SENATE—*Friday, October 29, 1971*

The Senate met at 9 a.m. and was called to order by Hon. ROBERT C. BYRD, a Senator from the State of West Virginia.

PRAYER

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

Almighty God, creator of all that is beautiful and good and true, giver of life and liberty, in all simplicity and sincerity we thank Thee for this quiet moment when all else is shut out and we open our hearts to Thy solemn and serene presence. At Thy throne of grace, we do not seek preference for ourselves or our Nation—but only the cleansing which comes to penitent souls seeking Thy forgiveness. Forgive us for having left undone so much we ought to have done and for doing things we ought not to have done. Give us grace and power to begin again and to do better. Take not from us the high ideals and the lofty vision to which we have been summoned, but give us more wisdom and character to rise to them. Support us in the tasks of the day until the shadows lengthen and the evening comes. Then give us the rest and peace of those whose minds are stayed on Thee. Amen.

DESIGNATION OF THE ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., October 29, 1971.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. ROBERT C. BYRD, a Senator from the State of West Virginia, to perform the duties of the Chair during my absence.

ALLEN J. ELLENDER,
President pro tempore.

Mr. BYRD of West Virginia thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, October 28, 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.

THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 404, 405, and 407.

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

RICHARD B. RUSSELL FEDERAL BUILDING

The bill (S. 861) to designate the Federal office building and U.S. courthouse to be constructed in Atlanta, Ga., as the "Richard B. Russell Federal Building" was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 861

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal office building and United States courthouse to be constructed in the southwest portion of that block bounded by Mitchell Street, Pryor Street, Central Avenue, and Trinity Avenue in Atlanta, Georgia, is hereby designated as the "Richard B. Russell Federal Building," in memory of the late Richard Brevard Russell, a distinguished Member of the United States Senate from 1933 to 1971, and any reference to such building in any law, regulation, document, map, or other paper of the United States shall be deemed a reference to such building as the "Richard B. Russell Federal Building."

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92–407), explaining the purposes of the measure.

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

GENERAL STATEMENT

The late Richard Brevard Russell was born in Winder, Barrow County, Ga., on November 2, 1897. Entering public life in 1921 when only 23 years old as a member of the State house of representatives, he was chosen speaker of the house in 1927.

After 10 years service in the State legislature, in 1931 at the age of 33 he was elected Governor, the youngest chief executive in the history of Georgia. Only 2 years later on January 12, 1933, he took the oath of office as a member of the U.S. Senate, a position to which he was reelected six successive times.

During his long and distinguished career Senator Russell was noted for his championship of a strong national defense, fiscal responsibility, and constitutional government. He served as chairman of two of the most important standing committees of the Senate, Armed Services and Appropriations. He was also the senior member of both the Democratic Policy and Democratic Steering Committees, and was the ranking Democrat on the Senate Aeronautical and Space Sciences Committee and the Joint Committee on Atomic Energy. Twice elected unanimously President pro tempore of the Senate, Senator Russell during that period was third in line of succession to the Presidency of the United States.

Drawing support of delegates from throughout the Nation, he received 263 and 300 votes for his party's presidential nomination at the 1948 and 1952 Democratic National Conventions.

Richard B. Russell was a trusted adviser and faithful confidant to six Presidents. At the time of his passing on January 21, 1971, he had served 38 years in the U.S. Senate, the only man in history to serve in that body for more than half his lifetime.

FEDERAL OFFICE BUILDING, ATLANTA, GA.

The Federal office building and U.S. courthouse to be constructed in Atlanta, Ga., was authorized in October 1966. As planned it will be a 24-story, steel frame structure, with the upper seven floors devoted to space for the U.S. courts in Atlanta and the rest allocated as office space to various Federal agencies. Two lower levels will be used for vehicle parking. It will be modern in design with large expanses of exterior glass and steel. The General Services Administration has estimated the total cost of the new building will be $57,195,000, but to date only $3,179,000 has been appropriated for site acquisition and design expenditures. Construction cannot begin until additional funding has been provided.

COMMITTEE VIEWS

For a full half century Richard B. Russell served his State and Nation in high public office. His record as legislator and executive has long been widely acclaimed. Few men have earned greater respect and esteem from both colleagues and constituents or have received more deserved plaudits for their accomplishments. In the Senate he was noted as a man of great ability, absolute integrity and honesty, and thoroughly dedicated service, yet his memory is also cherished because of his kindness, his willingness to assist young Members, his friendliness and his courteous treatment of all whom he encountered.

