish); a French couple, coming from Marseille, is found in possession of 113 kilos of heroin.

The "No. 1" of the "Narcotic-Bureau" likes to stress the efficiency of the French police who, on February 24, seized 3 kilos of base, but, his hand, palm-down, posing down on a map of Provence, he exclaims: "Always in Marseille, always in Marseille . . ."

"Of course, it's not only in Marseille" says he. "We know there are laboratories in Germany, but we are convinced that the main laboratories are in Marseille."

"Their bosses are from Marseille. In fact, they are very important; we know that they deal on an equal basis with the Mafia, perhaps even at an advantage, having excellent chemists and installations."

"This organization was formed long ago. Certainly about twenty years ago. It has many associates, is well acquainted with the local citizenry, and has much money . . ."

Yet, for various reasons which we have already analyzed and unfolded, drugs are getting more and more popular in the Western world: its problem is no longer limited to the world of criminal and addicts.

This problem is at our door, as we have pointed out several times very frankly, very straightforwardly, even though this may annoy some . . .

And this is why traffickers must be pitilessly pursued and brought down.

In coming to Marseille, John Cusack must fulfil a "world health" mission. Only the U.S.A. can engage in this battle with some hope of winning. President Nixon, worried for his country and responsible for the physical and moral welfare of his people, has delegated this job to an intelligent and courageous man, and, in a certain way, has made him his "champion".

The latter is now perusing files, verifying information, exploring the ground; from his corner, he watches. He knows he is fighting powerful people "who always have witnesses, alibis, guarantees . . ." Being a good fighter, John Cusack knows that when the bell rings, his blows will have to be precise and strong.

This is the reason why he wants to feel the people of Provence with him, with him he wants the people of Marseille who are tired of "hoodlums" even if they are rich.

"All those who wish to work with us will be received" he told me. "We are ready to pay for any information which will lead us to the ten or so laboratories in the Marseille area."

"As to the "big shots", I'll take care of them".

Even though these words are said from the 6th floor of the rue la Boetie, John Cusack's words are not "just words".

MARC CIOMEL.

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[From "Le Provencal" August 25, 1971]

MARSEILLE, THE HEART OF THE PROBLEM

It was feared that the summer would witness an increase in drug traffic and abuse, and, unfortunately, it turned out to be a reality. The use of narcotic products, the road leading to madness, downfall, and death, is wide enough in our area to urge us to make our readers of today acquainted with this problem. As a matter of fact, today drugs are again on the "agenda": three Marseille traffickers, kept under surveillance for quite some time and well-known to the Special Narcotic Service, have just been arrested in Baden-Baden. They were carrying 75 kilos of morphine base valued at 1,115,000 francs. As a result, Louis Ambrosino, Leonie Del Allah, and Rapheal Malvezzi have been put "out of circuit" by the Regional Service of Judiciary Police, in Marseille, by Interpol, and by the Central Narcotics Office.

From his office located on the sixth floor of a large building on the rue de la Boetie, John Cusack, boss of the Narcotic Bureau, must have followed this seizure with close attention. His Service is the "spearhead" of traffic repression. This recent seizure is an important one because drugs often transit via Germany prior to be brought into the United States or Canada.

John Cusack, whom I met a few days ago, is aware that France has reached a turning point in drug traffic enforcement.

"A lot of time has been wasted in Europe before really facing this problem; naturally, we Americans try to understand this negligence which was fatal to us: until the very recent years, drug consumption only concerned the United States. And even if we knew that Europeans, and French people in particular, had no reason to go to great trouble in the repression of drugs, since they were not directly hit by this plague, it was difficult for us to conceal our concern. It took the death of an 18 year old girl—death from an overdose—to rouse and stir public opinion. Much time has been wasted, but there is no use crying over it. It is time to strike, without hesitation. Do they hesitate, the traffickers, the poisoners?"

The inscrutable face of this calm man lights up. The Narcotics boss is a "super-policeman", but he is also a father, like anyone else.

"I know that my children can become victims, too." This dreadful plague can contaminate people of all social levels, all generations. In the U.S. some ten year old kids have already had a "fix" of heroin. There is no age limit to become a "junkie" (in American slang: consumers of hard drugs such as heroin, morphine, and opiates). I don't want such a tragedy to happen in my home. I am in a better position than others to be on the alert and stop this plague. But I wish your people would know that they must strike at all levels if they want to check this disease.

To check the disease means to start with Marseille.

Sad but true, our city is a haven for traffickers. Long ago, John Cusack knew that a branch of the Narcotic Service was needed here. U.S. policemen work in collaboration with the Narcotics Brigade.

Every day they can witness the traffic being carried out in the streets of the various sections of the city. Like in the large cities in the U.S., meeting places occur in crowded areas where the addict can hide himself in the crowd formed by the other inhabitants. Everybody knows that heroin addicts and others addicted to less dangerous drugs frequent the "Prefecture" area and the "Vieux Port" of Marseille. Naturally, we are aware of this market in broad daylight. But, aside from a few rare exceptions, this market does not yield much information as far as major international traffickers are concerned. It is not a poor miserable addict found in the Vieux-Port who can lead us to the laboratories. Then, of course, the people who witness this sad spectacle are stirred and ask that an end be put to it. But it is often too late. Can every single addict be locked up?

At a first interview, John Cusack told me that the really successful way to hit traffickers is to seize laboratories, adding that "There is no reason to believe that chemists have left the Marseille area. The implantation of such an industry demands a network of complicity which cannot be created in one day. These complicities are still as effective; traffickers who have been the victims of some set-backs (such as Mimet, Mazargues) are doubly careful. All of our efforts are directed at this aim. However, the discovery of a laboratory is essentially possible only through an information. And the people of Marseille know how to keep their tongue".

A few weeks ago, the Bureau of Narcotics advised of its intention to pay important rewards to anyone providing information likely to strike a blow at the traffic. "Le Provencal" advertised it. This method is already being used in the United States, where it has proved successful in spite of the ever growing drug market. This means may have shocked certain people; some said it was a kind of "denouncement".

John Cusack answers: "Do you think criminals like that have to be handled with gloves".

FRANCOIS MISSEN.

[From "Le Figaro," Aug. 26, 1971]

FOLLOWING THE STATEMENTS MADE BY MR. CUSACK, DIRECTOR OF THE "NARCOTIC BUREAU" IN FRANCE

RESTATEMENT BY THE GENERAL DIRECTION OF THE NATIONAL POLICE

"Opium transits via Marseille. It is in Marseille and its surroundings that conversion laboratories are to be found, and it is in Marseille that big shots in direct contact with the Mafia have established their residence". These are the statements made to two Marseille newspapers by Mr. Cusack, Director of the "Federal Bureau of Narcotics" Office in France.

In this regard the General Direction of the National Police gave out the following communique, yesterday evening:

"The interview granted to two newspapers by Mr. John Cusack calls for the following comments: "Mr. Cusack stated that "Marseille is the transit point for drugs and that in Marseille there are three or four big shots who, thanks to their bank accounts, their acquaintances, and the respect they inspire, feel in safety".

It is not the first time that Mr. Cusack makes, on his own initiative, such statements which, up to now, have proved purely unfounded. Back in 1970, the Press reported that Mr. Cusack had some information regarding drug traffickers, specifically in the Marseille area, and the political protection they enjoy. Interrogated by the Director of the French national police, Mr. Cusack replied by letter:

I wish to advise you that I have no documents or information of a particular nature regarding traffickers and their political protection; therefore, the allegations reported by the Press are completely unfounded."

If Mr. Cusack's recent statements are based on facts, it is his duty—in view of the cooperation established between the Judiciary Police and D.N.D.D. (sic) to immediately take the necessary steps in order to the activities of the traffickers he is denouncing. This line of action would be the only one that would be in conformity with the dispositions of the Protocol which was signed in Paris on February 26 by the U.S. Attorney General and the French Minister of the Interior.

Police officials—whatever their country may be—must never proceed by insinuations, but by presenting the facts as they are, and giving the names of culprits. In view of this, the Direction of Judiciary Police requests from Mr. Cusack all necessary clarifications.

## CONTROVERSY OVER EQUAL RIGHTS FOR WOMEN

Mr. SAXBE. Mr. President, for the past 100 years we have been in the midst of a peaceful revolution, to make sure that all of our citizens, whether or not part of a minority, are truly equal. It is certainly possible for the courts of this country to interpret the Constitution to make another equal rights amendment totally unnecessary; but anyone who has read any decision from the Supreme Court, any Federal circuit court, or any district court must know, by now, that this is not happening.

Prejudice against blacks is becoming unacceptable although it will take years to eliminate it. But it is doomed because, slowly, white America is beginning to admit that it exists. Prejudice against women is still acceptable. There is very little understanding yet of the immorality involved in double pay scales and the classification of most of the better jobs as "for men only."

It is true that part of the problem has been that women have not been aggressive in demanding their rights. This was also true of the black population for many years. They submitted to oppression and even cooperated with it. Women have done the same thing. But now there is an awareness of this situation particularly among the younger segment of the population.

When a young woman graduates from college and starts looking for a job, she is likely to have a frustrating and even demeaning experience ahead of her. If she walks into an office for an interview, the first question she may be asked is, "Do you type?"

There is a calculated system of prejudice that lies unspoken behind that question. Why is it acceptable for women to be secretaries, librarians, teachers, nurses, but totally unacceptable for them to be administrators, managers, doctors, and lawyers.

More than half of the population of the United States is female. But women occupy only 2 percent of the managerial positions. They have not even reached the level of tokenism yet. No women sit on the AFL–CIO Council or Supreme Court. There have been only two women who have held Cabinet rank, and at present there are none. Only two women now hold ambassadorial rank in the diplomatic corps. In Congress, we are down to one Senator and 10 Representatives.

At the present time, there are many instances of discriminating laws and practices which can and should be abolished. For example: dual pay schedules for men and women performing the same jobs; laws and practices operating to exclude women from State colleges and universities; State laws placing restrictions on the legal capacity of married women or on their right to establish a legal domicile; State laws which require married women, but not married men, to go through a formal procedure of obtaining court approval before they may engage in independent business; social security and other social benefits legislation which give greater benefits to one sex than to the other, and areas of family, military, and labor law in which women are treated as different from men.

As in the field of equal rights for blacks, Indians, Spanish-Americans, and other groups, laws will not change such deep-seated problems overnight. But they can be used to provide protection for those who are most abused, and begin the process of evolutionary change by compelling the insensitivity majority to reexamine its unconscious attitudes.

## SCIENCE FICTION AND SCIENCE FACT

Mr. HANSEN. Mr. President, an article that deals with a matter that may be of great importance to the national security of the United States, and to the security of the free world, was printed today in the Washington Post.

The article, by Michael Getler, a Post staff writer, reports on the findings of the seven-member Ad Hoc Committee on Professional Standards of the Operations Research Society of America—ORSA. According to Mr. Getler, these findings show that:

Prominent scientists who led the attack two years ago against the Safeguard ABM project have now been criticized for the quality of their presentations before Congress and in the press during the ABM debate.

Mr. President, this would appear to be a highly serious and most disturbing matter. Most Americans, because we live in a country that has prospered greatly from the advances in scientific technology, have become accustomed to giving great credibility to the statements of prominent scientists. We expect scientific presentations to be devoid of emotion and political slanting, and to deal strictly with the facts.

Unfortunately, the committee findings indicate this was not the case in the debate 2 years ago over the pros and cons of the Safeguard anti-ballistic missile—ABM—program. The program came dangerously near defeat, gaining Senate acceptance by a single vote margin.

According to Mr. Getler, the scientific report about which he writes, will be made public today for the first time. It is just as well that the release is after, rather than during, the just completed debate on the portion of the Military Procurement Act which relates to the ABM. This gives the report credibility that might have been lost had it been presented during the heat of the debate.

Mr. President, I ask unanimous consent that the Washington Post article be printed in the RECORD.

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

[From the Washington Post, Oct. 1, 1971]

COLLEAGUES CRITICIZE ANTI-ABM SCIENTISTS

(By Michael Getler)

Prominent scientists who led the attack two years ago against the Safeguard ABM project have now been criticized for the quality of their presentations before Congress and in the press during the ABM debate.

The criticism is contained in a lengthy report, to be released today, by a seven-member Ad Hoc Committee on Professional Standards of the Operations Research Society of America (ORSA).

Among those scientists whose work has been specifically challenged in the 135-page report are: Dr. Jerome B. Wiesner, provost of the Massachusetts Institute of Technology; Dr. Geroge W. Rathjens, visiting professor of political science at MIT; Dr. Steven Weinberg, a physics professor at MIT, and Dr. Ralph Lapp, an author and nuclear physicist.

In a summary of its findings after 21 months of studying the record of the ABM debate, the committee states:

"The evidence strongly supports the disturbing conclusion that when prominent experts outside the administration supported their opinions on Safeguard development with arguments or results of an operations-research nature, these analyses were often inappropriate, misleading or factually in error."

"Quite often," the report goes on, "the misleading nature of an analysis is not apparent on a superficial reading. Because of this, poor analysis can be quite effective in public debate."

The committee said it also found some "shortcomings in the analysis of the ABM situation provided by Pentagon officials and

their supporters. But "they nowhere near equalled the cumulative mass of inadequacies compiled by the operation."

The 1969 fight over the Safeguard system to defend U.S. land-based missiles against Soviet attack was the most intensive battle ever waged in Congress over a single weapon system. The administration, which supported the development of Safeguard, won that battle by a vote of 51–50. Vice President Agnew cast the deciding vote.

The pro- and anti-Safeguard forces used many devices to affect the outcome. There were campaigns to fill up newspaper letters-to-the-editor columns. There were full-page newspaper advertisements, books, magazine articles, television debates. And through it all there was a procession of prominent scientists lining up on both sides of the issue. Rathjens, Weisner, Weinberg and Lapp led the scientific assault against Safeguard.

The stakes seemed to be enormous. On the one hand, billions of dollars in defense contracts were involved and that meant many thousands of jobs as well as profit potentials.

Beyond that, the debate had heavy political overtones. It pitted the Nixon administration against its critics, the "military-industrial complex" against those who would divert military funds to domestic purposes. In a vague sense, it was a "liberal" versus "conservative" confrontation.

Finally, there was the issue of "national survival." Safeguard, said the administration, was essential to the security of the nation. Its critics said it was an unworkable weapons system that would merely fuel the arms race and add to insecurity.

The report by the ORSA committee was, in effect, a reprimand to the several scientists criticized. It was administered by a body of their peers.

ORSA undertook its investigation of the matter at the suggestion of Dr. Albert Wohlstetter, a University of Chicago professor. Wohlstetter, one of the prominent academicians who supported the Safeguard project, said the study should deal with "professional standards and professional ethics and the responsibility of those who engage in operations research not to mislead . . . (the) lay public by distortion of facts . . ."

He urged that the study not focus on the merits of Safeguard and the ORSA committee says it followed his advice. It dealt only with "faulty professional practices" and was unanimous in its findings on the performance of Rathjens, Wiesner and others in the debate. But the organization's president, Robert E. Machol, said in an introduction to the findings that the committee was still "divided on the merits of 'Safeguard.'"

Machol had one compliment for the scientists criticized by the ORSA committee. The country, he said, owes a "debt of gratitude" to all the "public-spirited men" who took part in the ABM debate.

ORSA founded in 1952, has about 8,000 members. They are employed by universities, private companies and the government. Their work involves observation, analysis and predictions about the workability of highly complex systems. The government is a major purchaser of their services.

The ORSA committee focused its study on one central issue in the Safeguard debate: Would the 1,000 U.S. Minuteman missiles be vulnerable to an attack by Soviet missiles without the protection of Safeguard?

On that point, the committee concluded that Rathjens, in his anti-Safeguard arguments, "ignored readily available classified material and used instead nonrelevant unclassified material in situations in which the more valid classified data would have substantially weakened his case."

Another conclusion was that Rathjens used a faulty method in arriving at an estimate of the numbers of individual warheads that could be carried by a single Soviet SS–9 missile. As a result, the committee said, Rathjens wound up "substantially underestimating the SS–9 delivery capability".

Other committee criticisms of Rathjens included a judgment that he overestimated the ability of Minuteman silos to withstand attack, that he used "invalid" techniques in estimating the effectiveness of Soviet missiles against U.S. missile silos and that he was over-optimistic in his estimates of how many U.S. missiles could survive a Soviet attack. Rathjens said in the debates that 25 per cent of the Minutemen missiles could survive an attack by 500 SS–9s without Safeguard. Wohlstetter, whose techniques were approved by the review committee, put the number at 5 per cent.

The committee criticized Wiesner of MIT for accusing the Defense Department's top scientist, Dr. John S. Foster, of having "altered" data to gain support for Safeguard. Wiesner made the accusation at a Senate hearing on May 14, 1969. He said Foster at one point claimed that Soviets had only 500 SS–9 missiles and at another point raised the figure to 600.

The charge was unfair, the committee said, since Foster was talking about estimates for different years.

Wiesner and Dr. Steven Weinberg were further criticized for "ascribing official validity" to an estimate of the "kill" probability of an SS–9 if they were used against Minuteman silos. The committee points out that the Pentagon provided a range of estimates and that some of them were higher than the one picked by the MIT scientists.

The criticism of Lapp, a popular author on scientific subjects, involved three matters. The committee said Lapp underestimated the number of multiple-warheads the Soviets would have and the reliability of their missiles. He also is accused of assigning a "grossly inefficient" targeting doctrine to Soviet war planners.

Wiesner, Rathjens and Weinberg, none of whom are ORSA members, were asked to comment on the report by the committee, but declined to do so. The three MIT scientists said they "found nothing in the report to cause us to change our views"—as outlined in a letter on Dec. 22, 1969, at the outset of the project—"About the absurdity of the enterprise."

In their 1969 letter to ORSA, the MIT scientists maintained that the ABM debate could not be judged according to the standards of operations research, and that it was doubtful ORSA had the resources to carry out such an inquiry.

Such an inquiry, they maintained, would have to deal with the administration's shifting rationale for Safeguard, derivation of intelligence estimates, "and the possibility that it selectively released classified information to make its case."

The trio said that it is also important to find out "whether or not administration statements, regarding the threat to our total retaliatory capability and Safeguard's effectiveness in countering any such threat, were misleading to the Congress and the public."

"We believe," the MIT group wrote in 1969, "that the ABM debate has been one of the most salutary developments in American political life." Such an inquiry as was then being proposed, they wrote, "could well appear to the nation as an ugly resurgence of those attacks on civil liberties and dissent that were far too common 15 years ago."

The committee, in its study, did investigate Dr. Foster's presentations and did criticize the defense research chief for "using a type of model and a set of data that tended to underestimate the expected number of surviving Minutemen." The net result of Foster's alleged errors, however did not amount to much.

The seven-man ad hoc committee included four former presidents of the ORSA.

Chairman was Thomas E. Caywood of the Caywood-Schiller Div. of A. T. Kerney & Co. Other members, in addition to Berger, were Joseph H. Engel, University of Chicago; John F. Magee, Arthur D. Little, Inc.; Hugh J. Miser, University of Massachusetts; and Robert M. Thrall, Rice University.

## TRAFFIC SAFETY PROGRAM IN COLUMBUS, GA.

Mr. GAMBRELL. Mr. President, one of the most crippling problems we have today is that of traffic deaths on our Nation's highways. Last year alone there were 54,800 people killed in traffic accidents in America.

Whenever I hear of work done in this area to improve this terrible waste of lives, I am moved to commend them.

I wish to congratulate the Honorable Ben A. Jordan, coordinator of highway safety for the State of Georgia, and the Honorable J. R. Allen, mayor of Columbus, Ga., for their work in implementing a highway safety program through the utilization of 402 funding as authorized by the National Highway Safety Act of 1966.

Also, Mr. President, a slide presentation describing the countermeasures applied to reducing traffic losses in Columbus has been prepared by Mr. Jordan, who would be very happy to appear before any Member of Congress to discuss this program and how it may apply to other parts of the Nation.

I ask unanimous consent that the report prepared by Mr. Jordan, entitled "Demonstration Traffic Survival—Columbus, Ga." summarizing the Columbus project, be printed in the RECORD.

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

DEMONSTRATION TRAFFIC SURVIVAL—COLUMBUS, GA.

The City of Columbus, Georgia, utilizing a long-range, step-by-step approach to traffic safety, has scored a significant breakthrough in reducing deaths, injuries and property damage resulting from automobile collisions.

The years since 1967, when the first of five traffic safety programs was initiated, have seen a rewarding drop in fatalities, so that today, Columbus leads the four largest State metropolitan areas in the lowest number of deaths per 100,000 population.

Compared with the base years 1963, 1964, 1965 and 1966 prior to Columbus' systematic improvement of their programs, the years 1967, 1968, 1969 and 1970 showed an average annual drop in fatalities of 8.4 persons. Macon registered a 3.5 drop, while Atlanta's rate rose by 5.1 fatalities, and Savannah's rate rose by 6.6 fatalities.

Ben A. Jordan, State Coordinator of Highway Safety, points to the sound, logical planning for, and implementation of, basic safety programs for this payoff in lives saved, which, far from costing money, has saved Columbus, Muscogee County, and the State an estimated $6,000,000. (The National Safety Council backs a figure of $205,000 as the economic loss suffered by the community for every traffic fatality.)

"Columbus has accomplished what other cities have tried to accomplish piece-meal," Mr. Jordan explained. "We have tried to sell a sound, management approach to traffic safety, and Columbus was quick to adopt it."

"Today, we are witnessing some pretty good evidence that this approach can work in any community."

The Coordinator outlined the step-by-step principle employed by Columbus this way:

Basic to any community's attack on traffic collisions is a modern, adequate records system. Traffic records may be dry, dusty items to many persons, but to the law enforcement units, to the traffic engineer, to the emergency ambulance services, and many other parts of community traffic control systems, records are vital to intelligent operation. Without adequate records, community leaders cannot know where they've been, where they are, or the right direction in which to lead to correct the problems underlying the great majority of traffic collisions.

"Columbus established as a first step an adequate, continuing records system," Mr. Jordan said, "and used this record system in reducing their traffic losses based on sound data and not on guesswork."

Companion programs to survey and identify collision locations went hand in hand with the records system, feeding in intelligent data on not only high accident locations, frequency of collisions, but the major and underlying causes of these traffic collisions so that action could be taken to correct the condition contributing to the high collision rate.

"Any records system is only as good as its input," Mr. Jordan said. "Columbus went after the best data on the what, when, why, where and who in traffic collisions, and then made certain this data was used by those empowered to do something to correct the traffic situation."

Beginning in July, 1969, enough data on the traffic situation in Columbus had been gathered and analyzed to point to the need for revision and updating of the city traffic ordinances, and a program was initiated in the City Attorney's office to tighten legal loopholes through which offenders had been escaping to commit the same offense time and again.

"This program," Mr. Jordan continued, "threw the spotlight on laws that were out of keeping with the Columbus traffic situation, more in step with horse and buggy days than an era of powerful, high speed vehicles on a street system getting more crowded every day.

Columbus brought its City Traffic into compliance with the Uniform Vehicle Code. The Uniform Code has been recommended by practically every highway safety group as the set of legal principles to avoid a situation which makes traffic laws and justice a hodgepodge of conflicting, often contrary laws.

Columbus followed with another program in Police Traffic Services, using a helicopter, and traffic collisions which had risen sharply each month before the 'copter went into operation, fell just as sharply when it began to be used for traffic surveillance. Although full statistics on the 'copter's effectiveness are not yet in, observers are confident that it can prove its worth in reducing accidents.

Only recently, Columbus was awarded a three and one-half year program to control drinking and driving which will cost $1,600,000 and when it becomes operational, this program should further reduce fatalities, injuries and property damage. This program is fully funded by the National Highway Traffic Safety Administration.

Costwise, traffic safety programs amounting to some $442,000 in additional funds, plus an equal amount in Columbus' funds have been implemented. City funds allocated to this area were normal operating funds for the City of Columbus, and represented only slight increase in cost to the city.

However, had Columbus had no planned, coordinated approach to the solution of her traffic safety problem, and had fatalities continued to mount as they were going up in the four years previous to the programs, fatalities would have cost, in addition to the pain and suffering and grief, approximately $6,000,000 to the community as a whole.

"This is proof as good as any State is likely to get," Mr. Jordan said, "that far from costing money to a city, a county or the State, traffic safety is a means of safeguarding not only lives but economic wellbeing.

"We might even go far enough to say, that in the case of Columbus, for each dollar spent on traffic safety, this city has saved seven dollars, not to mention the saving in lives and suffering on which none of us would put any price."

FATALITIES OVER 8-YEAR PERIOD FOR THE 4 LARGEST GEORGIA CITIES

| | Base period fatalities | | | | | | Program period fatalities | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1960 population | 1963 | 1964 | 1965 | 1966 | Average rate[1] | 1970 population | 1967 | 1968 | 1969 | 1970 | Average rate[1] |
| Columbus | 116,779 | 16 | 23 | 19 | 23 | 17.3 | 154,168 | 19 | 10 | 11 | 15 | [2] 8.9 |
| Atlanta | 487,455 | 67 | 73 | 85 | 105 | 16.9 | 496,973 | 104 | 111 | 102 | 120 | [3] 22.0 |
| Savannah | 149,245 | 14 | 9 | 13 | 21 | 9.5 | 118,349 | 20 | 16 | 20 | 20 | [4] 16.1 |
| Macon | 69,764 | 9 | 6 | 16 | 22 | 19.0 | 122,423 | 15 | 19 | 19 | 23 | [5] 15.5 |

[1] Rate based on fatalities per 100,000 population.
[2] Down 8.4.
[3] Up 5.1.
[4] Up 6.6.
[5] Down 3.5.

## SENATOR ELLENDER'S BIRTHDAY

Mr. GRIFFIN. Mr. President, it is a pleasure and a privilege to join with my colleagues in extending best wishes to the distinguished Senator from Louisiana (Mr. ELLENDER) on his birthday anniversary.

We in the Senate, on both sides of the aisle, are deeply indebted to him for his leadership in carrying on the unending work of the Senate.

As President pro tempore, as chairman of the Senate Appropriations Committee and in many other activities, he is one of the Senate's busiest Members. However, as arduous as his duties are, he carries them out with outstanding effectiveness and with zeal that are the envy of many of us who are considerably younger by that uncertain measurement known as years.

As we say "Happy Birthday" to our friend and colleague, I am sure he will continue to bring to his labors here the zest which underscores the verity of Browning's words:

"Grow old along with me!
The best is yet to be . . ."

## FBI LAW BULLETIN FEATURES CHEYENNE

Mr. HANSEN. Mr. President, on the cover of October's "FBI Law Enforcement Bulletin," is a fine picture of Police Chief James Byrd, of Cheyenne, Wyo., standing in front of my State's capitol building, and inside this edition is an excellent article by Chief Byrd detailing his strategy for maintaining order during Cheyenne's annual Frontier Days Celebration.

Those of us who know Chief Byrd are aware that the citizens of Wyoming's capital city have great confidence in his ability and are quick to support him and his men. Chief Byrd has, through skillful and efficient administration of his department, earned a reputation as a firm and always fair enforcer of the law.

In the article, Chief Byrd discusses the kinds of problems faced by law enforcement officials when thousands of visitors annually descend on Cheyenne for the week-long celebration of Frontier Days, and details the methods used by him to deal with these problems in an effective way.

I consider Chief Byrd to be an outstanding law enforcement official, and I recommend that others read his excellent remarks about the value of calm but thorough advance planning to prevent the need for heavy-handed police tactics. As Chief Byrd puts it:

. . . the Cheyenne Police Department is prepared for any contingency. We know from experience that a prescribed plan of action can mean the difference between order and unlawful pandemonium. Our objective is always to be prepared.

Mr. President, I ask unanimous consent that Chief Byrd's article be printed in the RECORD.

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

CHEYENNE FRONTIER DAYS

(By James W. Byrd, Chief of Police, Cheyenne, Wyo.)

The city of Cheyenne had its beginning in 1867, when the railroad came through on its way to the West Coast. A primary factor in Cheyenne's development and economy was the livestock industry. By 1890, ranching made Cheyenne one of the wealthiest per capita cities in the world.

In 1897, the local newspaper suggested that if Colorado could stage successful community days, perhaps it would be both good business and fun for Cheyenne to have a "Frontier Day." Within 20 days after the suggestion, the first show had been organized and held. From that first Frontier Day has grown the now world famous, oldest, and largest rodeo in the world, the "Daddy of 'em All," Cheyenne Frontier Days, which celebrated its 75th Anniversary this year.

Thus, what was begun as a casual local contest between trail riders and ranchhands now draws contestants from all over the world. Spectators from every State in the Union as well as Canada, Mexico, and other countries pack into Cheyenne during the last full week in July each year to witness the old West come alive again. The 1971 version

was extended to 9 days from the traditional 7 in honor of the event's diamond jubilee.

During Frontier Week something is going on all the time. Old and young alike enjoy the exhibitions, street square dancing, band concerts, parades, Indian dances, night arena shows, carnival, and, last but most important, the rodeo. The "Daddy of 'em All" is a full week of fun for visitors. There are free activities and events open to the entire family, with continuous entertainment each day and night.

INCOMING THRONGS

Obviously, there are problems in policing a celebration of this size and proportion. The population of Cheyenne is about 41,000, but during Frontier Week that number swells to well over 60,000 people. A large group of college students from nearby colleges and universities and many young people from neighboring communities attend each year. Also, a sizable contingent of Sioux Indians from the Pine Ridge Reservation join the festivities.

Thus, our police force of 51 sworn officers and 12 civilian employees is faced with the considerable task of providing protective and enforcement services to overflow crowds of celebrating participants and visitors. Some major restructuring is necessary each year, and special approaches are used to meet our responsibilities and insure a maximum of safety for Cheyenne's citizens and her guests.

The Cheyenne Police Department has no auxiliary or reserve unit. To augment our regular complement of officers, we employ from 8 to 12 special policemen for the Frontier Week. Most of these special officers have law enforcement experience, and most have served with the department during Frontier Week previously. All such special police officers are fully commissioned by the city council and, for their brief tour of duty, have all the powers and responsibilities of regular city patrolmen.

Additional measures are taken to maintain the department's manpower. All leave periods and regular days off for officers are canceled for Frontier Week, and as a rule, the men work extended shifts.

Because the celebration is centered around special activities and events, the distribution of manpower for the week is different from that of other weeks. Officers are needed for the daily rodeos, the night arena shows, and the carnival. Their work consists primarily of patrolling the area on foot and assisting the public when needed. Few arrests are made on the rodeo grounds, but the officers must remain alert for such problems as minor thefts, lost children, and disturbances.

ASSIGNMENTS

Traffic and crowd control assignments for all officers are required for each of three long parades in the downtown area on Tuesday, Thursday, and Saturday of Frontier Week. The parades contain a large number of old carriages and similar vehicles pulled by horses. Since many of the horses are high spirited and unaccustomed to large crowds, special measures have to be taken to insure the safe travel of these animals along the parade route.

On Wednesday and Friday morning of Frontier Week, the Kiwanis Club, together with local civil defense authorities, presents a free, all-you-can-eat, chuckwagon breakfast on a downtown street. In addition to the festive nature of these events, they offer both groups an opportunity to test their emergency mass-feeding plans. The police department assists by barricading the street and routing traffic around the site. Usually, over 3,000 people attend each session of the breakfasts and are entertained by musical groups as they eat.

In recent years the number of college and university students attending the celebration has increased. During Frontier Weeks of 1966 and 1967 these young people congregated in a one-block area of the downtown section, obstructing traffic, littering streets and sidewalks with empty beer bottles, cans, and hindering the passage of other people by sitting in the middle of the sidewalks and along the curbs.

Some shop windows in the area were broken, trash receptacles were overturned, and other minor acts of vandalism occurred. The problem was contained, but it was apparent that the city would have to strengthen its enforcement procedures to handle future difficulties.

In planning the 1968 celebration, the downtown merchants association met with the city council and the chief of police to establish procedures to curtail the vandalism and rowdiness that marred the event the two previous years.

TACTICAL PLAN

As a result of this meeting, our department developed a complete tactical plan to deal with upcoming rodeos. Basically, the plan was to anticipate the potential types of trouble, as well as the trouble spots, and to be prepared to cope with them. A new intelligence unit was established, proven tactical methods were adopted, and arrangements were made with other police agencies, including the FBI, to provide our personnel with specialized training in mob and riot control techniques.

The plan provided for the coordination of efforts of the three law enforcement agencies in the Cheyenne area: our department, the Laramie County Sheriff's Office, and the Wyoming Highway Patrol. In addition, the Wyoming National Guard would be on standby. In the event of a major disturbance or civil disorder, the Cheyenne Police Department Headquarters would become the core of an emergency operations center, and other law enforcement agencies would have liaison officers assigned to the command post.

Our plan called for the strict enforcement of two city ordinances, which we felt, if complied with, would greatly reduce some of the potential problems. Section 5–21 provides that "no holder of a license issued under the provisions of the laws of the State within the City or the servant or employee of such holder shall give, sell, or deliver alcoholic beverages to any person under the age of twenty-one years. No holder of any such retail liquor license or his servant or employee shall permit any person under the age of twenty-one years to remain in the place, except drugstores, in which he sells intoxicating or malt liquors. No persons under the age of twenty-one years shall buy, sell, or solicit the sale or purchase of intoxicating liquors." If underage drinking could be reduced during Frontier Week, many enforcement problems would never arise.

RESTRICTIONS EMPHASIZED

Section 5–19 of the city code provides that "no alcoholic or malt beverages shall be consumed or carried by any person in open containers of any type in any restaurant, hotel dining room or in any public place or on any street, sidewalk or curb whatsoever within the city limits except inside such places as are operated by a license under this chapter." In order to better enforce this law, we planned to place signs at the exits of each retail liquor outlet saying: "Warning: Any Person Taking Opened Intoxicants From Premises Is Subject to Arrest and $100 Fine."

With the arrival of Frontier Week 1968, the plan went into effect. Needless to say, members of our department were much better prepared to cope with any problems which might occur. All went well, and no unusual incidents arose until Saturday, the last day of the celebration.

On Saturday afternoon, immediately following the third and final parade of the week, our police intelligence unit reported that an unusually large number of vehicles were moving toward Cheyenne from Colorado to the south. Cheyenne is only 11 miles from the Colorado State line and just 100 miles north of Denver. By 4 p.m. the downtown area was jammed. The crowd was composed mostly of young people, many of whom had come in with the caravan sighted earlier.

Following our plan to strictly enforce the city ordinances, officers began arresting persons carrying containers of opened intoxicant onto the streets. A number of persons under the age of 21 were likewise arrested and brought to police headquarters for booking.

Enforcement activities continued at a busy but not critical, pace into the evening. About 11 p.m. the crowd began to get unruly. Plate glass windows of three stores were broken, and a generally unstable situation developed. At this time, Phase I of the department's tactical plan was put into effect, and an order was given from the command post to disperse the crowd. At the same time personnel connected with the backup force of Phase II were alerted to a standby position.

Our intelligence unit on the scene reported that the initial complement of 20 officers would be insufficient to control the mass of people in the one-block area, and we immediately went into Phase II and dispatched 17 additional officers to assist.

At this time the Wyoming Highway Patrol and the Laramie County Sheriff's Officers were summoned to the command post on a standby basis. At 1 a.m., conditions had worsened, and we committed the backup personnel in an attempt to disperse and control the crowd.

INCREASING VIOLENCE

A large number of arrests had been made, the windows of many businesses had been broken, several M–80 firecrackers had been thrown, trash receptacles had been overturned and many set afire, and rocks and other projectiles were being hurled at police officers.

On the basis of the increase of violence, Phase III was put into effect, and the Wyoming National Guard was called to a standby basis at the National Guard Armory. Also at this time, the command post ordered the use of chemical agents including Mace and tear gas (CN) to clear the streets. This was done, and the problem quickly eased. Constant vigil was maintained through the morning hours, but normal operations did not resume until late Sunday morning.

A survey of the downtown area on Sunday showed that our plan had done the job. It prevented a highly explosive condition from becoming a full-scale riot. True, there was plenty of evidence of vandalism, but no deaths occurred, no major fires developed, and the damage was confined to one specific area.

A total of 417 persons were arrested, and while the traditional concept of Frontier Week had not been destroyed, its image had been besmirched somewhat by the unruly crowd. The effective use of law enforcement techniques during Frontier Week of 1968 had a telling effect on the celebration in 1969. The trouble makers either did not show up or had learned their lesson. While we were ready with our tactical plan, its implementation was unnecessary. The number of arrests for the week dropped to 289, and property damage was at least 50 percent less than the previous year.

An even more dramatic change was experienced during Frontier Days 1970. The number of arrests dropped to a mere 149, scarcely double that of a regular summer week. The property damage was negligible. What a pleasure and a relief it was for the merchants, the townspeople, and especially the Cheyenne policemen to see Frontier Week return to "normal."

While the amount of violence and disorder occurring during Frontier Week may fluctuate due to the makeup and mood of

crowd elements, the Cheyenne Police Department is prepared for any contingency. We know from experience that a prescribed plan of action can mean the difference between order and unlawful pandemonium. Our objective is to always be prepared.

## FREE LUNCHES—REDUCED PRICE LUNCHES FOR NEEDY CHILDREN

The ACTING PRESIDENT pro tempore. The period for the transaction of routine morning business has expired. In accordance with the previous unanimous-consent agreement, following the conclusion of routine morning business the unfinished business is temporarily laid aside, and the Senate will proceed to the consideration of Senate Joint Resolution 157, the school lunch measure, which the clerk will state.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 157) to assure that every schoolchild will receive a free or reduced price lunch as required by section 9 of the National School Lunch Act.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the names of the distinguished Senator from South Dakota (Mr. McGOVERN) the distinguished Senator from California (Mr. CRANSTON) and the distinguished Senator from Indiana (Mr. BAYH) be added as cosponsors of Senate Joint Resolution 157.

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

Mr. TALMADGE. Mr. President, I ask unanimous consent that the amendment of the Committee on Agriculture and Forestry be agreed to and that the text of the joint resolution as so amended be considered as original text for the purpose of further amendment.

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

The committee amendment, as agreed to, is as follows: on page 3, insert the following new sections:

SEC. 2. Funds made available by this joint resolution shall be apportioned to the States in such manner as will best enable schools to meet their obligations with respect to the service of free and reduced price lunches, and such funds shall be apportioned and paid as expeditiously as may be practicable.

SEC. 3. The Secretary of Agriculture shall immediately upon enactment of this resolution determine and report to Congress the needs for additional funds to carry out the school breakfast and nonfood assistance programs authorized by sections 4 and 5 of the Child Nutrition Act of 1966 during the fiscal year ending June 30, 1972, at levels which will permit expansion of the school breakfast and school lunch programs to all schools desiring such programs as rapidly as practicable.

SEC. 4. Section 11(e) of the National School Lunch Act is amended by adding at the end thereof the following: "Such maximum per meal amount shall in no event be less than 40 cents; and the Secretary shall establish a higher maximum per meal amount for especially needy schools based on such schools' needs for assistance in providing free and reduced price lunches for all needy children.".

Mr. TALMADGE. Mr. President, Senate Joint Resolution 157 will assure that every needy schoolchild will receive a free or reduced-price lunch as required by section 9 of the National School Lunch Act.

This resolution is an emergency resolution, because there is an emergency situation in school districts all over the country. This emergency was precipitated by regulations proposed by the U.S. Department of Agriculture on August 13, 2 weeks before many schools opened their doors.

The rate of reimbursement which is provided by these regulations will not enable many school districts to finance a school lunch program which provides a free or reduced-price lunch to every needy child in the school. The schools are already in operation, but their school lunch program is in a state of chaos. Irreparable damage has already been done because some school districts have been forced to cut back or eliminate their free lunch program.

Mr. President, this is tragic.

It is tragic because last year Congress passed a law which required that every needy schoolchild in the Nation receive a free or reduced-price lunch. This law made it unmistakably clear that if a schoolchild cannot afford to pay anything for lunch, he is to receive that lunch free.

It is tragic because when President Nixon signed this bill into law, Public Law 91–248, he promised to put an end to hunger among American schoolchildren.

It is small wonder that there is a credibility gap in America when the Federal Government makes a commitment and passes a law which requires that every needy schoolchild be fed and then refuses to make the money available to carry out this commitment.

Although irreparable damage has been done to the school lunch program, although many school administrators have lost confidence in the program, and although many schoolchildren are not receiving the lunches they are entitled to under the law, Congress can undo much of the damage that has been done by taking prompt action on this emergency resolution.

I was the original Senate sponsor of the bill which became Public Law 91–248, the law which mandates the feeding of every needy schoolchild in America. When this law was enacted, I did not regard it as just an empty promise.

I do not intend to stand by and see the law ignored or subverted by administrative regulations and inaction. Therefore, I introduced on September 20 Senate Joint Resolution 157. Subsequently, after conferring with school lunch leaders, I agreed to offer three amendments to this resolution. The Committee on Agriculture and Forestry agreed on September 29 to report Senate Joint Resolution 157 with the amendments that I offered in the committee session.

This amended resolution would:

First, direct the Secretary of Agriculture to use section 32 funds to the extent necessary to assure every needy child of the free or reduced-price lunches that he is entitled to under section 9 of the National School Lunch Act.

Second, require the Secretary to determine and report to Congress the needs for additional funds to carry out the school breakfast and nonfood assistance programs at levels which will permit expansion of the school breakfast and lunch programs to all schools desiring such programs as rapidly as practicable.

Third, provide that the maximum per-lunch limitation contained in section 11(e) of the National School Lunch Act on the amounts of funds that States may reimburse schools for special assistance under section 11 shall not be fixed by the Secretary at less than 40 cents.

The first two provisions I described would be applicable only to the current fiscal year which ends on June 30, 1972. The use of section 32 funds would be authorized only until a supplemental appropriation could be enacted, and the supplemental appropriation would reimburse the section 32 funds for the amount spent for school lunches under the authority of this resolution.

The third provision which I described, the provision fixing the maximum per-lunch limitation at not less than 40 cents, would be permanent legislation.

Mr. President, I became aware of the current crisis in the school lunch program during the congressional recess in August. I spent the recess period making speeches and visiting constituents in Georgia. In the week before Congress ended its recess, I began to get frantic calls and letters from school lunch administrators over the State concerning the school lunch regulations which had been published by the Department of Agriculture on August 13.

These school lunch administrators were frantic because they had planned their school lunch program for the coming school year on the assumption that they would receive the same rate of reimbursement for free and reduced-price lunches that they had received at the end of the last school year.

During the last few months of the past school year, schools in Georgia had received over 42 cents per meal to reimburse the cost of preparing and serving free and reduced-price lunches. Now, as they were opening the doors of their schools for the new school year, they were told that they would receive only 35 cents to reimburse the cost of free and reduced-price lunches.

This, of course, placed the school districts in an impossible situation. There are only two sources that local school officials could turn to in order to make up the funding deficit. They could either increase the price of lunches for those children who are able to pay for lunches, or they could attempt to raise additional local tax revenue.

As a practical matter, both solutions were foreclosed to the school districts. The President's wage-price freeze prevented school districts from increasing the cost of lunch for the paying pupils. And everyone knows that it is impossible to raise additional local tax revenue on such short notice.

I received a great deal of mail from all over the country pleading for assistance in getting the proposed USDA regulations changed. School lunch officials in Pennsylvania stated that their cost of preparing a school lunch is more than 60 cents and the proposed USDA regula-

tions would leave the schools with a deficit of 25 cents per meal.

Realizing that immediate action must be taken to alleviate the crisis in the school lunch program, I wrote to President Nixon on September 2 to express my strong objections to the proposed USDA regulations and to request that these regulations be changed. In this letter, I stated:

Public Law 91-248 was the product of a bipartisan effort to provide nutrition for the needy school children of this country. Since the regulations promulgated on August 13 are clearly contrary to the intent of Public Law 91-248, and since these regulations will clearly make it impossible to provide meals to all the needy school children in the Nation, I hope that you will have your Department of Agriculture reconsider and issue regulations that will conform with the dictates of the law.

Unfortunately, I received only an acknowledgment of this letter from a White House aide; I received a further reply from an aide again today. I never received any indication from the President or from the Secretary of Agriculture that my request was being taken seriously.

In view of the mounting fiscal crisis in the school lunch program around the country and the administration's refusal to take action, I called hearings in the Committee on Agriculture and Forestry, of which I am chairman, on September 16. In these hearings, the committee heard testimony from those people who are directly affected by the school lunch program, the State and local officials who are charged with the administration of this program.

The committee heard from a small town school superintendent, Mr. B. P. Taylor of San Diego, Tex. Mr. Taylor testified that the new USDA regulations would adversely affect his program and that he would be required to cut back on academic programs in order to carry on his child nutrition program.

The committee also heard from two big city school officials, Mr. Howard Briggs of the Detroit, Mich., public schools, and Dr. Eugene Sampter of the Buffalo, N.Y., public school system. Both officials indicated that USDA regulations would be extremely detrimental to the school lunch program in their districts. Dr. Sampter indicated that Buffalo will be forced to suspend the feeding of needy children in the city some time during the coming winter if the rate of Federal reimbursement is not increased.

The committee heard from a witness who is charged with administering a State program, Miss Josephine Martin, administrator of the school food service program in Georgia. I have great faith in Miss Martin, for not only is she the able administrator of Georgia's program, but also, she is recognized as one of the leading authorities in the Nation on the school lunch program.

Miss Martin testified that at the end of the last school year, Georgia schools were receiving a rate of reimbursement for free and reduced-price meals of 42 cents. Under the new regulations, these Georgia schools will get less than 36 cents per meal.

Miss Martin also gave us an idea of the impact of these regulations on other States and school districts around the country. She presented a survey conducted by the American School Food Service Association which indicates that the national deficit in school lunch funds would be between $150 and $180 million.

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

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

SUMMARY REPORT, FREE AND REDUCED PRICE LUNCH PROGRAM, FISCAL YEAR, 1971-72

| State or school district | No. type A lunches served 1970-71 (free or reduced) | No. type A lunches to be served 1971-72 (free or reduced) | Anticipated loss in 1971-72 at 35 cents |
|---|---|---|---|
| Alabama | 35,789,305 | 40,000,000 | $5,250,000.00 |
| Birmingham | 2,606,563 | 2,668,812 | 373,633.68 |
| Alaska: Anchorage | 234,000 | 277,200 | 85,100.00 |
| Arizona | 7,434,448 | 10,000,000 | 1,476,159.00 |
| Phoenix (Isaac District No. 5) | 52,220 | 75,000 | 8,775.00 |
| Phoenix | 42,220 | 50,000 | 17,700.00 |
| Tucson | 930,889 | 1,000,000 | 150,000.00 |
| Arkansas | 18,873,010 | 22,703,962 | 987,622.00 |
| California | 89,000,000 | 133,500,000 | 9,000,000.00 |
| Oakland | 3,455,540 | 4,000,000 | 724,000.00 |
| Sacramento | 1,285,411 | 1,542,493 | 116,927.34 |
| Palm Springs | 43,246 | 57,000 | 11,400.00 |
| Colorado | 8,560,387 | 11,000,000 | 550,000.00 |
| Littleton | 26,435 | 31,000 | 29,450.00 |
| Denver | 3,094,057 | 3,500,000 | (?) |
| Connecticut | 4,829,218 | 5,312,139 | 700,000.00 |
| East Haven | 71,282 | 72,000 | 22,320.00 |
| Delaware | 1,724,159 | 2,500,000 | (1) |
| Florida | 36,674,477 | 43,067,674 | 6,916,668.00 |
| Miami | 5,370,196 | 5,859,180 | 412,858.00 |
| Broward County | 2,658,354 | 3,000,000 | 222,300.00 |
| Bay County | 418,890 | 564,256 | 67,710.00 |
| Baker County | 100,897 | 101,197 | 13,356.00 |
| Hillsborough County | 3,660,067 | 4,323,600 | 367,586.00 |
| Palm Beach County | 2,543,286 | 3,000,000 | 150,000.00 |
| Georgia | 44,298,239 | 63,859,511 | 6,002,794.00 |
| Columbus (Muscogee County Southern District) | 1,050,517 | 1,075,517 | 75,286.19 |
| Atlanta | 7,005,696 | 7,461,066 | 500,000.00 |
| De Kalb County | 756,851 | 800,000 | 80,000.00 |
| Macon | 1,311,486 | 1,861,569 | 186,156.90 |
| Hawaii | 1,945,713 | 2,288,000 | 457,600.00 |
| Idaho: Jerome | 35,688 | 40,000 | 1,600.00 |
| Illinois | 47,255,707 | 52,272,000 | 16,000,000.00 |
| Chicago (archdiocese of) | 1,374,559 | 1,700,000 | (?) |
| Indiana | 9,832,652 | 27,068,940 | 5,251,104.00 |
| Indianapolis | 1,915,468 | 2,563,730 | 307,647.60 |
| Iowa | 6,783,989 | 9,900,000 | 352,440.00 |
| Ames | 18,941 | 20,000 | 3,500.00 |
| Kansas | 4,766,830 | 6,595,865 | 659,586.50 |
| Shawnee Mission | 90,727 | 95,200 | 20,000.00 |
| Dodge City | 76,188 | 77,688 | 8,500,000.00 |
| Wichita | 648,000 | 1,000,000 | (?) |
| Kentucky: | | | |
| Todd County | 78,081 | 93,690 | 12,179.70 |
| Louisiana | 37,346,845 | 48,600,000 | 0 |
| New Orleans | 72,000 | 77,000 | 0 |
| Maine | 4,677,677 | 6,630,000 | 1,326,000.00 |
| Maryland | 14,533,800 | 15,987,180 | 9,996,795.00 |
| Montgomery County | 475,238 | 1,110,000 | 388,500.00 |
| Baltimore County | 327,162 | 500,000 | 100,000.00 |
| Massachusetts | 11,677,391 | 16,200,000 | 3,240,000.00 |
| Boston | 988,027 | 3,554,040 | 248,783.00 |
| Michigan: | | | |
| Detroit | 5,800,657 | 7,000,000 | 1,400,000.00 |
| Livonia | 32,585 | [2] 6,800 | [2] 1,402.14 |
| Midland | 44,100 | 50,000 | 6,500.00 |
| Minnesota | 13,563,160 | 14,919,476 | $2,154,000.00 |
| Minneapolis | 2,683,045 | 3,000,000 | 750,000.00 |
| Crosby | 36,058 | 50,000 | 6,500.00 |
| St. Louis County | 159,709 | 165,000 | 21,450.00 |
| Mississippi | 34,715,547 | 38,187,101 | 1,140,000.00 |
| Greenodle | 709,885 | 735,000 | 30,000.00 |
| Missouri | 15,449,143 | 20,000,000 | 4,000,000.00 |
| St. Louis | 3,500,000 | 6,000,000 | 750,000.00 |
| Kansas City | 2,114,997 | 2,326,496 | 465,299.20 |
| Hazelwood School District | 10,648 | 10,648 | 44,000.00 |
| Kirkwood | 10,982 | 12,000 | 2,400.00 |
| Montana | 1,573,014 | 1,844,460 | (?) |
| Great Falls | 170,404 | 200,000 | 60,000.00 |
| Nebraska | 5,165,556 | 6,202,800 | 496,224.00 |
| Omaha | 1,602,318 | 2,052,300 | 420,000.00 |
| Nevada | | | |
| Las Vegas | 479,935 | 749,835 | 64,485.00 |
| New Hampshire | 1,907,254 | 2,155,187 | 215,518.70 |
| New Jersey | 17,154,000 | 24,300,000 | 8,019,000.00 |
| Paterson | 522,381 | 525,341 | (?) |
| Newark | 5,495,241 | 64,000,000 | 1,936,000.00 |
| Elizabeth | 738,717 | 838,323 | 159,281.37 |
| New Mexico | 11,187,023 | 12,000,000 | 1,200,000.00 |
| Albuquerque | 2,151,923 | 2,582,308 | 82,375.63 |
| Gallup | 1,230,312 | 1,275,000 | 185,000.00 |
| Sante Fe | 500,686 | 756,000 | 604,800.00 |
| New York | 95,000,000 | 110,000,000 | (?) |
| Sweet Home Central Southern District | 7,000 | 12,000 | 3,600.00 |
| Buffalo | 4,082,758 | 3,750,000 | 950,000.00 |
| North Carolina | 44,229,463 | 48,652,409 | 3,259,711.00 |
| Winston-Salem | 1,096,757 | 1,276,757 | 293,654.00 |
| North Dakota | 2,286,001 | 2,500,000 | (?) |
| Ohio | 24,419,524 | 26,500,000 | 5,565,000.00 |
| Cleveland | 3,388,359 | 5,312,199 | 1,965,513.63 |
| Lima | 201,304 | 215,000 | 55,000.00 |
| Columbus | 1,327,691 | 1,600,000 | 320,000.00 |
| Cincinnati | 2,866,733 | 3,000,000 | 210,000.00 |
| Akron | 1,467,415 | 2,000,000 | 380,000.00 |
| Dayton | 1,268,972 | 2,000,000 | 500,000.00 |
| Toledo | 289,857 | 450,000 | 47,000.00 |
| New Philadelphia | 26,946 | 30,000 | 5,658.45 |
| Oklahoma | 12,892,752 | 14,697,737 | 1,000,000.00 |
| Tulsa | 927,558 | 1,159,448 | 200,000.00 |
| Oklahoma City | 1,654,000 | 2,000,000 | 317,027.00 |
| Oregon | 5,926,467 | 8,473,249 | 1,476,175.54 |
| Portland | 1,473,112 | 1,732,500 | 361,471.56 |
| Pennsylvania | 22,442,315 | 23,400,000 | 5,000,000.00 |
| Elizabeth | 29,847 | 39,000 | 10,000.00 |
| Pittsburgh | 4,188,618 | 3,587,580 | 748,203.00 |
| Cheltenham Township | 6,790 | 10,620 | |
| Philadelphia | 4,809,661 | 8,447,400 | 777,161.00 |
| Monongahela | 54,000 | 60,000 | 12,960.00 |
| Murrysville | 22,832 | 25,000 | 10,000.00 |
| East Allegheny School District | 299,460 | 389,298 | 52,764.94 |
| Marietta | 14,395 | 17,525 | 6,200.00 |
| Ligonier | 19,800 | 30,000 | 10,000.00 |
| Shaler Area School District | 6,000 | 47,840 | 9,568.00 |

Footnotes at end of table.

SUMMARY REPORT, FREE AND REDUCED PRICE LUNCH PROGRAM FISCAL YEAR, 1971-72—Continued

| State or school district | No. type A lunches served 1970-71 (free or reduced) | No. type A lunches to be served 1971-72 (free or reduced) | Anticipated loss in 1971-72 at 35 cents |
|---|---|---|---|
| Pennsylvania—Continued | | | |
| Plymouth Meeting | 31,477 | 34,624 | $10,387.20 |
| Fort Washington | 11,965 | 14,000 | 4,900.00 |
| South Carolina | 31,794,679 | 52,800,000 | 9,891,200.00 |
| South Dakota | 2,900,000 | 5,525,000 | 828,750.00 |
| Tennessee | 29,179,653 | 31,500,000 | 2,772,000.00 |
| Memphis | 7,000,000 | 7,500,000 | 975,000.00 |
| Knoxville | 656,214 | 750,000 | 26,250.00 |
| Kingsport | 110,561 | 135,000 | 34,750.00 |
| Nashville | 1,617,503 | 2,644,800 | 259,190.00 |
| Texas | 50,930,126 | 88,500,000 | 8,850,000.00 |
| Austin | 1,337,711 | 1,515,960 | 197,177.00 |
| Dallas | 3,787,408 | 4,700,000 | 569,466.00 |
| El Paso | 1,333,543 | 1,500,000 | 750,000.00 |
| Corpus Christi | 1,061,150 | 2,500,000 | 125,000.00 |
| Houston | 3,720,979 | 5,437,440 | 652,493.00 |
| Fort Worth | 1,090,532 | 1,658,432 | 331,686.40 |
| Utah | 4,095,241 | 4,259,050 | 468,495.00 |
| Grant School District | 603,000 | 660,000 | 6,600.00 |
| Davis County | 318,380 | 100,000 | 15,000.00 |
| Vermont | 1,454,000 | 1,900,000 | $600,000.00 |
| Rutland | 85,565 | 90,000 | 16,650.00 |
| Virginia: | | | |
| Newport News | 739,856 | 813,842 | 48,000.00 |
| Arlington County | 180,000 | 230,000 | 77,000.00 |
| Fairfax County | 476,989 | 524,688 | 5,246.88 |
| Washington | 10,245,426 | 12,593,000 | 2,668,000.00 |
| Northshore School District | 85,888 | 100,000 | 13,939.40 |
| West Virginia | 19,799,891 | 28,300,000 | 2,661,300.00 |
| Wyoming | 455,676 | 501,244 | 45,823.93 |
| Wisconsin | 7,427,518 | 9,900,000 | 1,435,500.00 |
| Addendum—Information reviewed too late for tabulation | | | |
| San Diego, Calif | 2,147,260 | 2,301,000 | $345,150.00 |
| Michigan | 16,440,549 | 25,000,000 | 3,500,000.00 |
| Caswell County, N.C | 282,379 | 300,000 | 27,900.00 |
| Sanderton, Pa | 1,725 | 1,743 | 0 |

[1] Insufficient data

[2] Lunches discontinued in elementary schools—high schools only.

Mr. TALMADGE. Mr. President, the committee heard the testimony of Assistant Secretary of Agriculture Richard E. Lyng, who presented the case for the Department of Agriculture. Mr. Lyng presented a carefully worded statement attempting to show that the USDA regulations were the most equitable method of distributing available funds. However, under cross-examination the Assistant Secretary admitted that many States would be receiving less money than they did during the past school year.

Members of the committee attempted to determine whether the appropriation of the Congress was adequate to carry out the school lunch program. Despite the fact that the administration had requested no more funds for the school lunch program than had been appropriated for the previous fiscal year, the Congress had appropriated $33.8 million above the budget request to bring the total school lunch appropriation up to $615.2 million.

Committee members were somewhat dismayed to learn that the present appropriation was not sufficient to provide an adequate rate of reimbursement for school lunches even though the Congress had been told repeatedly by the administration that we have sufficient funds for an adequate school lunch program.

Under questioning from the Senator from Alabama (Mr. ALLEN), Assistant Secretary Lyng refused to state whether the administration would spend additional funds even if these funds were provided.

The pending resolution is designed to provide additional funds and require the Secretary of Agriculture to spend these funds to provide an adequate rate of reimbursement.

Mr. President, I would have preferred to have followed regular procedure in regard to the school lunch program. Unfortunately, regular procedure has failed in this case. Regular procedure has failed because the Congress has been unable to get reliable information about the amount of money that is required to carry out the law.

The Congress acted in good faith, thinking that it had appropriated sufficient money to provide a free or reduced price lunch to every needy school child in the country. Now we are told by the USDA that there is insufficient money to provide a rate of reimbursement above 35 cents per meal.

Although this emergency resolution is not the normal way of dealing with funding problems, there is sufficient precedent for this procedure. On June 17 of this year, the Senate Committee on Agriculture and Forestry, by a unanimous vote, reported to the Senate H.R. 5257. This legislation, which passed the Senate on June 18, 1971, authorized the Secretary of Agriculture to use section 32 funds for the remainder of fiscal year 1971 and for fiscal year 1972 to pay any amount necessary to carry out the provisions of the National School Lunch Act.

This bill was approved by the Senate by a unanimous vote.

After differences between the House and the Senate versions of H.R. 5257 were ironed out in conference, the conference report was agreed to by both the House and Senate and the bill was enacted into law, Public Law 92-32, on June 30, 1971.

I believe that it is important to emphasize that in every step toward enactment, Public Law 92-32 was passed without objection in the Senate. The relevant provision of this law is as follows:

SEC. 15. (a) In addition to funds appropriated or otherwise available, the Secretary is authorized to use, during the fiscal year ending June 30, 1971, not to exceed $35,000,000 in funds from Section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), to carry out the provisions of this Act, and during the fiscal year ending June 30, 1972, not to exceed $100,000,000 in funds from such section 32 to carry out the provisions of this Act relating to the service of free and reduced price meals to needy children in schools and service institutions.

Public Law 92-32 was rushed to enactment because of a funding crisis which then existed in regard to the summer feeding program of the U.S. Department of Agriculture. Congress must act promptly now because an even greater crisis exists in our school lunch program.

I believe it is important to emphasize that section 32 funds will be used only until such time as Congress can act on a supplemental appropriation bill. Should we wait until action on the supplemental appropriation, schools around the country will be well into their school year and even more schools will have been forced to cut back on their child feeding programs.

I am hopeful that Senate Joint Resolution 157, which directs the Secretary to use section 32 funds to the extent necessary to assure that every needy child gets a free or reduced price lunch, will force an immediate revision of the disastrous regulations which have been promulgated.

The committee has heard a great deal of testimony about the amount of money that is needed to pay for the cost of a school lunch. Some authorities peg the national average cost of preparing and serving a school lunch at 52.6 cents per meal. USDA officials themselves indicated in the committee hearing on September 16 that this average cost was around 60 cents.

Of course, it is impossible for legislators to determine precisely the reimbursement that is needed. I am aware that the cost of preparing a school meal varies greatly between States and within a State. However, it is clear that 35 cents is not an adequate rate of reimbursement in any State.

The language of Senate Joint Resolution 157 expresses the feeling of the committee that a rate of reimbursement of 45 cents is preferable to the Department of Agriculture's 35-cent rate. The resolution would amend section 11(e) of the National School Lunch Act to provide that the maximum per lunch limitation on the amount of funds that States may reimburse their schools for special assistance shall not be fixed by the Secretary at less than 40 cents. When the section 4 reimbursement of 5 cents per meal is added, the schools would have a total of 45 cents.

Senate Joint Resolution 157 also contains language which makes it clear that the funds made available by the resolution will be apportioned to the States in a manner that will enable these schools to best meet their obligations with respect to the service of free and reduced price lunches.

The resolution also requires that these funds be apportioned and paid as expeditiously as possible. A number of school lunch officials have indicated that the proposed regulations of the USDA would delay Federal reimbursement to the States, thus causing even greater fiscal problems for State governments and local school districts. While the committee did not attempt to establish the procedure whereby the USDA shall make reimbursement, I hope that this language will be sufficient to insure that school lunch reimbursements are made as expeditiously as practicable.

There is some confusion about the amount of money that is needed to enable States to purchase the equipment that is necessary to comply with the law which requires that every schoolchild receive a free and reduced price lunch. There is also some controversy over the amount of funding that is needed to permit extension of the school breakfast program to those schools desiring such a program. Therefore, section 3 of Senate Joint Resolution 157 requires that the Secretary of Agriculture shall immediately determine and report to the Congress the needs for additional funds to carry out the school breakfast and nonfood assistance programs at levels which will permit expansion of the school breakfast and school lunch programs to all schools desiring such programs as rapidly as practicable.

Mr. President, the basic issue at stake on the question of passing Senate Joint Resolution 157 is whether Congress intends to honor its commitment to provide a free or reduced price lunch to every schoolchild in America. The pending resolution serves notice that the Senate intends to honor its commitment. With every day's delay, additional irreparable harm is done to the school lunch program of this country. Additional children are forced to go to school without a decent meal.

I hope that the Senate will approve this legislation.

The PRESIDING OFFICER. Who yields time?

Mr. AIKEN. I yield 10 minutes to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. YOUNG. Mr. President, it is with great reluctance that I oppose and will vote against the pending joint resolution.

The joint resolution reported by the Committee on Agriculture and Forestry sets up new and more liberal standards for Federal assistance to the school lunch program. I am not opposed to this part of it. As a member of the Senate Committee on Agriculture and Forestry and for more than 20 years a member of the Senate Subcommittee on Agriculture Appropriations which has always handled the funding of the school lunch program, I have supported both a more liberal program and more liberal funding year after year.

Mr. President, I have no opposition to that portion of the pending resolution which would liberalize the school lunch program. What I am opposed to, and very strongly, is that this resolution is actually appropriating additional funds for the school lunch program which is beyond and outside of the jurisdiction of the Senate Agriculture Committee. The Subcommittee on Agriculture Appropriations holds extensive hearings each year on the school lunch program and it is much more knowledgeable on the needs of this program than is the Senate Agriculture Committee.

Mr. President, if all the legislative committees got into the business of appropriating funds, much of our checks and balances would be lost. The legislative committees authorize programs such as the school lunch program, but it is indeed rare when a legislative committee tries to appropriate funds for any program.

To follow this procedure would not only weaken our system of checks and balances between the authorizing and appropriating committees, but it would lessen by far the careful consideration and scrutiny that Federal expenditures now receive by both Houses of Congress.

If the Senate followed this procedure, then the Senate Armed Services Committee could appropriate, as well as authorize, all of the funds for the Department of Defense. The same would be true of the Public Works Legislative Committee. If they were permitted to follow this procedure, they could not only authorize all public works projects, but also fund them at the same time.

Mr. President, this joint resolution makes available an undetermined amount of money from section 32 funds for the school lunch program. No one seems to know how much this joint resolution will increase the costs of the school lunch program. There is no specific amount in the joint resolution itself. Guesses range from $100 to $300 million. If this increased funding for the school lunch program were handled by the Appropriations Committee, as it should be, that committee would find out how much was needed for the liberalized school lunch program and a specific amount would be appropriated.

Presently, appropriations for the Department of Agriculture for food assistance programs of all kinds for fiscal year 1972 are $3,815,784,000. If this resolution is approved, it would push food aid costs chargeable to the Department of Agriculture to over $4 billion.

Mr. President, Congress has been very liberal with food assistance to people. Practically $4 billion is charged to the Agriculture budget and, unfortunately, most people think this is a subsidy for farmers. These appropriations for family assistance have risen from $908,910,000 only 5 years ago, in the fiscal year 1968, to $3,815,784,000 this year. I ask unanimous consent to have this table printed in the RECORD.

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

*Appropriations for USDA food assistance programs, fiscal years 1968–72*

| Fiscal year: | |
|---|---|
| 1972 | $3,815,784,000 |
| 1971 | 2,876,968,000 |
| 1970 | 1,621,912,000 |
| 1969 | 1,201,332,000 |
| 1968 | 908,910,000 |

Mr. YOUNG. Mr. President, these are meritorious expenditures, but when they reach this magnitude, I think it behooves Members of Congress to give careful consideration to the procedures under which these funds are increased and further information should be had concerning the extent of the increase. Undoubtedly, additional funds are justified for the school lunch program, but I cannot understand the great rush to follow this unusual procedure of making additional funds available without any facts or information as to how much it will cost.

The House and Senate Appropriations Committees are now considering a supplemental appropriations bill to which additional funds for the school lunch program could appropriately be made a part. I would be very happy to support the additional funds necessary if it were handled through regular appropriations procedures and rules of the Senate. The appropriations bill for these funds might well pass the Congress long before this joint resolution. There is serious doubt whether the House will even consider this resolution, but they would consider an amendment to the appropriations bill.

The agriculture appropriations bill which passed Congress only about 2½ months ago contained $782.3 million for the school lunch program. This includes the breakfast program, administrative costs and the section 6 appropriation for commodity purchases. The previous year, fiscal year 1971, the appropriation was $696.9 million.

Only about 2 months ago we appropriated about $85 million more than we did a year ago for the school lunch program. Certainly these funds have not all been spent, particularly since the school year just began.

To give some idea of how liberal Congress has been with this program, I ask unanimous consent to have printed in the RECORD a table prepared by the Budget and Planning Division of the Food and Nutrition Service giving the appropriations for the past 5 years.

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

*School lunch program funding: Fiscal years 1968–72—Appropriations for school lunch, school breakfast, administrative costs, nonfood assistance, and nonschool food program*

[In millions]

| Fiscal year: | |
|---|---|
| 1972 | $782.3 |
| 1971 | 696.9 |
| 1970 | 415.7 |
| 1969 | 296.8 |
| 1968 | 227.8 |

SOURCE.—Budget and Planning Division, Food and Nutrition Service, USDA, Sept. 30, 1971.

Mr. YOUNG. Mr. President, it should be noted from this table that the total appropriation for fiscal year 1968 was only $227.8 million as against $782.3 million this year. This certainly indicates Congress has not been niggardly with this program.

When the donated food commodities provided through the Department of Agriculture are included, the total available contribution from the Federal Govern-

ment to the school lunch program for this fiscal year is $1,051,300,000.

I ask unanimous consent that this table be printed in the RECORD giving the figures for the past 5 years.

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

*Total program level, child nutrition programs, fiscal years 1968–72—Appropriated funds and value of donated commodities*

[In millions]

| Fiscal year: | |
|---|---|
| 1972 | $1,051.3 |
| 1971 | 865.2 |
| 1970 | 616.8 |
| 1969 | 504.7 |
| 1968 | 448.3 |

Mr. YOUNG. Mr. President, I wish to point out again that if this joint resolution only contained the liberalizing provisions of the school lunch program and left to the Appropriations Committee the funding of the program, I would be supporting it. It is with great reluctance that I find it necessary to vote against it in order to preserve sound fiscal practices. It would be far better if we were trying to improve on the manner in which we dish out hundreds of billions of dollars, rather than to relax our procedures.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. AIKEN. Mr. President, I yield 10 minutes to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I yield to no man in the Senate in my efforts, past and present, in supporting the feeding of schoolchildren.

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

Mr. ELLENDER. I yield.

Mr. TALMADGE. Mr. President, at this point I concur wholeheartedly in support of what the senior Senator from Louisiana has said. He was one of the original authors of the school lunch program, and he has supported it throughout the years.

Mr. ELLENDER. Mr. President, I thank the distinguished senior Senator from Georgia. I wish I could find myself in agreement with him in this instance, but I believe the precedents he is following to be bad ones. The Senator from Nebraska (Mr. HRUSKA) will cite the precedents which I believe to be controlling in this case.

This year is the 25th anniversary of the national school lunch program. It was 1946, World War II had just ended, and we were turning to the new priorities of peace. High on the list was the national school lunch program. I remember well because I was a sponsor of that legislation.

Passage of the National School Lunch Act on June 4, 1946, provided basic legislation authorizing Federal school lunch assistance in the form of a State grant-in-aid program. Since the midthirties, the Department of Agriculture had been providing commodities to States for use in school feeding programs and in fiscal 1944 and 1945, $50 million in cash was made available from section 32 funds. In 1946, this assistance was given a statutory basis which has continued to this day.

The program which we established in 1946 was a cooperative program. Federal, State, and local governments joined in providing balanced, nutritious lunches.

During the past 25 years, I have watched the school lunch program grow, and I can say with some pride that as a member and later chairman of the Agriculture and Forestry Committee, I have helped it grow.

During 1971, 24.1 million children were being reached by the school lunch program and 7.3 million needy children were receiving free and reduced price lunches at the end of the school year.

In 1971 for the first time, Federal support for child feeding programs reached almost a billion dollars. The total was $981 million up $260 million from the year before.

Our greatest efforts in recent years have been directed to being sure that needy children receive the free and reduced price lunches to which they are entitled. Special assistance funds for this have increased yearly eightyfold in the last 4 years, from $4.9 million in 1968 to $390 million appropriated for 1972. But, with all of these additional funds, the program, even for the needy children, has continued to function on a cooperative basis. Under the amendments to the School Lunch Act which were passed last year, each State educational agency must inform the Secretary of Agriculture of the manner in which it proposes to use the funds provided under this act.

During the past year, the portion of the total lunch program cost which is borne by the Federal Government has increased substantially. In 1968, the Federal share of total expense was 23.2 percent. State and local governments contributed 23.6 percent and children's payments provided 53.2 percent of total program cost. By 1970, the Federal share was up slightly to 25.6 percent, the State and local share rose to 24.6 percent, and children's payments were 49.8 percent. Then last year, there was a 1 year jump in the level of Federal support to 32.7 percent of program cost. The State and local share dropped slightly to 23.1 percent and children's payments were down to 44.2 percent.

The changes contained in Senate Joint Resolution 157 minimize the cooperative concept which has long been at the base of the school lunch program.

Local government is often more sensitive and effective in managing funds which come at least in part from local sources.

The resolution before us was precipitated by reactions to new school lunch regulations proposed by the Department of Agriculture. Those regulations have been greatly criticized. We should recognize, however, that those regulations do things which each of us will approve.

The Department of Agriculture's proposed regulations will distribute approximately $78 million more in special assistance for free and reduced price lunches than was spent for these lunches last year. These are moneys available because of action by the Congress.

Under the proposed regulations, funds will be distributed to States in better relation to program growth and size. This will avoid the midyear funding uncertainties of last year when fund shortage in some States were threatening the continuation of programs while other States had millions of dollars in excess funds.

For the first time in the history of the program, a State needing to expand its program to substantially more schools and substantially more children can do so within its available funds, without the fear that such expansion will be at the expense of an unwarranted reduction in levels of assistance to already participating schools and children.

The Department's proposed regulations are designed to place a floor under school lunch funding so that States and localities can count on a predictable level of program support. In the past, some States have had reimbursement rates far above the national average while other States with large and expanding participation have had rates which are far lower.

The resolution which is before us today will provide a more generous level of Federal support for free and reduced price school lunches. But, it violates the regular procedure.

Therefore, I urge you to join me in opposing the passage of Senate Joint Resolution 157. If additional funds are needed for this program this year, the Appropriations Committee will do all within its power to see that such funds are made available.

The point I wish to emphasize is simply this. In the past the appropriations for this program have been handled by the Committee on Appropriations. But here is an effort made to permit the Committee on Agriculture and Forestry to direct how much money shall be spent from the so-called 32 funds in order to carry out this work. I believe that the establishment of this precedent is wrong, although there was evidence to show that in one or two cases the Committee on Agriculture and Forestry in the early days did suggest that funds be taken from the 32 funds in order to supplement appropriations made by Congress.

The distinguished Senator from North Dakota stated a moment ago that 2 days ago the President sent us a supplemental bill. This supplemental bill amounts to about $1.25 billion, although there is nothing mentioned in that bill pertaining to the school lunch program, as I understand it. It is my intention that when the supplemental bill comes from the House we will hold hearings on this specific point. I have already notified the Senator from Wyoming (Mr. MCGEE) to bring before his subcommittee people from the Department of Agriculture who will testify as to what is needed in order to carry out what the President stated earlier this year. That is, to provide sufficient funds so that every needy child in school will have the opportunity to have a free or reduced price lunch and an adequate diet.

Mr. President, I do not like this backdoor funding. Of course, that is what this amounts to. We are taking from a special fund, the section 32 fund, moneys—cash—in order to carry on this program. I admit it has been done in the past. The Department of Agriculture has submitted figures to us indicating that the sums raised through section 32 of the Agricultural Adjustment Act could

be used in order to carry out the program. That has been done but section 32 was enacted by Congress for a purpose different than that for which it is now being used. It was placed on the statute books in order to assist in the administration of some commodity programs wherein we do not have price supports.

Section 32 funds are used mostly for the purchase of commodities for distribution to needy persons and for distribution through the school lunch and other feeding programs.

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

Mr. ELLENDER. I yield.

Mr. AIKEN. The Senator pointed out the precedent for an act of this kind which occurred last June, but it is my recollection that that bill was passed by the unanimous vote of the Senate.

Mr. ELLENDER. Yes.

Mr. AIKEN. The Senate can take most any action by unanimous consent, but on the other hand, the rules of the Senate state that the Committee on Appropriations cannot be bypassed.

If a person breaks the law once and gets away with it, does that give him a license to violate that same law forever afterward without running the risk of being called to account for it?

Mr. ELLENDER. Of course it does not.

Mr. AIKEN. We violated the rules once by unanimous consent, and we can do almost anything by unanimous consent in the Senate, but that does not give us authority to continue with the violations.

Mr. ELLENDER. I agree with the Senator.

When we did that, we established a bad precedent. The Senator knows that I have always supported the school lunch program, but I also believe that the committee of the Senate which has charge of this, the Committee on Appropriations, should provide the necessary funds. That is all I am pleading for. I am as much for this program as the distinguished Senator from Georgia or any other Senator in this body. But let us provide the funds necessary through the proper channels, and the proper channels would be the Committee on Appropriations.

As I said, the Committee on Appropriations is going to take up the matter in a few weeks. There is now ample money on hand to proceed with the operation until well beyond that time. The purpose of the USDA regulations is more or less to equalize the money at hand so that some States would not have excess funds, as has been the case in the past, while others have an insufficient amount.

Last year the department had to take States that could not spend them, and transfer that money to States that needed it.

The purpose of the rules and regulation placed into effect by the Department of Agriculture is also to divide the money more equitably. I state to the Senate that whatever is necessary should be provided by the Committee on Appropriations. Let us proceed in an orderly manner, as it should be done. Let us not take more from the section 32 funds than may be necessary.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. YOUNG. I yield an additional 5 minutes to the Senator.

Mr. ELLENDER. If we permit all the moneys necessary to operate the lunch program be taken from section 32 receipts as is provided in this resolution, then it may be that some other programs may suffer. I would much prefer that we continue to use the appropriations process.

I want to assure the Senate that hearings will be held, probably beginning next week, even before the bill reaches the Senate. If the distinguished Senator from Georgia will obtain from the Department of Agriculture an estimate of the amounts necessary in order to carry out the program as he wishes, I can give him assurance that the committee will consider these figures.

It is our intention to call on the Department to make its case before us. And believe me, they will be questioned closely.

And last, I want to assure the Senate that I will do all in my power to see that such additional funds as are necessary will be provided by that committee.

I have always had a deep and abiding interest in the success of the school lunch program. I have always had a deep and abiding interest in seeing that all needy children receive free or reduced price lunches. I still do.

I ask unanimous consent that a brief history of the national school lunch program be printed in the RECORD.

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

A BRIEF HISTORY OF ÆE NATIONAL SCHOOL LUNCH PROGRAM

The National School Lunch Program is currently operated under Public Law 396, 79th Congress, as amended by Public Law 518, 82nd Congress; Public Law 823, 87th Congress; Public Law 302, 90th Congress; and Public Law 248, 91st Congress, and is a grant-in-aid program of Federal assistance to the fifty States, the District of Columbia, Puerto Rico, Guam, American Samoa and the Virgin Islands.

Federal assistance to school lunch operations began in 1933. In that year, the Reconstruction Finance Corporation provided loans to several communities in Missouri to pay labor costs of preparing and serving school lunches. By the end of 1934, assistance was being provided in 39 States through the Civil Works Administration and the Federal Emergency Relief Administration. Later the Works Projects Administration and National Youth Administration furnished both labor and trained management personnel for lunchroom operations.

The enactment of Public Law 320, 74th Congress, in August 1935, made it possible for the Federal Government to provide additional assistance in the form of donated commodities. Section 32 of that Law appropriated annually an amount equal to 30 percent of all customs receipts for the general purpose of encouraging the exportation and domestic consumption of agricultural commodities.

One of the activities financed with Section 32 funds was the program for purchase of surplus food commodities and their distribution to eligible recipients. The Federal Surplus Commodities Corporation purchased the commodities and turned them over to State welfare agencies for distribution to nonprofit school lunch programs, charitable institutions, and welfare recipients. By March 1942, six million children were participating in lunch programs receiving surplus commodities.

Our entry into World War II brought an unprecedented demand for food which, in turn, resulted in the production of a large volume of foods suitable for local purchase for school lunch programs. In March 1943 therefore, the Department of Agriculture announced that assistance would be granted in the form of cash reimbursement.

Under this program, any nonprofit public or private school was eligible. Local sponsoring groups entered into agreements with the Department to operate lunch programs in accordance with certain standards and regulations, and were reimbursed directly for a portion of their food expenditures. The most important of these operating standards were as follows:

1. Lunches served should meet nutritional standards established by the Department of Agriculture.

2. The lunch program should be operated on a nonprofit basis.

3. Children unable to pay the full price of the lunch should be served at a reduced cost or free.

Direct distribution of surplus foods acquired by the Department continued, although the quantities available were substantially smaller than in prewar years. During fiscal years 1944 and 1945, Congress authorized the use of $50 million of Section 32 funds for the operation of the school lunch program. In fiscal year 1946, Congress appropriated $50 million of Section 32 funds and later voted a deficiency appropriation of $7½ million.