In view of Senator Russell's almost unparalleled and devoted public service, the Public Works Committee unanimously approved S. 861. To name the new Federal office and courthouse building in Atlanta after Richard B. Russell would be a very appropriate tribute to his long career in governmental positions of responsibility. The fact that the new structure will be located in the same city near the statehouse in which he first held public office makes the honor even more fitting and proper.

AUTHORIZATION FOR ACQUISITION OF CERTAIN REAL PROPERTY IN SQUARE 724

The bill (S. 2687) to authorize the acquisition of certain real property in square 724 in the District of Columbia, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 2687

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in addition to the real property contained in square 724 in the District of Columbia heretofore acquired under Public Law 85–429, approved May 29, 1958 (72 Stat. 148–149), and Public Law 91–382, approved August 18, 1970 (84 Stat. 819), the Architect of the Capitol, under the direction of the Senate Office Building Commission, is hereby authorized to acquire, on behalf of the United States, by purchase, condemnation, transfer, or otherwise, for purposes of further extension of such site or for additions to the United States Capitol Grounds, all publicly or privately owned real property contained in lot 18 in square 724 in the District of Columbia, as such square appears on the records in the

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Office of the Surveyor of the District of Columbia as of the date of the approval of this Act: *Provided,* That for the purposes of this Act, square 724 shall be deemed to extend to the outer face of the curbs surrounding such square: *Provided further,* That, upon acquisition of any real property under this Act, the jurisdiction of the Capitol Police shall extend over such property.

SEC. 2. Any proceeding for condemnation brought under this Act shall be conducted in accordance with the Act of December 23, 1963 (16 D.C. Code, secs. 1351–1368).

SEC. 3. Upon acquisition of any real property pursuant to this Act, the Architect of the Capitol, when directed by the Senate Office Building Commission to so act, is authorized to provide for the demolition and/or removal of any structures on, or constituting a part of, such property and to use the property for Government purposes or to lease any or all of such property for such periods and under such terms and conditions as he may deem most advantageous to the United States and to incur any necessary expenses in connection therewith.

SEC. 4. Such real property, when acquired under authority of this Act, shall be subject to the provisions of the Act of July 31, 1946, as amended (40 U.S.C. 193a–193m, 212a, and 212b).

SEC. 5. The Architect of the Capitol, under the direction of the Senate Office Building Commission, is authorized to enter into contracts and to make such expenditures, including expenditures for personal and other services, expenditures authorized by Public Law 91–646, approved January 2, 1971 (84 Stat. 1894–1907), applicable to the Architect of the Capitol, and expenditures for any other required items, as may be necessary to carry out the provisions of this Act.

SEC. 6. The appropriation of such sums, not to exceed $270,000, as may be necessary to carry out the provisions of this Act is hereby authorized, and any such sums so appropriated shall remain available until expended.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92–408), explaining the purposes of the measure.

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

SUMMARY OF THE LEGISLATION

S. 2687 would authorize the Architect of the Capitol, acting under the direction of the Senate Office Building Commission, to acquire lot 18 in square 724 of the District of Columbia on behalf of the United States. The Architect would be authorized also, when so directed by the Senate Office Building Commission, to provide for the removal of any structures on or constituting a part of such property, to use the property for Government purposes, to lease any or all such property for such periods and under such terms and conditions as he may deem most advantageous to the United States, and to incur any necessary expenses in connection therewith the bill also provides that after its acquisition, the property would become a part of the U.S. Capitol Grounds over which the jurisdiction of the Capitol Police would extend. A sum not to exceed $270,000 would be authorized for the acquisition of the property and to carry out any other provisions of the bill.

GENERAL STATEMENT

Square 724 is the block directly to the north of the New Senate Office Building bounded by C, First, D and Second Streets, N.E. In past years the United States has acquired several parcels of land located in square 724. The latest additions (in 1970) were lots 845 and 832 upon which the former Plaza Hotel and a small parking lot were located. More than half of the square is now owned by the Federal Government, and long-range plans indicate that future Senate and Capitol Grounds needs will eventually require acquisition of the remaining portions still in private hands.

Lot 18, which has a frontage of 57½ feet on D Street and is 168 feet in depth, has a total area of 9,667 square feet. It is paved with bituminous mix and is used on a lease arrangement for public parking purposes. A small attendant's booth is located on the property.