Passage of the National School Lunch Act, on June 4, 1946, provided basic legislation authorizing Federal school lunch assistance, in the form of a State grant-in-aid program. Specifically, the Congress declared that the objective of the 1946 National School Lunch Act is "... to safeguard the health and well-being of the Nation's children and to encourage the domestic consumption of nutritious agricultural commodities and other food." The Act authorized the continuance of food assistance in the form of cash reimbursements for a portion of the food costs and direct distribution of suitable foods acquired by the Department of Agriculture in its purchase operations. In addition, Section 6 of the Act authorized the expenditure of part of the food assistance funds for the direct purchase and distribution by the Department of certain foods which would improve the nutritional quality of the lunches.

Public Law 518, 82nd Congress, was approved on July 12, 1952, and amended the Act to include Guam as an eligible Territory. Also, this law amended the Act with respect to the apportionment of funds to Hawaii, Alaska, Puerto Rico, Guam and the Virgin Islands.

On October 15, 1962, the Act was amended by Public Law 87-823, which provided for several major changes. First, the formula for apportioning Federal funds to the States (Section 4) which had been based on (1) the number of school children in the State and (2) the need for assistance in the State as indicated by the relation of the per capita income in the United States to the per capita income in the State, was changed to utilize the factors of (1) the participation rate for the State and (2) the assistance need rate of the State. The assistance need rate is based on relative per capita income of each State, but gives lesser weight to it than the initial apportionment formula. The participation rate is the actual number of lunches served in each State the preceding year. Another major change involved the addition of a new Section 11 (Special Assistance). This Section authorized the appropriation of funds to provide special assistance in the form of higher rates of cash reimbursement to schools drawing attendance from areas in which poor economic conditions exist for the purpose of assisting these schools in meeting the program requirement concerning the service of lunches to children unable to pay the full cost of such lunches.

On May 14, 1970, Public Law 91-248 was enacted to amend the Act to clarify respon-

sibilities related to providing free and reduced price meals and preventing discrimination against children, to revise program matching requirements, to strengthen the nutrition training and education benefits of the programs, and otherwise to strengthen the food service programs for children. State revenue appropriated or utilized specifically for program purposes are to be used to constitute part of the State matching requirement. For the first time the Secretary is authorized to set minimum national income poverty guidelines for eligibility for free and reduced price lunches. Section 11 (Special Assistance) was amended to make the needy child, rather than the school, the eligible entity for special assistance reimbursement payments. This legislation also requires each State educational agency to submit each year a State Plan of Child Nutrition Operations which outlines how the State plans to extend the Child Nutrition Programs to reach more children.

Today, nearly 23 million children in about 78,000 schools are participating in the National School Lunch Program daily. The increase in program participation in recent years has been approximately one million children a year.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Assistant Secretary of Agriculture Richard Lyng.

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

STATEMENT OF ASSISTANT SECRETARY RICHARD LYNG BEFORE THE SENATE COMMITTEE ON AGRICULTURE AND FORESTRY, SEPTEMBER 16, 1971

We are pleased to meet with the Committee this morning to discuss the amendments to the school lunch regulations we issued for public comment on August 13.

Those proposed amendments deal with the program's funding structure for 1972—specifically, with the method to be used to distribute the special section 32 funds to States. They represent our judgment as to the most effective and equitable way to distribute the school lunch funds made available in the Department's appropriation act for fiscal 1972.

Last year—the initial year of operation under Public Law 91-248—resulted in substantial program progress. In September of 1970, a total of 22.1 million children were being reached with a school lunch. Four million of these children were being reached with a free or reduced-price lunch. By April 1971, 24.1 million children were being reached—up 9 percent over September. A total of 7.3 million children were being reached with a free or reduced-price lunch—up 82 percent over September.

The total number of school lunches served last year increased by 7.7 percent—from just over 3.5 billion in fiscal 1970 to just over 3.8 billion in 1972. But, there were substantial differences in growth rates among the States. In eight of the State agencies, the rate of increase was more than double the national rate. The growth rate was less than 5 percent in 23 States.

The number of free and reduced-price lunches served increased 35.6 percent last year—from 852 million in fiscal 1970 to one billion in fiscal 1971. Again, the growth rate varied among the States. In 10 of the State agencies, the growth rate was more than double the national average. In contrast, 14 State agencies had a growth rate of less than 25 percent.

Last year's progress represented the combined work of local, State, and Federal governmental units, thousands of dedicated school officials, and concerned citizens—backed by the traditional combination of Federal, State, and local financial support.

There has been a sharp increase in Federal funding for cash assistance payments to schools. Between 1970 and 1971, direct appropriations under sections 4 and 11 of the Act more than doubled. In addition, in 1971, these direct appropriations were augmented by over $150 million in special section 32 funds—most of which was intended for free and reduced-price lunches. In three years, the amounts made available under section 4, section 11, and in special section 32 funds increased from $204 million in fiscal 1969 to just over $300 million in fiscal 1970, and to over double that amount in fiscal 1971.

States have raised a question as to whether past progress in the program can be maintained in 1972—much less additional progress obtained—under the funds requested and appropriated for 1972 and the funding structure outlined in the proposed regulations the Department issued on August 13. We believe that significant additional progress is possible.

*First,* there is an increase in the amount of Federal funds available to provide special assistance for free and reduced-price lunches in 1972—about $78.8 million more than was spent in 1971.

*Second,* available funds will be distributed to States in better relationship to program growth in the various States. Thus, we can avoid the mid-year funding uncertainties of last year. At that time, fund shortages in some States were threatening the continuation of their programs while other States had millions of dollars in excess funds.

*Third,* for the first time in the history of the program—a State needing to expand its program to substantially more schools and substantially more children can do so within its available funds, without fear that such expansion will be at the expense of an unwarranted reduction in levels of assistance to already participating schools and children.

It is clear, Mr. Chairman, that some States do not understand the method we are proposing to use to distribute the available funds in 1972. We hope to clear up that misunderstanding in the course of this hearing.

THE BASIC FUNDING STRUCTURE

The National School Lunch Act authorizes two annual appropriations for the program—one under section 4 of the Act and one under section 11. The Act also specifies exactly how each of these annual appropriations is to be apportioned among the States.

Section 4 funds are apportioned among the States on the basis of the number of Type A lunches previously served by each State and the relationship between each State's per capita income and the per capita income of the United States. For fiscal 1972, the apportionment formula uses the number of Type A lunches served by each State two years ago—in fiscal 1970. Section 11 funds are apportioned on the basis of the relative number of school-age children in households with annual incomes below $4,000 that reside in each of the States.

The section 4 funds are used to help schools buy food for the lunches served to *all* children—to both children who pay the full price of the lunch and the children who receive free and reduced-price lunches. The section 11 funds are used to provide additional special assistance for lunches served free or at a reduced price to children who meet a school's eligibility standards for such lunches.

Both the section 4 and 11 funds are actually disbursed to schools by the State on the basis of an assigned per-lunch reimbursement rate. The section 4 rate is applied to all the lunches; the section 11 rate applies only to the free and reduced-price lunches. In the program regulations, the Department of Agriculture establishes maximum reimbursement rates that a State may pay under section 4 and section 11. Thus, the actual rates of assistance a State pays an individual school under section 4 or section 11 depend upon three factors: (1) The amount of funds made available to the State for section 4 and 11 purposes each fiscal year—the Statewide average rate that can be financed; (2) the maximum per-lunch rates of assistance authorized by the Department; and (3) how the State varies rates of assistance in accordance with the relative need of the individual schools, within that Statewide average rate.

MAXIMUM RATES OF ASSISTANCE

Many people first interpreted our proposed regulations as requiring a reduction in the maximum rates of assistance that were in effect during the last school year. This is not the case.

In the regulations we issued last September for the 1970-71 school year, the following *maximum* rates were authorized:

12 cents per lunch under section 4;

30 cents in addition for each free and reduced-price lunch under section 11, with a proviso that the neediest schools could receive up to 60 cents for each free and reduced-price lunch.

If a State determined that a school needed in excess of 30 cents for a free and reduced-price lunch, our regulations required that such a school receive section 4 assistance at the maximum rate of 12 cents. The section 11 rate could then exceed 30 cents—up to a maximum of 48 cents—or a total of 60 cents in combined funds.

This latter proviso—called the "12-cent rule"—met opposition among the States. They felt it endangered the total program because section 4 funds had to be diverted from the more affluent schools in order to pay 12 cents in section 4 funds to the neediest schools. They felt *all* the extra assistance for free and reduced-price lunches required by the neediest schools should be financed out of funds available for section 11 purposes.

Effective in February, we did, in effect, suspend the 12-cent rule. We allowed States to finance the required increase in section 4 rates for the neediest schools out of funds available for section 11 purposes.

The maximum rates of assistance we have authorized in the proposed regulations remain essentially unchanged from the 1970-71 rates. A State is still authorized to pay its neediest schools up to 60 cents for a free or reduced-price lunch. (A maximum rate of 50 cents is proposed if the school is serving a significant number of reduced-price lunches because it would be receiving revenues from the reduced-price payments.)

Our proposed amendments are concerned with the distribution of available funds among the States—with the average reimbursement to be paid on a Statewide basis—not with the maximum rates.

1971 PROGRAM FUNDING

The 1971 appropriation act contemplated a national average section 4 rate of 5 cents and a national average reimbursement rate of 30 cents in additional assistance for free and reduced-price lunches.

The following amounts were provided in the 1971 appropriation act to finance those contemplated rates: A direct appropriation of $225 million in section 4 funds and a direct appropriation of $204.7 million in section 11 funds. The use of $154.7 million in special section 32 funds also was authorized in our appropriation act.

As I indicated earlier, the National School Lunch Act specified how the section 4 and section 11 funds are to be divided among the States. The use of the special section 32 funds is at the discretion of the Department but the appropriation act contemplated that most of the special section 32 funds would be used to supplement the section 11 appropriation for free and reduced-price lunches.

Without any experience on which to judge the impact of Public Law 91-248, the Department decided to use the special section 32 funds as follows:

The entire amount—$154.7 million—was apportioned to States under section 11 apportionment formula. The section 11 formula was selected because most of these section 32 funds were expected to be used for section

11 purposes for free and reduced-price lunches.

We did give States flexibility in the use of these section 32 funds. In addition to using them for free and reduced-price lunches, they were authorized to use the funds to augment funds appropriated for the school breakfast program and the funds for equipment assistance for needy schools, especially for "no-program" needy schools.

However, as we gained operating experience under Public Law 91-248, it was apparent that the method of distributing the special section 32 funds was creating a problem. It did not put the funds in the States where they were needed. By January, some States were reporting that they would soon exhaust their funds; other States reported they had a surplus in funds. By mid-April—under the cumbersome and time-consuming reapportionment method—we were able to transfer over $30 million from States with a surplus to States with a deficit. But, during the period we were effecting those fund transfers, the deficit States had to operate upon our assurance that we could obtain the release of funds from other States.

THE 1972 PROPOSAL

After this experience, we concluded that it would be in the best interest of all of the States if a method for distributing the available funds could be found that would better distribute the funds among the States in accordance with expected participation at the beginning of the school year.

This exploration led us to another conclusion; one that—in our view—represents a real breakthrough in school lunch financing. We concluded that we needed to go beyond the funding level planned in the 1972 appropriation—a national average reimbursement rate of 5 cents under section 4 and a national average rate of 30 cents under section 11. We felt the available section 32 funds should be used to guarantee each State that—no matter how much expanded its program—it could be assured that it would be able to maintain a Statewide average rate of 5 cents under section 4 and a Statewide average rate of 30 cents under section 11.

This is the essence of our August 13th proposal.

Some States have interpreted our proposed regulations to require them to initially establish rates of assistance within the funds apportioned to them under sections 4 and 11 of the Act. That is not the case. That would, in effect, cancel out our announced guarantee that no State will have to establish Statewide average rates at less than 5 and 30 cents.

The regulations, as amended by our proposal, instruct States to establish rates "within the funds available" to the State agency. The funds available to a State agency in 1972 under the regulations are:

Its apportioned share of the $225 million appropriated for section 4, *plus* such amounts of special section 32 funds as the State needs to maintain a Statewide average section 4 rate of 5 cents; and

Its apportioned share of the $237 million appropriated for section 11, *plus* such amounts of special section 32 funds as the State needs to maintain a Statewide section 11 rate of 30 cents.

With program expansion in 1972, these 5-cent and 30-cent guarantees will use all of the special section 32 funds made available under our 1972 appropriation act.

Under our proposal, some States would be able to maintain Statewide average rates in excess of 5 cents or 30 cents in 1972—out of their apportioned share of the direct appropriations for section 4 and section 11. They would be able to pay those higher rates. They would not, of course, receive any section 32 funds to enable them to pay still higher rates. On the other hand, they would not be asked to release any of their apportioned funds for use by other States.

Some have interpreted our proposed regulations to mean that no school can receive more than 35 cents for a free or reduced-price lunch. That, too, is not the case. States can continue their past authority to vary rates among schools—paying above the Statewide average rate to the needier schools and less than the Statewide average rate to the more affluent schools.

THE IMPACT OF OUR PROPOSALS

We have a series of charts that summarize the impact of our proposed regulations on section 4 and section 11 funding.

This first chart shows the 1971 expenditures for section 4 and section 11 purposes and the amounts provided under our annual appropriation act for 1972 for these same purposes:

[In millions of dollars]

| | 1971 | 1972 |
|---|---|---|
| Sec. 4 apportionment | 225.0 | 225.0 |
| Needy schools and children: | | |
| Sec. 11 apportionment | 203.8 | 237.0 |
| Special sec. 32— | | |
| To finance the 12-cent rule | 20.8 | ..... |
| Free and reduced-price lunches | 86.8 | 153.2 |
| Subtotal | 311.4 | 390.2 |
| Grand total | 536.4 | 615.2 |

As this chart indicates, the amount of money available for section 4 purposes in 1972 is the same as was appropriated in 1971—$225 million.

There is $78.8 million more available for special assistance for free and reduced-price lunches than was spent in 1971—$390.2 million compared to $311.4 million.

The second chart shows the Statewide average section 4 rates that were paid out of the $225 million in 1971 by the 50 States and the District of Columbia; the projected average rates that those States could have paid in 1972 without our proposed change in the use of the special section 32 funds; and the projected average rates under our proposal:

| | Number of States, 1972 | | |
|---|---|---|---|
| | 1971 | Without revision | With revision |
| Statewide rate—Sec. 4: | | | |
| 7 cents and above | 6 | 2 | 2 |
| 6 to 6.9 cents | 9 | 11 | 11 |
| 5 to 5.9 cents | 22 | 21 | 38 |
| 4 to 4.9 cents | 12 | 12 | 0 |
| Below 4 cents | 2 | 5 | 0 |
| Total | 51 | 51 | 51 |

In the absence of our proposed change, 17 States were faced with an average Statewide section 4 rate of less than 5 cents and five of these were faced with an average rate of less than 4 cents. We are proposing to guarantee these States a Statewide average rate of 5 cents.

The third chart shows the same information for the section 11 rates—the special assistance for free and reduced-price lunches: The average Statewide payments out of the $311.4 million expended for this purpose in 1971; the projected rates that would have prevailed in 1972 if we had not proposed a change in the distribution of special section 32 funds; and the projected rates under our proposal.

| | Number of States, 1972 | | |
|---|---|---|---|
| | 1971 | Without revision | With revision |
| Statewide rate—Sec. 11: | | | |
| 40 cents and above | 11 | 15 | 0 |
| 35 to 39.9 cents | 9 | 8 | 1 |
| 30 to 34.9 cents | 15 | 9 | 50 |
| 25 to 29.9 cents | 12 | 7 | 0 |
| 20 to 24.9 cents | 2 | 9 | 0 |
| Below 20 cents | 2 | 3 | 0 |
| Total | 51 | 51 | 51 |

If we had continued last year's method of distributing the $153.2 million in special section 32 funds, and every State used all of its section 32 money for free and reduced-price lunches, the average rate in seven States would have been between 25 and 29.9 cents. In an additional 12 States, the average rate could have been below 25 cents, and 3 of the 12 could have faced an average Statewide rate of less than 20 cents for each free and reduced-price lunch. Our proposal guarantees every State at least a minimum Statewide rate of 30 cents for each free or reduced-price lunch.

It is true that a few fortunate States would have been able to pay higher rates of assistance under section 11 in 1972, if we had continued last year's method of distributing section 32 funds. But, these higher rates would have meant that up to 19 States would have a Statewide average rate of less than 30 cents in 1972.

EQUIPMENT ASSISTANCE

Before summarizing these proposals on the distribution of available funds, I want to comment on a second part of our August 13th proposals—those that affect the equipment assistance funds.

Section 5 of the Child Nutrition Act authorizes Federal equipment assistance for schools which draw their attendance from areas in which poor economic conditions exist—in short, needy schools. The funds can be used to help needy schools which have "no, or grossly inadequate" food service equipment.

In 1971, a total of $15 million was appropriated for this equipment assistance. But States elected to use substantial amounts of their special section 32 apportionment for equipment assistance last year. In total, reports from the States now show that a total of $36.7 million was used for equipment assistance last year.

Our fourth chart shows the amount used for equipment assistance for needy schools in 1970 and 1971. You will note that most of these funds went to schools that were already operating a food service.

There is no doubt that some already participating schools did have "grossly inadequate" equipment. But, we now believe greater emphasis should be placed on the use of these funds to bring needy "no-program" schools into the Type A program.

We are holding equipment funds in 1972 to the $16.1 million authorized in our appropriation act. We have amended our regulations to place a positive obligation on States to seek out—and work with—needy "no-program" schools.

And, we are proposing that at least half of each State's equipment funds be held in reserve for "no-program" schools until March 1—unless the State can demonstrate that the funds should be released for already participating schools at an earlier date.

SUMMARY

Returning to our August 13th proposals on the distribution of cash assistance funds to the States, we would want to emphasize these points:

First, our proposals are not designed to save funds. We expect to spend all the funds authorized in our 1972 appropriation act.

Second, we have not reduced the maximum rates of assistance that were authorized for last year.

Third, we will be placing a floor under section 4 and section 11 rates on a Statewide basis for the first time—a floor that is guaranteed no matter how much expansion a State is able to achieve.

Fourth, we do not believe that we should have continued a method of distributing available funds among the States which—because of the vagaries of statistical apportionment formulas—allowed some States a "funding feast" while other States suffered from a "funding famine".

Finally, we want to re-emphasize that the National School Lunch Act contemplated that

the funding of the program would be a joint Federal, State, and local responsibility. This principle was reaffirmed in the Public Law 91–248 amendments. One of those amendments required, beginning this fiscal year that all States put State tax revenues into the program. State matching is required only for the funds made available under section 4 of the Act. But, Public Law 91–248 requires States to distribute the matching State revenues they put into the program in a manner that concentrates their use on the financing of free and reduced-price lunches.

FEDERAL FUNDING—NATIONAL SCHOOL LUNCH PROGRAM FISCAL YEARS 1971 AND 1972

[In millions of dollars]

| | 1971 (preliminary) | 1972 (appropriation) |
|---|---|---|
| Regular sec. 4 apportionment | 225.0 | 225.0 |
| Needy schools and children: | | |
| Sec. 11 apportioment | 203.8 | 237.0 |
| Special sec. 32: | | |
| To finance 12-cent rule | 20.8 | |
| Free and reduced price lunches | 86.8 | 153.2 |
| Subtotal | 311.4 | 390.2 |
| Grand total | 536.4 | 615.2 |

Source: U.S. Department of Agriculture, Food and Nutrition Service.

AVERAGE SECTION 4 REIMBURSEMENT RATES FROM $225 MILLION APPORTIONMENT, 50 STATE AGENCIES AND DISTRICT OF COLUMBIA

| | Number of States | | |
|---|---|---|---|
| | | Fiscal year 1972 | |
| Average statewide rate per lunch | Fiscal year 1971 (preliminary) | Without USDA proposal | With USDA proposal |
| 7.0 cents and above | 6 | 2 | 2 |
| 6.0 to 6.9 cents | 9 | 11 | 11 |
| 5.0 to 5.9 cents | 22 | 21 | 38 |
| 4.0 to 4.9 cents | 12 | 12 | 0 |
| Below 4 cents | 2 | 5 | 0 |
| Total | 51 | 51 | 51 |

Source: U.S. Department of Agriculture, Food and Nutrition Service.

AVERAGE REIMBURSEMENT PAYMENTS FOR FREE AND REDUCED-PRICE LUNCHES, 50 STATE AGENCIES AND DISTRICT OF COLUMBIA

| | Number of States | | |
|---|---|---|---|
| | | Fiscal year 1972 | |
| Average statewide rate per lunch | Fiscal year 1971 (preliminary) | Without USDA proposal | With USDA proposa |
| 40.0 cents and above | 11 | 15 | 1 |
| 35.0 to 39.9 cents | 9 | 8 | 0 |
| 30.0 to 34.9 cents | 15 | 9 | 50 |
| 25.0 to 29.9 cents | 12 | 7 | 0 |
| 20.0 to 24.9 cents | 2 | 9 | 0 |
| Below 20 cents | 2 | 3 | 0 |
| Total | 51 | 51 | 51 |

Source: U.S. Department of Agriculture, Food and Nutrition Service.

EQUIPMENT ASSISTANCE FOR NEEDY SCHOOLS

| | Fiscal year 1970 | Fiscal year 1971 (preliminary) |
|---|---|---|
| Schools: | | |
| Total schools assisted | 7,974 | 15,500 |
| No-program schools assisted | 524 | 1,402 |
| Dollars: | | |
| Total for nonfood assistance | 16,705,170 | 36,697,000 |
| Total for no-program schools | 2,799,569 | 9,242,966 |

Source: U.S. Department of Agriculture, Food and Nutrition Service.

Mr. ELLENDER. I ask unanimous consent to place in the RECORD tables from the Department of Agriculture indicating how the section 32 funds are and have been used over the last few years.

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

NATIONAL SCHOOL LUNCH PROGRAM—PROGRAM SUPPORT

The table below indicates, on a per meal basis, the amount of program support and the proportion of the total from each source. The Fiscal Year 1972 data are projected assuming: (1) a 5 percent increase in total program support to meet increased living costs; and (2) the 1972 Federal proportion of support at the 1971 level.

| Fiscal year | Amount per meal (cents) | | | | Proportion of support (percent) | | | |
|---|---|---|---|---|---|---|---|---|
| | Federal [1] | State and local | Children's payments | Total | Federal | State and local | Children's payments | Total |
| 1968 | 13.5 | 13.7 | 30.9 | 58.1 | 23.2 | 23.6 | 53.2 | 100.0 |
| 1969 | 14.1 | 14.1 | 30.9 | 59.1 | 23.8 | 23.9 | 52.3 | 100.0 |
| 1970 | 15.9 | 15.3 | 31.0 | 62.2 | 25.6 | 24.6 | 49.8 | 100.0 |
| 1971 estimate | 21.5 | 15.2 | 29.1 | 65.8 | 32.7 | 23.1 | 44.2 | 100.0 |
| 1972 projected [2] | 22.6 | 46.5 | | 69.1 | 32.7 | 67.3 | | 100.0 |

[1] Federal support includes cash and donated commodities.

[2] The projected 1972 rates are based on the assumptions that increased costs of 5 percent in 1972 over 1971 will be reflected in the program support and the proportion of Federal support would continue at the 1971 level of 32.7 percent.

U.S. DEPARTMENT OF AGRICULTURE, SEC. 32—SUMMARY OF USE OF FUNDS

[In thousands]

| Item | Fiscal year— 1960 | 1970 | 1971 | 1972 |
|---|---|---|---|---|
| Carryover from prior year | $300,000 | $299,921 | $300,000 | $300,000 |
| Recovery of prior year obligations | 667 | 130 | | |
| Appropriation | 251,446 | 698,463 | 728,760 | 765,887 |
| Total available | 552,113 | 998,514 | 1,028,760 | 1,065,887 |
| Transfers to— | | | | |
| Child nutrition program | 43,657 | 194,266 | 238,358 | 232,043 |
| Agricultural Research Service | | 15,000 | 15,000 | 15,000 |
| Foreign Agricultural Service | 2,493 | 3,117 | 3,117 | 3,117 |
| Interior Department [1] | 4,994 | 7,636 | 7,627 | 7,552 |
| Total transfers | 51,144 | 220,019 | 264,102 | 257,712 |

| Item | Fiscal year— 1960 | 1970 | 1971 | 1972 |
|---|---|---|---|---|
| Commodity purchases and export payments | [2] $104,720 | $331,843 | $288,666 | $295,674 |
| Financial assistance to States | | 5,801 | 13,655 | 19,700 |
| Special feeding program | | 127,161 | 152,609 | 181,758 |
| Surplus removal operating expenses | 2,449 | 7,186 | 7,046 | 7,669 |
| Marketing agreements and orders | 1,776 | 2,576 | 2,682 | 3,374 |
| Food and nutrition aids | | 34 | | |
| Total obligations | 108,945 | 474,601 | 464,658 | 508,175 |
| Unobligated balance returned to the Treasury | 91,222 | 3,894 | | |
| Unobligated balance carried forward to subsequent years | [3] 300,802 | 300,000 | 300,000 | 300,000 |

[1] Department of Commerce in fiscal year 1972.

[2] Included production payments on cranberries of $7,500,000.

[3] Includes a recovery of prior years obligations of $802,000 available in fiscal year 1961.

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

Mr. ELLENDER. I yield.

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

Mr. AIKEN. Mr. President, I yield 1 more minute to the Senator.

Mr. ELLENDER. Mr. President, I yield to the Senator from North Dakota.

Mr. YOUNG. Mr. President, I suspect that the Senator from Louisiana and some others, especially those of us on the Appropriations Committee, who will vote against the joint resolution will be labeled as being against the school lunch program. I would like to point out again that the Senator from Louisiana was coauthor of the present School Lunch Act, and he led the fight 5 years ago to put the breakfast program in the school lunch program.

Mr. AIKEN. Mr. President, I yield myself 2 minutes at this time, because I would like to comment on what the Senator from North Dakota said.

When we had our executive committee meeting 2 days ago, at which this joint resolution was ordered to be reported to the Senate, there was a generous supply of public relations men in the committee room—three to be exact, two employed by the committee and one besides. I was surprised when shortly after the meeting a reporter came to me and told me he had heard that anyone who voted against this measure was against the school lunch bill.

I was further amazed to find in the report the names of Senators ELLENDER,

AIKEN, YOUNG, CURTIS, and DOLE in big letters, as voting against this bill. Coupled with what the reporter was told, it means that these five Senators were against the bill.

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

Mr. AIKEN. I yield.

Mr. TALMADGE. The Reorganization Act requires the report to state how the Senators voted. It was done for that purpose alone, in compliance with the Reorganization Act, which I voted against, may I say. I thought it was unwise. I certainly would not want this RECORD to indicate that the distinguished Senator has been dilatory or negligent in his support of nutrition programs, because that is not true.

Mr. AIKEN. I thank the Senator from Georgia for I was not aware of this change in the rules, but I had never seen the names listed in that manner before in a report of the Committee on Agriculture and Forestry.

Mr. HRUSKA. It is required.

Mr. AIKEN. If it is required by law. I am for it, but I do want to say that the Senator from Louisiana (Mr. ELLENDER) is the father of the school lunch bill and he was assisted in that effort by the Senator from North Dakota and myself, and I will say that no one has worked harder for a good school lunch program than those who are recorded as voting against this resolution, which would bypass the Appropriations Committee.

What we insist on is an adequate school lunch program and we will, I am sure, vote for every dollar necessary to feed every child in this country who is entitled to a school lunch, and possibly some who are well able to pay for their own.

We ask for efficient management of the school lunch program, and above all, we want honest and above board management.

I will yield myself a few minutes later to give an example of what I mean by that latter statement.

The PRESIDING OFFICER. Who yields time?

Mr. TALMADGE. Mr. President, I yield myself such time as I may require. I dislike finding myself in the role of being in disagreement with the distinguished former chairman of the committee, the able and distinguished Senator from North Dakota, the able and distinguished Senator from Nebraska, and the able and distinguished senior Senator from Vermont, former chairman of this committee himself. We find ourselves fighting together for the same objective the overwhelming majority of the time, but in this instance we disagree. All of these gentlemen have said they are, and knowing their records, I know they are ready, willing, and prepared to vote for every dime in a supplemental appropriation bill which may be necessary to carry out the program. Knowing of their dedication and their conviction and their loyalty to this program, I know that to be correct, but they make the argument that we are bypassing the Appropriations Committee.

I want to read from page 2, beginning on line 3, of the joint resolution:

. . . the Secretary of Agriculture shall until such time as a supplemental appropriation may provide additional funds for such purpose use so much of the funds appropriated by section 32 . . . as may be necessary.

That does not bypass the appropriations process. As a matter of fact, it is a stopgap measure, waiting until the Appropriations Committee can act. It is important to do so because the regulations that have been promulgated by the Department of Agriculture have created chaos and consternation and confusion in our school lunch programs throughout the length and breadth of this country. Those regulations have provided for payments per meal less than were made available last year and detained and delayed carrying out the program. The law mandates, on the one hand, that it be carried out; the Department of Agriculture regulations, on the other hand, would provide inadequate funds for the purpose of carrying it out.

So it is imperative that the Senate act, and act now. This is not new or novel. The Senate, in 1968, did exactly the same thing in Public Law 90–328, a joint resolution approved June 4, 1968, which originated in the Senate Committee on Agriculture and Forestry.

I ask unanimous consent that it be printed in the RECORD.

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

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Commodity Credit Corporation is hereby authorized and directed to make advances to the Emergency Credit Revolving Fund (7 U.S.C. 1966) in a total amount not to exceed $30,000,000. Such advances together with interest at a rate which will compensate Commodity Credit Corporation for its cost of money during the period in which the advance was outstanding shall be reimbursed out of appropriations to the fund hereafter made.

Approved June 4, 1968.

Mr. TALMADGE. And on June 30 of this year, 1971, an act originating in the Committee on Labor and Education of the House of Representatives came over here, went to our committee on Agriculture and Forestry, was reported by the committee by unanimous vote, and was passed by a unanimous vote of the Senate. I ask unanimous consent that that act, Public Law 92–32, be printed in the RECORD at this point.

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

AN ACT TO EXTEND THE SCHOOL BREAKFAST AND SPECIAL FOOD PROGRAMS

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the National School Lunch Act (42 U.S.C. 1752) is amended by adding at the end of the Act the following new section:

"SEC. 15. (a) In addition to funds appropriated or otherwise available, the Secretary is authorized to use, during the fiscal year ending June 30, 1971, not to exceed $35,000,000 in funds from Section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), to carry out the provisions of this Act, and during the fiscal year ending June 30, 1972, not to exceed $100,000,000 in funds from such section 32 to carry out the provisions of this Act relating to the service of free and reduced-price meals to needy children in schools and service institutions.

"(b) Any funds unexpended under this section at the end of the fiscal year ending June 30, 1971, or at the end of the fiscal year ending June 30, 1972, shall remain available to the Secretary in accordance with the last sentence of section 3 of this Act, as amended."

SEC. 2. The first sentence of section 4(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(a)) is amended to read as follows: "There is hereby authorized to be appropriated for each of the fiscal years 1972 and 1973 not to exceed $25,000,000 to carry out a program to assist the States through grants-in-aid and other means to initiate, maintain, or expand nonprofit breakfast programs in schools."

SEC. 3. (a) The first sentence of section 4(c) of such Act (42 U.S.C. 1773(c)) is amended by striking out "to reimburse such schools for the" and inserting "to assist such schools in financing the".

(b) The last sentence of such section 4(c) is amended to read as follows: "In selecting schools for participation, the State educational agency shall, to the extent practicable, give first consideration to those schools drawing attendance from areas in which poor economic conditions exist, to those schools in which a substantial proportion of the children enrolled must travel long distances daily, and to those schools in which there is a special need for improving the nutrition and dietary practices of children of working mothers and children from low-income families.".

SEC. 4. Section 4(d) of the Child Nutrition Act of 1966, is amended by striking out "80 per centum" and inserting "100 per centum."

SEC. 5. Section 4(e) of the Child Nutrition Act of 1966 is amended by striking out the sentence reading "In making such determinations, such local authorities should, to the extent practicable, consult with public welfare and health agencies." and inserting the following: "Such determinations shall be made by local school authorities in accordance with a publicly announced policy and plan applied equitably on the basis of criteria which, as a minimum, shall include the level of family income, including welfare grants, the number in the family unit, and the number of children in the family unit attending school or service institutions; but any child who is a member of a household which has an annual income not above the applicable family size income level set forth in the income poverty guidelines shall be served meals free or at reduced cost. The income poverty guidelines to be used for any fiscal year shall be those prescribed by the Secretary as of July 1 of such year. In providing meals free or at reduced cost to needy children, first priority shall be given to providing free meals to the neediest children. Determination with respect to the annual income of any household shall be made solely on the basis of an affidavit executed in such form as the Secretary may prescribe by an adult member of such household. None of the requirements of this section in respect to eligibility for meals without cost shall apply to nonprofit private schools which participate in the school breakfast program under the provisions of subsection (f) until such time as the Secretary certifies that sufficient funds from sources other than children's payments are available to enable such schools to meet these requirements."

SEC. 6. In addition to funds appropriated or otherwise available, the Secretary of Agriculture is authorized to use, during the fiscal year ending June 30, 1972, not to exceed $20,000,000 in funds from section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), for the purpose of carrying out in any area of

the United States direct distribution or other programs, without regard to whether such area is under the food stamp program or a system of direct distribution, to provide, in the immediate vicinity of their place of permanent residence, either directly or through a State or local welfare agency, an adequate diet to needy children and low-income persons determined by the Secretary of Agriculture to be suffering, through no fault of their own, from general and continued hunger resulting from insufficient food. Food made available to needy children under this section shall be in addition to any food made available to them under the National School Lunch Act or the Child Nutrition Act of 1966. Whenever any program is carried out by the Secretary under authority of the preceding sentence through any State or local welfare agency, he is authorized to pay the administrative costs incurred by such State or local agency in carrying out such program.

SEC. 7. (a) The first sentence of section 13(a)(1) of the National School Lunch Act (42 U.S.C. 1761(a)(1)) is amended to read as follows: "There is authorized to be appropriated $32,000,000 for each of the fiscal years ending June 30, 1972, and June 30, 1973, to enable the Secretary to formulate and carry out a program to assist States through grants-in-aid and other means, to initiate, maintain, or expand nonprofit food service programs for children in service institutions.".

(b) In section 13(c)(2) of the National School Lunch Act (42 U.S.C. 1761(c)(2)) after the first sentence insert: "Non-Federal contributions may be in cash or kind, fairly evaluated, including but not limited to equipment and services.".

Approved June 30, 1971.

Mr. TALMADGE. I now yield 5 minutes to the distinguished Senator from California.

Mr. CRANSTON. Mr. President, I thank the distinguished Senator from Georgia for yielding. I wish to pay tribute to the very effective and vigorous leadership he has been providing in this very important matter.

Mr. President, I rise in support of Senate Joint Resolution 157, the Emergency resolution for full Federal funding of the free and reduced price school lunch program.

California has a special stake in the resolution of this latest school lunch crisis. We have almost 5 million school children from kindergarten through the 12th grade in California, and 1 million of these have been identified by the State education department as "needy" students. That is, one-fifth of the total elementary and secondary school population in my State is eligible for the free and reduced price lunches available under section 11 of the National School Lunch Act, as amended.

The principal purpose of Public Law 91-248, enacted by Congress in May, 1970, was to facilitate the provision of free and reduced price lunches for all needy children. In fact, the mandate of Congress in Public Law 91-248 is quite clear: all needy children shall be served meals free or at a reduced cost.

The regulations proposed by the Department of Agriculture on August 13 reduce the Federal reimbursement rate per lunch under section 11 to 30 cents, although the actual cost per meal averages around 50 cents—after deducting about 10 cents worth of donated Federal commodities. Unless these regulations are revised to provide a more adequate Federal reimbursement level, the entire school lunch program in California will be jeopardized. In their present form, the regulations simply do not carry out the intent of Congress that every needy child shall be served a free or reduced price lunch.

The resolution before us today would direct that the Federal reimbursement level be raised to 40 cents for free and reduced price lunches. Dr. Wilson Riles, California's superintendent of Public Instruction, informs me that 40 cents is the minimum Federal reimbursement needed to maintain the gains made in the California school lunch program under his able leadership.

Dr. Riles office has identified 1 million children as meeting the income criteria for the free and reduced price lunches. Last year, 500,000 needy children in some 800 school districts in California were served free or reduced price lunches—400,000 of these received free lunches. This year, the State set a goal of providing 750,000 free and reduced price lunches, and next year California hopes to have reached all 1 million needy children. Dr. Riles, who has taken the congressional mandate to heart and has endeavored to provide free and reduced price lunches to every needy child, is extremely concerned about the effect of these regulations on California's lunch program—30 cents is just not adequate to do the job.

With unemployment climbing, school districts in California have no means to raise the additional revenue to continue their lunch programs. Governor Reagan vetoed $6 million from the State budget that was to have provided 10 cents in State funds to assist school districts. Without an increase in the Federal reimbursement, districts may be forced to terminate their school lunch programs.

The East Whittier School District has already dropped out of the program. At least a dozen other school districts have expressed concern to Dr. Riles office that they, too, may be forced to terminate their lunch programs.

I submit, Mr. President, that it is appallingly callous to deny lunches to hungry schoolchildren because of this administration's policies in fighting inflation. Surely our underprivileged undernourished hungry children need not be sacrificed for those policies. Just what are our priorities? Adequate funds must be made available immediately if the people of this Nation are to maintain any faith in the promises of their elected representatives. It has been more than 2 years since President Nixon declared—

> The moment is at hand to put an end to hunger in America itself for all time.

The moment is still at hand. For the sake of the schoolchildren in California and across the Nation, I urge the Senate to approve this resolution.

Mr. PASTORE. Mr. President, will the Senator yield me 2 minutes?

Mr. TALMADGE. I yield 2 minutes to the distinguished Senator from Rhode Island.

Mr. PASTORE. Mr. President, I believe that one of the finest things we do for the nutritional care of our children is this school lunch program, especially as it affects needy children who cannot afford to buy the kind of food to give them the sustenance that is necessary to allow them to grow into healthy womanhood or manhood.

I have received an abundance of mail from my State. I realize that arguments can be made pro and arguments can be made con, but I think that of all the programs that we have, this is one program where there has been less abuse and where there has been less waste than in any other program that I know of.

As I say, I have received an abundance of mail from most of our cities and towns—stating that unless we do something, and do it rather quickly, they will have to abandon or curtail their participation in this program. I am afraid that unless we do something as a stopgap until such time we appropriate the proper amount of money the ones who are going to be the losers in all this will be the young children of America.

I say that even if we make a mistake here today, which I strongly doubt, we are making it on the side of our children, to see that they are fed well, and I hope we will move along with the resolution.

I know there are no more dedicated Members of this body than the Senator from Louisiana (Mr. ELLENDER), my good friend the Senator from North Dakota (Mr. YOUNG), my good friend the Senator from Nebraska (Mr. HRUSKA), and my good friend the Senator from Vermont (Mr. AIKEN), who has been here fighting time and time again for the needy—I remember the great fight he put up on the floor of the Senate on prenatal care. There is no greater humanitarian in the Senate than Senator AIKEN, my good friend from Vermont.

I hope if a mistake is made here today, we make it on the side of the children. So let us get on with it, and pass this resolution.

Mr. TALMADGE. I yield 5 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, the chairman's (Mr. TALMADGE) statement was most informative and conclusive, and in my judgment made the case for the resolution.

I call the attention of the Senate to the provision in section 9 of the School Lunch Act which refers to the needy children. It says:

> Such meals shall be served without cost or at a reduced cost not exceeding 20 cents per meal to children who are determined by local school authorities to be unable to pay the full cost of the lunch.

The point that is made there is that they shall be served. It is mandated. In fact, the Department of Agriculture mandated the school authorities to prepare a program to feed needy children.

When you do that, it means that you expand the program, and when you expand the program it costs more. You do not expand the program by reducing the amount of funds that goes for each meal. You may be able to expand the total coverage, but you make it impossible for some of the schools to participate.

The other point I should like to make is that where there is State participa-

tion, many State legislatures are already out of session. They cannot make the adjustments that would be required by the present rules and regulations of the Department of Agriculture for the coming school year.

The point has been well made that we are not advancing anything here from the committee that is new. The chairman of the committee has presented two resolutions previously adopted by Congress, one by this Congress and one by a previous Congress, that extended the use of section 32 funds on the principle of reimbursement.

That is one of the reasons for section 32 funds, that it gives some flexibility in emergency situations. Sometimes it was for citrus fruits, sometimes it was for meat. This time it is for school lunches. But the resolution requires the appropriation process to make the reimbursement.

I think it also should be noted that in the last school year the payments were running about 42 cents per lunch for the lunch program. This year, it is 30 cents out of section 11, 5 cents out of section 4, which means 35 cents. This resolution would provide not less than 40 cents—which, by the way, would be 2 cents less than last year, at the end of the year, when new programs were offered and advanced.

So, under the existing rules and regulations, section 32 would provide the additional amount that would make it possible to have a minimum of 40 cents.

The committee report points out what the committee amendment would do. The committee amendment would make it clear that funds provided by the resolution would be apportioned in a manner that would best enable schools to provide lunches to needy children, and that is required by the mandate of the law.

It would also require that these funds be apportioned and paid as expeditiously as practicable, because reimbursement is necessary for school lunch programs in local schools and school districts. There is not a school district in this country, with few exceptions, that is not hard pressed. Every school lunch program has been affected by inflation, just as the market basket of the average home has been affected by inflation. If the Senate were filled with housewives, who have to go out every day to do the shopping at the supermarket, they would be laughing at us to think that a school lunch could be provided at 30 or 35 cents. They know that it cannot be done, particularly when last year it required 42 cents.

If anyone can present a scintilla of evidence that the costs of food have gone down since last year, it will be the greatest news flash that has come across this country since the end of World War II. It has not happened. Yet, the administration apparently thinks it has.

What we are saying here, further, is that we would require the Secretary of Agriculture to determine and report to Congress the needs for additional funds for fiscal 1972 for the school breakfast and nonfood assistance programs. Finally—and this is the important provision—this amendment, presented today, provides that the maximum reimbursement rate under section 11(e) of the National School Lunch Act shall not be less than 40 cents.

I repeat: We have not become spendthrifts. We are not just casting the public funds around recklessly. Quite frankly, we have been debating a bill called the military procurement bill in which we have much less certain evidence than this, by far, on things for which we have been voting. Yet, we are arguing about whether or not we are going to provide an extra nickel, an extra 5 cents per schoolchild, a needy child, for school lunches; and we are going to go through the appropriation process. I have to say, most respectfully, that I recognize the importance of procedure in this body; but may I say that this is all taxpayers' money. It belongs to the people. It does not belong to Congress. We are here to serve the American people and, in this instance, the American schoolchild.

I am amazed that President Nixon and his Department of Agriculture have ignored the advice and, indeed, the protests of hundreds of school administrators in refusing to change the school lunch regulations published on August 13—regulations which will impair the school lunch program.

It was expected that the regulations would be formalized last Friday. But somehow there was a delay. Perhaps it was because, as we have evidenced here today, the Congress will not stand by and allow the President to turn his back on needy children in the name of economy or departmental and budget restrictions.

If the President decides to stand by these regulations, he will have ignored the mandate of the law, as well as a lot of hungry children.

This administration has also ignored the advice of school lunch officials around the country.

It has ignored a letter signed by 44 Senators, including myself, as well as individual letters from other Members of Congress.

It has ignored thoughtful pleas of congressional committee chairmen who are responsible for school lunch legislation.

And it has reneged on a promise made by President Nixon in 1969, when he pledged to put an end to hunger among American schoolchildren.

These regulations of the Department of Agriculture will destroy the school lunch programs for many school districts and limit or weaken the program in other schools.

Surely the President cannot ignore the Senate when it adopts today's resolution. Surely he cannot ignore the House when it does the same. Nor can he any longer ignore promises given to American schoolchildren made in the happy glow of promise created by a White House Conference on Nutrition at Christmastime in 1969.

The Conference on Nutrition did not produce the legislation we are now operating under. Despite the administration's flowery promises, it was the Congress that took the leadership and acted.

When the Congress passed the authorization for the school lunch program last June, it gave the Secretary of Agriculture more than he asked for in appropriated funds, and it gave him the discretion to use his customs receipts section 32 funds to supplement the appropriations.

In other words, this Congress did not believe that USDA could operate a bigger program on the same number of dollars. Our action today in adopting Senate Joint Resolution 157 would take away the Secretary's discretion on spending the money and require that he do so. And we have put a money figure in the resolution so that they can not by regulations ignore our language this time.

In the newspaper accounts of this crisis, we have been oblique references that it is not the fault of the Department of Agriculture that poor American children will not be fed this year—no, it is some faceless bureaucrat at the Office of Management and Budget who caused all this.

I say that is nonsense. The Office of Management and Budget is under the control of the President of the United States. Let us put the blame where it belongs, on the President and the Department of Agriculture.

Recently I introduced additional legislation to provide a daily free nutritious meal for every schoolchild from the high school level down.

This bill (S. 2593) is designed to end the incredible patchwork of limiting legislation, administrative regulations, and bureaucratic redtape that typifies our present child feeding programs.

This bill would mean increased costs for our child nutrition programs, but the increased expenditures will be repaid many times by the benefits provided and the contributions the bill would make toward the health and educational development of young people.

Healthy, well educated children are more likely to become healthy, responsible adults. But without the assurance of adequate nutrition and nutrition education, we cannot expect to achieve these goals.

Mr. President, I hope there will be prompt passage of Senate Joint Resolutin 157. And I hope the Senate will adopt a further amendment to this resolution, which is being submitted by the Senator from Iowa (Mr. MILLER). I fully support this additional action to help schools finance free and reduced price lunches, by increasing the minimum reimbursement level under section 4 from 5 to 6 cents. By these actions the Senate can help assure an effective program under which every needy child can be fed.

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

Mr. TALMADGE. I yield 1 additional minute to the Senator.

Mr. HUMPHREY. I believe one of the unfortunate things about this discussion is that someone may be led to believe that we are arguing about whether children ought to be fed. That is not the case. I look on the other side of the aisle and on this side of aisle, at Senator ELLENDER, Senator AIKEN, Senator YOUNG, and other Senators who have given of their lives to this program; and I join others who have commended them. These are the finest friends the agricultural people have and that the schoolchildren have.

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

Mr. HUMPHREY. I yield.

Mr. AIKEN. The Senator from Minnesota has recently introduced a bill which would provide for the feeding of all children. Whether from needy families or not.

Mr. HUMPHREY. That is correct.

Mr. AIKEN. I want to remind him that no one has worked more strenuously against putting eartags on our schoolchildren than I have. One thing we strenuously object to is designating these children by class. These are poor kids whose folks cannot properly take care of them. And there are well-to-do kids. As a matter of fact, according to my belief, it is the well-to-do people who pay the taxes that make the meals for the poor children possible.

I am very much interested in the bill which the Senator from Minnesota has introduced.

Mr. HUMPHREY. I thank the Senator.

Mr. AIKEN. But I am also interested in competent management of the whole program.

Mr. HUMPHREY. I think the Senator from Vermont has brought up a point which our committee must look into—the competent management of the program. The Senator from Vermont brought this to the committee's attention, and I would hope that we would pursue the request and the suggestion made by the Senator from Vermont; because a good program like this loses much of its public support if it is mismanaged. We cannot afford to have that.

Mr. AIKEN. Poor children ought not to be pointed at or downgraded in any way.

Mr. HUMPHREY. I could not agree more. I thank the Senator.

Mr. TALMADGE. Mr. President, I yield 5 minutes to the distinguished ranking minority member of our committee, the Senator from Iowa.

Mr. MILLER. Mr. President, the problem presented by the new USDA school lunch program regulations with which the pending resolution is concerned is that school districts throughout the country, and particularly in my State, formulated their budgets for fiscal 1972 last spring on the assumption that reimbursement from the Federal Government would be continued at the same rate per meal as for fiscal 1971.

Last year, there was a basic reimbursement of 5 cents under section 4 and 30 cents under section 11—national average. However, some States received a higher rate of reimbursement. In Iowa it amounted to nearly 6 cents under section 4 and 47.6 cents under section 11. The school districts in these States budgeted accordingly. At the same time, the States were encouraged to expand their school lunch programs. Accordingly, there is an estimated growth of 11 percent in Iowa.

The new USDA regulations provide for a reduced reimbursement rate, amounting to 5.4 cents and 31.7 cents in Iowa. This would mean that school district budgets in Iowa will be several thousands of dollars short and, for the State as a whole, at least $1.4 million short.

The problem does not appear to be with the money appropriated by the Congress, because this has been increased from $536 million for fiscal 1971 to $615 million for fiscal 1972, and Iowa as well as other States will receive more money to accommodate growth in the program. Rather, it is the limitation on reimbursement contained in the regulations which is the problem. If this problem is not resolved, a number of school districts in my State will be forced to discontinue their school lunch program, and I understand this is true in at least 22 other States.

To be fair about this, the new regulations are designed to provide higher rates when free or reduced price lunches are served. There is something to be said for this. The trouble is that the change in reimbursement rate was not announced until long after the school district budgets were set, and anyone familiar with local schools knows what chaos results when carefully worked up budgets which have been approved have the rug pulled out from under them later on. This problem has been discussed many times here in the Senate in connection with proposals to change the formula on impacted aid, and one of the arguments always advanced has been the hardship that would be worked on school districts which had budgeted in anticipation of such aid being received at the same rate as in previous years.

I do not say that the school lunch program reimbursement system is the best that can be devised. However, if there are going to be any changes, I believe these should be worked out in close cooperation with State and local school officials and published early enough so that school district budgeting can take into account any changes that would be effective for the following year.

Accordingly, I support the pending resolution.

Mr. TALMADGE. Mr. President, I yield 2 minutes to the distinguished Senator from North Carolina.

Mr. JORDAN of North Carolina. Mr. President, I am a member of the Committee on Agriculture and Forestry. I have supported every school lunch program that has come out of that committee, as well as the milk program, which also has come out of that committee.

I do not know of any more desirable or beneficial legislation that has ever come out of Congress than the lunch program and the milk program which feed our children through our schools.

This bill and the bills before it merely provide that children who do not have the money to purchase a school lunch can be provided with free lunches or lunches at a reduced price if necessary.

As most Senators know, the United States, in its generosity, has been helping to feed hungry children all over the world for many, many years. I am proud to have helped support that worthy project, because I do not want any child in the world to go hungry. At the same time. I think it is certainly our duty to see that our own children have ample lunches or breakfasts, or whatever food is required, so that a child is properly nourished and will not go hungry when he is in school.

I am sure that no hungry child can do a good day's work in the classroom. That has been proved by the finest physicians in this country, that a child's thinking power, his brain, does not mature as well as it should if he does not have proper nourishment. That is a known fact. The place to get proper nourishment, if not at home, is in the school, because the school is where the child will be through most of his lunch periods and that is the place for him to eat.

I am thoroughly in support of this piece of legislation. I am one of its cosponsors. I hope that there will be a unanimous vote to see that this extra amount of money is provided and that the Secretary of Agriculture is required to make up the difference in the amount of money which is now short, in order that the school lunch program can be carried out to its fullest extent.

Let me say to the Senator from Georgia that I associate myself with all the good speeches which have been made today in favor of this resolution. The speeches have brought out the fact that it is necessary that our children receive the right amount of nourishment, because when they get the right amount they will grow up to be strong and healthy, as we want them to be.

I am, therefore, delighted to be a cosponsor of this piece of legislation.

Mr. AIKEN. Mr. President, I yield 5 minutes to the Senator from Kansas.

The PRESIDING OFFICER (Mr. ALLEN). The Senator from Kansas is recognized for 5 minutes.

Mr. DOLE. Mr. President, I had not intended to speak on the pending resolution until I read a UPI release which is now spread across the country which states in part:

> The Senate scheduled a vote today on an antiadministration move to force full financing of the Nation's school lunch program for needy children.
>
> The target of an Agriculture Committee resolution which must pass the Senate and House to take effect was an administration decision last August to cut Federal financing of the program of free or reduced price lunches for needy children.
>
> Committee sources said resolution sponsors feared heavy administration pressure might gun the measure down on the Senate floor unless there was a good turnout of members—which is unlikely on Fridays.

I do not quarrel with the last part of the statement. In any event, I want to point out that we are spending $78.8 million more this fiscal year than before.

FEDERAL CONTRIBUTIONS TO CHILD FEEDING PROGRAMS

Mr. President, there has been a sharp increase in Federal assistance to child feeding programs—in school lunch, school breakfast, special milk, equipment assistance, and special—nonschool—feeding programs. In fiscal year 1968, these Federal contributions totaled $502 million. For fiscal 1972, the Federal contribution will be more than double that amount—$1,157,989,000.

Most of that increase in Federal funds has been in special assistance for free and reduced-price school lunches to needy children. Between 1968 and 1972 there has been nearly an eightyfold increase in Federal funds for free and reduced-price lunches—from under $5 million in fiscal 1968 to $390 million in 1972.

It is now estimated that more than three times the number of free and reduced-price lunches will be served in 1972 than in fiscal 1968. But—with an eighty-fold increase in Federal assistance for free and reduced-price lunches between 1968 and 1972, I believe that this is a clear demonstration that the Federal Government has held to its commitment to see that needy children have access to a school lunch.

FEDERAL CONTRIBUTIONS OF SCHOOL LUNCH PROGRAM COSTS ON A PER-LUNCH BASIS

It is true that with a general increase in price levels, the costs of a school lunch program have been increasing. But, so also have the Federal Government's contributions in cash and commodity assistance.

In the fiscal year 1968, the Federal contribution in cash and commodity assistance averaged 13.5 cents for each school lunch served. By fiscal 1970, that per-lunch rate of assistance was 15.9 cents. Last year, the Federal contribution in cash and commodity assistance increased to 21.5 cents per lunch.

In a 4-year period—fiscal 1968 to fiscal 1971—the Federal contribution per lunch has increased by about 8 cents, or 60 percent. During that same 4-year period, State and local contributions increased by less than 2 cents per lunch—from 13.7 per lunch in 1968 to 15.2 cents in fiscal 1971.

Again, the Federal Government's increased contributions have more than kept pace with a growing program, and have been increasing at a far faster rate than those of State and local governmental sources.

THE FEDERAL SHARE

As a result of the significant increase in Federal funding since 1968, the Federal Government is financing a larger share of the cost of school lunches.

So, Mr. President, I think it is not a question of pro- or anti-administration on this matter. As I understand from the debate that took place in the committee, what we have here is a jurisdictional problem, whether the Agricultural Committee is not binding the hands of the Appropriations Committee in the committee's effort. The Appropriations Committee should have that authority. I am not certain how I may feel today, but I have had a lot of telegrams from home, and the inference is clear. As suggested by the Senator from Minnesota (Mr. HUMPHREY), we are not talking about whether to feed or not to feed children. That is not the question. There is no man in this Chamber who would not appropriate the necessary funds to feed needy children. What we have here, though, is a jurisdictional dispute, not any anti-administration move in the Senate.

There is no effort on the part of the administration to cut what we do for needy children. I would point out that in the past fiscal year we are now up to $615.2 million in this program, an increase of $78.8 million.

Now to return to my comments on the Federal share. For many years, the Federal Government was putting up about 23 percent of the cost; State and local sources put up about another 23 percent, and the payments made by children who could afford to pay for their lunches supplied the rest of the funds.

By 1971, the Federal Government was contributing 32.7 percent of the cost; State and local contributions remained at about the past level—23 percent; and children's payments represented the remainder.

Again, this demonstrates that the Federal contribution to school lunch costs have outstripped those of their State and local governmental partners.

Mr. President, we have all acclaimed public education as the backbone of our Nation's great progress. Quality and equality are crucial features of our public education. Both of these factors are essential in creating a sound educational foundation in order to prepare the students of today to meet the challenges of our rapidly changing society.

Our goal of providing quality education for all students will not become a reality until additional measures are taken to enrich educational programs for the low income and for the minorities. The nutritional needs of all school children must be fulfilled.

There is no longer any doubt that a direct interrelatedness exists between nutrition and school success or failure. Children with empty stomachs cannot learn. They must be provided with free and reduced price lunches.

The effect of providing school feeding programs for eligible students is manifest in many indirect ways. These feeding programs often convince many hungry students who are potential dropouts to stay in school. These students find that learning is a secondary yet important result of feeding programs and our Nation is the beneficiary of their education.

To deny our Nation of its future productive citizens who contribute in a positive way to the progress of our society is unthinkable. To deny these students of their rightful place in society is deplorable.

The school lunch bill passed by Congress last year provides the mechanism to provide every needy child a nutritious lunch. I worked closely with the distinguished chairman of the Agriculture Committee in supporting this legislation. It is good legislation and calls upon the Secretary of Agriculture to see that no school child goes without lunch. The legislation delegates to the Secretary the authority to carry out this program within certain guidelines that assures participation of local, State, and Federal funds.

Through inflationary pressures experienced in recent months, we have experienced some radical increases in school lunch costs in various areas. School lunch directors from 37 States have voiced their concern with proposed USDA regulations that assure an allocation of at least 30 cents per lunch for every needy child fed under this program.

Understandably, my distinguished colleagues have responded to their constituencies' protest in submitting this resolution. It is apparent from the testimony presented in committee hearings that inequities will exist under these proposed regulations and additional funds are needed.

I fully support the need for additional funds for this program and am confident our appropriations system will respond to the needs of the program.

So, Mr. President, I would again like to make it clear that there has been no effort on the part of the administration that I know of to deny anyone free and reduced price lunches. To the contrary, that there has been an increase.

There has been a suggestion that perhaps the General Accounting Office should look into this entire program, to see whether it is being properly administered in the States, to see whether the funds are being properly expended in the States, and to see whether we might modernize and bring the program up to date. I feel, and I know that there are other Senators who also feel that perhaps, as we continue to add and add and add, we should take a good, long look at the total program, whether it be section 4, section 11, or the special section 32 funds. I believe that some of us will be pursuing this effort to determine: Are the funds being properly spent? Are they going to the children who should have these free and reduced price lunches?

To me, that is the important question.

I repeat, what we are voting on here today, as I understand it, will be the question of whether the Appropriations Committee or the Agricultural Committee should have jurisdiction.

Mr. HUMPHREY. Mr. President, will the Senator from Georgia yield me 1 minute?

Mr. DOLE. I am in full agreement with the Senator from Minnesota on this.

Mr. TALMADGE. I yield 1 minute to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 1 minute.

Mr. HUMPHREY. I want to be sure that the Senator from Kansas understands that I was not saying it was a question of whether we feed or not feed children but is a question of jurisdiction. I felt that we had established an adequate precedent covering that matter. So I think that we are both on the same wavelength.

Mr. DOLE. We are, at this point.

Mr. HUMPHREY. That is a refreshing experience.

Mr. DOLE. For both of us, yes.

Mr. TALMADGE. Mr. President, I yield 5 minutes to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 5 minutes.

Mr. HOLLINGS. Mr. President, in a few short weeks, Americans will once again be observing the annual celebration of American abundance and opportunity. We all will be giving thanks for the many and varied blessings that our Creator has bestowed upon this great Nation. Yet Thanksgiving of 1971 will be simply a cruel joke to many millions of poverty-stricken Americans. And more cruel still is the empty promise made nearly 2 years ago by President Richard Nixon. The White House promised that by Thanksgiving of 1970, every needy

school child would receive a free or reduced price school lunch. Well, that particular Thanksgiving is gone. And today, the Senate faces an important decision on whether this body's own promises will be fulfilled or whether we shall allow an agency of this Government to make a mockery of congressional mandate.

That mandate is clear: That needy schoolchildren be fed in order to learn and grow up with strong bodies and inquiring minds.

Today's crisis in the American school lunch program is especially saddening, because it has been repeated so many times during the past 2 years. It is a crisis not only of hungry children in schools which will not be able to afford to feed them, but of more than 10 million Americans who are not getting any help whatsoever from our family feeding programs. This situation is all the more cruel because we could eradicate hunger and malnutrition from this Nation without raising another bushel of wheat or harvesting another ear of corn. Children who are malnourished will grow to maturity permanently handicapped and unable to make their maximum contribution to the wealth and well-being of our country. This is a well-documented fact, one which our national leadership is all too slow to grasp. I have dozens of pages of reports and studies which strongly indicate that malnutrition during the formative years of life can rob a youngster of 20 percent of his God-given mental abilities—brain power which can never be fully regained. This must not be tolerated in a country which takes pride in human life and in its good business sense. Malnutrition clearly interferes with a child's ability to learn. As all too many teachers can attest, a hungry child is listless, lacks curiosity and cannot respond to mental stimulation. And if this were not bad enough, malnutrition breaks down a child's resistence to disease—causing him to miss school more often. These poor children are doubly damned—damned by a seemingly uncaring government and by a combination of factors owing to malnutrition which eventually will drag them down for good.

Mr. President, I would like to relate a story about my own State. In South Carolina, we have had one of the finest, if not the finest, school lunch programs in the United States. We have led the Nation in the percentage of all schoolchildren participating in the school lunch program and in the free and reduced cost program. This has been an uphill fight, but through dedicated leadership of our school lunch supervisor, Miss Kathleen Gaston, and because of the determination of school officials throughout the State, we were succeeding. Now, I am told that if the proposed new regulations of the Department of Agriculture are allowed to stand unchallenged, South Carolina will lose as much as $9.8 million in funds which were expected to have gone into the free and reduced price lunch program.

Just yesterday, the legislature of South Carolina passed a joint resolution urging the Congress to restore the program to full funding. No one can accuse South Carolinians of denying food to needy youngsters. No fuzzyheaded bureaucrat over at the Department of Agriculture can ever look down his nose at our State and say we have not tried, in fact, have not tried harder than anyone.

It is about time that the people of America and the Congress of the United States began asking President Nixon what has become of the lofty promises to put an end to hunger in America itself for all time. It is our duty to ask this administration why it is—in effect—cutting back on the food stamp program by denying expansion of this food assistance to counties which want it. More than 180 counties are waiting in line to switch from Government surplus commodities to food stamps. But the administration is saying no, because any expansion would push the program beyond its budgeted level. And apparently, the administration feels it would be fiscally irresponsible to feed hungry Americans and little children.

We have every right to ask why this administration allows its Department of Agriculture to shortchange the poor with a commodity food program which does not meet minimum nutritional needs. The Department's distribution guide promises to distribute 37 pounds of food per month. But in fiscal 1971 only 27 pounds were given out—meaning that the recipients got about half of the nutritional requirements set by our own Government as minimal standards.

This Congress should demand to know why hundreds of applications from States and counties were rejected as the budget cutters wiped out the supplemental food program, a program which was an outstanding and resounding success in South Carolina. The citizens of this country should ask, and be told, whatever happened to the National Nutrition Survey which documented the bleak facts about malnutrition in our country; about the findings of a special report prepared by the then Bureau of the Budget on the cost of malnutrition to the American economy; and to the West Point study conducted on behalf of the White House, all dramatically pointing out that there is hunger in America.

Mr. President, I urge that these things be considered as we decide today upon Senate Joint Resolution 157. I, personally, urgently request its adoption.

The PRESIDING OFFICER. Who yields time?

Mr. TALMADGE. Mr. President, I yield 3 minutes to the distinguished Senator from Minnesota.

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

Mr. MONDALE. Mr. President, I particularly rise to express my profound admiration to the leadership and to the very distinguished Senator from Georgia (Mr. TALMADGE) on this serious issue—providing adequate nutritious lunches for the schoolchildren of America.

I cannot think of anything that is more disgraceful than living in this land of agricultural abundance, great wealth, and great power, and trying to save a few pennies on the school lunch program that is needed to provide nutritious meals for the schoolchildren of this country when we know beyond any doubt, based upon the Senate Select Committee on Nutrition, of which I am privileged to be a member, and based on the hearings held by the Senate Committee on Agriculture and Forestry, that millions of needy American children are being denied the nutritious lunch they need for their health and in terms of their ability to learn in school.

Mr. President, I cannot think of any area in which those savings are more reprehensible and less justifiable than in the area of attempting to save money at the expense of a child's health or to save money at the expense of a child's capacity to learn.

For that reason I rise to commend the Senator from Georgia for his powerful leadership in bringing this joint resolution before the Senate. I hope the joint resolution will be passed. I had submitted an earlier, more liberal proposal, which I would have preferred. However, I realize at this point that it has little or no chance of enactment. So, I do not intend to press it. But I do believe that the proposed joint resolution recommended by the Committee on Agriculture and Forestry is an important and fundamental step forward.

I am pleased to join in its support, and I commend the chairman of the committee for his leadership on this issue.

Mr. President, when my distinguished colleague, the Senator from Georgia (Mr. TALMADGE), first introduced legislation last week, I joined as a cosponsor of his proposal, Senate Joint Resolution 157. I would like to commend his diligence and concern to assure that needy children receive meals guaranteed under the National School Lunch Act.

The August 13 regulations issued by the Department of Agriculture, soon to be implemented, would so harm schools participating in the school lunch program, it is necessary for Congress to act to set higher minimum payment rates.

Many of us in Congress were astonished and deeply dismayed by the new regulations. They would not only prevent a reported 2 million children who have never received federally guaranteed meals from being fed this year, they also would jeopardize existing school lunch programs in thousands of schools, and may force some out of the program.

Statistics from my own State indicate that the August 13 regulations would create a school lunch deficit of nearly $90,000 for the city of Duluth. In Minneapolis, the estimated loss is $800,000 and on a statewide basis for Minnesota a $2-million deficit is expected.

Minnesota is not the only State that would be hurt by the new regulations. A recent survey by the American School Food Service Association reports: California would lose $9 million; Oklahoma, more than $1 million; Massachusetts, $3.2 million; Georgia, $6 million; Maine, $1.3 million; Ohio, $5.5 million—and so on throughout the country.

On September 28, 1971, the Washington Star disclosed:

A number of school districts are reported to be abandoning the school lunch program

or considering such a move. They include: Albuquerque, New Mexico; Bridgeport, Connecticut; and, Buffalo, New York.

Unquestionably, Congress must act to remedy this critical situation, and to fulfill the legislative guarantee to needy children clearly expressed in the National School Lunch Act, as amended May 14, 1970.

Although payment rates have been established by Federal regulations in the past, immediate action to fulfill the word of Congress to provide meals to needy children, and to alleviate the serious crisis within our schools—is so essential we cannot allow this issue to rest on precedent alone.

It is evident that time limits for feeding needy children, imposed by Congress in Public Law 91–248, have not been interpreted literally by the administration. All needy children were assured lunches by January 1, 1971. Perhaps it is that the law lacks an effective mechanism to assure that eligible children are fed free and reduced price meals.

Senate Joint Resolution 157 would make perfectly clear that the Congress does mean to feed our needy children this year. And I hope it will also provide the mechanism to fulfill our promise to these youngsters.

While some administration budget officials may think the Federal Government cannot afford to carry out its promises to low-income children, surely we have the resources to see that these youngsters receive one decent meal a day.

Can we think that guaranteeing loans to Lockheed, building space shuttles, or developing inessential weapons systems, are more important than the children who represent a good part of our country's future. In fact, these children are a national resource as precious as any I know.

No, I do not think we can ignore our promises to them. Moreover, I do not believe we can pass the cost of school lunch funding on to the States or to schools.

Whether we agree that revenue sharing is the answer, I think the Congress and the administration are united in searching for a solution to the fiscal crises in State governments. Now, would we ask that they spend more money—millions more—to pay for school lunches?

We see evidence in the findings of the Select Committee on Equal Educational Opportunity of a parallel crisis in school finance. This year we have had the largest number of school bond issues—and the largest number of bond rejections—in our country's history.

Millions of taxpayers in the United States are deeply troubled that they can no longer afford to support even basic school functions—such as libraries and cafeteria—unless budget deficits are alleviated. While these deficits are caused primarily by factors other than school lunch—increasing outlays for meals only would aggravate the desperate situation our schools are in.

I believe we must not only assure that every needy child will receive a free or reduced price lunch as required by section 9 of the National School Lunch Act, but also alleviate the financial burden on the States and local schools in providing nutritious meals for all schoolchildren.

Mr. President, these objectives merit prompt action by Congress.

However, foremost among these must be assuring that the National School Lunch Act is clarified and strengthened so that needy children can—and will—be fed this year.

We are already a year behind in fulfilling the promise of that law. Many children have suffered needlessly. Some of their losses we can remedy. Others—physical and educational—may be irreparable.

But it is not too late to prevent any more tragedies of this kind. And it is both our legislative and human responsibility to do so without delay.

Senate Joint Resolution 157 recognizes that responsibility, and I hope that the administration will cooperate in seeing it is met.

The PRESIDING OFFICER. Who yields time?

Mr. AIKEN. Mr. President, I yield myself 5 minutes.

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

Mr. AIKEN. Mr. President, some of my colleagues may wonder why I am so concerned over the school lunch program at this time inasmuch as I have supported and will continue to support it fully for as long as I shall be a Member of the Senate.

I am very much concerned over the handling of the program. A few weeks ago I heard from a school lunch director in Vermont who stated that her school could not get the money which they were entitled to for the school lunch program.

After a little time, it appeared that the people in charge of the State office had a press conference. At the conference, as reported by the press:

> Several state officials charged Friday that some poor Vermont schoolchildren will go hungry in classrooms this year because the administration of President Richard M. Nixon has subverted the intent of a congressional appropriation for hot lunches.

This story appeared in several of our State papers. I will read an excerpt from a story appearing in another newspaper, and this is dated September 18. The story reads in part:

> According to Edward Fabian and Edward Ryan of the Education Department and Steve Rose of Legal Aid, the reduction is the result of an order from the Bureau of the Budget to the Department of Agriculture which funds the program.
>
> The officials stressed that Congress had appropriated funds for the program which the USDA is now forbidden to spend.

These stories went all over the State. It did not make any sense to me inasmuch as the school lunch allocation for Vermont was $564,172 in 1970 and $1,180,977 in 1971. That is an increase of 112 percent. There had been a 9-percent increase in the total number of lunches served to school children in Vermont and a 6-percent decrease in the number of lunches that were served to poor and needy children within the State.

I began to inquire into the matter.

These decreases in lunches served to needy children were due to the fact that the children in one selected county had been declared eligible for free or reduced price lunches.

I was advised finally that a letter of credit for $158,000 had been sent to the State and was not being used by the State. Someone somewhere was sitting on it. I was told first that it was our State office.

A week or so ago I had people from the State office and also from the school lunch program downtown come to my office. One of the topnotch people from downtown said:

> No, I guess it was not the State office. It was the regional office that held up the $158,000.

I do not know who was sitting on it, but in the meantime they were giving out false stories and telling the people of the State that it was the administration which had stopped their children from being fed. I did not like that at all.

I am still unable to get the facts. I am still unable to find out why the cost of the school lunches went up several times the rate of the inflation increase. However, I also believe that what happened in Vermont is also happening in other States of the Union as well. People are being told that the administration is holding up this money and keeping it from being spent.

As far as I am concerned, I will vote for every dollar necessary to feed every kid in school in the United States, whether a child is poor, of middle income or even from well-to-do families.

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

Mr. AIKEN. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. AIKEN. However, Mr. President, I want to know that that money is spent correctly. I want to know that the people are told the truth about it. I find it difficult to get proper estimates. I feel the Committee on Appropriations is in a position to get proper estimates. That is why I think that committee should handle this legislation.

The Senator from Nebraska (Mr. HRUSKA) has already assured us that the committee would undoubtedly approve an appropriation for whatever is necessary to carry out this program in full. So, Mr. President, that is why I shall vote against this resolution. I feel that the bill before us is not the way to handle the situation. It is an appropriation.

Only the day before yesterday I heard from one community that had been told there would be no money available for them for the rest of the school year, and that is not true.

Is that right?

Mr. TALMADGE. Yes.

Mr. AIKEN. Yes. But that is what they are being told. I think that better management is necessary. I do not question the honesty of any person involved, but do feel that we need better cost controls.

I agree with the Senator from Kansas (Mr. DOLE) this is a proper subject for the General Accounting Office to make a complete and thorough investigation.

The PRESIDING OFFICER. Who yields time?

Mr. AIKEN. I yield 5 minutes to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. HRUSKA. Mr. President, I should like to address myself to the real issue which is presented here. It is alleged that speed is necessary in this matter because of the fact that certain regulations have been proposed and they are being miscarried in this area.

It is charged by some that the issue is whether children will be fed or not, whether the program is going to be abandoned, and so on. Of course, that is all wrong. Five years ago we had a budget of $227 million for this purpose and now it is $782 million. The Department assured us they will spend all of that $782 million. They have explained to the committee how they propose to do it.

If the legislative committee of this body and the other body want to change that policy or increase the amount, or do anything with the policy, that is their legislative jurisdiction. However, when they go over to the field of appropriations we reach a fundamental proposition. I submit that the resolution, when it states:

> The Secretary of Agriculture shall * * * use so much of the funds appropriated by section 32 of the act * * * as may be necessary * * *

For purposes in the act, that is appropriation language and there is no question about it.

A precedent is cited in the bill known as Public Law 92–32 which we enacted last June 30. But I wish to suggest to this body that that is not a precedent applicable to this situation. I will read the language from section 15(a) of that law which stated:

> The Secretary is authorized to use during the fiscal year ending June 30, 1971 not to exceed $35,000,000 from section 32 funds.

To direct a Secretary to use certain funds is appropriation language. Or when, however, as last June, Congress said that the Secretary is authorized to use section 32 funds, another step is necessary, to wit, the appropriation process, and a proper appropriation pursuant to that authority.

There is another thing wrong with the resolution and that is that it is an open-ended resolution. It does not specify any particular sum or any limit thereon. The way we are able to control expenditures is to see that they are diverted to the purposes for which they are declared. If, after resorting to the appropriation process the figure is supplied, and if the policy of Congress is changed to require more money, that is proper. The fact is, we will get more money.

In the last 5 years we jumped from $227 to $782 million.

It is said that speed is of the essence. Speed will not be served by enacting and approving this resolution. There is considerable doubt that the other body will consider this resolution as such for the very reasons outlined so specifically and logically by the Senator from North Dakota, because of ignoring the appropriation process. Speed will be served if we take this matter to the Committee on Appropriations in the regular fashion, when we process the supplemental bill which is now before the other body and which will be over here soon. What we should do is proceed on the basis that we will reject this resolution, not the program, to get at it in the proper and logical way and the program will go forward in the range of $782 million in any event.

By way of summary, let me say that Mr. Lyng, when he came before the Select Committee, explained there has been some confusion by reason of recent regulations, but here is what he said in summary:

SUMMARY

Returning to our August 13th proposals on the distribution of cash assistance funds to the States, we would want to emphasize these points:

*First,* our proposals are not designed to save funds. We expect to spend all the funds authorized in our 1972 appropriation act.

*Second,* we have not reduced the maximum rates of assistance that were authorized for last year.

*Third,* we will be placing a floor under section 4 and section 11 rates on a Statewide basis for the first time—a floor that is guaranteed no matter how much expansion a State is able to achieve.

*Fourth,* we do not believe that we should have continued a method of distributing funds among the States which—because of the vagaries of statistical apportionment formulas—allowed some States a "funding feast" while other States suffered from a "funding famine".

*Finally,* we want to re-emphasize that the National School Lunch Act contemplated that the funding of the program would be a joint Federal, State, and local responsibility. This principle was re-affirmed in the Public Law 91–248 amendments. One of those amendments required, beginning this fiscal year that all States put State tax revenues into the program. It also provided that States should disburse these tax revenues in a manner that would concentrate them on assistance to the neediest schools.

It seems to me we will have expediency if we revert to the regular conventional appropriation process, as opposed to the unauthorized, unorthodox, and improper fashion of proceeding.

Mr. PERCY. Mr. President, I rise in support of Senate Joint Resolution 157 which would permit Federal support of the school lunch program to continue at its present level.

Twenty-five years ago, in the course of debate on the original school lunch bill in the Senate, my distinguished colleague Senator AIKEN pointed out how short-sighted we were as a Nation to willingly spend about $300 billion on World War II and then quibble and debate and argue whether we as a nation could afford to spend $50 to $100 million on a feeding program for our children. He termed the health and capabilities of those same children as the best and first line of defense for America. I have been reminded of his statement by the resolution we are debating today.

Public Law 91–248 passed in 1970 mandated that all children in need should receive a free or reduced price lunch subsidized by the Federal Government. Now the Department of Agriculture is proposing that the burden of funding these programs fall more heavily on the already overburdened States. If less Federal funds are available, then in order to meet the cost of the lunches, more State and local school district funds will have to be made available. The effect of the proposed regulations is to remove a relatively high reimbursement ceiling and replace that with a relatively low reimbursement floor.

The State of Illinois alone stands to lose about $7 million, or 30 cents per meal, this year from the Federal Government as a result of these proposed new regulations. It is almost impossible for the State to make up that difference at this point. These regulations cause an even greater hardship because they were announced only a few weeks before the opening of school. Clearly, it is impossible for a State or school district to budget for a whole year on a few days' notice.

In addition, many States will suffer, because they will now be prevented from shifting funds between programs. In Illinois, our flourishing breakfast program will have its funding cut in half during the school year if these regulations become effective.

Therefore, today I strongly support Senate Joint Resolution 157.

Mr. HART. Mr. President, we often rise in the Senate and begin our remarks by complimenting the chairman of the committee who brings a bill before us. I suspect that sometimes our hearts are much more in those compliments than other times.

But today I hope the chairman of the Senate Agriculture will accept the fullness of heart with which I thank him; thank him for assuming the leadership in finally coming to grips with a problem that has plagued us since 1962 and that has been crying for just such leadership. He is moving decisively, in his role as chairman of the Senate Agriculture Committee, to see that the will of Congress with respect to feeding hungry children is heard at the other end of Pennsylvania Avenue. He deserves the profound thanks of all of us who have with such frustratingly meager results knocked on the door of the Department of Agriculture.

Since the proposed new regulations of the Department of Agriculture were announced on August 13, 1971, I have heard from many schools in Michigan and from the State Department of Education, protesting this backward step at a time when every effort is being made to reach more of Michigan's needy children with a school lunch.

Mr. President, I support this resolution which directs the Secretary of Agriculture to use section 32 funds to the extent necessary to assure every needy child of free or reduced price launches, until a supplemental appropriation may provide the necessary funds. This step is evidently required to make a reality—a year late—of the President's promise to see that by Thanksgiving we would be feeding all hungry children. Certainly it is required so that the people of this country may believe that their Government will deliver on its promises.

Mr. CANNON. Mr. President, I join with Senator TALMADGE and other Members of this body in urging that Senate Joint Resolution 157 be adopted so as to insure that the intention of Congress as

well as the purpose of the National School Lunch Act is carried out.

I was quite surprised when I discovered that the Department of Agriculture had issued proposed regulations during the congressional recess which reduced the reimbursement rate per meal to 35 cents in view of the fact that the average cost of meals is somewhere above 50 cents per meal. This action was particularly surprising in view of the earlier Presidential commitment insuring that every needy child in this country receive a free or reduced-price meal by Thanksgiving 1970.

It is particularly disturbing to minority groups, to school lunch supporters, and other allies of the poor to witness the kind of retreat this administration is adopting toward the school lunch program. If these proposed regulations are permitted to take effect, our school lunch program in Nevada will be very hard hit and expansion drastically curtailed. The lunch program in Nevada is really just getting off the ground in our largest county, and I would hate to see the Department of Agriculture cut back on their financial contribution at this crucial time. It was my understanding that the Congress as well as the administration had made a strong and firm commitment to hungry children throughout the Nation.

So I strongly urge that this resolution be adopted today and that the President and the Secretary of the Agriculture reevaluate the proposed regulation in light of the action taken by this body today.

Mr. BROOKE. Mr. President, I rise today to express my concern over the actions which the Nation has witnessed in the past several months with regard to the implementation of the school lunch program.

The Congress has made it crystal clear that it is willing and eager to support the priority of this administration for assuring that no child will have to learn on any empty stomach. The strong support for this policy during the last part of the previous school year made the distribution of thousands of lunches to needy children a reality. Local school districts were excited at the prospects. They began to gear their programs to expansion and innovation—to an emphasis on feeding those most in need. They were receiving adequate assistance from the Federal Government and for the first time were able to do what they should have done years ago.

Encouraged by the levels of Federal support in the last school year, these local districts and State coordinating agencies developed programs for this school year which dramatically included more of the Nation's poor children. In addition, legislation passed by the Congress last year provided a clear legislative mandate to support administration efforts to feed poor children in the public schools. "Any child who is a member of a household which has an annual income not above the applicable family-size income level set forth in the income poverty guidelines shall be served meals free or at a reduced cost." The key phrase was:

Shall be served meals free or at a reduced cost.