For more than 4 years the present owner has leased the site to a private firm which has operated it as a parking facility open to the public on a fee basis. Although the present lease will not expire until May 1972, it contains a 60-day cancellation clause at the option of the lessor. The market value of the lot has been appraised recently by independent experts at $266,000. The owner has expressed willingness to sell the lot at fair value.

COMMITTEE VIEWS

The committee believes that it would be advisable as well as prudent to acquire this property in the near future at a price not in excess of its current market value. Such action would be in accord with the generally approved policy of securing title to all of square 724 as various lots become available in order to fulfill future needs of the Senate. In view of increasing land prices in the Capitol area, unnecessary delay in proceeding with this purchase might result in higher cost in later years.

One benefit to be gained if lot 18 were acquired could be the possibility of lessening to some degree the acute parking problem which now confronts Senate staff and employees. The Sergeant at Arms of the Senate testified last spring that there was a "dire need for additional space in which to accommodate our employees" and that parking permits had been oversubscribed "in a ratio of more than two to one" for available spaces.

To a certain extent lot 18 could be used to help relieve the daily inconvenience, frustration and delay confronting many staff personnel. On the other hand, the lease for operating the property as a public parking lot could be continued as long as deemed advisable in order to provide space for visitors.

PROJECTED COST

Section 6 of S. 2687 would authorize no more than $270,000 to be appropriated to carry out the provisions of the bill. As noted before, an independent appraisal recently estimated the current market value of the property to be approximately $266,000. It is possible, of course, that the actual selling price might be reduced somewhat through negotiation. Any amount authorized in excess of the purchase outlay could be expended for other necessary removal, renovation or site acquisition costs.

FISH PROTEIN CONCENTRATE DEMONSTRATION PLANT AUTHORIZATION EXTENSION

The bill (S. 1273) to amend Public Law 89–701, as amended, to extend until June 30, 1973, the expiration date of the act and the authorization of appropriations therefor, and for other purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1273

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 89–701, as amended (16 U.S.C. 778d, et seq.), is further amended—

(a) by striking in section 3 the words "five fiscal years" and inserting in lieu thereof "six fiscal years".

(b) by amending section 5 to read

"SEC. 5. The authority of the Secretary under this Act shall expire June 30, 1973."

(c) by striking the words "of the Interior" wherever they appear, and inserting in lieu thereof "of Commerce".

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92–410), explaining the purposes of the measure.

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

PURPOSE

S. 1273 has the following threefold purpose:

1. It would amend section 3 of Public Law 89–701 to provide one additional fiscal year appropriation authorization;

2. It would amend section 5 of Public Law 89–701 so that the basic authority under the act vested in the Secretary will expire June 30, 1973 in lieu of November 2, 1971; and

3. It would substitute "Secretary of Commerce" for "Secretary of the Interior" wherever appearing in Public Law 89–701, to reflect the transfer of this authority pursuant to Reorganization Plan No. 4 of 1970 which established the National Oceanic and Atmospheric Administration (NOAA) within the Department of Commerce.

BACKGROUND AND NEED

Public Law 89–701 authorized development, through the use of experiment and demonstration plants, of practicable and economic means ". . . designed to develop the best and most economical processes and methods to reduce fish which are in abundant supply and which are not now widely sought after for human food to a nutritious, wholesome, and stable fish protein concentrate, as well as to conduct food technology and feasibility studies wtih respect to such products." Then, as now, protein malnutrition constitutes a problem prevalent in many areas of the world. The world is hungry today with a substantial portion of the present population under-fed; the world will be hungrier tomorrow unless some inexpensive source of protein can be found for human consumption. Fish protein concentrate holds forth the promise of providing a rational use of resources to meet that need and, at the same time, providing an effective means of increased utilization of the fishery resources off our coasts to the betterment of the economics of our fishing industry. This is the objective which S. 1273 seeks to achieve.

The act assigned this function to the Secretary of the Interior. Reorganization Plan No. 4 of 1970, however, has transferred this function (along with other functions relating to marine fisheries development) to the Secretary of Commerce.

The act authorized the construction of one plant and the leasing of one additional plant. There was authorized to be appropriated $1 million for construction of a plant. A further appropriation authorization of $1.555 million annually for fiscal years 1968, 1969, 1970, 1971, and 1972 was contained in the act. This latter authorization was for: leasing of the one additional plant; operation and maintenance of the two plants leased or constructed; and conducting the program authorized by the act.