This is now law, and the State and local agencies are willing and eager to comply with this law.

But suddenly, we seem to have witnessed a change of heart. The States and the Congress are now told that they must accept restricting guidelines, because the funding for the school lunch program at its present level is inadequate to meet the high demand. We are now told that we must pull back in our efforts to feed every hungry child, or else place the cost burden on the already overburdened local communities. With the tremendous spending deficits which most inner-city school systems are sustaining, and the pressure on rural areas just to provide education and facilities, the added financial responsibility which the Department would place on these systems cannot be accepted or honored.

At the end of the last school year the States were receiving 12 cents reimbursement for every regular lunch and 42 cents reimbursement rate for free lunches. The rates which are to become effective would reduce the rates to 5 cents for every regular lunch and 30 cents for every free or reduced-price meal. Added to this is the restriction placed on the use of section 32 funds.

In my State of Massachusetts the legislature passed last year a most far-reaching law. It would insure a free lunch to every child enrolled in a school in the State by the fall of 1973. With the help of the Federal Government this program was moving forward with speed and promise. With the new regulations, however, disaster is presently facing the programs already in effect. Not only will the communities have to pay approximately 13 cents per free lunch, but the State will not be able to use section 32 funds for the purchase of much needed equipment in order to bring more schools into the program. Last year the nonfood assistance funds were doubled by the use of some section 32 moneys which extensively expanded the program. With 1,305 schools in the State without any lunchroom facilities or central kitchens whatsoever, such funds are essential. The new regulations, however, place a freeze on section 32 funds. They will be used to supplement the need for funds under section 11, and will be used once the expenditures can be determined, probably some time in August of next year.

Mr. President, I am greatly disappointed over the retrogressive role of the Department of Agriculture in the present situation. It seems inconceivable to me that the Department has flatly refused to fund the school lunch program at a level adequate to meet the needs of our Nation's schoolchildren. Over the strenuous objections of Members of Congress, school administrators, teachers, and parents alike, the Department has preferred to use its resources to benefit the producers rather than the consumers. The numerous hearings held before the Select Committee on Nutrition and Human Needs and the Department of Agriculture have not made a significant impression on the Department. I can only hope that our positive action today on Senate Joint Resolution 157 will bring with it the force and impetus needed to cause a change of heart and a change in policy.

It is with these concerns in mind, and particularly keeping in mind the needs of the millions of children between the ages of 6 and 16 who must go to school each day with empty stomachs, that I urge support for this resolution and a speedy implementation of a full and effective school lunch program.

Mr. GAMBRELL. Mr. President, I urge that Senate today adopt Senate Joint Resolution 157 to require the Department of Agriculture to restore cutbacks in the school lunch program.

It is my privilege to be a cosponsor of this legislation with Georgia's senior Senator, HERMAN E. TALMADGE.

In August of this year, the administration announced regulations proposing to cut the Federal school lunch program by approximately 20 percent. In the case of many Georgia school systems, this would require abandonment of the program.

The alarm was sounded from every corner of the country and an investigation was immediately commenced. The legislation was introduced last week, and has been brought before the Senate with uncommon speed. This is a testimonial not only to the urgency which the Senate attaches to the issue, but also to the leadership furnished by Senator TALMADGE and his Committee on Agriculture.

The school lunch program was established during the depression of the 1930's by the late Senator Richard B. Russell. Its benefits have been extended to thousands upon thousands of children of all races and creeds in bad times as well as good.

It has served the country well and should be sustained at not less than current levels.

Mr. CASE. Mr. President, I am pleased to join Senator TALMADGE in supporting Senate Joint Resolution 157, a resolution that will help assure free or reduced price lunches to all needy children.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement I made on the Department of Agriculture's revised regulations for the school lunch program.

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

STATEMENT BY SENATOR CASE ON REVISED DEPARTMENT OF AGRICULTURE REGULATIONS FOR SCHOOL LUNCH PROGRAM

The Department of Agriculture's revised School Lunch Program regulations will not serve the needs of our nation's needy children. The Department's regulations create a subsidy for children who can afford to purchase lunches at the expense of those who cannot pay for lunches. In creating this form of subsidy, the Department of Agriculture has destroyed the flexibility in the Lunch Program that allowed State officials to feed low income school children properly. In short, the revised regulations prevent the expansion of the program where the need is greatest, a regulative action directly contrary to the intent of Congress.

Because of these regulations, new and necessary programs will be seriously set back. The School Breakfast Program will be especially hard hit in New Jersey. This program benefitted from the transfer of funds from the School Lunch Program, now prohibited under the new Agriculture Department regu-

lations. New Jersey planned to expand this program so that school children who came to school hungry would have a nutritionally adequate morning meal.

Educators have pointed out that children who come to class hungry are poor learners. New Jersey was preparing to add twenty five schools to the breakfast program, allowing them to serve an additional 10,000 low income children. Now this cannot be done. Some schools have implemented a stop gap measure. Children are being fed luncheon as early as 10 a.m. in the monring, in an effort to make one meal do for two.

Another program seriously affected by budgetary cutbacks is the Special Food Service Program. This program helps pre-school children in day care and child care centers. We initiated this program last year and under it we were able to assist 6,000 children from low income families in New Jersey.

There are over 150,000 pre-school children of such families in New Jersey. The restrictions mean that New Jersey will be able to serve only an additional 1,500 of them this year.

At the same time that new funds are being restricted, the Office of Management and Budget will not authorize the use of existing money that was left over from the Emergency Summer Lunch Program. Joined by my colleagues in the Senate, I strongly supported the release of funds earlier this year to feed children during the Summer months. We succeeded in this effort but, because we had a late start, $300,000 remained unexpended in the program in New Jersey. If this money were released to New Jersey, New Jersey could feed twice the number of needy preschool children. I am writing to Budget Director George Shultz urging him to release this money at once.

I am confident that my colleagues in the Senate will join me in this effort to secure the release of these funds as they have in the past.

Mr. SPONG. Mr. President, I support Senate Joint Resolution 157, which is designed to assure that every needy schoolchild will receive a free or reduced price lunch as required by legislation which this Congress enacted last year. I commend the distinguished Senator from Georgia (Mr. TALMADGE) for his prompt action to meet a crisis situation in the school lunch program.

For more than 20 years, we in Congress have made efforts to improve the nutritional levels of thousands of American schoolchildren. Last year, in the passage of the National School Lunch Act Amendments, we took a giant step toward the elimination of hunger among the schoolchildren of our Nation. This action came in response to extensive hearings in which the effects of hunger and malnutrition on children and their educational endeavors were widely documented. It came in response to the visits which a number of Senators, including the Senator from Georgia and myself, made to view various school lunch programs.

The question now is whether or not we are willing to put actions where our words have been.

The question is whether we are willing to take a stand or to see a program emasculated by administrative regulations—regulations which are clearly at odds with the stated intent of Congress.

We are all aware of the financial difficulties facing our Nation. We are all aware of the need for budget-cutting and restraint in spending. But, I believe that in trimming our budget we must follow some set of priorities and I do not feel that those priorities place children in need of a hot lunch at the bottom of the list.

The administration has claimed that its proposed regulations will result in a more equitable distribution of school lunch funds among the States. I sympathize with their objective. But, I do not feel that the reductions which will occur in the school lunch program if the proposed regulations are allowed to go into effect are the correct way to achieve equity.

Furthermore, the timing on the announcement of the proposed new regulations was shameful. The new proposals were made within several weeks of the time school was scheduled to start, at a point when they could do nothing, but play havoc with school budgets. As one who has long been interested in advanced funding which would allow our school districts to plan ahead, I resent the timing on the issuance of these regulations.

Congress moved in the right direction last year in passing the National School Act Amendments. It also, at that time, made a commitment to the American people and to the schoolchildren of that Nation. I believe we should continue in that direction and honor the commitment which we made.

The PRESIDING OFFICER. Who yields time?

Mr. TALMADGE. I yield 5 minutes to the distinguished Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. MAGNUSON. Mr. President, I have a statement which I wish to place in the RECORD in full but I was fortunate enough to be here when the Senator from Vermont and the Senator from Nebraska made their statements.

The question I was going to ask of the chairman of the committee is whether there is any assurance at all that they would spend these funds under the resolution and, of course, there is not.

My purpose in speaking for these 5 minutes today is to go further down the line and discuss the administration's decision not to implement Public Law 92–32, section 6 and its decision to impound $20 million appropriated by Congress for the emergency food and medical services program. We can appropriate this money, but they will sit on it. The Senator from Vermont pointed out sometimes it is very difficult to know who is sitting on it. But we have no assurance in this field that if and when we appropriate funds as recommended—which I think we will and I hope we will—that the administration will spend it, or how they will spend it, or whether they will withhold it here or spend it over here. I have a hunger problem which we are suffering within four counties in my State where there is 17-percent unemployment.

It is a hunger problem. The people are lined up in the streets. The Department of Agriculture said that food stamps are going to be sufficient. But they are not. A great number of people, particularly people living on social security, cannot afford the $80 to buy food stamps. They have to pay their rent first. They have to pay for heat and light, so they have a place to live. There are hunger lines all over Seattle. The churches in four counties in my State have gotten together and are distributing free food at 35 checkpoints. There are pictures in the newspapers two or three times a week showing the people lined up. Congress appropriated $20 million to feed people in areas of high unemployment. I say to the Senator from Vermont that the administration has impounded these funds and refuses to use them to feed hungry people.

Mr. MAGNUSON. The law is clear. We passed a bill, before we recessed, which provided they could distribute the food without regard to whether or not it was under a food stamp program or under a system of direct distribution, or both.

What do we do in a situation like that? I think Members of this body have done a great job on the school lunch program. It is one of the best programs we have in the United States, or would be if it were administered correctly and they spent the money Congress appropriated. This is the real problem.

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

Mr. MAGNUSON. I yield.

Mr. AIKEN. If my information is correct, the full amount which was appropriated for the school lunch program will be spent, and if the limit is raised from 30 to 40 cents, or whatever we make it, then the Appropriations Committee will be expected to appropriate enough to make up the difference. However, I would like to know who withholds funds when they get out of Washington. Somebody has a reason for it. And why did they put the blame on the administration?

Mr. MAGNUSON. The Appropriations Committee ought to be able to find out.

Mr. AIKEN. I think it ought to.

Mr. MAGNUSON. I have received letters like those received by the Senator from Nebraska saying "We are going to spend it," but it is not, or it is maladjusted, or something happens.

I am going to put a statement in the RECORD which deals with the problem we are dealing with here—hunger. I have a history of the hunger problem and many documents related thereto. I have letters in the same tenor, saying, "We are going to spend it." But it does not happen. It the money and says, "We want it spent Right or wrong, if Congress appropriates the money and says "We want it spent for these people," it should be spent. There are some rare cases where the administration should impound money, but when we get into the field of school lunch and hunger, that is something else.

The Senator from Nebraska talked about time. Time is of the essence in this case. There are hunger problems all over. When one is hungry, he is hungry, and he cannot wait while some bureaucrat writes letters back and forth.

I think we have here the finest program concocted in the United States, and I include Headstart and all the other programs in HEW. All I want them to do at OMB is to spend the money we have appropriated for that purpose.

My people are lined up this very week-

end. There is food in the warehouses. The Senator from South Carolina saw that 2 months ago. The food is stacked up in the warehouses. They will not distribute it to hungry people. What good is writing letters back and forth?

Mr. President, I applaud the work of the Senate Agriculture Committee and its distinguished chairman in expediting the consideration of Senate Joint Resolution 157 in order that free and reduced priced lunches will continue to be available to schoolchildren.

I understand deeply the frustration felt by Senators concerned about the question of hunger. This summer, I asked the Secretary of Agriculture to implement section 6 of Public Law 92–32. This provision authorized the use of $20 million of section 32 funds for the purpose of:

Carrying out in any area of the United States direct distribution or other programs, *without regard to whether such area is under the food stamp program or a system of direct distribution,* to provide, in the immediate vicinity of their place of permanent residence, either directly or though a State or local welfare agency, an adequate diet to needy children and low-income persons determined by the Secretary of Agriculture to be suffering, through no fault of their own, from general and continued hunger resulting from insufficient food. Food made available to needy children under this section shall be in addition to any food made available to them under the National School Lunch Act or the Child Nutrition Act of 1966. Whenever any program is carried out by the Secretary under authority of the preceding sentence through any State or local welfare agency, he is authorized to pay the administrative costs incurred by such State or local agency carrying out such program.

The Department of Agriculture has flatly refused to implement that section of the law. In Seattle, Wash., Neighbors-In-Need, a volunteer church group, gives donated foods to 8,000 people a week and turns away an additional 12,000 hungry Americans. We have a hunger crisis in my State that the food stamp programs cannot meet. We have documented the fact that 40 percent of the people eligible for food stamps are not in the program, because of a number of reasons, basic of which is a lack of disposable income. They cannot afford to buy food stamps.

These are the new poor many of whom held, until recently, high-paying jobs and were respected members of the community. My State is in a depression and yet the Agriculture Department refuses to respond with commodities or free food stamps as Public Law 92–32 clearly permits.

Mr. President, I am a man who refuses to take the answer "no" easily, especially when that "no" means that thousands of my people continue to suffer severe hunger and malnutrition.

After the Department of Agriculture refused to act, I amended the Labor-HEW appropriation bill in order that $20 million could be transferred to OEO's emergency food and medical services program. This $20 million was to be used in areas of high unemployment as an emergency measure.

What happened to that $20 million that was unanimously approved by the Congress in order to feed hungry people? Nothing.

It is now being held in budgetary reserve. I appealed that decision to the President of the United States for, in the final analysis, he is in charge of OMB. The answer I got back was the same—no relief, no implementation of either of these laws passed by the Congress to aid those not aided under other provisions of the law.

It is a slap at every Member of Congress. I wanted today to tell the distinguished chairman of the Agriculture Committee that I share his concern about this administration's lack of concern and its unwillingness to implement the law as passed by the Congress.

We have passed the law, appropriated the funds, and pleaded for action, but nothing has happened except slight changes in regulations. This administration seems to follow an economic policy planned to cause high unemployment. At the very least it could have the decency to feed the victims of their policies. Never in my career in public life have I seen such calloused attitudes on the part of Government officials. I hope that the distinguished chairman of the Agriculture Committee can help me find an answer to this tragic problem.

Mr. President, I ask unanimous consent to insert in the RECORD several articles and letters on this issue.

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

WASHINGTON STATE LEGISLATURE,
*Olympia, Wash., July 1, 1971.*

Hon. WARREN G. MAGNUSON,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR MAGNUSON: At a meeting called June 29 by the King County Democratic legislators and held in the office of Mayor Uhlman, it was pointed out that a tragic emergency exists in King and other depressed counties of the State of Washington. More than half the poor and hungry eligible for food stamps are unable to buy them because they have no money.

Local food banks cannot obtain government food stocks because of Agriculture Department rulings that such food will not be made available in counties with the food stamp program. Food stocks of many food banks are depleted. Thousands of adults and children are in actual hunger.

We propose immediate action to marshal every state and local resource, but urgently request you exert every influence at the national level to impress this tragic and emergent situation on those with authority to relax the present stringent and unrealistic rulings to immediately place food in the mouths of our state's poor and hungry.

Sincerely yours,

WILLIAM CHATALAS.

State Senators: Frank Connor, Fred H. Dore, Martin Durkan, George Fleming, Pete Francis, R. R. Greive, Gordon Herr, and Robert Ridder.

State Representatives: John Bagnariol, H. Stan Bradley, Dave Ceccarelli, Donn Charnley, Albert Shinpoch, Mark Litchman, King Lysen, and Peggy Maxie.

State Representatives: Gary Grant, John Merrill, John Rosellini, Al Williams, Robert Perry, John L. O'Brien, Jeff Douthwaite, and James McDermott.

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PUBLIC LAW 92–32, 92D CONGRESS, H.R. 5257, JUNE 30, 1971

An Act to extend the school breakfast and special food programs

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the National School Lunch Act (42 U.S.C. 1752) is amended by adding at the end of the Act the following new section:

"SEC. 15. (a) In addition to funds appropriated or otherwise available, the Secretary is authorized to use, during the fiscal year ending June 30, 1971, not to exceed $35,000,000 in funds from section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), to carry out the provisions of this Act, and during the fiscal year ending June 30, 1972, not to exceed $100,000,000 in funds from such section 32 to carry out the provisions of this Act relating to the service of free and reduced-price meals to needy children in schools and service institutions.

"(b) Any funds unexpended under this section at the end of the fiscal year ending June 30, 1971, or at the end of the fiscal year ending June 30, 1972, shall remain available to the Secretary in accordance with the last sentence of section 3 of this Act, as amended."

SEC. 2. The first sentence of section 4(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(a)) is amended to read as follows: "There is hereby authorized to be appropriated for each of the fiscal years 1972 and 1973 not to exceed $25,000,000 to carry out a program to assist the States through grants-in-aid and other means to initiate, maintain, or expand nonprofit breakfast programs in schools."

SEC. 3. (a) The first sentence of section 4(c) of such Act (42 U.S.C. 1773(c)) is amended by striking out "to reimburse such schools for the" and inserting "to assist such schools in financing the".

(b) The last sentence of such section 4(c) is amended to read as follows: "In selecting schools for participation, the State educational agency shall, to the extent practicable, give first consideration to those schools drawing attendance from areas in which poor economic conditions exist, to those schools in which a substantial proportion of the children enrolled must travel long distances daily, and to those schools in which there is a special need for improving the nutrition and dietary practices of children of working mothers and children from low-income families.".

SEC. 4. Section 4(d) of the Child Nutrition Act of 1966, is amended by striking out "80 per centum" and inserting "100 per centum".

SEC. 5. Section 4(e) of the Child Nutrition Act of 1966 is amended by striking out the sentence reading. "In making such determinations, such local authorities should to the extent practicable, consult with public welfare and health agencies." and inserting the following: "Such determinations shall be made by local school authorities in accordance with a publicly announced policy and plan applied equitably on the basis of criteria which, as a minimum, shall include the level of family income, including welfare grants, the number in the family unit, and the number of children in the family unit attending school or service institutions; but any child who is a member of a household which has an annual income not above the applicable family size income level set forth in the income poverty guidelines shall be served meals free or at reduced cost. The income poverty guidelines to be used for any fiscal year shall be those prescribed by the Secretary as of July 1 of such year. In providing meals free or at reduced cost to needy children, first priority shall be given to providing free meals to the neediest children. Determination with respect to the annual income of any household shall be made solely on the basis of an affidavit executed in such form as the Secretary may prescribe by an adult member of such household. None of the requirements of this section in respect to eligibility for meals without cost shall apply to nonprofit private schools which participate in the school breakfast program under the provisions of subsection (f) until such time as the Secretary certifies that sufficient funds from sources other than children's payments are available

to enable such schools to meet these requirements."

SEC. 6. In addition to funds appropriated or otherwise available, the Secretary of Agriculture is authorized to use, during the fiscal year ending June 30, 1972, not to exceed $20,000,000 in funds from section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), for the purpose of carrying out in any area of the United States direct distribution or other programs, without regard to whether such area is under the food stamp program or a system of direct distribution, to provide, in the immediate vicinity of their place of permanent residence, either directly or through a State or local welfare agency, an adequate diet to needy children and low-income persons determined by the Secretary of Agriculture to be suffering, through no fault of their own, from general and continued hunger resulting from insufficient food. Food made available to needy children under this section shall be in addition to any food made available to them under the National School Lunch Act or the Child Nutrition Act of 1966. Whenever any program is carried out by the Secretary under authority of the preceding sentence through any State or local welfare agency, he is authorized to pay the administrative costs incurred by such State or local agency in carrying out such program.

SEC. 7. (a) The first sentence of section 13 (a) (1) of the National School Lunch Act (42 U.S.C. 1761(a) (1)) is amended to read as follows: "There is authorized to be appropriated $32,000,000 for each of the fiscal years ending June 30, 1972, and June 30, 1973, to enable the Secretary to formulate and carry out a program to assist States through grants-in-aid and other means, to initiate, maintain, or expand nonprofit food service programs for children in service institutions.".

(b) In section 13(c)(2) of the National School Lunch Act (42 U.S.C. 1761(c)(2)) after the first sentence insert: "Non-Federal contributions may be in cash or kind, fairly evaluated, including but not limited to equipment and services.".

Approved June 30, 1971.

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U.S. SENATE,
*Washington, D.C., July 9, 1971.*

GEORGE P. SHULTZ,
*Director, Office of Management and Budget, Washington, D.C.*

DEAR MR. SHULTZ: As a co-signer of Senator Case's letter regarding the Summer Lunch Program, I was extremely pleased that the President has decided to use Section 32 in order to provide the necessary funds for this program.

Under Section 6 of recently enacted amendments (P.L. 92-32) to the National School Lunch Act, $20,000,000 in funds is authorized from Section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) to be used for the purpose of:

"Carrying out in any area of the United States direct distribution or other programs, *without regard to whether such area is under the food stamp program or a system of direct distribution,* to provide, in the immediate vicinity of their place of permanent residence, either directly or through a State or local welfare agency, an adequate diet to needy children and low-income persons determined by the Secretary of Agriculture to be suffering, through no fault of their own, from general and continued hunger resulting from insufficient food. Food made available to needy children under this section shall be in addition to any food made available to them under the National School Lunch Act or the Child Nutrition Act of 1966. Whenever any program is carried out by the Secretary under authority of the preceding sentence through any State or local welfare agency, he is authorized to pay the administrative costs incurred by such State or local agency in carrying out such program."

Thus, the language of Section 6 clearly authorizes funds to be used to supplement the existing food stamp program. The most just and fair form of distribution of funds authorized under Section 5 would be according to the need of a particular area and according to the severity of existing economic conditions facing that area. I, therefore, urge you to give first consideration to Washington State which is suffering from economic conditions worse than those experienced during the Great Depression, and the severest rate of unemployment in the United States except for Alaska.

I am writing the Governor of my state urging that Washington State immediately apply for Section 5 funds now that the Administration has made it clear that it will use these funds to implement P.L. 92-32.

Additionally, I am concerned about statements made by the Regional Director of the Department of Agriculture regarding the legality of having both a food stamp and a supplemental feeding program operating at the same time in any single county. Senator Hollings advised me that in Beauford and Jasper Counties of South Carolina three food programs are in simultaneous operation (food stamps, supplemental feeding and free food stamps).

As previously mentioned, Washington State faces a severe economic emergency and if a three-part program is or will be possible under existing law P.L. 92-32 and P.L. 91-671 or under demonstration or test programs, then I urge that the hardest hit areas in Washington State be considered for such a program.

Your immediate attention to this grave program facing needy and hungry citizens in Washington State will be most appreciated.

Sincerely,

WARREN G. MAGNUSON,
*US. Senator.*

EXECUTIVE OFFICE OF THE PRESIDENT,
*Washington, D.C., August 4, 1971.*

HON. WARREN G. MAGNUSON,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR MAGNUSON: Thank you for your letter of July 9, 1971, regarding Public Law 92-32. You suggest that the broad language contained in Section 6 of that act provides authority for distributing commodities in the State of Washington.

Senator Allen, the subcommittee chairman and floor manager of this legislation in the Senate described Section 6 as "the program under which supplemental foods are made available to pregnant women, nursing mothers, and infants." (Congressional Record, June 23, 1971, page 21588). We are advised by Agriculture Department that supplemental food program for pregnant women and infants is already operating in King County, Washington, under the authority of identical legislative language. That program is presently operating at only one-third of its authorized level of 1,500 participants, and therefore, there is no need at this time, to use funds provided under Public Law 92-32 for its expansion.

The Department of Agriculture does have general authority to distribute commodities in areas where the food stamp program operates, provided that no household may participate in both the food stamp and commodity programs simultaneously. When the two family feeding programs operate concurrently they must use identical eligibility standards. Therefore, anyone who may be benefited by a concurrent commodity program is already eligible for the food stamp program.

The food stamp program in Washington has expanded many-fold in response to the current severe economic conditions in the State.

Food stamp outlays in the State have increased six-fold and participation has tripled in the past 24 months.

Year ending June, Federal food stamp outlays, number of participants

1969, $6,629,697, 89,135 (June).
1970, $18,870,753, 221,710 (June).
1971, $44,250,000 (est.), 263,259 (June).

I can assure you of the President's concern that needy people should not suffer from hunger due to insufficient food. Therefore, careful attention will continue to be given to identifying and eliminating such occurrences within the broad authorities provided by Congress.

Sincerely,

GEORGE P. SHULTZ,
*Director.*

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TESTIMONY BEFORE THE SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

Mr. Chairman, members of the committee: For years Americans have been hearing that other Americans were suffering from hunger and malnutrition. This committee knows that story well for it has been compiling the evidence for more than two years. This congress has listened to that story and, as you know, has taken important action to write a new ending to that story.

But the executive agency charged by the congress with the responsibility of providing an adequate diet to hungry Americans—the Department of Agriculture—has apparently not heard that story. Nor is it prepared to implement legislation passed by the Congress to feed hungry people. And—most intolerable of all—it even refuses to listen to the story or to acknowledge the existence of hungry people.

I make these criticisms, Mr. Chairman, based on a meeting which I and other members of the Washington State Congressional delegation had last Thursday in my office with Assistant Secretary of Agriculture Lyng. We called Mr. Lyng to my office, Mr. Chairman, to ask that the Department implement Public Law 92-32, passed by the congress on June 30th, and—more specifically—to implement section 6 of that law for which you and Senator Hart are primarily responsible.

The committee, of course, is fully aware of section 6 of this new law but for the sake of a clear record let me briefly summarize that section. It authorizes the Secretary of Agriculture to use $20 million of section 32 funds—and I quote from the law itself—*"To provide . . . an adequate diet to needy children and low-income persons determined by the Secretary of Agriculture to be suffering, through no fault of their own, from general and continued hunger resulting from insufficient food."*

Furthermore, the language of section 6 makes it perfectly clear that the additional food assistance it authorizes can be made available to areas which also have food stamp programs or to needy children already participating in the school lunch program. Moreover, the law also authorizes the Secretary to pay the administrative costs incurred by State or local agencies which administer this additional food assistance.

Mr. Chairman, when you and Sen. Hart introduced the amendment—which became section 6—to provide the $20 million you stressed the high unemployment and severe economic conditions in many parts of the country which made such assistance necessary. I support that idea entirely.

This $20 million—which of course is only a very minute portion of the $700 million in section 32 funds—should be allocated by the Department of Agriculture to the areas of the highest and most prolonged unemployment. And it should be allocated in ways that best accommodate local programs and capabilities. Although the supplemental food program was one of your immediate concerns, the language which you used in writing section 6 is flexible enough to authorize a variety of food assistance efforts. Officials in my State, for example, are drafting proposals

to use section 6 funds to make the food stamp program available to more families as well as to improve and expand existing supplemental feeding efforts with both food packages and food vouchers. These supplemental efforts would be directed specifically to assisting pregnant women and young children who are especially vulnerable to malnutrition.

Mr. Chairman, it was with section 6 of the new law in mind that we asked Mr. Lyng to meet with us last week. And it was in an effort to impress upon him the need for this additional food assistance in our State that we told him:

That a voluntary food bank program in Seattle organized by churches and supplied by voluntary donations of groceries is feeding 8,000 people every week.

That organizers of that program estimate that they could feed up to 20,000 people every week if they had enough food.

That there are 97,000 unemployed people in the Seattle area making its current unemployment rate 15.2 per cent—the highest of any of the 150 major labor market areas in the Nation.

That there are 164,000 unemployed people in the State making its unadjusted unemployment level 11.6 per cent and its seasonally adjusted rate 12.5 per cent.

And that visitors from other States tell us they have never visited any other place where food—just plain ordinary food—was such a constant concern of so many.

In response to these stark facts and our pleas that the Department use the $20 million of section 32 funds authorized for additional food assistance programs in section 6, Mr. Lyng had two responses. Both negative.

First, he flatly rejected our pleas to implement section 6 despite the fact that it can be considered no less than a congressional mandate for Executive action. Second, he expressed the Department's official opinion that there are, in fact, no hungry people in my State who cannot now afford to purchase food stamps. That opinion, Mr. Lyng informed us, was based upon a Department survey of Washington. Mr. Chairman, to the best of my knowledge the only USDA official to survey my State was one man from the Department's regional office in San Francisco who spent two days in Seattle last month.

The Department apparently assumes that this two-day visit by one official to one part of Washington affords it an understanding of the needs of hungry people in my State which is more complete than that held by all of the State's elected representatives, its newspapers which have detailed the tragedy of hunger in numerous news stories, and its citizens who write to me daily to express their disgust with an administration which will not feed hungry people.

Mr. Chairman, I reject that assumption. And I reject the Department's conclusion that the food stamp program alone is meeting or can meet the needs of all the hungry people in my State despite the fact that it is experiencing unemployment starkly reminiscent of the 1930's.

As early as 1969, a survey of the food stamp program in Washington—prepared I believe for this committee—estimated that 164,000 households or about 442,000 individuals were then potentially eligible for the food stamp program. Mr. Chairman, in 1969 unemployment in Washington State never rose above 5.9 per cent. Today it is 11.6 per cent—almost double the 1969 peak. If 164,000 households were potentially eligible for food stamps in 1969 when the unemployment rate was half of the present rate I should think that about twice as many would be eligible now when unemployment has doubled.

And yet, we find that there are only 90,000 Washington households—or about 263,000 individuals—receiving food stamps today.

Furthermore, families which were once using food stamps are now being forced to drop out of the program because they can no longer afford to participate in it. The *Seattle Times* reported a poll of families using the church-sponsored food banks which showed that 38 per cent of them had originally been receiving food stamps but can no longer afford them. Increasingly, the answer given by hungry people not using food stamps is that they simply cannot afford to buy into the program.

Even those families able to purchase food stamps find their basic nutritional needs are not being adequately met. As this committee knows, a family of four receives stamps worth only $106 per month. Yet even the Department of Agriculture acknowledges that at least $134 per month is needed for an adequate diet. Recipients in Seattle, which has the fourth highest cost of living and the highest unemployment in the Nation, find this $106 limit both inadequate and unrealistic. Nor will the new food stamp schedules make any meaningful difference to hungry people in Seattle and throughout Washington. Raising the monthly allotment by only $2 while requiring many participants to spend more for their stamps epitomizes the kind of economic double-think which we have become so accustomed to hearing over the past 2½ years.

Assistant Secretary Lyng also argued in our meeting last Thursday that food stamps are only a diet supplement and should not be viewed as a form of income maintenance. Unfortunately, Mr. Chairman, in the midst of those semantics Mr. Lyng overlooked the fact that thousands of unemployed people in my State have no *basic diet* to supplement.

Food stamps are their diet—their entire diet—and food stamps are simply not enough. Despite the fact that the Washington State food stamp program has consistently been praised as a model program.

Mr. Chairman, that is the conclusion which I and other members of the Washington congressional delegation reached as far back as last December—seven months ago. And for seven months we have been urging the Agriculture Department to act on that fact.

In December we urged the Secretary to expand statewide the food supplement program or the pilot food certificate program—each operating on a very limited basis in a single county in Washington.

In January the Secretary responded by asserting that the food stamp program could provide for all hungry Americans. After repeating the same request and receiving the same answer from the Department, I sent a member of my staff together with a State welfare official to meet with the Administrator of the Department's Food and Nutrition Service. Once more the Department was urged to expand either the supplement food program or the pilot food certificate program. And once more the Department refused.

The Department, it seems, has concluded—on the basis of another *survey*—that the food certificate program is an ineffective one which should not be expanded. The Department reached this conclusion despite the fact that the pilot project in my State, which State officials tell me has been a good program, was not even included in the survey. In fact, as I'm sure the committee knows, the Department's survey included only 2 of the 5 pilot projects.

In May, I joined with many members of the committee and with other Senators to protest that the proposed food stamp regulations would eliminate many needy Washington citizens—including many of the elderly—from the already inadequate food stamp program.

Also in May, Mr. Chairman, I urged that the FY 1972 appropriation for the food stamp program be raised, and joined in co-sponsoring your proposed food stamp bill, S. 1773.

In June, I asked the Secretary to solicit specific recommendations from the regional officer who made that *two-day survey* of Seattle as to how additional food assistance could be made available to my state.

Just a few weeks ago I joined with other Senators to obtain the release of funds for the summer lunch program.

Last Thursday I met with Assistant Secretary Lyng.

That afternoon, after the disappointing meeting with Mr. Lyng, the Senate adopted my amendment to the Agriculture Appropriations bill re-emphasizing that it was the intent of the Congress in passing P.L. 92–32 that $20 million in section 32 funds be used to implement commodity distribution programs in areas where there is excessive unemployment even if they have food stamp programs.

And today I have come here to present once more the case for additional food assistance to Washington state.

Mr. Chairman, you know, the committee knows and I know that there are people in my state and in other states who are hungry. We know the food stamp program is not providing enough assistance to all those in need of it and that it will not be able to do so as long as unemployment and inflation continue to mount as they have during the past 2 years. And no amount of surveys is going to make those hungry people disappear or fill their stomachs.

Public Law 92–32—and especially section 6—demonstrates the Congress' awareness of these people and its desire to feed them.

My amendment to the Agriculture Appropriations bill underscores that awareness and that desire.

It is absolutely intolerable that the Department of Agriculture refuses to acknowledge these hungry people—and refuses to act upon the mandate which Congress has given it in the McGovern-Hart section of P.L. 92–32 and which the Senate re-affirmed last Thursday in unanimously passing my amendment to the Agriculture Appropriations bill.

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FOR NEEDY HERE: SURPLUS FOODS MAY BE ISSUED

(By Al Dieffenbach)

Surplus foods owned by the federal government apparently can be distributed to the needy here, Senator Warren G. Magnuson said yesterday.

The food distribution would be in addition to the food stamp program. Up till now, counties which have used the food stamps have not been eligible for free surplus foods.

Church and welfare workers have complained that many persons are going hungry because they cannot afford to buy food stamps. Meanwhile, surplus food is stockpiled in warehouses.

In a letter to Clifford Hardin, secretary of agriculture, and George Shultz, director of the Office of Management and Budget, Magnuson said:

"The language of Section 5 of the National School Lunch Act (Public Law 92–32) clearly authorizes funds to be used to supplement the existing food stamp program.

"Under Section 5 of recently (June 30) enacted amendments . . . $20 million in funds is authorized . . . without regard to whether such area is under the food stamp program or a system of direct distribution."

Magnuson's announcement would seem to have broken the federal red tape that had prevented the distribution of federally purchased surplus food to persons in need in this economically depressed area.

As recently as last week, Department of Agriculture officials had maintained that federal rules prevented food-stamp and food-distribution programs in the same county.

Some of the surplus commodities had been made available to the hungry through organizations that agreed to cook and serve the

food, but not for direct distribution to the user.

Magnuson, who asked Hardin and Shultz to give priority to food-distribution programs in areas hardest hit by economic problems, also urged Gov. Dan Evans "to immediately expedite a request for these funds for Washington State, stressing the seriousness of existing economic conditions."

Magnuson said he and other members of the state's congressional delegation would seek to meet with Hardin this week on plans to put the food-distribution program into operation.

According to an aide to the state's senior senator, the Section 5 funds can be used to provide distribution of surplus food "either directly or through a state or local welfare agency."

Again citing the new amendment, he said that the secretary (of agriculture) is authorized to pay all of the administrative costs of the program.

The federal rule changes had been sought for months locally by hunger fighters who sensed that volunteer feeding programs supported by public donations of food and money could not continue to cope with the needs.

The major volunteer feeding program here has been Neighbors in Need, a church-supported project in which an estimated 170,000 persons were given free food in the past six months.

The program may qualify as a "local welfare agency," Magnuson's aide said, and be entitled to receive the surplus food.

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MAGGIE URGES COUNTIES TO SEEK FOOD AID

Sen. Warren G. Magnuson urged yesterday that economically hard-hit counties in Washington apply for federal food distribution programs to supplement food stamps.

In letters to Secretary of Agriculture Clifford M. Hardin and Budget Director George P. Shultz, Magnuson insisted that Congress has provided for multiple food distribution programs in any single county and suggested that immediate consideration be given to an additional program for Washington State.

The Magnuson letters continued a controversy involving 40 U.S. senators who have accused the Nixon administration of promoting a free lunch program for hungry children but not providing enough money to pay for it.

According to the senator, Congress has expressly provided that a county that has already selected either a food stamp or a commodity distribution program could still qualify for an additional program to feed hungry children and adults who are without sufficient food through no fault of their own.

Magnuson said that $20 million has been authorized under this section of the law and that he is urging Gov. Dan Evans to submit appropriate requests to the Department of Agriculture for an additional food distribution program.

He added that he and other members of the state's Congressional delegation would seek a meeting with Secretary Hardin next week in an attempt to iron out any confusion in the department regarding the implementation of additional programs.

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[From the Seattle Times, July 22, 1971]

IT IS OFFICIAL: NO SURPLUS FOOD FOR WASHINGTON

(By Richard W. Larsen)

The United States Department of Agriculture confirmed today that no surplus-food distribution program will be authorized in the state.

Richard Lyng, assistant secretary of agriculture, announced in Washington new regulations on the nationwide food-stamp program. Although the new program for the first time also would allow surplus commodities to be distributed in an area that has a food-stamp program, Lyng said this won't be done.

Lyng predicted last week that such would be the department's policy. The prediction provoked angry reaction in Washington's congressional delegation.

Senator Warren G. Magnuson today called the department's action "intolerable." Magnuson testified before the Select Committee on Nutrition and Human Needs.

Gov. Dan Evans implied today that he has given up hope of changing the minds of anyone in the Department of Agriculture. He told a press conference he will talk with other administration officials to seek a policy change. Evans repeated that he plans to travel to Washington, D.C., but he didn't say when.

Lyng today outlined new program regulations that for the first time allow free distribution of food stamps. A family of four, with income of $30 a month or less, will qualify.

But the cost of food stamps will rise for families that have higher incomes. A family of four, with an income of $360 a month, previously could purchase $105 worth of food stamps for $82. Now that family will be able to buy $108 worth of food stamps for $99, Lyng said.

Lyng today officially stamped as U.S.D.A. policy the statement he made at last week's stormy meeting with Magnuson and the state's delegation in the House of Representatives:

There will be no "duality." No area will be certified for free-food distribution if it has a food-stamp program. Washington has a state-wide program.

Lyng said there is not enough money in the federal surplus-commodity budget to allow such a broadened program.

He added: "There is tremendous cost in setting up food-distribution facilities, which would have to be borne by the state." He estimated it might cost the state $1.25 million to administer such a program, an amount the state can't afford.

Magnuson said today, "We all know the food-stamp program is not providing enough assistance to all those in need of it and it will not be able to do so as long as unemployment and inflation continue to mount."

Lyng made his comments during a press briefing in which he outlined the administration's new food-stamp policies. The administration backed off from a plan proposed in April to cut off 375,000 higher-income welfare families. Instead it reduced the stamp benefits to them.

The revised proposal will implement a new law passed by Congress late last year. Barring further hangups, officials expect most states and counties to have the new plan in operation by early 1972.

At present anyone on welfare in participating counties is eligible for government food stamps. In April, under new uniform national income standards proposed by the Agriculture Department, many persons in states with larger welfare payments would have been cut off.

Now all welfare people will be eligible for stamps regardless of their cash welfare benefits.

Other provisions, relating to elimination of food stamps for hippie-type communes and other unrelated groups living in the same household, will be retained.

A controversial work requirement forcing able-bodied adults to register for and accept jobs in return for food stamps was retained. It was clarified to allow exemption of persons whose health and safety would be jeopardized by work.

(The county executive received the impression that surplus food can be released under certain circumstances. B 1.)

[From the Christian Science Monitor, July 24, 1971]

POLITICAL BATTLE LINES FORM: FEEDING WASHINGTON STATE NEEDY

(By Robert P. Hey)

WASHINGTON.—Another storm is beginning to blow up in Congress over Nixon-administration policies for feeding the needy, this time in the State of Washington.

Senators and congressmen from the state say many Washington residents are hungry and without money—largely due to the severe economic recession in the state. They cite figures to support their position.

But as of this writing the administration has flatly refused to use federal emergency money to feed the people in Washington.

Thus the stage is set for a direct collision between Washington's Democratic Sen. Warren G. Magnuson, one of the most powerful men in Congress, and the Nixon administration.

It is reminiscent of the power struggle of a few weeks ago when it took pressure from nearly half the Senate to get the Agriculture Department to agree to use extra money it already had to feed hungry children this summer.

This time, however, those who wanted to pry the funds out of the administration may have a harder time mobilizing broad congressional support. Last time the issue was a nationwide program to feed children; this time, a program to feed people in the State of Washington.

MEETING HELD

Senator Magnuson and five congressmen from Washington attended the meeting; Sen. Harry M. Jackson (D) and the remaining congressmen were represented by staff aides. They went into the meeting with the quiet confidence that Assistant Secretary for Marketing and Consumer Services, Richard E. Lyng would agree to release some of the $20 million in emergency funding, voted June 30, to feed needy persons in Washington.

The Washingtonians cited statistics to back up their requests. They noted that 164,000 people were unemployed in the state in May—1.6 percent of the total labor force. Over 70,000 persons exhausted unemployment compensation last year.

Senator Magnuson cited a church-feeding program in King County, a joint product of several churches. "It distributes donated food to anyone who says he is in need. They estimate they are now feeding 8,000 people per week. [They say they could feed 20,000 needy people if they had enough food.] They have served over 170,000 people in seven months."

But Assistant Secretary Lyng said no—he would not use federal funds to finance an emergency program to distribute surplus foods. The reason, he said, is that in his judgment there is no hunger in the State of Washington the food-stamp program cannot handle. He also said it is against the policy of the Agriculture Department to operate two food programs—food stamps and free commodities—simultaneously in one area.

EXPLANATION

(A Department of Agriculture spokesman explained Friday to this reporter the reasoning behind this policy: Food stamp and commodity programs are administered separately, and it would be too difficult, he said, to have to administer two separate programs in one area.)

Senator Magnuson said the commodity program is needed because there are many hungry people in Washington despite the food-stamp program. And, he said, South Carolina Sen. Ernest F. Hollings (D) had told him that in two South Carolina counties three food programs are in simultaneous operation—food stamp, supplemental feeding, and free food stamps.

Mr. Lyng replied, according to three participants present, that circumstances are different—there is hunger in South Caro-

lina, but there is no hunger in Washington the food-stamp program could not meet.

"Further," Senator Magnuson says, "Secretary Lyng told us the department could see no circumstances in which they would utilize the authority [to provide emergency surplus foods] anywhere in the United States at this time."

REACTIONS VARY

Members of Congress from Washington emerged from the meeting with varying reactions. Senator Magnuson called it "the most callous meeting" he'd ever attended in his entire 35 years in Congress.

Washington Rep. Brock Adams (D), present at the meeting, said Secretary Lyng's "statements were incredible. I can't understand why the administration has made a policy decision not to release surplus commodities to Seattle, and I violently disagree with his statement that we do not have many hungry people in the area. If that is so, why do we have long lines of people trying to obtain food? The Nixon Administration is more worried about administrative problems than about people being hungry."

Senator Magnuson sputtered the next day of the Department of Agriculture that "they've apparently got their feet in concrete. . . . They were pretty hardheaded. There wasn't any awareness of anything—just an attitude of 'Let the food-stamp program take care of everything.'"

He said, "the evidence we have is that it is not—particularly for elderly people."

The Senator didn't say what step he will take next. But those who know him do not doubt he will take one.

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EMPTY STOMACHS NOT ENOUGH PROOF FOR U.S. OFFICIALS

(By Ray Ruppert)

Belief that there is hunger in the Seattle area is almost an act of faith.

It rests upon things unseen more than upon objective evidence and upon the testimony of people who say they are hungry but whose experience cannot be measured or weighed.

Those who have labored to give out food through the Neighbors in Need food banks for seven months are believers, accepting the witness of the embarrassed, reluctant people who come for food.

But officials in the federal Department of Agriculture are skeptics, unwilling to accept subjective evidence and looking for the statistical reports on the number of empty stomachs here.

And this conflict of belief vs. disbelief is really what is behind the Agriculture Department's refusal to allow distribution of surplus commodities in the Seattle area.

Why do volunteers accept hunger as a fact and why do some federal officials doubt it? The answer may be found in their opposite approaches to people who say they are in need.

The Rev. Alan Ward, a minister on the staff of the Ecumenical Metropolitan Ministry, sometimes paraphrases the Bible. Christ said (Matthew 7:9): "What man is there of you, whom if his son asks bread, will give him a stone."

Mr. Ward puts that in his own words in advice to the food-bank volunteers: "Don't hand the folks a rock; feed them."

This means that any person who comes to a Neighbors in Need food bank and says he needs food is given food—if there is food to be given.

On this basis, the 34 food banks in the Seattle area are now providing food to an estimated 8,000 persons a week. This is based upon a schedule of 2½ hours a day, three days a week.

Mr. Ward estimated that if the banks were open five days a week, as they were in the beginning in November, 1970, they would be providing food to 15,000 to 20,000 persons a week.

What happens to those who are turned away?

"A lot of people are eating nothing but slices of toast," the Rev. Perry Harold O. Perry of the Fellowship of Christian Urban Service said.

More than half of those getting food are on some kind of government-aid program—public assistance, food stamps and so forth—which they find inadequate.

When the food banks give out, they get along with what they have or they ask neighbors or friends for food.

Mr. Ward said the basic philosophy of the food banks was based on a conviction that most people will not come after food unless they need it. The trouble of coming, the damage to personal pride, the limited food available all work against any extensive attempt at cheating, he said.

Mr. Perry commented, "There are relatively few people who will cheat. It takes all the courage a person can get to come to a food bank. To demean him with administrative tricks is absurd."

Such a view is not compatible with most governmental programs based upon some kind of means test to establish through statistics, investigation, questionnaires and statements that a person is in need.

In effect, the entire Puget Sound area has been subjected in recent weeks to a means test by U.S.D.A. officials—and failed. That's why federal officials have taken an adamant stand against releasing surplus commodities here.

Northwest officials, including Gov. Dan Evans and the Washington congressional delegation, had attempted to get into the surplus-food warehouses through two doors.

One was a direct approach, using a change in the federal Food Stamp Act which allows a state to have commodity distribution and food stamps.

That change will become effective when U.S.D.A. regulations are published, perhaps next week, although it may take several more weeks to make adjustments in the department.

The other Northwest approach was through an amendment to the National School Lunch Act, providing $20 million for commodity distribution in areas which already have other federal food programs.

The man who barred both doors was Richard P. Lyng, an assistant secretary of agriculture. Lyng made it very plain on Thursday that the U. S. D. A. would not release surplus foods for general distribution here.

The new law is permissive but not mandatory as far as a dual operation in a state is concerned, Lyng told The Times.

"We have made the decision not to go on commodities," he said.

Behind this decision is a conviction that Washington now has an outstanding food-stamp program. Lyng called it "spectacular," noting that bonus stamps amounted to $6.6 million in fiscal year 1969 and were up to $44.2 million in fiscal year 1971.

The bonus is the difference between what the stamps cost the user and their money value in the grocery. That bonus varies according to the income of the family. Theoretically, it is the measure of the free food provided by the government to hungry people.

A sample of 100 families getting aid from food banks showed that 38 per cent had been getting food stamps but could no longer afford them. The cash was needed for other basic expenses.

Lyng said the department was "hard pressed to believe that anybody is suffering" because of hunger in the Seattle area. He said the administration recognized the area's economic situation but considered it an income problem rather than a food problem.

Lyng also said, "It's really not proper to solve an income problem through modification of what is already a good food program."

The new Food Stamp Law will provide free food stamps to those on the lowest rung of the economic ladder. A family of four whose monthly income is less than $30 will get $108 in free food stamps.

But the cost will go up at the other end of the scale. A four-person family with a monthly income of $350—a little more than unemployment compensation—will be able to buy $108 in food stamps for $95.

These people—the so-called "new poor"—in particular, might benefit from surplus-commodity distribution. They would be able to get $60 to $65 a month in surplus foods without putting out the $95 in cash—which probably is needed for a house payment and other fixed expenses.

In any case, no family would be able to get both food stamps and surplus commodities.

Under the law, the state would have to pay the administrative cost of food distribution. But The Times has been told that financial assistance might be available from the federal government if there were "a hard enough pitch."

This, however, has become somewhat academic as long as Lyng's position prevails.

Probably, only two considerations would change the decision.

One would be a reversal of government philosophy, founded, ironically, in the Protestant work ethic and the depression roots of feeding programs, that need must be proved objectively.

That's not likely.

But U.S.D.A. philosophy might be bent a little because of political pressure, since Lyng is responsible to his superiors in the White House.

But that, too, may be difficult. One of the reasons the U.S.D.A. is reluctant to release surplus commodities is a belief that this would make difficult the eventual shift to a family-assistance plan which President Nixon wants. The conversion from food stamps would be much easier.

And, meanwhile, belief that there is hunger in the Seattle area is almost like an act of faith.

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SPELLMAN SEES NIXON AIDE ON SURPLUS FOOD

County Executive John Spellman yesterday said "innovation and continued negotiations" apparently are the best tools to reach a middle ground in settling the dispute over release of surplus foods for the Seattle area.

Spellman met with Richard Lyng, assistant secretary of agriculture, in Washington, D.C., yesterday. He said they explored alternate solutions to the problem. Lyng had told Washington's congressional delegation Thursday that surplus commodities would not be made available here.

The County executive was called to the capital Thursday by Representative Tom Pelly "to discuss another matter."

During the conference with Lyng, Spellman said the reasons for the withholding of the surplus foods were discussed.

"I believe there may be some middle ground which will allow both food stamps and surplus commodities in our area," Spellman said. "That middle ground can best be reached by innovation and continued negotiations."

Spellman left the Capital today for Milwaukee to attend the National Association of Counties convention. He will return to Seattle Wednesday.

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"LOOK HOW MANY ARE OUT OF WORK"

(By Paul Andrews)

Tom Lile is a soft-spoken, driven man who has given most of his own time for eight months to the patchwork job of keeping the Greenwood food station of Neighbors in Need in operation.

He sat in the office of the Oak Lake Baptist church where the food bank is kept

and flipped through a log of forms filled in by those who come for food.

"Here's one," Lile said. "A family of five. Applied for food stamps. It'll take at least a week for her to be processed . . .

"Here's another woman, a family of six, mother's been ill. Here's one, family of four, applied for welfare . . ."

In another room, Lawrence Kabel put down a sack of groceries he had been given and said, with a shrug, "I don't mind talking about it. Look how many people are out of work in Seattle."

Kabel, 50, is a burly unemployed merchant seaman who lives in the North End with his wife and 16-year-old son. He was hungry.

"I know I'm not alone," he said, peering through his glasses, "These food banks are really needed around here these days."

Kabel found out about the food bank through a friend. The Oak Lake Baptist Church in the Aurora Greenwood area is one of 34 local food-bank outlets.

Kabel has been to the food bank only twice. He will receive $35 a week until he becomes eligible in December for pension benefits. His wife works as a nurse's aide for $1.80 an hour.

"By the time I make the home payments, and the lights and heat, there's not much left," Kabel said. "I don't like to use the food bank, but every now and then you need a few extra groceries."

"I'm not convinced that people do realize the need," said Lile, moderator of the Oak Lake church and food-bank manager.

"If you figure that 15 per cent of the people of Seattle are out of work now, that still leaves 85 per cent who are insulated enough from the hunger around not to realize how much it exists," Lile said.

Like Kabel, most of the 100 or more persons who file through the line at the Greenwood food bank daily have come only two or three times before. "I had anticipated that there would be many repeaters, but there haven't been," Lile said.

Some recipients come only during a family crisis involving money or illness, he said. Others, sensitive to the unstated but real social stigma attached to hunger, undoubtedly avoid the food banks until their hunger overcomes their pride.

Still the demand remains great. Food banks in the Central Area and University District continually run out of stock and are forced to close their doors, a situation the Greenwood outlet experienced for the first time last week.

"It's summertime, and the people who regularly contribute go on vacation for two or three weeks, so we don't get their contributions," Lile said. Fifteen Greenwood-area churches are "heavily involved" in contributing to the food bank along with some local food stories and service groups, he said.

But the shelves in the Greenwood food bank are sparsely stocked. There are signs with printed directions: "Please take only enough for your family for three or four days"; "Three items are hard to get. Please take one only."

"We've usually operated here on the basis of letting people help themselves," Lile said. "But lately we've had to limit them to one of each type of item."

"Most people realize the limited supply of food and hesitate to take too much," he added.

"We get people in here all the way from college age to senior citizens," Lile said. "Middle-aged people, between 40 and 50, would probably be the majority group."

Many of those using the bank are waiting for the red tape to unravel in their applications for welfare or food stamps.

A food-bank staff volunteer commented: "You wonder what those people would have done without the food bank for all these months."

The hungry in Seattle are wondering the same thing.

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STATE OFFICIALS BITTER AT SURPLUS-FOOD GIVE-AND-TAKE

(By Richard W. Larsen)

"Some people were playing politics with hunger," Gov. Dan Evans snapped in one of his frequent moments of frustration this past week.

The Nixon administration's decision on a hunger issue involving Washington State was "absolutely unbelievable," snorted Senator Warren G. Magnuson.

The issue: Should surplus food be distributed in this state for needy people?

It seemed like a question with an easy, humanitarian answer.

But as it was whipped through a transcontinental debate about laws and policies, the issue, question and answer seemed lost in a blur.

Puget Sounders, already in deep economic uncertainty, were lowered further into new bewilderment.

The action began with a request from some Democratic legislators that the governor do something about hunger. Food programs, Evans replied, were a federal matter.

The state's congressional delegation, led by Senator Warren G. Magnuson, focused on the problem of hunger and examined federal programs for food distribution.

Magnuson has immense political clout on Capitol Hill and his specialty is thumping agencies into action. So Magnuson set up a conference in his office, summoning top Department of Agriculture officials to talk over the facts about food programs.

Nearly all the state's congressional delegation showed up. Their objective: Find, then push the button to activate a special new $20 million national program of commodity distribution—free surplus food for needy Washingtonians.

They expected success.

Hours earlier Governor Evans, in Jackson, Wyo., for a governors' conference, said he had been told such a program could be started within days. His source was Assistant Secretary of Agriculture Richard Lyng.

Lyng was the federal administration's spokesman at the Magnuson meeting. It was scheduled for 15 minutes. It simmered, then heated through an hour and 15 minutes, finally ending in a bollover of exasperation.

Magnuson and the congressmen focused on a new law in force since June 30: the so-called Hart Amendment, named for Senator Philip Hart, Michigan Democrat.

In its usual technical language, the law authorizes use of $20 million in so-called "Section 32 Funds" to carry out "in any area of the United States, distribution or other programs, without regard to whether such area is under the food-stamp program, or a system of direct distribution . . ."

Also, the law directs that the program provide ". . . an adequate diet to needy children and low-income persons determined by the secretary of agriculture to be suffering, through no fault of their own, from general and continued hunger . . ."

It also says the federal government may pick up the tab of administering the program—a big item for the budget-squeezed state, counties and cities.

The Hart amendment program has another special value: It allows a food-stamp program and a food-distribution program to go on simultaneously in one area. That quality previously was forbidden in law.

Washington has a food-stamp program. Thus it was ineligible previously for a commodity-distribution program.

Lyng told the congressmen that a federal nutrition official from San Francisco had visited the Puget Sound area. He saw economic trouble, Lyng said. But he added, "We have yet to have anybody substantiate that the food-stamp program fails to meet the problems."

"In the State of Washington we have what is probably the outstanding state food-stamp program anywhere," Lyng said.

Recipients prefer food stamps. The stamps can be used for shopping in most food stores, to buy all foodstuffs. The selection is better. The nutrition is better.

The surplus-commodity program, though free, is limited only to those commodities in the federal stock at the time.

But, Magnuson wondered, why not use the Hart Amendment authority? Giving out surplus food could help those middle-class unemployed of Seattle—those whose income has diminished, but still is not low enough to qualify them for the bargain-basement food-stamp program.

The assistant secretary cited budget problems: Section 32 money—source of the Hart Amendment's $20 million—is limited. Most of it already is committed to other food programs.

If a special program were started in Washington—and Lyng repeated it really wouldn't offer much help beyond food stamps—a precedent would be set.

And the $20 million—a "drop in the bucket" nationally, he added—would evaporate quickly as it began moving into other pockets of distress.

Lyng thought the intent of the Hart Amendment was to expand a special feeding program for such recipients as expectant mothers and infants.

Magnuson and his congressional colleagues replied that the law is broader: It talks about "persons."

Men are out of work. Paychecks stopped. Savings accounts dwindled. Mortgage payments or rent continue, along with other living costs. Many families are caught in that set of problems and they could be helped by food distribution, Representative Brock Adams, Seattle Democrat, said.

The delegation argued: 1. The legal authority is there; 2. The money is there; 3. There is a need for the program in the state.

With tempers rising, there was talk, too, of a new law, which probably will come into operation within days.

It will, for the first time, allow dual programs: Food stamps and the general national surplus-commodity program will be allowed in the same area. (A household, however, cannot receive both stamps and free food.)

That offers an even more broadly funded program than the Hart-Amendment program. To participate, though, this state would have to be certified by the secretary of agriculture.

But Lyng said Washington would not be certified for that program, either.

An angered Magnuson asked Lyng if he were laying down an interpretation of the law.

Or, Magnuson asked, "Is this a policy decision?"

Lyng replied it was a policy decision.

There was no yielding, no political salving, no suggestion that it would be taken under consideration. It was a flat "no".

Magnuson and the congressman seethed. Then concluded that the Nixon administration again was denying the ailing Puget Sound area.

After the meeting even Representative Thomas M. Pelly, of Seattle, the lone Republican in the congressional delegation, criticized the decision. Lyng's performance, he said, was "just awful."

Meanwhile in Wyoming, The Times informed Evans of the decision. He, too, was angered. Already that week he had had a spat with the administration: "He complained Tuesday that with the state bleeding economically, the administration was offering "Band-Aid treatment." Now this!

Evans telephoned Lyng. There was animated conversation.

Afterward Evans told The Times that Lyng had taken full responsibility for the change in decision—the turn around after Lyng's earlier prediction there would be a food-distribution program.

In controlled tones, Evans said the Department of Agriculture was showing a reassuring concern about the well-being of the nation. But, he added, his state seems to be in the federal blind spot. "We simply have to have unusual responses for unusual circumstances," Evans said.

Evans vowed to talk with Secretary of Agriculture Clifford Hardin. Lyng may have been announcing the department's policy. But perhaps the governor could get it turned around, Evans reasoned.

"It seems ironic to me that here we have surplus commodities . . . and we have people who could readily use them . . . Somehow the system is so inflexible that they can't put the two together," Evans said.

That issue has been raised often.

The surplus-commodity program—based on the "Section 32 fund"—traditionally has been used to stabilize the farmers' market.

If a commodity becomes a surplus, causing price trouble, the fund money may be used to buy the farmers' surplus.

Use of the food to feed people—the hunger question arose as a major national political issue only in recent years.

The Section 32 Fund gets its money largely from Customs revenues. The fund this fiscal year is estimated to be at $800 million. Most of that money already is committed to feeding children and other special programs.

The fact that the program is operated by the secretary of agriculture, rather than the secretary of Health, Education and Welfare, suggests that it is not geared to be responsive to hungry people, Adams pointed out.

Lying seemed worried that, with two programs in the state—food stamps, plus distribution—there would be recipient cheating, Adams said.

That would be "a minimal problem," Adams added. "Suppose they get instances where people get both stamps and free food—and I don't think that would happen often—why is that so bad when it's balanced against the fact that you'd get food to people who need it?"

"These guys have got an iron wall down . . . They are in the commodity-stabilization business," Adams said.

Can Washington's hunger be proved?

"I think there has been exaggeration by some of the hunger problem," Evans said. But he said there is no doubt about the need of food: The statistics of welfare, of persons who exhausted unemployment-compensation benefits, are abstract evidence; the people who show up to stand in line for food at voluntary food banks are visual proof.

Evans was putting together such evidence to use in his appeal against the Department of Agriculture decision.

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THE HUNGER CRISIS IN THE SEATTLE AREA

(Statement of Abraham B. Bergman, M.D., Chairman, Health Care Committee, Governor's Urban Affairs Council)

Countless meetings have been held, numerous reports written, endless statistics compiled, local officials have flown back to Washington, D.C. and federal officials have flown out to Seattle—yet the Nixon Administration has not budged one inch towards alleviating the hunger crisis in the Puget Sound area. As winter sets in and more persons lose their unemployment benefits, the dimensions of the tragedy will expand enormously.

The incredible irony is that hunger is about the one social problem in our society that is *readily solvable*. Problems like crime, unemployment, poor housing and education are all complex; they don't command instant answers. Food is a different matter. Warehouses in certain areas of the country are bulging. To cut down on abundant surpluses, the government pays millions of dollars to farmers *not* to grow crops. A federal warehouse at the Sand Point Naval Air Station is filled with surplus commodities with a large padlock figuratively on the door.

NIXON IS MAKING THE DECISION

The responsibility for locking out Seattle's hungry from relief must be squarely laid at the door of the White House. It is not bureaucratic functionaries from the U.S. Department of Agriculture who are making decisions in the Seattle situation. The evidence is clear that the signals are being called directly from the office of President Nixon.

ADMINISTRATION EXCUSES

The Administration has used all kinds of excuses for not allowing commodities to be distributed in the State. First they said that commodities and food stamps could not both be used in the same State. Senator Magnuson came up with an Agriculture law (PL 92–32) which did allow simultaneous programs and on July 15th succeeded in getting the Senate to allow Agriculture Department appropriations to be used for this specific purpose. The President responded by refusing to implement PL 92–32.

A few days later, Senator Magnuson obtained approval from both Houses of Congress to add $20 million to the appropriation of the Office of Economic Opportunity for special feeding programs in needy areas. The President so far has refused to spend the money.

Why is President Nixon withholding surplus food from the Seattle area? It isn't lack of legal authority, or money. The question cries out for a straightforward answer from the President himself.

TIME FOR GOVERNOR EVANS TO ACT

The man who would seem best able to obtain that answer and hopefully change the President's mind is Governor Daniel Evans. In the middle of July, the Governor promised to seek a personal audience with the President if appeals to White House staff members failed. What is he waiting for? Senator Magnuson and other members of the Washington Congressional delegation are pushing hard. Perhaps it takes a personal appeal from a Republican governor to a President of his own party to gain a favorable decision.

Earlier in the year, the Governor and a planeload of prominent business leaders winged back to Washington, D.C. and successfully obtained reversal of a previous Presidential order to close all the nuclear reactors at Hanford.

The Governor must demonstrate a similar degree of personal commitment to feeding the hungry. I urge him to act on his pledge to seek a personal audience with President Nixon.

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NEIGHBORS IN NEED SHIFTS DIRECTION

(By Ray Ruppert)

The future of Neighbors in Need may be coming clear.

There are indications that the volunteer program to feed hungry people, a program that is showing signs of age, may evolve into something its organizers did not envision a year ago.

That something is Neighbors in Need as a quasi-government institution which will attempt to retain the volunteer concept but with the help of government funds both to obtain food and to hire a skeleton staff from among the area's unemployed.

There are two key questions: Why the decision to move away from the volunteer concept? What hope is there for federal money, considering the refusal of the Department of Agriculture thus far to help in any significant way?

These and other complex problems—such as the relationship of Neighbors in Need to other community programs, for example, Operation Hunger—were discussed Friday in frank give-and-take.

Huddled with the steering committee of Neighbors in Need in the office of the Ecumenical Metropolitan Ministry was Representative Brock Adams.

He heard much about the frustration and anger among volunteers over what they consider the failure of their government to respond to an emergency among people.

Adams also heard predictions that the need for emergency food would increase drastically with the coming winter.

Later the congressman sat in a rickety chair at the Capitol Hill food bank while those who had come for food swirled around him.

A single-file line snaked out from the cluster of people on the front lawn and wove in and out through the old frame house to pick up a bag or a box of enough food to last a family two to three days.

Adams made clear his opinion that any government aid to Neighbors in Need would not be expected through the Agricultural Department which he described as responding to the wishes of large farms, particularly in the South.

Rather, Adams said, any money to help the food problem in the Seattle area would have to be sought through some "more sympathetic agencies" such as Health, Education, and Welfare or the Office of Economic Opportunity.

This was what Senator Warren G. Magnuson attempted by pushing through Congress a supplemental $20 million appropriation for a feeding program through H.E.W.

But the funds have been frozen by the President.

Getting those funds released was picked by Adams as "a particular, direct, sensitive spot" to approach in seeking federal assistance in the food program.

Three spokesmen for Neighbors in Need were to go to Walla Walla today in the hope of a personal, face-to-face meeting with President Nixon.

One of the beliefs of the volunteers is that government agencies and officials are responding to the Seattle situation on the bases of regulations and statistics rather than on the basis of people.

The argument goes that if the President were really, personally aware of the seriousness of hunger here he might make aid available.

Expected to make the trip are the Rev. Harold Perry, director of the Fellowship of Christian Urban Service; Mrs. Ruth Velozo, of the staff of the Ecumenical Metropolitan Ministry, and Mrs. Peggy Maze, chairman of field operations for Neighbors in Need.

They will join State Representatives King Lysen and Gladys Kirk in efforts to see Mr. Nixon or, if that fails, in meeting with John Ehrlichman, presidential adviser.

Lysen, 31st District Democrat, and Mrs. Kirk, 36th District Republican, are cochairmen of a subcommittee investigating poverty and hunger.

Lysen said the first objective of the Seattle group will be to impress upon the President the fact that hunger exists in the Puget Sound area. Some federal officials, notably in the Agriculture Department, have doubted this.

Then, the Seattle group will suggest steps the federal government might take to alleviate hunger.

Among the proposals will be that Mr. Nixon release the frozen $20 million. Another will be the possibility of making surplus commodities available to individual families.

An imaginative suggestion is that school cafeterias be open in the evening to provide meals to poor families, using surplus commodities, possibly buying some food to balance the diet and hiring staff through the Emergency Employment Act.

Another goal today, Lysen said, will be to set up subsequent meetings with Agriculture Secretary Hardin or his assistant, Richard Lyngg.

Lysen said the legislative subcommittee plans hearings in October or early November in the food banks in order to dramatize the situation and convince officials of the fact of hunger.

A sore point between government agencies and the volunteer feeding program has been the question of a means test.

Neighbors in Need has refused to establish any eligibility requirement for people who come and say they need food. To have such requirements would be demeaning, require a large staff and have no real benefit, the volunteers have argued.

Furthermore, the volunteers say that a person who stands in line four hours in all kinds of weather for a bag of groceries isn't going to do that unless he's in need.

Government programs in general have been set up with stringent eligibility requirements written in.

The Rev. Alan Ward of Neighbors in Need told Adams:

"If there are restrictions and if federal money begins to exclude people, the folks just won't stand for it."

These getting help at the food banks have "experienced being fed in a human way," Adams was told.

Adams was told that Neighbors in Need is spending about $15,000 a week from private contributions to augment donated food in order to keep food banks open three days a week.

Peter Schurman, Northwest Area director, American Jewish Committee, told the congressman: "This economy can't stand that kind of contribution."

Mr. Ward said, "If we're going to do the government job, we ought to have our tax dollars back to do that job."

The question of Operation Hunger was raised.

It is a move to attempt to raise money to be turned over to Neighbors in Need but it has been looked upon with some question by Neighbors in Need.

"Our approach is that if any of these folks with expertise want to help, we'd be delighted to have them work with us," Mr. Ward said.

He said he had indicated Neighbors in Need would be pleased to work with Operation Hunger but added, "I don't see why another incorporated body is necessary. We'll be grateful if they raise some money. But we'd rather they work with us."

Mr. Ward estimated that Neighbors in Need has raised and distributed about $1 million since it began in mid-November, 1970. This figure does not include donations directly to neighborhood food banks.

At the food bank, Adams said, "I'm really here to learn."

He did—that about 300 boxes of food are given out from noon until the food supply is exhausted three days a week; that what goes into the boxes is whatever may be on hand; that the food is expected to last a family two to three days.

And Adams may have sensed the frustration and anger among both workers and recipients at attempting to make the food go as far as possible.

Adams called the work of the volunteers "magnificent." But he said they could not be expected to continue indefinitely a task that belonged to other agencies—governmental or private.

This is what the volunteers increasingly have been saying among themselves in recent weeks.

Schurman told Adams: "This program takes the heat off the government. But it would be a very difficult choice to stop the food."

Mr. Ward is a chunky, mustached, ex-prison guard who doesn't let his ordination as a United Methodist minister get in the way of sometimes strong and colorful language.

He told Adams that after the most recent visit of Agricultural Department officials to Seattle he told them to leave town and not return until they had something definite to offer.

They have not been back.

At another meeting recently, Mr. Ward responded to a question about the release of surplus commodities to help feed the hungry:

"Obviously, to have money to buy food in the store like everyone else would be a better approach than to have someone give you lard and cornmeal. But if lard and cornmeal is the best we can get out of our government, we're going to get something."

Mr. Ward put the position of Neighbors in Need concisely:

"We didn't start out to be permanent. We don't want to become a better substitute for the government.

"We might consent to become a pilot program to show better ways to do some things. But we sure don't want to be substitute. That's what we are right now."

The Neighbors in Need Volunteers might have sighed an inaudible: Amen.

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AUGUST 9, 1971.

Hon. GEORGE SHULTZ,
*Director, Office of Management and Budget, Washington, D.C.*

DEAR MR. SHULTZ: This letter is to call your attention to the following language in HR 10061:

"Provided, further, That $20,000,000 of this appropriation shall be used by the Office of Economic Opportunity to finance Emergency Food and Medical Services programs in eligible areas of exceedingly high unemployment, as defined in section 6 of the Emergency Employment Assistance Act of 1971, to be reimbursed to the Manpower Training Services Appropriation by the Office of Economic Opportunity immediately upon enactment of an appropriation Act for the Office of Economic Opportunity in fiscal year 1972."

The Senate and conference report accompanying HR 10061 indicated that the purpose of the bill language was to provide an essential expedient to permit the OEO to finance these vital programs in those areas of greatest need pending the appropriation of funds for this purpose to the OEO.

The language included in the bill reflects my strong feelings about immediate implementation of this program.

Because I believe the matter to be of a most urgent necessity, I am writing to you to secure your support in seeing that this program is implemented at once.

If you have any problem please contact me immediately.

I would be most pleased to have your early *favorable* reply on this issue.

Sincerely,

WARREN G. MAGNUSON,
*Chairman, Subcommittee on Labor-Health, Education and Welfare.*

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EXECUTIVE OFFICE OF THE PRESIDENT,
*Washington, D.C., August 23, 1971.*

Hon. WARREN G. MAGNUSON,
*Chairman, Subcommittee on Labor-Health, Education, and Welfare, Committee on Appropriations, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: George Shultz has asked that I reply to your letter of August 9, 1971, in which you requested his support in implementing the new $20 million Emergency Food and Medical Services (EFMS) program which was included in the Department of Labor and Health, Education and Welfare appropriations, 1972.

As you are undoubtedly aware, the Office of Economic Opportunity in preparing the FY 1972 budget, decided to begin phasing out this program. Mr. Wesley L. Hjordevik, Deputy Director of OEO, testified on this subject on May 19, 1971, before the Senate Subcommittee on Employment, Manpower and Poverty. He cited three reasons for this decision: (1) the expansion and improvement of the food stamp and commodities distribution program; (2) the expansion of EFMS beyond its original scope, which reached only those counties in most dire need of food assistance, to a program which threatened to duplicate the main Federal food programs—food stamps and commodities—and to become a permanent bureaucratic fixture; and (3) the expected advance of welfare reform. Even though the President in his "Challenge of Peace" address on August 15, 1971, announced that he would ask Congress to delay the implementation of welfare reform one year, the phaseout of EFMS remains consistent with this Administration's determination to increase reliance on income maintenance rather than services. Although the other Federal food programs have been expanded, this is only over the short-run. When welfare reform has been implemented, these programs also will be phased out to the replaced by cash payments.

The Administration is requesting continued legislative authority for EFMS. In the event that the expanded food stamp and commodity programs do not meet the food needs of the poor, OEO is prepared to reprogram funds into EFMS. Such an action would, of course, have Administration support, and if the other Federal food program were not doing the job, the $20 million appropriated for EFMS in the DOL appropriation would also be released. I have your concern about the economic problems in the Seattle area. We are not convinced, however, that the use of EFMS funds is the optimum way to handle the food situation. Instead, we have asked HEW and USDA here in Washington, as well as the Federal Regional Council in Seattle, to make certain that red tape and regulations do not hamper the effectiveness of the food stamp and commodity programs. We believe that their regulations can be interpreted in such a way to take care of most of the serious situations in which you are very properly concerned.

I will keep you informed of the action on this.

Sincerely,

CASPER H. WEINBERGER, *Deputy Director.*

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AUGUST 26, 1971.

The PRESIDENT,
*The White House,*
*Washington, D.C.*

MY DEAR MR. PRESIDENT: I have been informed by a letter from the Deputy Director of the Office of Management and Budget, Mr. Caspar W. Weinberger, that a decision has been reached not to allow the expenditure of twenty million dollars appropriated by Congress to the Emergency Food and Medical Services program. These funds were appropriated because of an amendment I offered to the Labor, Health, Education and Welfare appropriation Act for fiscal year 1972. The amendment directed that those funds be used in areas of the Nation having the highest rates of unemployment. It was unanimously passed by Congress.

This decision is terribly distressing to me and to the thousands of volunteer workers in Washington State that have been attempting to secure emergency commodities for hungry people facing crisis conditions. There has been a massive volunteer effort led by Neighbors in Need, a local organization of churches, to collect and to distribute food to thousands of hungry people. The decision to freeze these appropriated funds demonstrates the complete unawareness by the Office of Management and Budget of the desperate emergency conditions facing thousands of families and individuals in this State.

The letter to me states: "In the event that the expanded food stamp programs do not meet the food needs of the poor, OEO is prepared to reprogram funds into the Emergency Food and Medical Services program. The stark facts are that the food stamp program has failed to meet the existing need. Forty per cent of the people qualified to participate in the program are not participating for a number of reasons most important of which is that they simply cannot afford to buy food stamps.

Recent changes in the United States Department of Agriculture regulations made it more expensive for many to participate in the food stamp program, thus compounding the problem. Neighbors in Need turns away 12,000 hungry people each week in the Seattle area which is the strongest available evidence that the existing food stamp program operation alone is not adequate.

My amendment to the Labor, H.E.W. Appropriation Act provided the authority and it provided the funds to feed people facing emergency conditions. Congress by passing this amendment demonstrated its intent to feed hungry people in areas having the highest rates of unemployment.

I believe we should use this authority and this money now.

Mr. President, you recently reversed a decision by the Office of Management and Budget and the Department of Agriculture on the Summer Lunch Program; this was a just and humane decision widely applauded by all Americans. I believe that this decision to freeze funds appropriated for the Emergency Food and Medical Services Program should also be reversed, and I hope that you will see fit to do that for I know this was not a political decision on the part of your administration.

Thousands of people in Washington State are facing the crisis of hunger for the first time, and are stunned and confused by the lack of a meaningful federal response. I have never in my career in elective office seen a volunteer effort that has done more to help people in need. Yet there simply is no way for this effort to meet the growing need unless supplemented by either emergency commodity distribution, emergency food stamp distribution or allowing the use of emergency money vouchers.

I would appreciate your reviewing the reasons for this action and, Mr. President, I again urge you to reverse this decision on the simple basis that we cannot allow people to go hungry in America in this day and age.

Sincerely yours,

WARREN G. MAGNUSON,
*U.S. Senator.*

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THE WHITE HOUSE,
*Washington, D.C., September 24, 1971.*

HON. WARREN C. MAGNUSON,
*U.S. Senate,*
*Washington, D.C.*

DEAR MR. CHAIRMAN: The President has asked me to reply to your letter of August 26, 1971, regarding the non-release at this time of the $20 million Emergency Food and Medical Services (EFMS) program which was included in the Labor-HEW appropriation for fiscal year 1972.

When Cap Weinberger wrote to you on this subject on August 23, 1971, he indicated that OEO was prepared to reprogram funds into EFMS in the event that the expanded food stamp and commodity programs do not meet the food needs of the poor. But because the Administration is not convinced that the use of EFMS is the optimum way to handle the food situation in Seattle, HEW and USDA here in Washington, as well as the Federal Regional Council in Seattle, have been asked to make certain that red tape and regulations do not hamper the effectiveness of the food stamp and commodity programs, wherever they are operating.

USDA and HEW have been carrying out Cap Weinberger's instructions. Since his letter of August 23, 1971, Mr. Philip C. Olsson, Deputy Assistant Secretary of Agriculture, together with officials from HEW, have visited Washington State to look into the situation. Two steps are being taken to ensure that the food stamp program in Washington State is meeting the food needs of eligible recipients.

First, efforts are underway to improve the distribution system both by exploring the possibility of using post offices and employment security offices as stamp distribution locations and also by encouraging States, including Washington State, to improve their outreach efforts. Those efforts should provide faster service for food stamp recipients as well as less travel to reach a distribution point.

Second, the available offsets against income are being emphasized. USDA has urged local welfare officials to make greater use of the provision in the regulations which permits deductions from income for families with unusual financial commitments such as high medical bills or out of the ordinary rental or house payment requirements. This should be of particular benefit to families who have some cash income but heavy demands on this income. The new food stamp regulations will also benefit families with very low cash income since free food stamps will be available to those whose monthly income is $30 or less.

These steps indicate the Administration's commitment to ensure that the food stamp and commodity programs are meeting the needs of eligible recipients.

Consequently, the EFMS money will not be released at this time. Nevertheless, I would reiterate Cap Weinberger's statement in his letter to you of August 23, 1971: "In the event that the expanded food stamp and commodity programs do not meet the food needs of the poor, OEO is prepared to reprogram funds into EFMS." Such a decision, however, should not be made unless we find that food stamps and commodities are not doing the job.

Sincerely,

WILLIAM E. TIMMONS,
*Assistant to the President.*

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STATEMENT BY THE WASHINGTON STATE DEMOCRATIC LEGISLATIVE CAUCUS, JUNE 1971

In this the most progressive state in the richest nation in the world, tens of thousands of our citizens are unemployed through no fault of their own. Largely as a result of the inept economic experiments of the federal administration, they face a frightening and unprecedented combination of economic stagnation and spiraling inflation.

Now because of the insensitivity and bureaucratic inflexibility of that same administration, thousands of these same Washington citizens, many of them helpless children, are suffering actual hunger while surplus food deteriorates in locked government warehouses.

This tragic and irrational situation exists because the federal government refuses to permit distribution of surplus food in counties where the Food Stamp Program exists.

Yet more than half the King County citizens legally entitled to food stamps cannot get them because food stamps cost money and they do not have money.

Until 1963 surplus foods were distributed directly to the needy in all counties but in September of that year a pilot food stamp program was established in Grays Harbor County. Almost immediately the number of participants dropped by 68% from those who had made use of the surplus food program largely because those eligible didn't understand the complexities of the food stamp procedures or were financially unable to buy the stamps.

Despite this experience the Food Stamp Program pushed by the Federal government has gradually expanded to a state-wide basis. This was accomplished in 1967 although not by action of the full legislature. It was inserted by conference committee action with strong pressure from Governor Evans' office.

It was claimed by the Governor's Council for Reorganization of State Government that the Food Stamp Program would result in major savings over the cost of distributing the surplus food commodities. These savings have failed to materialize. The last statistics for surplus food costs showed an expenditure of 37½¢ per recipient. The current cost of food stamp distribution is 51¢ per recipient.

Advocates also argued that "Food stamps are a substantial benefit to grocers." and "have gained widespread support from banks" and that "since the stamp purchases are subject to the state sales tax the state gains additional revenue."

These statements are doubtless true. The supermarkets receive their regular markup on food purchased with food stamps, banks receive 35¢ per transaction for distributing food stamps and the state does indeed take its 5% off the top for sales taxes.

Under the surplus food distribution programs, there were no hands in the pockets of the poor. They received a dollar's worth of food for every dollar they were entitled to without first paying off to the bank or the grocer and the tax collector.

There are other obvious weaknesses in the food stamp program: Food stamps are said to be worth an average of 33% more than their purchase price at the grocery store. Yet how much of this 33% advantage remains after the stores' profit markup and the state sales tax has been paid?