Public Law 90–549 amended the original act to authorize appropriations for only one plant which could be either leased or constructed. The purposes for which the $1.555 million annual appropriation could be used were expanded to permit their use for con-

struction of the one plant, after it had been found that the $1 million originally authorized for construction was insufficient.

At the time the original act was enacted it was thought that 2 years could be allotted to construction leaving 3 years for plant operation under the overall 5-year limit for the program which the Congress had determined to be reasonable. However, construction was not completed within the 2 years. A delay of some 18 months resulted in the need to obtain the amendment contained in Public Law 90-549, permitting authorized funds, other than the original $1 million, to be used for construction.

The demonstration plant designed and constructed by Ocean Harvesters, Inc. of Los Angeles, Calif. now is in operation at the Port of Grays Harbor, Aberdeen, Wash.

It is still the objective of the Department of Commerce to complete the required experimental demonstration by June 30, 1972. However, experience shows that introducing a novel process relating to a raw material, such as fish, where there is no assurance or guarantee that a consistent supply can be obtained, can result in unexpected complications which require time to cure. Although formal hearings were not conducted, it is the opinion of your Committee on Commerce, based upon the recommendations of the Department of Commerce, that it is necessary to authorize an additional 1 year of operation beyond June 30, 1972.

A rather unusual feature of the original act was the appropriation authorization termination date of June 30, 1972, while another section of the act terminates the basic authority under the act effective November 2, 1971. It is necessary to obtain clarifying language to conform the two conflicting termination dates. For the reasons set forth above, we recommend that both the basic authority and the appropriation authorization be extended to June 30, 1973, thus assuring that an adequate demonstration can be undertaken. Subsections (a) and (b) of the bill would provide this extension.

Subsection (c) of the bill substitutes "Secretary of Commerce" for "Secretary of the Interior" wherever that phrase appears in the act. This conforming amendment merely reflects the transfer effected by Reorganization Plan No. 4 of 1970, as noted earlier.

COST

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91-510), the estimated cost of enactment of this legislation is $1,555,000 for the one additional fiscal year authorization of appropriations (i.e., for fiscal year 1973).

A SMALL TRIBUTE TO ONCOMING NOVEMBER

Mr. SCOTT. Mr. President, I am discovering some of the virtues of getting up early in the morning, virtues which, since I am more a night than a morning person, have become more and more apparent to me as we lengthen the hours of our labors.

To see the last touches of the morning dew on the grass, to hear unaccustomed bird songs drifting along the lambent air, to feel that still, gentle warmth with the hint of winter and the early warning of November, all these are blessings unexpected by some of us but now perforce to be enjoyed as, earlier and earlier, we rise.

At the other end of the day, there are the frantic journeyings to other cities, restless rushings among constituents and hosts of people, with the long delays at the airlines and the dull waiting around, sitting interminably on one's briefcase, with a late return to the Capital City, all of these things make of November a mixed blessing, a decidedly mixed bag.

Well, Mr. President, we are in for it. We know we are in for it. We must make the best of it.

I hope, therefore, that we will have whatever sessions are necessary, however much we regret the inconvenience to ourselves and our colleagues, so that we will not have to "get up by yellow candlelight" as December approaches.

There are festivities ahead, and Congress, I am sure, would like to celebrate them. If we must forgo the turkey of Thanksgiving, let us at least anticipate with some optimism the goose of December.

If it is necessary that we resort to tactics suggested by the mentioning of a goose during November in order that we may relax more readily in December, well, Mr. President, so be it.

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. BURDICK). Pursuant to the previous order, there will now be a period for the transaction of routine morning business not to exceed 30 minutes, with statements therein limited to 3 minutes.

QUORUM CALL

Mr. SCOTT. 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.

NBC ADMITS MISTAKE

Mr. BYRD of West Virginia. Mr. President, on October 11, while my name was among those being mentioned for appointment to the U.S. Supreme Court, Carl Stern, on NBC Nightly News, in commenting thereon made reference to my law degree from American University with this sentence:

There were much publicized charges some years ago—never proved—that congressional employees wrote his (my) term papers.

This outrageous allegation has now been repudiated by NBC in a letter to me.

NBC correspondent Robert McCormick, when he heard the allegation about my law papers, got in touch with his superiors and expressed strong doubt that the charge was true; whereupon the network made its own inquiry and determined the statement to be false. The letter to me followed.

I very much appreciate the attitude which NBC has shown. Its willingness to admit error is evidence of a desire to be fair and of a mature approach to covering the news.

Mr. President, there also appeared in Jack Anderson's column yesterday, October 28, a statement which he obtained from me with respect to the canard about my law school work.

I ask unanimous consent that the letter from NBC to me and the pertinent portion of Jack Anderson's column from the Washington Post be printed at this point in the RECORD.

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

NBC NEWS,
Washington, D.C., October 21, 1971.

Hon. ROBERT C. BYRD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BYRD: As you know, the October 11 broadcast of "NBC Nightly News" contained a report by Carl Stern about your being considered for appointment to the Supreme Court. In reviewing your legal background, the report said: "There were much publicized charges some years ago—never proved—that congressional employees wrote his term papers."

I have discussed with Mr. Stern the basis for that sentence. Mr. Stern was given that information by a person who, on other occasions, has proved to be a thoroughly reliable source. Three other persons later told Mr. Stern individually they remembered the "much publicized charges."

It now turns out Mr. Stern's original source never meant to give the impression that any such charge had been made public. The other three persons couldn't point to anything substantial to back up their memories, and we have been unable to locate any publication of such charges.

Under these circumstances we certainly would not broadcast such a statement again and we regret the inclusion of the statement in the October 11 program.

Sincerely,

FRANK J. JORDAN.

[From the Washington Post, Thursday, Oct. 28, 1971]

WASHINGTON MERRY-GO-ROUND

(By Jack Anderson)

Byrd's Office—After the White House leaked out word that President Nixon was considering Sen. Robert Byrd (D. W. Va.) for the Supreme Court, Washington buzzed with rumors that Byrd had used his Senate staff to prepare his legal briefs and term papers for law school. He entered American University's law school after his election to the Senate, attended classes at night and graduated in 1963 with a high "B" average. His professors and classmates say he was an excellent student. One professor, Louis C. James, describes Byrd as one of the two most "alert and attentive" students he has ever taught. We were convinced by our investigation that the rumors weren't true. But we put the question to Byrd, who dictated this emphatic reply: "I will give $5,000 to the individual who brings to me any staff member of mine, past or present, who will say publicly and in my presence that he or she wrote any of my law school term papers, briefs or any part thereof. Further, if this absurd, vicious rumor be proved, I will resign my seat in the Senate."

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

REPORT OF FEDERAL HOME LOAN BANK BOARD

A letter from the Chairman and Members, Federal Home Loan Bank Board, Washington, D.C., transmitting, pursuant to law, a report of that Board, for the calendar year 1970

(with an accompanying report); to the Committee on Banking, Housing, and Urban Affairs.

REPORT ON STATE OF RAIL PASSENGER SERVICE

A letter from the Chairman, Interstate Commerce Commission, transmitting, pursuant to law, a report on AMTRAK, State of Rail Passenger Service, Effectiveness of the Act, dated October 30, 1971 (with an accompanying report); to the Committee of Commerce.

REPORT OF NATIONAL RAILROAD PASSENGER CORPORATION

A letter from the President, National Railroad Passenger Corp. (AMTRAK), Washington, D.C., transmitting, pursuant to law, a report of that Corporation, for the period of October 30, 1970 to October 29, 1971 (with an accompanying report); to the committee on Commerce.

REPORTS OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled, "Need to Recover the Costs of Processing Business Reply Mail," U.S. Postal Service, dated October 28, 1971 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled, "Examination of Financial Statements of the Export-Import Bank of the United States, fiscal year 1971," dated October 29, 1971 (with an accompanying report); to the Committee on Government Operations.

REPORT OF FOREIGN CLAIMS SETTLEMENT COMMISSION

A letter from the Chairman, Foreign Claims Settlement Commission, transmitting, pursuant to law, a report of that commission, for the calendar year 1970 (with an accompanying report); to the Committee on Government Operations.

REPORT ON ADMINISTRATION OF THE OUTER CONTINENTAL SHELF LANDS ACT OF 1953

A letter from the Deputy Assistant Secretary—Management and Budget, Department of the Interior, reporting, pursuant to law, on the receipts and expenditures of that Department in connection with the administration of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

REPORT OF GOVERNMENT PRINTING OFFICE

A letter from the Public Printer, Government Printing Office, transmitting, pursuant to law, a report of that Office, for the fiscal year ended June 30, 1971 (with an accompanying report); to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

Mrs. SMITH. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably on the nomination of Albert C. Hall, of Maryland, to be an Assistant Secretary of Defense (Intelligence) and four flag and general officers in the Army, Navy, and Air Force. I ask that these names be placed on the Executive Calendar.