The Food Stamp Plan does not control the diet. Stamps may be spent for almost anything in the store except beer, wine and tobacco and since they are "just like money" knowledgeable recipients can easily get around these restrictions. The result is often complete failure of the program's avowed purpose of assuring a balanced diet to every needy family. Surplus food, while not glamorous or of wide variety, did assure a minimum level of nourishment.

Food stamps are as negotiable as currency and provide temptations to the unscrupulous to use them as the means of defrauding the government as well as the recipients.

We face a human tragedy of major proportions. Children are weeping in their beds from the pangs of hunger. Partisan politics and profitable expediency must be put aside and put aside now. We propose the following action and pray that every public official in this state regardless of political affiliation will join with us:

1. To immediately urge the entire Washington congressional delegation to give the highest priority to a unified effort to remove the Food Stamp Program from the strangling entanglement of federal red tape, permitting the distribution of stored surplus food by state and/or local food bank facilities.

2. In the event such a plea to the federal administration proves unavailing to give equally high priority at the forthcoming January session of the legislature to a new set of laws in the area of basic human needs eliminating the Food Stamp Program if as it now appears it does not feed the hungry but in fact denies them available and surplus food.

Mr. AIKEN. Mr. President, I yield 1 minute to the Senator from Nebraska (Mr. HRUSKA).

Mr. HRUSKA. Mr. President, not too long ago—in fact, within the past hour—the assurances of Assistant Secretary Lyng were read into the RECORD that the entire amount of $782 million will be spent.

Let me say that Nebraska has been ap-

portioned this year $3,675,000 under the regular appropriation for this fiscal year. That is $400,000 more than last year, and it has been allocated. It has been apportioned. They have it. But I think we ought to inquire into whether or not the delivery system has broken down, as described by the Senator from Vermont, and the proper place to do that is in the Appropriations Committee, where we have access to and where we can process that matter and determine what amounts have gone forward and what further amounts should be provided for.

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

Mr. HRUSKA. I yield.

Mr. MAGNUSON. I am sure the Appropriations Committee, like the legislative committee, feels keenly about this matter. We will appropriate here, but the problem is the question of being assured that they are going to distribute it and spend it and do it right. That is my problem.

Mr. HRUSKA. Except for letters that are confused or ill-informed, they all indicate that Nebraska has had the funds apportioned, and to the extent of $400,000 more than last year.

Mr. MAGNUSON. Well, the State of Washington is still looking for one dime of the $20,000,000 Congress appropriated for the emergency food and medical services program.

Mr. HRUSKA. For school lunch money?

Mr. MAGNUSON. To get money that we have appropriated spent to feed hungry people.

Mr. AIKEN. Mr. President, I yield myself 1 minute.

I have tried, ineffectively to find out what has caused the big increase in the cost of the lunches. We know that inflation of prices has caused some of it. I have asked if the cost of the food has resulted in doubling the cost of the school lunch program, as it has in some areas, or whether it was the cost of supervision, or as a result of contracting it out to somebody at a high price, or what it was. I have not been able to get a very good answer.

That is why I think the Appropriations Committee is better able to get the answers than we are.

I want to see this program carried out and have the children get the fullest benefit out of it. As I said some time ago, I am very much interested in the bill introduced by the Senator from Minnesota which would provide lunches for all children. I am not making any promises at this time, but I want to tell him I am interested in the bill.

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

Mr. TALMADGE. Mr. President, a parliamentary inquiry. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. TALMADGE. I yield 1 minute to the Senator from Kentucky (Mr. COOK).

Mr. COOK. Mr. President, the issue today is quite simple. In the words of Senate Joint Resolution 157, it is to "assure that every needy schoolchild will receive a free or reduced price school lunch" as required under the existing school lunch act. It is unfortunate that such an assurance is necessary.

On August 13, pursuant to Public Law 91–248, the Department of Agriculture issued regulations which in the opinion of the State directors section of the American School Food Services Association poses a very real threat to the national school lunch program. In many parts of the country, a nutritious lunch costs as much as 60 cents in preparation and service. Under the 35-cent reimbursement rate required by the August 13 regulations, the States operating such programs will be faced with a multimillion dollar deficit. Obviously, on such short notice, the States cannot make up this loss. Their only alternative is cancellation or reduced participation.

The Department of Agriculture in refusing to modify its August regulations has not only ignored the intent of the law, but also the needs of many schoolchildren in the country now participatin the school lunch program.

The facts cannot be ignored. Many local school officials have complained that they will be unable to continue their lunch programs for the needy under present regulations. In Kentucky alone the breakfast program will be canceled unless more money is allocated.

Through the untiring efforts of many of my colleagues on both the Select Committee on Nutrition and Human needs and the Agriculture Committee, we can today rectify this situation. Very simply, Senate Joint Resolution 157 provides that the Secretary of Agriculture may provide additional funds to assure the continuation of feeding children, who through no fault of their own, are undernourished and hungry.

Mr. President, 44 Members of this body have, by a letter to the President, gone on record as supporting this measure. For the benefit of my other colleagues I ask unanimous consent that this letter urging the President to require the Department of Agriculture to withdraw the August 18 regulations be printed in the RECORD.

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

U.S. SENATE SELECT COMMITTEE
ON NUTRITION AND HUMAN NEEDS,
*Washington, D.C., September 9, 1971.*

The PRESIDENT
*The White House*
*Washington, D.C.*

DEAR MR. PRESIDENT: We are writing you out of a deep concern regarding the purpose of proposed school lunch regulations issued by the Department of Agriculture on August 13, 1971. The proposed regulations concern the use of federal funds to carry out the mandate of Public Law 91–248 which provides that "any child who is a member of a household which has an annual income not above the applicable family size income level set forth in the income poverty guidelines *shall* be served meals free or at a reduced cost." Thus, the real test of the adequacy of the proposed new regulations is whether or not they will make it possible for the states and localities to meet the obligations and requirements which Public Law 91–248 imposes upon them.

After careful study and analysis, it is our judgment that the proposed regulations will not meet this basic test. Therefore, we find ourselves in agreement with the unanimous conclusion of the State Directors Section of the American School Food Service Association that the proposed regulations in their present form pose a very real threat to the continued progress of the National School Lunch Program.

If these regulations are not altered we believe the following events will occur. Many schools will be forced to eliminate Child Nutrition Programs. There will be further hardships to the nation's economy through unemployment and reduced consumption of raw resources such as food and equipment. Absenteeism, dropouts, and apathetic students will negate the benefits of the multi-billion dollar investment for public and private schools. And finally, and most important, there will continue to be hungry children in America's schools.

The adverse effect of the proposed regulations is compounded by the fact they were announced only three weeks before school was to open, creating chaos in the states. The anticipated loss to the states in the 1971–72 school year under the 35 cent reimbursement rate set by the proposed regulations, as compared to what the states would have received under the rates instituted by the Department of Agriculture last March, will run into millions of dollars. For example, the state directors have estimated Missouri will lose $4,000,000; California $9,000,000; Massachusetts $3,240,000; Ohio $5,565,000; Oregon $1,476,175; Tennessee $2,772,000; Georgia $4,100,000; West Virginia $2,661,300; and Florida $6,916,668. The states cannot make up this loss from state or local funds and will have no alternative but to reduce planned participation to stay within the limitation of available funds. Therefore, many needy and eligible children will go without school lunches.

Certainly, this was not the intent of Congress when it passed Public Law 91–248, nor your intent when signing it into law on May 14, 1970.

In regard to the School Breakfast Program, the proposed regulations have not only placed a limitation on the expansion of this program but have also precipitated a situation where several states will be forced to cancel the School Breakfast Program this school year. In the past, the Department of Agriculture has set a precedent in that many states in 1970–1971 used Section 32 funds for breakfast expansion. These funds were provided as a bloc grant to be used where needed in the individual states for expanding food programs to eligible needy children. However, the proposed regulations have made no provisions for continuing the authority to transfer such funds from Section 32 to the School Breakfast Program.

In addition to this matter of transfer of Section 32 funds, there is another important question which needs to be answered in regard to the Breakfast Program. According to Public Law 92–32 (Section 2), the Department of Agriculture is authorized to use $25 million for the School Breakfast Program. Only $18.5 million, however, has been allocated to the states. A memorandum of September 1 from the Department stated that the remaining $6.5 million will be allocated only to those states, "demonstrating the need for these funds to maintain their program at the April level." The response from several state directors has strongly indicated that there is a need for this $6.5 million to be allocated immediately. For example, in the State of Kentucky, the Breakfast Program will need to be cancelled at the beginning of October unless more money is allocated. In the reality that cancellations will occur, we implore that there be a reconsideration by the Department of Agriculture to transfer Section 32 funds to the Breakfast Program and to immediately allocate the remaining $6.5 million of the authorized $25 million to those states who face a possibility of cancelling their Breakfast Programs.

We, therefore, request that the proposed regulations be withdrawn and be replaced with regulations that would provide for a maximum reimbursement rate of 48 cents from Section 11; a maximum reimbursement rate of 12 cents from Section 4 for free and reduced price lunches; and guaranteed reimbursement from Section 4 of 5 cents for generally assisted lunches. We also suggest that the regulations pertaining to the use of Section 32 funds allow an immediate allotment of these funds for free or reduced priced lunches to all states based on need accompanied by transfer authority. In this way we could be certain that the funds Congress made available to the Secretary under this authority would be fully utilized.

We further suggest that before any proposed regulations are published that they be submitted to the National Advisory Council, created by Public Law 91-248, and the State Directors Section of the American School Food Service Association in order that these regulations could be instituted with the greatest degree of cooperation so that any further delays in the implementation of the intent of Public Law 91-248 may be avoided.

Respectfully,

Marlow W. Cook, Philip A. Hart, George McGovern, Vance Hartke, Alan Cranston, Abraham Ribicoff, Charles McC. Mathias, Jr., Charles H. Percy, Edward W. Brooke, Richard S. Schweiker.

John V. Tunney, Walter F. Mondale, Gale W. McGee, Birch Bayh, Quentin N. Burdick, Howard W. Cannon, Claiborne Pell, Ernest F. Hollings, John L. McClellan.

Henry M. Jackson, Frank Church, Warren C. Magnuson, Clifford P. Case, Robert C. Byrd, William B. Saxbe, Henry Bellmon, James B. Pearson, Mark O. Hatfield.

Edward M. Kennedy, Adlai E. Stevenson III, Lawton Chiles, Edmund S. Muskie, Frank E. Moss, Harold E. Hughes, Thomas F. Eagleton, Gaylord Nelson.

Harrison A. Williams, Jr., Joseph M. Montoya, Alan Bible, William B. Spong, Stuart Symington, Hubert H. Humphrey, Fred R. Harris, Daniel K. Inouye.

Mr. COOK. Mr. President, to summarize, the only problem is that the regulations were established on August 13. Not a school system in the United States would have had time to secure the additional funds. The tax rates are set in the spring in our State. Budgets are set. State legislatures do not meet until next year. The breakfast program in my State goes down the drain in October because it has not adequate financing under the regulations.

The real problem is that if they had brought out the regulations a year ago, we would have had an opportunity to look at and analyze it and the situation would not be what it is today. It is chaotic today because regulations were given to the school systems on the 13th of August, when the schools were getting ready to open in 2½ weeks. Their budgets had been set. Their contributions had been set. They had no way to rearrange those matters. They had no way to pick up the additional funds. That is the significance of the problem we face today.

Mr. President, if we can afford F-14's, B-1's, and ABM's, we can afford to feed the needy children in the richest country in the world. I urge the speedy adoption of Senate Joint Resolution 157.

Mr. TUNNEY. Mr. President, I strongly support the enactment of Senate Joint Resolution 157 to insure that our schoolchildren receive adequate meals.

This legislation would:

First, direct the Secretary of Agriculture to use funds under section 32 of the Agriculture Act of 1935 for food assistance in the national school lunch program;

Second, require the Secretary of Agriculture to determine and report to the Congress the needs for additional funds to carry out the school breakfast and nonfood assistance programs at levels which will permit expansion of the school breakfast and lunch programs as rapidly as practicable; and

Third, provide that the maximum per-lunch limitation contained in section 11 (e) of the National School Lunch Act on the amounts of funds that States may reimburse schools for special assistance under section 11 shall not be fixed by the Secretary at less than 40 cents.

With regard to the last provision, I would like at this time to ask unanimous consent to place in the RECORD a letter which I have received from Wilson Riles, California superintendent of public instruction.

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

DEPARTMENT OF EDUCATION,
*Sacramento, August 31, 1971.*

Hon. JOHN V. TUNNEY,
*U.S. Senate, Senate Office Building,*
*Washington, D.C.*

DEAR JOHN: I am writing you in reference to the proposed regulations affecting the national school lunch program recently announced by the Department of Agriculture. I believe the new regulations if adopted at the proposed funding level would have a disastrous effect on the free and reduced price school lunch program in California.

In the current program in California, school districts are reimbursed 30¢ from federal funds for free school lunches for needy children. In addition to this 30¢, districts are reimbursed 10¢ from state funds for free lunches for children from AFDC families.

As you may recall, Governor Reagan deleted the $6 million proposed in the 1971-72 budget for the state program. This eliminated any state reimbursement to local school districts participating in the program adopted, local school districts in Califrnia will have to find 10¢ or more per meal from local funds in order to continue to participate in the free school lunch program.

I have been informed that the proposed changes in the regulation governing the national school lunch program are not final. I strongly urge you to request the Department of Agriculture to revise its proposed guidelines by increasing the guaranteed reimbursement for free school lunches for needy children from 30¢ to 40¢. This is absolutely essential if we are to maintain the existing effort much less begin to meet our commitment to provide for the health and welfare of our school children.

Sincerely,

WILSON RILES.

Mr. TUNNEY. As my colleagues can see, it is of vital importance to California's schoolchildren that this resolution be enacted at once.

The national school lunch program is authorized by the National School Lunch Act and administered by the Department of Agriculture. This program gives State educational agencies cash grants and commodities to assist in providing low-cost and nutritious lunches for schoolchildren.

Funds for food assistance to schools are authorized under the National School Lunch Act, particularly section 4, general cash for food assistance and section 11, special assistance for children of low-income families.

Senate Joint Resolution 157 is designed to mandate the expenditure of section 32 funds and to ensure that the maximum per-lunch limitation is 40 cents rather than the 30 cents proposed by the Department of Agriculture.

Recently, the Department of Agriculture has proposed school lunch regulations which would have a very deleterious effect on the program.

On September 9, I was pleased to join with my colleagues Senator McGOVERN, Senator HART, and Senator COOK in a letter to the President requesting drastic revisions in proposed school lunch regulations in order to ensure the adequate expansion of the program.

I ask unanimous consent that this letter be printed at this point in the RECORD.

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

SELECT COMMITTEE ON NUTRITION
AND HUMAN NEEDS,
*Washington, D.C., September 9, 1971.*

The PRESIDENT,
*The White House,*
*Washington, D.C.*

DEAR MR. PRESIDENT: We are writing you out of a deep concern regarding the purpose of proposed school lunch regulations issued by the Department of Agriculture on August 13, 1971. The proposed regulations concern the use of federal funds to carry out the mandate of Public Law 91-248 which provides that "any child who is a member of a household which has an annual income not above the applicable family size income level set forth in the income poverty guidelines *shall* be served meals free or at a reduced cost." Thus, the real test of the adequacy of the proposed new regulations is whether or not they will make it possible for the states and localities to meet the obligations and requirements which Public Law 91-248 imposes upon them.

After careful study and analysis, it is our judgment that the proposed regulations will not meet this basic test. Therefore, we find ourselves in agreement with the unanimous conclusion of the State Directors Section of the American School Food Service Association that the proposed regulations in their present form pose a very real threat to the continued progress of the National School Lunch Program.

If these regulations are not altered we believe the following events will occur. Many schools will be forced to eliminate Child Nutrition Programs. There will be further hardships to the nation's economy through unemployment and reduced consumption of raw resources such as food and equipment. Absenteeism, dropouts and apathetic students will negate the benefits of the multi-billion dollar investment for public and private schools. And finally, and most important, there will continue to be hungry children in America's schools.

The adverse effect of the proposed regulations is compounded by the fact they were announced only three weeks before school was to open, creating chaos in the states. The anticipated loss to the states in the 1971-72 school year under the 35 cent reimburse-

ment rate set by the proposed regulations, as compared to what the states would have received under the rates instituted by the Department of Agriculture last March, will run into millions of dollars. For example, the state directors have estimated Missouri will lose $4,000,000; California $9,000,000; Massachusetts $3,240,000; Ohio $5,565,000; Oregon $1,476,175; Tennessee $2,772,000; Georgia $4,100,000 and West Virginia $2,661,300. The states cannot make up this loss from state or local funds and will have no alternative but to reduce planned participation to stay within the limitation of available funds. Therefore, many needy and eligible children will go without school lunches.

Certainly, this was not the intent of Congress when it passed Public Law 91-248, nor your intent when signing it into law on May 14, 1970.

In regard to the School Breakfast Program, the proposed regulations have not only placed a limitation on the expansion of this program but have also precipitated a situation where several states will be forced to cancel the School Breakfast Program this school year. In the past, the Department of Agriculture has set a precedent in that many states in 1970-1971 used Section 32 funds for breakfast expansion. These funds were provided as a bloc grant to be used where needed in the individual states for expanding food programs to eligible needy children. However, the proposed regulations have made no provisions for continuing the authority to transfer such funds from Section 32 to the School Breakfast Program.

In addition to this matter of transfer of Section 32 funds, there is another important question which needs to be answered in regard to the Breakfast Program. According to Public Law 92-32 (Section 2), the Department of Agriculture is authorized to use $25 million for the School Breakfast Program. Only $18.5 million, however, has been allocated to the states. A memorandum of September 1 from the Department stated that the remaining $6.5 million will be allocated only to those states, "demonstrating the need for these funds to maintain their program at the April level." The response from several state directors has strongly indicated that there is a need for this $6.5 million to be allocated immediately. For example, in the State of Kentucky, the Breakfast Program will need to be cancelled at the beginning of October unless more money is allocated. In the reality that cancellations will occur, we implore that there be a reconsideration by the Department of Agriculture to transfer Section 32 funds to the Breakfast Program and to immediately allocate the remaining $6.5 million of the authorized $25 million to those states who face a possibility of cancelling their Breakfast Programs.

We, therefore, request that the proposed regulations be withdrawn and be replaced with regulations that would provide for a maximum reimbursement rate of 48 cents from Section 11; a maximum reimbursement rate of 12 cents from Section 4 for free and reduced price lunches; and guaranteed reimbursement from Section 4 of 5 cents for generally assisted lunches. We also suggest that the regulations pertaining to the use of Section 32 funds allow an immediate allotment of these funds for free or reduced priced lunches to all states based on need accompanied by transfer authority. In this way we could be certain that the funds Congress made available to the Secretary under this authority would be fully utilized.

We further suggest that before any proposed regulations are published that they be submitted to the National Advisory Council, created by Public Law 91-248, and the State Directors Section of the American School Food Service Association in order that these regulations could be instituted with the greatest degree of cooperation so that any further delays in the implementation of the intent of Public Law 91-248 may be avoided.

Mr. BYRD of West Virginia. Mr. President, I rise to express my support for Senate Joint Resolution 157, which is designed to assure that every needy school child will receive a free or reduced price lunch as required by section 9 of the National School Lunch Act.

This legislation is necessary because on August 13, 1971, the Department of Agriculture published proposed regulations which, in effect, reduced the school lunch reimbursement rate per meal to 35 cents, even though the actual cost of a meal averages above 50 cents per meal. These regulations were published only 3 weeks before the schools were due to open and they have created havoc and uncertainty throughout the school districts of the Nation, since, under these new regulations, the States and school districts anticipate losses amounting to many millions of dollars. An excellent example of how these regulations will adversely affect the States is my own State of West Virginia. The State director of the food service program has estimated that West Virginia will lose $2,661,300. This anticipated loss is compounded by the fact that, the States, since they did not receive timely and adequate notice of these proposed changes in the school lunch regulations, have no conceivable way to make up for these losses from either State or local funds on such short notice. Therefore, the affected States will have no alternative but to reduce participation in the program in order to stay within their limitation of available funds. Furthermore, if this situation is not corrected, the school districts' only alternatives for future consideration will be to increase the price of school lunches for the children who can afford to pay, or to increase local school taxes. In a State such as West Virginia, which has a high percentage of needy students receiving reduced price or free lunches, or where the school districts have a high percentage of unemployment, these are impractical solutions.

These regulations also have an adverse effect on the school breakfast program in that they not only limit expansion of the program, but also, in some cases, will require several States to cancel the school breakfast program this year, since they make no provision for continuing the authority to transfer section 32 bloc grant funds to the States needing them to expand this program to eligible needy children.

Mr. President, the Departments of Health, Education, and Welfare and Agriculture have both financed literally hundreds of nutritional studies which have proved the importance of children receiving a balanced nutritional breakfast, and how this first meal of the day directly affects their ability to concentrate and to learn.

I was one of the signers of a letter, dated September 9, 1971, to the President which outlined this situation to him, and asking that he take action to withdraw the proposed regulations. To date, the regulations have not been withdrawn or revised.

I commend the chairman of the Senate Agriculture Committee (Mr. TALMADGE) for his thorough and expeditious handling of this legislation which is urgently needed to correct the situation which I have described above, and I join him in support of Senate Joint Resolution 157.

The PRESIDING OFFICER. Who yields time?

Mr. TALMADGE. Mr. President, I yield to the distinguished Senator from Florida (Mr. CHILES).

Mr. CHILES. Mr. President, I think one of the problems here is that there is an increase in dollars this year over what the request was last year for the needy lunches, of $78.8 million, but the Department did not ask Congress for enough money, if the States were going to continue to expand their programs as we had mandated that they must expand their programs.

I think the Department realized this, and they had two choices as to what to do. Either they had to cut down the amount per lunch, to make sure there would be enough funds to provide some funding or all the requests, or some of the requests had to be denied. They knew that if they had imposed these regulations, they could reduce the requests because schools would be forced to withdraw. But in neither case did the States know. We have mandated that they feed all the needy children, and we did not provide the funds to do it. To resolve the situation, it is necessary either that we get an emergency appropriation, or provide for the use of section 32 funds until we can appropriate enough funds otherwise.

This is something we ought to do. We ought to determine how many dollars are needed, so Congress can make the decision. Are we going to force these school districts out of the program, or are we going to pay our fair share?

The PRESIDING OFFICER. The time of the Senator from Georgia has expired. The Senator from Vermont has 9 minutes.

Mr. AIKEN. Mr. President, lest I be accused of using them to unfair advantage, I yield back my 9 minutes.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the resolution.

Mr. MILLER. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. MILLER. I ask unanimous consent that further reading of the amendment be waived.

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

Mr. MILLER's amendment is as follows:

On page 2, line 9, insert "(1)" before the word "to";

On page 2, line 13, insert the following before the period: "and (2) to carry out the purposes of section 4 of the National School Lunch Act and provide a rate of reimbursement of not less than six cents per meal";

On page 2, line 20, after "out", and "section 4 and";

Amend section 2 of S.J. Res. 157 to read as follows:

"SEC. 2. Funds made available by this joint resolution shall be apportioned to the States in such manner as will best enable schools to meet their obligations with respect to the service of free and reduced price lunches and to meet the objective of this point resolution

with respect to providing a minimum rate of reimbursement under section 4 of the National School Lunch Act. Such funds shall be apportioned and paid as expeditiously as may be practicable."

Mr. MILLER. Mr. President, we have two sections that we are concerned about in this school lunch program.

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. MILLER. I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator has 15 minutes.

Mr. MILLER. Mr. President, the Senate is not in order. I ask that the Senate be called to order.

The PRESIDING OFFICER. What did the Senator say?

Mr. MILLER. The Senate is not in order. I ask for order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. HUMPHREY. Mr. President, would the Chair state the time limitation on each amendment?

The PRESIDING OFFICER. Thirty minutes total, 15 minutes to each side.

Mr. MILLER. Mr. President, in this school lunch program we are dealing with two sections, section 4 and section 11. The pending resolution deals only with section 11, but I suggest that we have a problem with section 4 also.

Section 4 provides funding to cover all lunches served in a school district, reduced price, free lunches, and all others. Section 11 covers only reduced price and free lunches.

To the extent that section 4 funds go to cover reduced price and free lunches, we are talking about poor and needy children. To the extent that they go to other lunches, we are not. But in part, at least, section 4 is concerned with the very problem that the resolution covering section 11 is concerned with.

Last year, the reimbursement to the States under section 4 varied from roughly 4 cents up to, as I understand, 12 cents in some cases. Most of the States, I believe 32 of them, received reimbursement under section 4 in excess of 5 cents.

New regulations of the Department now provide for a flat 5 cents per lunch. According to testimony received before the committee from Josephine Martin, administrator of the school service program of the State of Georgia, by doing this, by placing this section 4 money at a rate of 5 cents, there would be 37 States adversely affected. In my own State of Iowa, for example, last year they received a reimbursement of 5.6 cents. Under section 11, they received a reimbursement of 47.6 cents. So we had, in Iowa, 53.2 cents per meal.

Under the U.S. Department of Agriculture regulations there would be a reimbursement of 5 cents under section 4, and under the resolution which is pending, and which I hope will be adopted, there would be 40 cents under section 11, for a total of 45 cents. Senators can see from that that even if we adopt this resolution, the school districts in my State will be cut roughly 8 cents from the way they got along last year, and this is going to happen in a great many other States also.

The purpose of my amendment is to increase the section 4 money to provide for a minimum of 6 cents instead of the provision, under the regulations, of 5 cents. In the committee, an amendment was offered to increase the amount to 6.5 cents. I regret that I was not present at the meeting of the committee, although I did leave my proxy with our distinguished chairman in favor of the resolution itself.

I suggest to my colleagues that if they are interested in this school-budget problem, this amendment should be agreed to. We may argue as to whether or not section 4 funds should be increased beyond what is needed to cover needy children. That is an argument that should be worked on during the remainder of this year. But the school district budgets have been set up in 37 States in anticipation of what they received last year under section 4, and now, if we do not do anything about it, they are going to be cut to 5 cents, as provided by the regulation.

My amendment would cover only this fiscal year. It is designed to prevent more chaos in our school district budgeting systems.

I ask unanimous consent to have printed in the RECORD at this point, Mr. President, a telegram from the State director of school food services from the State of South Dakota, one from the same official from the State of North Dakota, one from the same official from the State of Wisconsin, one from the same official for the State of Illinois, and one from my own State of Iowa, in support of this amendment.

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

PIERRE, S. DAK.

Senator JACK MILLER,
*Senate Agriculture Committee,*
*Washington, D.C.:*

Appreciate effort to increase reimbursements to 6.5 cents and 40 cents for lunch programs. Many of our schools need these as a minimum.

MARTIN SORENSEN,
*State Director, School Food Services,*
*Department of Public Instruction.*

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BISMARCK, N. DAK.

Senator JACK MILLER,
*U.S. Senate,*
*Washington, D.C.:*

North Dakota Food Service commends you for recommending 6.5 cents under section 4S and 41 cents for each free and reduced price lunch. We urge your support of SJ157 to provide flexibility in funding schools for feeding needy children.

ROBERTA A. BOSCH,
*Director, North Dakota*
*School Food Services.*

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MADISON, WIS.,
*September 30, 1971.*

Hon. JACK MILLER,
*U.S. Senate,*
*Washington, D.C.:*

You are to be commended for recommendation in Senate Agricultural Committee for funding to support school lunch reimbursements of 6.5 cents under section four and 40 cents under section eleven funding necessary to meet program commitments. Urge continued support on Senate floor tomorrow for minimum of 6 cents and 40 cents.

WILLIAM C. KAHL,
*State Suprintendent, Wisconsin Department of Public Instruction.*

SPRINGFIELD, ILL.,
*September 30, 1971.*

Senator JACK MILLER,
*Senate Office Building,*
*Washington, D.C.:*

Our wholehearted support and appreciation in your recommendation.

ROBERT E. OHLZEN,
*Director, School Food Services, Section OSPI, State of Illinois.*

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DES MOINES, IOWA,
*September 30, 1971.*

Senator JACK MILLER,
*Washington, D.C.:*

Read headlines in Des Moines register of your courageous leadership re committee yesterday. Urge you continue battle tomorrow for six and half cents under section 4 which is needed by many States. 40 cents under section 11 is only half of problem we may wind up with fine cart for free and reduced price lunches but no horses to pull it.

VERN CARPENTER,
*School Lunch Director, Department of Public Instruction.*

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

Mr. MILLER. Yes, indeed.

Mr. PASTORE. How is the State of Rhode Island affected?

Mr. MILLER. I can only answer the Senator's question this way: I do not have a tabulation, but if he knows what the State of Rhode Island received last year under section 4, I could answer that question. If last year the State of Rhode Island received 6 cents, and it is going to be cut to 5 cents by the regulations of the USDA, 1 cent for every meal served in the State of Rhode Island is going to be unbudgeted by the school districts.

I would guess, because of the cost of living in that part of the country, that probably they had a reimbursement substantially in excess of 6 cents under section 4. There are 37 States affected; I would certainly guess the Eastern Seaboard States are in that category, but I do not know.

The PRESIDING OFFICER. Who yields time?

Mr. TALMADGE. Mr. President, the Senator from Iowa was out of the city, unfortunately, when this resolution was considered by the committee. He left his proxy with me, with the instruction that the 6.5-cent amendment be submitted to the committee. I did so. The committee rejected the amendment offered by the Senator from Iowa.

Under the regulations that existed last year, the average contribution from section 4 funds this year would be 5.2 cents. That would be the average nationwide. The Senator's amendment would raise each State to 6 cents.

Section 4 funds, for the information of the Senate, is money made available by the Government to the various States and school districts for every meal that is served, whether that meal be at the full price, whether it be at a reduced price, or whether it be totally free to the needy children. So it would be applicable across the board, to all the children, regardless of their income and regardless of the price they pay for the meal.

Under normal conditions, I might be tempted to vote for the Senator's amendment; but as chairman of the committee and floor manager of the bill, because

our committee rejected the amendment, I cannot support it at this time.

I yield 2 minutes to the distinguished Senator from Vermont.

Mr. AIKEN. I thank the Senator from Georgia.

As I have stated two or three times today, I think the Appropriations Committee is in a much better position to find out these facts than we are on the floor of the Senate.

I understand that under the new regulations, some States will get more, some will get less, but the money will be all gone and more is needed. I think we should get it in the regular way. I understand that if we have a 40-cent rate, the additional funds required probably will be about $150 million, which I will gladly support, but I cannot vote for this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. MILLER. I am pleased to yield back the remainder of my time.

Mr. TALMADGE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back. The question is on agreeing to the amendment of the Senator from Iowa (putting the question).

The ayes appear to have it.

Mr. TALMADGE. Mr. President, I ask for a division.

The PRESIDING OFFICER. All Senators in favor please stand and be counted.

All Senators opposed please stand and be counted.

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

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

The Chair is not sure about the result of the division.

All Senators in favor please stand and be counted.

All Senators opposed please stand and be counted.

On a division, the amendment was agreed to.

Mr. PASTORE. Mr. President, let the RECORD indicate that the Senator from Rhode Island stood up in the affirmative.

The PRESIDING OFFICER. The RECORD will so indicate.

The joint resolution is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The joint resolution having been read the third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Oklahoma (Mr. HARRIS), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. JACKSON), the Senator from South Dakota (Mr. MCGOVERN), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. MOSS), the Senator from Maine (Mr. MUSKIE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Nevada (Mr. CANNON), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH), the Senator from Nevada (Mr. CANNON), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Washington (Mr. JACKSON), the Senator from Louisiana (Mr. LONG), the Senator from New Mexico (Mr. MONTOYA), and the Senator Utah (Mr. MOSS) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Colorado (Mr. ALLOTT) is absent because of death in his family.

The Senator from Oklahoma (Mr. BELLMON), the Senator from New Hampshire (Mr. COTTON), the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), the Senator from Pennsylvania (Mr. SCOTT), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Nebraska (Mr. CURTIS) was detained on official business, and has announced his position.

If present and voting, the Senator from Colorado (Mr. DOMINICK), and the Senator from Pennsylvania (Mr. SCOTT) would each vote "yea".

The result was announced—yeas 75, nays 5, as follows:

[No. 246 Leg.]

YEAS—75

| | | |
|---|---|---|
| Allen | Fong | Nelson |
| Anderson | Fulbright | Packwood |
| Baker | Gambrell | Pastore |
| Beall | Gravel | Pearson |
| Bennett | Griffin | Pell |
| Bentsen | Gurney | Percy |
| Bible | Hansen | Proxmire |
| Boggs | Hart | Randolph |
| Brock | Hartke | Ribicoff |
| Brooke | Hatfield | Roth |
| Buckley | Hughes | Saxbe |
| Burdick | Humphrey | Schweiker |
| Byrd, Va. | Javits | Smith |
| Byrd, W. Va. | Jordan, N.C. | Sparkman |
| Case | Jordan, Idaho | Spong |
| Chiles | Kennedy | Stennis |
| Church | Magnuson | Stevens |
| Cook | Mansfield | Stevenson |
| Cooper | Mathias | Symington |
| Cranston | McClellan | Taft |
| Dole | McGee | Talmadge |
| Eagleton | McIntyre | Thurmond |
| Eastland | Metcalf | Tower |
| Ervin | Miller | Tunney |
| Fannin | Mondale | Williams |

NAYS—5

| | | |
|---|---|---|
| Aiken | Hruska | Young |
| Ellender | Stafford | |

NOT VOTING—20

| | | |
|---|---|---|
| Allott | Goldwater | Montoya |
| Bayh | Harris | Moss |
| Bellmon | Hollings | Mundt |
| Cannon | Inouye | Muskie |
| Cotton | Jackson | Scott |
| Curtis | Long | Weicker |
| Dominick | McGovern | |

So the joint resolution (S.J. Res. 157) was passed, as follows:

S.J. RES. 157

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That, notwithstanding any other provision of law, the Secretary of Agriculture shall until such time as a supplemental appropriation may provide additional funds for such purpose use so much of the funds appropriated by section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), as may be necessary, in addition to the funds now available therefor, (1) to carry out the purposes of section 11 of the National School Lunch Act and provide a rate of reimbursement which will assure every needy child of free or reduced price lunches during the fiscal year ending June 30, 1972, and (2) to carry out the purposes of section 4 of the National School Lunch Act and provide a rate of reimbursement of not less than 6 cents per meal. In determining the amount of funds needed and the requirements of the various States therefor, the Secretary shall consult with the National Advisory Council on Child Nutrition and interested parties. Funds expended under the foregoing provisions of this resolution shall be reimbursed out of any supplemental appropriation hereafter enacted for the purpose of carrying out section 4 and section 11 of the National School Lunch Act, and such reimbursements shall be deposited into the fund established pursuant to section 32 of the Act of August 24, 1935, to be available for the purposes of said section 32.

SEC. 2. Funds made available by this joint resolution shall be apportioned to the States in such manner as will best enable schools to meet their obligations with respect to the service of free and reduced price lunches and to meet the objective of this joint resolution with respect to providing a minimum rate of reimbursement under section 4 of the National School Lunch Act. Such funds shall be apportioned and paid as expeditiously as may be practicable.

SEC. 3. The Secretary of Agriculture shall immediately upon enactment of this resolution determine and report to Congress the needs for additional funds to carry out the school breakfast and nonfood assistance programs authorized by sections 4 and 5 of the Child Nutrition Act of 1966 during the fiscal year ending June 30, 1972, at levels which will permit expansion of the school breakfast and school lunch programs to all schools desiring such programs as rapidly as practicable.

SEC. 4. Section 11(e) of the National School Lunch Act is amended by adding at the end thereof the following: "Such maximum per meal amount shall in no event be less than 40 cents; and the Secretary shall establish a higher maximum per meal amount for especially needy schools based on such schools' needs for assistance in providing free and reduced price lunches for all needy children.".

The preamble was agreed to, as follows:

Whereas it appears that under the proposed apportionment of funds available for special assistance under section 11 of the National School Lunch Act for the fiscal year ending June 30, 1972 (including funds appropriated by section 32 of the Act of August 24, 1935, and made available for that purpose), only six States will receive more than 30 cents in such assistance per free or reduced price lunch; and

Whereas it appears that this amount per lunch is not adequate to enable States and schools to continue to participate in the school lunch program and to achieve the objectives of the National School Lunch Act, particularly that of providing a free or reduced price lunch to every needy child:

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. MILLER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table is agreed to.

Mr. CURTIS. Mr. President, on this

rollcall vote just completed, I was detained in my office and failed to reach the Chamber before the vote was announced. Had I been able to be present to vote, I would have voted "Yea."

Mr. LONG. Mr. President, I was on my way from the committee hearings to the Senate floor. I was unaware of the fact that the vote was going on. Had I been present at the time I would have voted "Yea."

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, informed the Senate that Mr. KING had been appointed as a manager on the part of the House at the conference on the bill (H.R. 9844) to authorize certain construction at military installations, and for other purposes, vice Mr. GUBSER, resigned.

The message announced that the House had passed, without amendment, the bill (S. 2613) to extend the Federal Water Pollution Control Act, as amended, for 1 month.

## MILITARY PROCUREMENT AUTHORIZATIONS, 1972

The PRESIDING OFFICER (Mr. BENTSEN). Under the previous order the Chair lays before the Senate the unfinished business, which the clerk will report.

The assistant legislative clerk read as follows:

Calendar Order Number 355, H.R. 8687, a bill to authorize appropriations during the fiscal year 1972 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength of the Selected Reserve of each Reserve component of the Armed Forces, and for other purposes.

## QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum and I ask unanimous consent that I retain my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

## ORDER FOR ADDITIONAL PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily and that there then be an additional period of 3 minutes for the transaction of routine morning business with statements therein limited to 3 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

## SILENCING THE BUREAU OF LABOR STATISTICS

Mr. PROXMIRE. Mr. President, recent administration actions to reorganize the Bureau of Labor Statistics have strong political overtones. BLS is one of the most professional and highly respected agencies in the Federal Government. Yet its top technical experts are being moved to less responsible positions ostensibly under the guise of an executive reorganization of Federal statistical programs. In light of previous administration handling of BLS statistical releases, this latest move poses a threat to the credibility of Government statistics.

I refer to the cancellation in March of the monthly press conferences conducted by the BLS technical experts on price and unemployment data. In response to the presidentially appointed Gordon Committee, the Bureau began conducting press conferences to explain the data in a technical nonpolitical manner. The Gordon Committee report recommended:

The need to publish the information in a non-political context cannot be overemphasized. By and large this has been the case . . . nevertheless a sharper line should be drawn between the release of the data and their accompanying explanation and analysis, on the one hand, and the more general type of policy-oriented comments which is the function of officials responsible for policy making on the other.

The committee's directive to separate technical comment from political rhetoric was effectively thwarted when the BLS conferences were canceled. In subsequent months press conferences have been held either by the Secretary of Labor or the White House. Had it not been for the hearings scheduled by the Joint Economic Committee to hear the technical experts, the chances of broad news coverage of the BLS technical comments would have been diminished. It is true that the Department of Labor continued to make the technicians available to the press on the telephone, but I maintain that this is not even remotely comparable to a televised news conference by the technical experts where questions can be posed by all the reporters present.

Mr. President, in testimony before the Joint Economic Committee, Robert A. Gordon, who chaired the Gordon Committee, questioned the administration's motives in canceling the press conferences. He said:

I wonder if I am unfair in suggesting that the Administration has in effect announced by this action that it wants to be free to minimize bad news and to maximize good news without any interference from its own technical experts who know most about the facts.

The recent action taken to oust Mr. Harold Goldstein, Assistant Commissioner for Manpower and Employment Statistics, and Mr. Peter Henle, Assistant Commissioner and Chief Economist, from their present positions lends more credence to Mr. Gordon's suggestion.

Apparently the administration's efforts to downgrade these technicians reverts to their refusal to color evaluations of the data with political overtones. As a New York Times editorial put it:

Instead of representing the Bureau's most prized adornment, that quality of scholarly detachment seems to have become a liability in the present administration.