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

The nominations, ordered to be placed on the Executive Calendar, are as follows:

Albert C. Hall, of Maryland, to be an Assistant Secretary of Defense;

Rear Adm. Kent L. Lee, U.S. Navy, for commands and other duties determined by the President, for appointment to the grade of vice admiral while so serving;

Maj. Gen. William Allen Knowlton, Army of the United States (brigadier general, U.S. Army), to be assigned to a position of importance and responsibility designated by the President, for appointment to the grade of lieutenant general;

Lt. Gen. Arthur William Oberbeck, Army of the United States (major general, U.S. Army), to be placed on the retired list, in the grade of lieutenant general; and

Maj. Gen. Glenn A. Kent, Regular Air Force, to be assigned to a position of importance and responsibility designated by the President, in the grade of lieutenant general.

Mrs. SMITH. Mr. President, in addition I report favorably 332 promotions to colonel and below and 313 appointments in the grade of lieutenant colonel and below in the Army; 255 promotions in the Navy to the grade of lieutenant commander and below; 710 appointments in the Navy in grade of captain and below; 353 appointments in the Marine Corps in grade of colonel and below; and 5,964 promotions in the Air Force in grade of captain and below. Since these names have already appeared in the CONGRESSIONAL RECORD, in order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senators.

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

The nominations, ordered to lie on the desk, are as follows:

Jerome Aaron, and sundry other officers, for promotion in the Regular Army of the United States;

Carlos F. Haas, and sundry other persons, for appointment in the Regular Army of the United States;

John C. Aarni, and sundry other officers, for promotion in the Regular Air Force;

Bruce H. Bailey, and sundry other persons, for appointment in the Regular Army of the United States;

Drexel M. Ace, Jr., and sundry other Naval Reserve Officers' Training Corps candidates, to be permanently assigned in the U.S. Navy;

James W. Abraham, and sundry other officers, for promotion in the Marine Corps; and

Brian David Aaronson, and sundry other officers, for promotion in the U.S. Navy.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. TALMADGE:

S. 2771. A bill to amend title 38 of the United States Code to liberalize the provisions relating to payment of pensions, and for other purposes. Referred to the Committee on Veterans' Affairs.

By Mr. YOUNG:

S. 2772. A bill to authorize the Secretary of the Army to convey certain lands originally acquired for the Garrison Dam and Reservoir project in the State of North Dakota to the Mountrail County Park Commission, Mountrail County, North Dakota. Referred to the Committee on Armed Services.

By Mr. MONDALE (for Mr. INOUYE):

S. 2773. A bill for the relief of Mrs. Flor Sotto Allas. Referred to the Committee on the Judiciary.

By Mr. LONG:

S. 2774. A bill to amend the Internal Revenue Code of 1954 to provide a deduction for certain wages paid to household employees. Referred to the Committee on Finance.

By Mr. PROXMIRE:

S. 2775. A bill to reduce certain charges and expenses in connection with the purchase and sale of residential real property, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. EASTLAND:

S. 2776. A bill for the relief of Andrew L. Malone. Referred to the Committee on the Judiciary.

By Mr. GRAVEL:

S. 2777. A bill to provide for cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. JAVITS:

S. 2778. A bill for the relief of Duangta Sukpattree Hyatt. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TALMADGE:

S. 2771. A bill to amend title 38 of the United States Code to liberalize the provisions relating to payment of pensions, and for other purposes. Referred to the Committee on Veterans' Affairs.

Mr. TALMADGE. Mr. President, I am proud of the record achieved during the 91st Congress by the Subcommittee on Veterans' Legislation of the Finance Committee, on which I was privileged to serve as chairman. The legislative actions of that subcommittee form an impressive record of Senate legislative initiative, a record of achievement that has drawn the unstinting praise of the veterans' organizations, and it is a record of which we in the Senate can be proud.

Today, I would like to build on that record by introducing major legislation to improve the veterans' pension program and to increase pension benefits.

The bill I am introducing today would increase pension benefits by about $100 million annually. The largest increases would go to those veterans and widows who have the greatest need: those with little or no income other than their pensions. The Veterans' Administration has prepared a detailed analysis of pensioners under the current law which shows that about one out of six veterans receiving a pension has virtually no income other than his pension. About half of those veterans receiving pensions under the current law have incomes of less than $100 a month other than their pension. As far as widows are concerned, one out of seven has virtually no other source of income other than her widow's pension; half have incomes of less than $75 a month. These are the veterans and widows who would receive the greatest increases under the bill I am introducing today.

There is another problem which crops up each time the Congress improves social security benefits. About four out of five pensioners also receive social security. Since the benefits under the veterans' pension program are related to income, they are reduced when social secu-

rity benefits go up. In virtually all cases, the social security increase is greater than the decrease in the veterans' pension, but even so the veteran or widow is denied a portion of the social security benefit increase that other social security beneficiaries receive.

Under present law, the 10-percent increase in social security benefits passed by the Congress earlier this year will not be taken into account for veterans' pension purposes until January 1972. Under the provisions of the bill I am introducing today, many pensioners will be saved from any pension reduction whatever; no pensioner will lose his eligibility for a pension; and all pensioners would be better off than under present law.

The bill does this in three ways.

First, pension rates for all veterans are increased;

Second, the tables of pension benefits under present law would be replaced by a series of formulas under which pension benefits would be more closely related to income. To give an example: a veteran with one dependent would be entitled to a pension benefit of $137 monthly if his income was less than $500; for each dollar of additional income above $500 and up to $900 his pension would be reduced 2 cents; for each dollar above $900 and below $2,900 his pension would be reduced by 3 cents, and so on.

Third, the income limitations under the pension program would be increased substantially under the formulas in the bill as follows:

From $2,300 to more than $2,600 for a single veteran;

From $3,500 to more than $3,800 for a married veteran;

From $2,300 to $2,600 for a widow alone;

From $3,500 to more than $3,800 for a widow with dependents.

With these increases in the income limitations, no pensioner now on the rolls will become ineligible as a result of the 1971 social security increase.

The veterans who would face a pension reduction even under my bill are the pensioners who have received a substantial dollar increase in their social security benefits this year. As I stated before, even for these veterans, the pension reduction they would face is smaller than it would be if no legislative action were taken.

Mr. President, I would like to illustrate the impact of my bill with some concrete examples.

A veteran with no dependents who received a social security benefit of $93.30 in December 1970, was eligible before this year's social security increase for a pension of $96, for a total monthly income of $189.30. The Congress increased his social security benefit to $102.70. Under present law, his monthly pension would be cut $4 next January for a total income of $194.70. Under my bill, not only would his pension not be cut—it would actually be increased $3. Thus this veteran would get both the full benefit of his social security increase plus an additional small increase in his pension for a total income of $201.70.

Let us take as a second case a married veteran whose social security benefit in December 1970, was $140. Before this year's social security increase, he was eligible for a $104 monthly veteran's pension, for a total income of $244. The Congress increased his social security benefit to $154.10; under present law, his pension will be cut to $101 next January making his total income $255.10. Under the bill I am introducing today his pension will be increased to $106 instead of cut, and he will have the full benefit of the social security increase plus a $2 pension increase for a total income to $260.10.

Now let us take a case that falls in the group of veterans whose pension will be reduced even under my bill. This would happen in the case of a married veteran who was receiving a social security benefit of $223.40 in December 1969. This veteran was eligible for a monthly pension of $78, for a total income of $301.40. The Congress increased his social security benefit to $245.70; under present law, his pension will drop to $72—a $6 cut—next January, bringing his total income to $317.70.

Under the bill I am introducing today his pension would be reduced only $2, and the veteran's total income would be $321.70. In other words, this veteran's social security benefits have gone up by more than $22 monthly, while his pension under the bill would go down only $2.

As a last case, Mr. President, let us consider the case of a widow with one child whose monthly social security benefit in December, 1970, was $121. She was eligible for a $88 widow's pension for a total income of $209. The Congress increased her social security benefit this year to $133.10. Under present law, her pension would drop to $86 next January, bringing her total income to $219.10. Under my bill, her pension would not be cut, but instead would be raised to $90, giving her the full benefit of her social security benefit increase and raising her total income to $223.10.

Mr. President, my bill would provide a needed pension benefit increase next January with an important improvement in the structure of the pension program. Most of the additional funds under my bill would go to the neediest veterans and widows receiving pensions today. I am hopeful that the bill will receive prompt action.

By Mr. PROXMIRE:

S. 2775. A bill to reduce certain charges and expenses in connection with the purchase and sale of residential real property, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

TITLE CHARGE REDUCTION ACT

Mr. PROXMIRE. Mr. President, I am introducing a bill today that will enable more people to buy homes by reducing the title charges they must pay.