Mr. President, a new economic policy was clearly warranted by the economy's sluggish performance in 1970 and 1971. As the President and his advisers have admitted, the public's confidence in the new economic measures will play a significant role in determining the success or failure of the program. An undermining of the technical data will only serve to reduce both the press and the public's willingness to believe Government statements. It is unfortunate, moreover, that the administration fails to appreciate the detrimental long-term effects that this action will have on the credibility of Government statistics. The New York Times suggested:

The surest way to discredit both the bureau and the data it compiles would be to adulterate its statistics with political sugarcoating in the months before the 1972 Presidential voting.

Mr. President, I ask unanimous consent that the New York Times editorial and an accompanying news article be printed in the RECORD at this point.

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

[From the New York Times, Sept. 30, 1971]

POLITICIZING THE BLS?

Few agencies in or out of Government have a more distinguished record for objectivity and integrity than the Federal Bureau of Labor Statistics. Instead of representing the bureau's most prized adornment, that quality of scholarly detachment seems to have become a liability in the present Administration.

Last March the B.L.S. technicians, who had for years held monthly press briefings to answer reporters' questions on cost-of-living and unemployment trends, were abruptly muzzled because their factual responses did not fit in with attempts by their superiors in the Department of Labor and the White House to convince the country that things were getting better when, in truth, they were getting worse.

President Nixon's decision on Aug. 15 to junk his steady-as-you-go economic policy represented tacit acknowledgement that the B.L.S. economists had been quite precise in their analyses of what was happening to the economy. But the vindication supplied by events has brought no let-up in the Administration's apparent resolve to downgrade the career technicians responsible for these dispassionate appraisals.

Two ranking economists are reportedly planning to leave the bureau on the eve of a reorganization that would considerably reduce their areas of authority. Administration spokesmen insist that the shake-up, part of a general overhaul of Federal statistical services announced last July, has nothing to do with politics. The initial list of new appointees rushed out by the White House yesterday has done a little to dispel reports of political maneuvering in connection with B.L.S. restaffing.

The surest way to discredit both the bureau and the data it compiles would be to adulterate its statistics with political sugarcoating in the months before the 1972 Presidential voting. The country has just embarked on a painful period of wage-price controls. The confidence of all Americans in the reliability of the Government measuring rods for charting ups and downs in living costs and jobs will be more needed than ever, especially since the period of economic regulation may extend for many years.

[From the New York Times, Sept. 30, 1971]

POLITICS DENIED IN LABOR AGENCY SHIFT

(By James Naughton)

WASHINGTON.—The Nixon Administration disclaimed political motives today in undertaking a major reorganization of Federal agencies that gather and issue economic and social statistics.

The White House press secretary, Ronald L. Ziegler, described as "absurd" and a Department of Labor spokesman labeled "false" an article in The Washington Post stating that career experts in the Bureau of Labor Statistics were being supplanted by political appointees.

To counter such speculation—and the outcries that followed it today from Democratic politicians—the bureau prematurely announced several appointments involved in the reshuffling. Nearly all were career technicians.

Mr. Ziegler said that the changes at the Bureau of Labor Statistics were part of an overall reorganization, under way since July, of the statistical agencies in the Departments of Labor, Commerce, Agriculture and Health, Education and Welfare.

ANALYSTS LOSE POSTS

Geoffrey H. Moore, Commissioner of the Bureau of Labor Statistics, acknowledged in a statement, however, that two officials whose analyses of unemployment statistics conflicted with more optimistic appraisals from Labor Secretary James D. Hodgson would no longer deal with current employment trends.

One of them, Harold Goldstein, the director of current employment analysis, has been asked to head a new section dealing with long-term manpower trends. Last March, after Mr. Hodgson had assessed the unemployment data as "heartening," Mr. Goldstein told reporters that the data were "mixed."

The second official, Peter Henle, the bureau's chief economist in charge of analysis, is taking a leave of absence, after which "an appropriate new assignment" will be arranged, Mr. Moore said.

The changes in the bureau are similar to those being made at other agencies in response to a directive last July from George P. Shultz, Director of Management and Budget at the White House.

Among reasons he cited for ordering the changes were "wide disparities" in the quality of data developed by 40 different agencies, differing standards, "operation inefficiencies" and overlapping collection activities. The attempt to structure the agencies along similar lines is also a prelude to combining most of them under the Cabinet reorganization proposed by President Nixon.

The skirmish over changes in the Bureau of Labor Statistics revived a simmering dispute—heightened by political maneuvering on economic issues—over the Administration's insistence on leaving interpretation of economic data to policy officials rather than technical statisticians. The bureau halted its monthly briefings by Mr. Goldstein after the March incident, substituting written analyses more easily subject to clearance by his superiors.

Lawrence F. O'Brien, the Democratic national chairman, quickly characterized the accounts of bureau changes as a "sorry comment on the credibility and integrity of the Administration." He said that Mr. Nixon "should have learned long ago he cannot make bad news go away by beheading the messenger."

Senator William Proxmire, Wisconsin Democrat who is chairman of the Joint Economic Committee, professed concern that career analysts might find their conclusions "subordinate to the political interests of the Administration."

A White House official said that some Nixon aides were describing the allegations as "off base," but another official suggested they were "seasonally adjusted" to reflect the 1972 Presidential campaign.

Walter Heller, the University of Minnesota economist who was President Kennedy's economic counselor, said that he saw "no reason why policy officials can't take the numbers and make what they want of them," but he added that career technicians should also be available to make their interpretations.

Mr. Heller said that some of the "illusions" about the economy in recent years were attributable to "over-interpretation of the data."

Among the personnel changes announced today in the Bureau of Labor Statistics, all involved career officials of the bureau except for the appointment of Daniel Rathbun to direct the Office of Data Analysis, replacing Mr. Henle. Mr. Rathbun is currently the staff director of a Presidential commission on Federal statistics, and has held other economic posts in Government and higher education.

William H. Shaw, president-elect of the American Statistical Association and a former Assistant Secretary of Commerce under President Johnson, was advised of the appointments and said that "on balance, I would have to say these appear to be professional appointments."

The bureau has not yet named a replacement for Mr. Goldstein.

## EXTENSION OF PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business be extended by an additional 3 minutes.

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

## SENATOR ELLENDER'S 81st BIRTHDAY

Mr. BYRD of West Virginia. Mr. President, the senior Senator from Louisiana is 81 years of age today. His career in public service to his State and Nation spans a great national depression, two World Wars, a so-called police action in Korea, as well as the conflict in Vietnam. His is a record that should not be taken lightly by serious students of American politics and society. Over a period of 58 years. Senator ELLENDER has risen from the position of city attorney to hold the chair of Senate President pro tempore, third in line for the Presidency of these United States. I believe it is worthwhile for us to ponder upon that fact for a moment. I am convinced that even a cursory study of Senator ELLENDER's record will provide valuable insight into the 20th century history of these United States.

I shall here make no attempt to dwell at length on all aspects of that record. Others I am sure will speak to his accomplishments. They will note his record-breaking tenure as chairman of the Senate Committee on Agriculture and Forestry. They will, no doubt, laud his early coauthorship of the first School Lunch Act. They will, without question, speak to his ground-breaking activity in the enactment of the Agriculture Adjustment Act of 1938—legislation which to this day forms the basis for our agricultural programs.

I will, however, tell a story which may have been missed by others in their commentaries. When Senator ELLENDER first came to the Senate in 1937, agriculture was perhaps the most sought after committee assignment in the Senate. Joe Robinson of Arkansas was then serving as majority leader. Mr. Robinson queried Senator-elect ELLENDER as to his first three preferences for committee assignments, to be listed in order of first, second, and third.

At that time Mr. ELLENDER was already known as one of the most progressive leaders of southern agriculture. By seeking out and using the newest and most promising techniques, he was instrumental in vastly improving the production of Irish potatoes on land in his beloved Terrebonne Parish of Louisiana. He had made such a name for himself in his endeavor before joining the Senate that Henry Wallace, then Secretary of Agriculture, made a special visit to view his farm. From that meeting, by the way, sprang a long time and valuable friendship between Senator ELLENDER and the man who subsequently became Vice President.

To return to my story, in response to Majority Leader Robinson's query as to his first three preferences of committee assignments Senator ELLENDER wrote back as follows:

First choice—Agriculture.

Second choice—Agriculture.

Third choice—Agriculture.

As I said, the Agriculture Committee was considered a choice assignment. Majority Leader Robinson told the young Senator-elect that it would be a difficult thing for him to accomplish. Senator ELLENDER made the attempt, however, and perhaps with the aid of Henry Wallace was able to secure a position on that committee. That the faith of the Senator and of those who supported him was not misplaced is evident from the fact that the Senate President pro tempore has maintained his position on that committee to this day. He went on from a junior membership to hold the position as chairman longer than any other man in the history of the Senate.

Early this year Senator ELLENDER gave up that chairmanship to assume the new post of chairman of the Senate Committee on Appropriations. The Senator first joined this committee in 1948. It has often been called the "salt mines of the Senate" and from that day 23 years ago, the senior Senator of Louisiana has proved himself a hard and willing worker.

It is not a glamorous committee. It is not one that naturally attracts the spotlight of national publicity and Senator ELLENDER, as he has gone about his day-to-day duties in behalf of the Senate and the Nation's taxpayers, has not gone out of his way to seek that spotlight. There are those who might say he has suffered thereby and perhaps this is true. His name is not a household word and his face is not seen on the nightly television screen. But if he has not been in the spotlight over the years, this Senate and this Congress, and the Nation has not suffered. I say that because I believe Senator ELLENDER's name is an office word among the executive agencies charged

with the administration of this Government. He is well known and respected in the Congress as one whose thinking is based on pragmatism and one who exerts every power in his command to see that the taxpayer is returned a dollar's value for every dollar spent.

I have dwelt on his leadership and experience on the Appropriations Committee perhaps longer than I should. I could not leave the subject, however, without making a bow to the contribution he is making as the committee's new chairman in the field of Senate procedure. This is a subject which concerns me greatly and I am pleased to know that he shares this concern.

For too long the Congress has fallen into the habit of extending the appropriations process through the entire year. Senator ELLENDER has taken it upon himself to expedite the consideration of these all-important bills. He has made every effort to prevail upon the committee, the Senate, and the House of Representatives to see that the annual money bills are enacted by the beginning of the fiscal year to which they will apply. A good start has been made, and I commend him for it. This single step will do more to make our Government more rational and effective than any other procedure that I can think of.

As I indicated, Senator ELLENDER joined the Appropriations Committee in 1948. Prior to that time he had served as a member of the Senate Labor and Public Welfare Committee. In that capacity, he was an architect for many of the institutions so many of our people seem to take for granted today. He was one of the early advocates of the need for an effective public housing program in the country. This has largely been forgotten today, but at that time the concept of public housing had not been accepted by the American people. His devoted and wholehearted support was not a popular position in many parts of the country. Yet, he was instrumental in drafting and bringing through to enactment the Nation's first Housing Act of 1949 over considerable political opposition.

As a matter of fact, he stumped the country making public appearances in support of the bill, and finally his efforts were rewarded. The Housing Act of 1949, once again, forms the cornerstone and the foundation of all our subsequent housing legislation. If faults remain in the program and if its operation leaves something to be desired, these failures cannot be laid at the feet of the Louisiana senior Senator.

In the field of Federal assistance to education we find Senator ELLENDER again providing a strong effective part of the early leadership. His activities and support of aid to education legislation began in 1946. In that year the Senate Committee on Labor and Public Welfare, of which he was a member, reported the Educational Finance Act known at the time as the Thomas-Hill-Ellender-Taft bill. The 1946 bill was not considered by the Senate until the following year when it was again introduced and reported.

This legislation finally passed the Senate in 1948 to become the first general aid to education legislation to be approved by either House of Congress in almost 100 years. By means of this legislative vehicle, Senator ELLENDER sought to provide aid to elementary and secondary schools according to a formula based on the number of children between five and 17 in each State, and according to each State's "annual income payments" or the State's total personal income. The equalization formula devised by him and other members of the committee has been called the "most sophisticated equalization formula ever to be presented to the Congress in a general aid to education bill."

I think it might be useful to record here certain features of that early legislation. I think it would tell you something about the operation of this Congress and of the formulation of our Nation's public policy.

The Education Finance Act of 1948, when it finally passed the Senate, contained three basic principles which Senator ELLENDER and others, notably Senator Taft of Ohio, brought with them when they entered national life. These were the preservation of local control, the belief that assistance should be based on need, and a belief that the States should do their part through local taxation. This is a philosophy which at one time ruled this Congress, although I sometimes think that its influence is dwindling away.

In any event, these are the general principles which made our Nation great and they are still adhered to by Louisiana senior Senator. The House refused to accept the aid to education bill of 1948 and it remained for Lyndon Johnson, 17 years later, to push a similar bill through to final passage. The 1965 Act of General Aid to Education contained many of the features and earmarks first drafted by Senator ELLENDER and others many years ago.

I am sure that the President pro tempore is proud of the fact that he supported the 1965 bill, although no doubt he has serious reservations about the manner in which its provisions have come to be administered.

In foreign affairs the senior Senator from Louisiana has also made a name for himself. It is a reputation again based on pragmatism. Although he is known as a great scholar, there is much in the way he looks at the world that is the very essence of the scholarly approach. By that I mean he is not satisfied to take what others see and what others have said as his own viewpoint. He desires to see things for himself and come to a judgment based on the facts as he finds them to be. I will not dwell on this subject but I do think it would be well for us to take particular note of it at this time.

In the early 1950's Senator ELLENDER withdrew his support from the foreign aid programs because, as he viewed it, they were not working as Congress intended. In 1958 he was the first Senator to attempt to call national attention to the declining gold balances of the Nation. At that time his was a voice crying in the wilderness, but I think that we have all come to agree with his warning from 13 years ago.

As a matter of fact, on August 13 President Nixon stated that for years our Nation had been in the position of a card player in a poker game who had won all the chips. And in this position it was thought to be incumbent, he said for us to contribute the chips—meaning gold—to other players around the table. I am reminded that this exact statement was elicited from a ranking administration official in 1958 by one of Senator ELLENDER's appropriations subcommittees. President Nixon on August 13 stated that we could not longer maintain that position. Senator ELLENDER 13 years ago, when we were in far better financial shape, gave exactly that response at that time.

Again, by 1960 the senior Senator from Louisiana had begun to cast serious doubt on the role we were assuming vis-a-vis Western Europe and the NATO countries. Based on his personal experiences and observations abroad, Senator ELLENDER came to the perceptive conclusion that for all practical purposes the United States of America was the only NATO partner fulfilling its contributions. For the most part, he said, other nations viewed their participation to be one of promise-making. The divisions supposedly on hand to protect against invasion from the East were there on paper only. We were providing the defense; we were providing the dollars. Western Europe was content to bask under our military umbrella and concentrate on their own domestic economy. I would imagine that the majority of this body would today agree with that analysis and now there is little question as to what the policy has cost us.

The Senate has taken a pause from its busy schedule to salute the President pro tempore on the occasion of his 81st birthday. Senator ELLENDER has seen more of this country's public life during this century than any other personage that I can easily think of. He has remained up to date in his thinking, but has always maintained the right to make up his own mind on the basis of facts as he sees them. None of us can do any more; none of us should do any less. On many birthdays we wish the recipient a long and happy life. On this occasion I close by wishing Senator ELLENDER, our President pro tempore, a longer and happier one.

## MESSAGES FROM THE PRESIDENT

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

## EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. BENTSEN) laid before the Senate messages from the President of the United States submitting several sundry nominations, which were referred to the Committee on Foreign Relations.

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

## QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

## ORDER OF BUSINESS

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

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

Mr. MANSFIELD. Mr. President, is there further morning business?

The PRESIDING OFFICER. The time has expired, as requested by unanimous consent.

Mr. MANSFIELD. What is the pending business?

The PRESIDING OFFICER. The question is on the amendment in the second degree to the amendment by the Senator from Arkansas, No. 438. The yeas and nays have been ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that after the quorum call which I am about to suggest is completed, there be an extension of the time of 5 minutes.

The PRESIDING OFFICER. For morning business?

Mr. MANSFIELD. No, under the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

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

The PRESIDING OFFICER. Would the Senator from Montana make clear whether he means the 5 minutes to be on the bill or on the amendment to the amendment?

Mr. MANSFIELD. On the amendment to the amendment.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

## UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I am about to make a unanimous-consent request, with the understanding that if it is granted, the Fulbright amendment in the second degree will be withdrawn.

Mr. STENNIS. Mr. President—reserving the right to object—and that another second degree amendment from any source will be out of order.

Mr. MANSFIELD. That is the understanding.

Mr. FULBRIGHT. That is right.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that immediately after the announcement of the vote on the Montoya amendment on Wednesday next, the vote then be taken on the Fulbright-McGee amendment, with the amendment in the second degree deleted.

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

Mr. MANSFIELD. There will be no time limit. The Senate should know that it will be a one-two vote in rapid order, and there will be no discussion on the Fulbright-McGee amendment at that time.

The PRESIDING OFFICER. It just applies to the amendment in the first degree?

Mr. MANSFIELD. It just applies to the original amendment and not to the amendment in the second degree.

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

Mr. FULBRIGHT. I ask unanimous consent to withdraw the pending business.

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

Mr. STENNIS. I do not believe the point has been covered in the unanimous consent agreement that any other amendment in the second degree would be out of order.

Mr. MANSFIELD. I had forgotten that. That is to be a part of the unanimous consent request.

Mr. BYRD of Virginia. Reserving the right to object, that does not preclude a motion to reconsider, I presume.

Mr. McGEE. Then it is a new ball game, I would say.

Mr. BYRD of West Virginia. As to the motion to reconsider, we have already passed that point. That is behind us.

The PRESIDING OFFICER. That is correct.

Mr. BYRD of Virginia. I thank the Senator.

Mr. MANSFIELD. Mr. President, do I correctly understand, on the basis of the unanimous-consent request just granted, that there will be a straight up and down vote on the Fulbright-McGee amendment?

The PRESIDING OFFICER (Mr. BENTSEN). The Senator is correct.

Mr. STENNIS. Mr. President, reserving the right to object, I do not believe the Senator put in his request that no other amendment in the second degree may be offered.

Mr. MANSFIELD. Yes; I did.

Mr. STENNIS. Oh. I thank the Senator.

Mr. BYRD of West Virginia. Mr. President, I ask for the yeas and nays on the amendment which will be offered by the distinguished Senator from Colorado (Mr. ALLOTT) on Monday next.

The yeas and nays were ordered.

Mr. BYRD of West Virginia. Mr. President, a unanimous-consent request had already been granted, that it be in order to order the yeas and nays thereon at any time, am I not correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD of West Virginia. The same is true, then, with respect to the Symington amendment.

The PRESIDING OFFICER. That is correct.

Mr. BYRD of West Virginia. The same is true with regard to the Buckley amendments——

Mr. MANSFIELD. Just a moment—one at a time, please.

Mr. BYRD of West Virginia. Mr. President, I ask for the yeas and nays on the Symington amendment.

The yeas and nays were ordered.

Mr. BYRD of West Virginia. Mr. President, a parliamentary inquiry: Is it not true that the vote on the Fulbright-McGee amendment in the first degree on Wednesday next will be an automatic rollcall?

The PRESIDING OFFICER. The Senator is correct.

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

The unanimous-consent agreement reads as follows:

*Ordered,* That, on Monday, October 4, 1971, when the unfinished business is laid down, the amendment No. 430, by the Senator from Colorado (Mr. Allott), be made the pending business and that debate thereon be limited to 3 hours, to be equally divided and controlled between Mr. Allott and the Senator from Mississippi (Mr. Stennis).

*Provided,* That debate on any amendment to the amendment be limited to 30 minutes, to be equally divided and controlled by the mover and the Senator from Mississippi.

*Ordered further,* That, following the disposition of the Allott amendment No. 430, the Senate proceed to the consideration of the amendment by the Senator from Missouri (Mr. Symington) No. 434 which amendment will remain pending until disposed of that day. Debate on the amendment shall be limited to 5 hours, to be equally divided and controlled by Mr. Symington and Mr. Stennis. Debate on any amendment to the amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover of the amendment and Mr. Stennis.

*Ordered further,* That on Tuesday, October 5, 1971, when the unfinished business is laid down the amendment of the Senator from Alaska (Mr. Gravel) be made the pending business and that debate thereon be limited to 2 hours, to be equally divided and controlled by the Senator from Alaska and Mr. Stennis. Debate on any amendment to the amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover thereof and the manager of the bill.

*Ordered further,* That, following the disposition of the Gravel amendment the Senate proceed in turn to amendments No. 447, No. 448 and No. 449 by the Senator from New York (Mr. Buckley) with debate on each limited to 1 hour, to be equally divided and controlled by the Senator from New York and Mr. Stennis. Debate on any amendment to each of the 3 amendments shall be limited to 20 minutes, to be equally divided and controlled by the mover of the amendment and Mr. Stennis.

*Ordered further,* That, on Wednesday, October 6, 1971, when the unfinished business is laid down the amendment of the Senator from New Mexico (Mr. Montoya) No. 419, be made the pending business and that debate thereon be limited to 3 hours, to be equally divided and controlled by the Senator from New Mexico and Mr. Stennis. Debate on any amendment to the amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover thereof and the manager of the bill. *Provided,* That, the time for debate on any amendment in the second degree be deducted from the 3 hours allotted to amendment No. 419.

*Ordered further,* That, following the vote on amendment No. 419, the Senate immediately proceed to vote on amendment No. 438 by the Senator from Arkansas (Mr. Fulbright); no amendment in the second degree being in order.

*Ordered further,* That, after the disposition of amendment No. 438, debate on the bill, H.R. 8687, be limited to 3 hours, to be equally divided and controlled by Mr. Stennis and Mr. Scott or his designee. *Provided,* That time for debate on any further amendment to the bill be limited to 30 minutes, to be equally divided and controlled by the mover

and Mr. Stennis, and shall be deducted from the time on the bill. *Provided further,* That time from the bill may be used on any amendment, or motion except a motion to table.

*Ordered further,* That, following the expiration of the time allotted above there be a vote on final passage of the bill.

*Ordered further,* That, time on any motion, or appeal except a motion to table, be limited to 10 minutes.

## PROGRAM FOR MONDAY, OCTOBER 4

Mr. BYRD of West Virginia. Mr. President, the program for Monday is as follows:

The Senate will convene at 10 a.m. Following recognition of the two leaders, there will be a period for transaction of routine morning business for not to exceed 15 minutes, with the usual 3-minute limitation.

At the conclusion of morning business, the Senate will consider amendment No. 430, by Mr. ALLOTT, with debate limited thereon to 3 hours, and debate on any amendment thereto limited to 30 minutes. A rollcall vote has been ordered on the Allott amendment.

Upon disposition of the Allott amendment, the Senate will take up amendment No. 434, by Mr. SYMINGTON, under a time limitation of 5 hours, with a limitation of 30 minutes on any amendment thereto. A rollcall vote has been ordered on the Symington amendment.

Senators are alerted, therefore, to the fact that there will be at least two rollcall votes on Monday and possibly more.

## ADJOURNMENT TO 10 A.M., MONDAY, OCTOBER 4, 1971

Mr. MANSFIELD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 a.m. on Monday next.

The motion was agreed to; and (at 1 o'clock and 1 minute p.m.) the Senate adjourned until Monday, October 4, 1971, at 10 a.m.

## NOMINATIONS

Executive nominations received by the Senate October 1, 1971:

### AMBASSADORS

Malcolm Toon, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Socialist Federal Republic of Yugoslavia.

Donald B. Easum, of Virginia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Upper Volta.

### IN THE MARINE CORPS

The following-named officers of the Marine Corps for permanent appointment to the grade of major general:

Louis H. Wilson, Jr.
John N. McLaughlin
Robert R. Fairburn
Homer S. Hill
Leo J. Dulacki
Carl W. Hoffman
William G. Johnson
Herman Poggemeyer, Jr.
William C. Chip

The following-named officers of the Marine Corps Reserve for permanent appointment to the grade of major general:

John R. Blandford
William J. Weinstein

The following-named officers of the Marine Corps for permanent appointment to the grade of brigadier general:

Victor A. Armstrong
Thomas H. Miller, Jr.
Robert H. Barrow
Herbert L. Beckington
Leonard E. Fribourg
Robert D. Bohn
William F. Doehler
Edward J. Miller
Wilbur F. Simlik
James H. Berge
James R. Jones

The following-named officers of the Marine Corps Reserve for permanent appointment to the grade of brigadier general:

Louis Conti
Verne C. Kennedy
Harold Chase

### IN THE MARINE CORPS

The following-named officers of the Marine Corps for permanent appointment to the grade of colonel:

James W. Abraham
Billy M. Adrian
James R. Aichele
Harry L. Alderman
Peter F. Armstrong
James M. Bannan
Roger H. Barnard
Richard S. Barry
George L. Bartlett
Arnold E. Bench
Lee R. Bendell
Darrel E. Bjorklund
Rollin Q. Blakeslee
Louis A. Bonin
Frank L. Bourne, Jr.
Eugene R. Brady
Thomas E. Bulger
Robert N. Burhans
John J. Cahill
Richard E. Campbell
Robert J. Chadwick
Clement C. Chamberlain, Jr.
Byron T. Chen
Charles G. Cooper
Harry O. Cowing, Jr.
William S. Daniels
John K. Davis
Hillmer F. Deatley
Birchard B. Dewitt
Frank L. Dixon, Jr.
Lawrence R. Dorsa
Joshua W. Dorsey III
Edward J. Driscoll, Jr.
Jimmie W. Duncan
Cecil G. Dunnagan
Theodore S. Eschholz
Donald L. Evans, Jr.
James E. Fegley
Mark P. Fennessy
Paul R. Fields
Charles R. Figard
William B. Fleming
Herbert L. Fogarty
Kenneth S. Foley
Eugene D. Foxworth, Jr.
Joseph J. Gambardella
Jesse L. Gibney, Jr.
Carlton D. Goodiel, Jr.
John E. Greenwood
William R. Grubaugh
Robert E. Gruenler
John R. Hansford
Elwin B. Hart
William M. Herrin, Jr.
Henry Hoppe III
William K. Horn
George W. Houck
Dwight E. Howard
Robert E. Howard, Jr.
David J. Hunter
Robert E. Hunter, Jr.
David J. Hytrek
Corbin J. Johnson
Charles M. Jones
Don L. Keller
William D. Kent
Edwin C. King
Elliott R. Laine, Jr.
James W. Laseter
Frederick D. Leder
Carl R. Lundquist
Dean C. Macho
William R. Maloney
Jerry F. Mathis
Bain McClintock
William G. McCool
Norman B. McCrary
Donald N. McKeon
Joseph V. McLernan
Paul G. McMahon
Alexander P. McMillan
Edward J. Megarr
David G. Mehargue
Richard D. Mickelson
William R. Miller, Jr.
Anthony A. Monti
Ira L. Morgan, Jr.
Roddey B. Moss
Ross L. Mulford
Joseph Nastasi
Albert O. Nelson
George L. Newton
P. W. Nieson
James R. O'Mara
William K. Parcell
John W. Parchen
Reagan L. Preis
Vincent J. Pross, Jr.
Heman J. Redfield III
David M. Ridderhof
Kenneth L. Robinson, Jr.
William K. Rockey
Earl F. Roth, Jr.
Edward J. Rutty
Raymond M. Ryan
Joseph L. Sadowski
Cornelius F. Savage, Jr.
Joseph F. Shoen, Jr.
Richard C. Schulze
Parks H. Simpson
Erin D. Smith
William J. Spiesel
Donald C. Stanton
Donald R. Stiver
Robert M. Stowers
John H. Strope
Otto I. Svenson, Jr.
Oral R. Swigart, Jr.
Aubrey W. Talbert, Jr.
John M. Terry, Jr.
Francis H. Thurston
Edward A. Timmes
Rodolfo L. Trevino
George F. Tubley
James S. Turner
David M. Twomey
Hiel L. Vancampen
Wendell N. Vest
Hal W. Vincent
Robert A. Walker
Ralph D. Wallace
Charles A. Webster
Thomas B. White, Jr.
William V. White
Gary Wilder
Paul E. Wilson
James W. Wood
Arnold G. Ziegler

The following-named officers of the Marine Corps for permanent appointment to the grade of lieutenant colonel:

Richard J. Alger
Arthur R. Anderson, Jr.
Roi E. Andrews
Richard F. Armstrong
Roger W. Badeker
David H. Balius
Brudge B. Barrow
Charles A. Barstow
Daryl E. Benstead
Carl F. Bergstrom, Jr.
James L. Biegler
Daniel G. Bishop
Barry N. Bittner
Richard J. Blanc
Rudolph W. Bolves
Henry J. Bond
Paul G. Boozman
Donald P. Bowen
William C. Bradley
Harvey D. Bradshaw
Charles R. Brindell
Phil E. Brookshire
Jerome W. Brown
Gordon H. Buckner II
Louis H. Buehl III
Wayne F. Burt
Ernest W. Buschhaus
John B. Cantieny
Gary L. Carlson
Gerald P. Carr
Stanley A. Challgren
Donald R. Chapell
Ronald A. Clark
John E. Clewes
James C. Click
John K. Cochran
Arthur C. Crane
George J. Delong
Richard L. Dennis
Herman C. Deutschlander
Laurin DeWolf
Walter R. Dillow
Clarence W. Dilworth
Merritt W. Dinnage
Arthur A. Dittmeier, Jr.
Alvin J. Doublet
George H. Dunn II
Thomas L. Edwards
Martin J. Egan, Jr.
William R. Etnyre
Ernest E. Evans, Jr.
John W. Everett
Joseph L. Felter
Wallace E. Fogo
William C. Frank
Francis X Frey
Lawrence Furstenberg
Louis Gasparine, Jr.
Robert E. Gibson
Lawrence J. Godby
Edwin J. Godfrey
Roland N. Grattan
Vincent J. Guinee, Jr.
Joseph R. Gutheinz
Roger C. Hagerty
Richard E. Haislip
Thomas M. Hamlin
James L. Harrison
Franklin A. Hart, Jr.
Vincent P. Hart, Jr.
Joseph C. Hedrick
James R. Heflin
Ted R. Henderson
Joseph E. Hopkins
Edgar A. House
John I. Hudson
John D. Ingraham
Kevin M. Johnston
Paul R. Jones, Jr.
Thomas W. Jones
John J. Keenan
Harrison W. Kimbrell
Homer L. King
Robert D. King
Robert W. Kirby
Peter N. Kress
Jene R. Kutchmarek
Fred E. Lacey, Jr.
Curtis G. Lawson
Willard T. Layton III
Walter R. Ledbetter, Jr.
David A. Lerps
Stanley P. Lewis
James F. Lloyd
Horace S. Lowrey, Jr.
Anthony Lukeman
Dan J. Lyttle
Eddie R. Maag
Bruce M. MacLaren
Robert T. MacPherson
Gene H. Martin
David J. Maysilles
George X. McKenna
William E. McKinstry
Stanley J. Michael, Jr.
Morris A. Miller
Robert D. Miller
Robert L. Modjeski
Jacob W. Moore
Jimmie G. Morgan
James M. Moriarty
Dennis J. Murphy
Edmond J. Murphy
Louis B. Myers
Donald J. Norris
Jerome L. Norton
Thomas J. Ortman
James L. Owens
Vincent B. Pagano
James C. Page
Edwin C. Paige, Jr.
Charles B. Palmer
Perry M. Peterson
Charles L. Phillips, Jr.
Edward R. Pierce
James D. Pierce
Charles H. Pitman
Charles O. Pitts, Jr.
Raymond R. Powell
Daniel Prudhomme
Delbert G. Ranney
Bobby J. Ready
John E. Redelfs
Robert J. Reid
Richard D. Revie
Alvin F. Ribbeck, Jr.
Francis Riney
Robert O. Ritts
Robert P. Rose
Joseph S. Rosenthal
Eugene B. Russell
Gary L. Rutledge
Patrick J. Ryan
Paul M. Ryan
George W. Ryhanych
Glen Sanford
Patrick J. Saxton
Charles W. Schreiner, Jr.
Joseph A. Siler
George P. Slade
Alois A. Slepicka
Donald G. Smith
Lloyd W. Smith, Jr.
Roland E. Smith

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|---|---|
| Howard L. Snider | Edwin G. Weatherford |
| Louis G. Snyder | Robert D. White |
| Richard L. Spreitzer | Willis E. Wilson, Jr. |
| Cleo P. Stapleton, Jr. | Robert C. Wise |
| Alfred E. Stark | Robert J. Woeckener |
| Willard M. Stephens | Fitz W. Woodrow |
| William K. Stratford | Peter Yadlowsky |
| William G. Swigert | John R. Yates, Jr. |
| Charles E. Thompson | Hans A. Zander |
| William J. Tiernan | Charles L. Zangas |
| Jan P. Vandersluis | James R. Ziemann |
| Donald L. Waldvogel | |

The following-named officers of the Marine Corps for temporary appointment to the grade of first lieutenant:

| | |
|---|---|
| Thomas A. Bailey | George E. Carpenter |
| John M. Ballard | Robert H. Dobrow |
| Ivan M. Behel | Gene L. Dowell |
| Harold W. Biesemeier, Jr. | Carl W. Fredericksen |
| James S. Bloxom | James R. Frisbie |
| Denham W. Bowman | Lawrence E. Garcia |
| Ronald D. Bussey | Gregory K. Gordon |
| | Arlo D. Gravseth |

| | |
|---|---|
| William H. Hamilton | Stanley C. Schlegel |
| Harold L. Inabinet | James S. Shi |
| Joseph J. Jannik, Jr. | Richard Y. Shintani |
| James H. King, Jr. | Paul D. Skinner |
| Harry C. Leeper, Jr. | David M. Thomas |
| Joseph X. McCormack III | John B. Ullman |
| | Leroy D. Vansciver |
| Hugh M. McIlroy, Jr. | James H. Walker |
| Maurice G. Michaud | Richard W. Walker |
| Frederick J. Moon | Thomas A. Walsh |
| Charles R. Rivenbark | John H. Whitney |
| Gregg Roberts | Hensley C. Williams |

# EXTENSIONS OF REMARKS

## OTTO TELLER: A TROUT'S BEST FRIEND

### HON. LEE METCALF

OF MONTANA

IN THE SENATE OF THE UNITED STATES

*Thursday, September 30, 1971*

Mr. METCALF. Mr. President, Otto Teller, the new president of Trout Unlimited, knows how to explain to men some of the problems fish have, which are also mankind's problems of perceiving and remedying environmental damage.

Recently, State Editor Dale A. Burk of the Missoulian interviewed Mr. Teller, who resides during part of the year—the best fishing season—in my native Ravalli County. Mr. Teller's philosophy and insights are good and useful reading to anyone, fisherman or not. I ask unanimous consent that the article, published in the Missoulian of September 26, be printed at this point in the RECORD.

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

OTTO TELLER: A TROUT'S BEST FRIEND

(By Dale A. Burk)

"A trout can tell you many things, not only about himself but the stream he lives in and the land around it," the fisherman said as he released the pound and a half brown trout and watched it swim slowly back into the current of the Bitterroot River south of Hamilton.

"Take this one, for instance," Otto Teller said. "He's sluggish from the cold water, and tired from his upstream run to spawn. He's feeding but he's not very scrappy."

But the trout was alive and free again, resting in the cold current under a clear Bitteroot sky one cold morning just a week ago. The fish had no way of knowing it, but it had been caught and released by a man who only a few days earlier had been chosen by other fishermen to speak out for trout like this from coast to coast.

NEW TU PRESIDENT

Otto Teller, a resident of Hamilton in the summer months and a member of the West Slope Chapter of Trout Unlimited in Missoula, is the new president of the national fishing-conservation organization, Trout Unlimited. As such, he heads an organization that is dedicated not only to protecting trout, but to protecting the watershed that provides them their home.

Teller was elected president of Trout Unlimited at a time when, under its imaginative and dynamic executive director, R. P. Van Gytenbeek, the group is intensifying its conservation programs. That is as Otto Teller says he wants it. This is a time when fishermen must fight for trout water or there will be no water that will support them.

"If we don't have water we can't have trout," Teller said in an exclusive Missoulian interview at his cabin on the Bitterroot River "but we can't simply concern ourselves with the water that is in a stream. We also have to consider the watersheds that produce the water for those streams."

THE COUNTRY'S LIFEBLOOD

Teller said he believes water to be the lifeblood of the country and the fact that trout live in it is only incidental.

"TU's greatest concern is the management of our watersheds," Teller said. "If the water is depleted by mismanagement of our forests or other bad land management practices, we are in serious trouble."

He said that if watersheds are properly managed there will always be trout, and water for man's use. Teller pointed out that it generally is after water has passed through trout habitat that it becomes of the greatest use to mankind in the downstream portions of a stream.

Teller said that trout are a good indication of the quality of a stream.

"If you have trout in a stream, you are sure of two things," Teller said. "One, that there is enough water to support trout life and two, that if trout live in it, the water can be used for almost any other use."

He said that Trout Unlimited considers its mission to be the protection of water and to find instances of bad forestry, farming, mining, road construction or damming practices, and to report those findings.

CHANGE BAD LAWS

"I also believe it is a primary mission of TU to seek out bad water laws and work to change them," Teller said. He cited as an example a Colorado law that states that water must be removed from a stream to be of any beneficial use to man.

Teller said that because of its membership make-up, Trout Unlimited often is one of the first conservation groups to become aware of problems involving resource management.

"Our people fish the headwaters of most of our great streams," Teller said. "They often see changes in stream ecology before anybody else."

Teller credits his fishing with arousing his own concern for conservation, and says that two Montana streams are responsible for his involvement in watershed conservation—the Gallatin and Bitterroot Rivers.

SILT IN GALLATIN

"About 25 years ago I fished the Gallatin River quite a bit," Teller said, "and one day I noticed they were starting to build a road up the Gallatin to Gallatin Gateway. They had to get into the stream and disrupt it, but they told us they had to get the logs out of the mountains."

Teller said that in subsequent years, the Gallatin silted up whenever it rained.

Throughout the last 30 years, Teller has also fished the Bitterroot extensively but it wasn't until 1965 that he bought a ranch on the river upstream from Hamilton.

"Since I was in the area more then, I began to go up into the mountains and viewed the timbering operations," Teller said. "I was absolutely appalled at what I saw."

He spoke of finding huge clearcuts, one involving a trip where he measured seven consecutive miles on a speedometer with clearcuts on both sides of the roads.

"I've since checked many of the technical questions involved," Teller said, "but then as now my major concern was what this was doing to the naturally regulated waterflow we get from the watershed in the Bitterroot."

NOT NATURAL

He said that one of the most serious effects of Forest Service management in the area through its widespread use of clearcutting and terraced planting has been that much of the Bitterroot no longer is a naturally regulated watershed.

"I picked up a Forest Service brochure in Hamilton one day that stated that the source of our nation's water is a snowflake falling on a wooded slope," Teller said. "I began to wonder how they could justify clearcutting such huge areas in the high lodgepole pine area and still expect to provide a naturally regulated waterflow."

Teller said that in subsequent years he found that in 1943 the Forest Service itself had conducted a detailed survey in the Bitterroot in which most of the high altitude areas which are now being cut was recommended to never be logged.

SURVEY IGNORED

"The study said these high areas greatest use was watershed and wildlife." Teller said, "and in 1971 the Forest Service is clearcutting these areas to the ground."

Teller says that concern for the streams must originate at the headquarters, pointing out that most of the nation's great streams have their headwaters in the Rocky Mountains and two of them in particular—the Columbia and the Missouri—in Montana.

"If we can't protect our watersheds at the Continental Divide, we can't protect them anywhere," Teller said. He added that keeping a stream clean in its upstream portions means improved habitat and water downstream.

"I think that because we've taken a stand on the upper watersheds we hope to benefit all the downstream fishermen, too," Teller said, "and that includes the bass fisherman, the estuary fisherman and even the ocean fisherman."

ORGANIZATION CHANGING

He said that TU, once a fly fisherman's organization, is no longer simply for those who use artificial flies.

"I like to fish with a fly because it is the biggest challenge," Teller said, "but I've also fished for steelhead with bait. My basic philosophy on this point is that fishermen should use whatever they enjoy most as long as they can release most of the fish they catch."

On the latter point, Teller said that fishing has changed in the last few years.

"Fishing has become a contemplative sport rather than something to fill the icebox," he said.

LIMIT KILL

He said that in keeping with this, TU has pursued a philosophy based on the motto "Limit your kill rather than kill your limit."

Teller says, however, that modern-day fishermen can't afford to isolate themselves from