HIGH COST OF TITLE CHARGES

The high cost of title search and title insurance have prevented many people from buying homes. Many individuals can afford the monthly payments required to own a home, but they cannot scrape up enough money to pay for all the closing costs, such as title search, title insurance, tax escrow, transfer taxes, and so forth. The threshold to buying a house is just too high. My bill will lower this threshold.

Closing costs vary widely depending on the part of the country in which you are buying a home. Boston which has title records back to the colonial days and lots of land laid out in colonial days had the lowest closing costs in a survey recently conducted by HUD and the VA, $332. Newark, N.J., had the highest, $847. When I questioned those who conducted the survey, they felt the greatest amount of difference in cost was due to "custom." That is, what was customary in the particular area.

"Custom," rather than reason underlies many of the title costs the home buyer must bear. I am familiar with one of the most outlandish results that "custom" can cause. Although one of my legislative assistants is a former law professor who taught property law, he was not allowed to conduct the title search for a house he bought here in the District of Columbia. As a matter of fact, he was told that if he wanted to buy the house, he had to purchase lender's title insurance even though he was assuming the mortgage and there is no legal defect in title which could have impaired the lender's interest. The lender was already fully protected by the prior owner's title insurance policy. In effect, my legislative assistant was forced to buy insurance, although there was absolutely no risk of loss to the lender.

When he protested he was told it was "custom" and, if he did not want to buy the insurance, he did not have to buy the house. He was over a barrel and bought the title insurance policy. If that happened to him, it is a safe assumption that the same thing is happening to everyone, even though there is absolutely no justification for requiring a home buyer who is assuming a mortgage to purchase a new lender's title insurance policy.

Another example of an unnecessary title expense occurs when a person buys a home from a developer who has just built a number of homes on a single tract and is forced to buy a completely new title search and insurance policy. Less than a year before, probably, the developer was required to have the title searched and get title insurance in order to get the construction loans he needed to build these homes. Thus, there is no justification for requiring the home buyer to pay for a completely new title search less than a year after one was done. This is make-work of the highest order. The only defect that could have arisen between the original title search and the purchase of the home would be a mechanics lien which might cost the homeowner some money but would not result in the loss of title to his home. The minimal risk of a defect arising in the short time between the original title search and the purchase of the home means that there is no justification for charging the home buyer the full amount for a complete title search and policy.

These types of unnecessary title charges must be eliminated in order to

enable more people to buy homes. There is no reason for these types of expenses except "custom."

Everyone seems to benefit from these "customary" charges except the home buyer. Lawyers get forwarding fees, real estate agents get commissions, lenders get compensating balances, and the home buyers get taken. People who buy one or maybe two homes in their lifetimes just do not have the economic clout to bargain with the real estate establishment.

No one could object to expenses that are justified by reason; but no one ought to support expenses justified only by "custom." What is needed and what my bill does is to give the only economic entity with the power to bargain with the other members of the real estate establishment an incentive to cut costs—the lenders.

TITLE INSURANCE INDUSTRY

Before describing how my bill will work, I ought to describe how the title insurance industry works. There are basically three types of title insurance companies.

National title insurance companies will insure titles wherever they have agents located. Although they may maintain their own title plants near their headquarters, a large portion of their income comes from titles which are examined by their local agents and insured by them. The so-called national title charges are $2.50 per thousand for lender's insurance and $3.50 per thousand for joint lender's and homeowner's insurance.

Local title insurance companies usually operate only in one county or city. They maintain extensive title records which duplicate the official records. Although this is an uneconomic allocation of resources, increasing costs to the home buyers, the companies claim that the public records are inconvenient to use. This may be true but the real answer is to improve the public land records. Unfortunately, so long as there are vested economic interests which oppose this type of reform, I fear the States will not act because the problem has not gotten very visible.

The third type of title insurance company is the so-called lawyer's title company which is sponsored by a State bar association such as Florida's or Ohio's. They insure, in effect, that the attorney's opinion of valid title is accurate.

Title insurance has grown tremendously in recent years. Prof. Quintin Johnstone of Yale Law School estimated premium income of the title insurance companies amounted to about $100 million in 1954. According to the survey which I conducted, the 41 firms that responded had a gross income of $299,-120,270 in 1970, a bad year for housing.

Why the sudden demand for title insurance? Because the consumers felt the need to protect their homes from title defects? No, because the title companies have promoted title insurance and the life insurance companies which buy many of the mortgages of the primary lenders find it easier to simply rely upon the title insurance policy than recheck the title themselves. In other words, the home buyer is being asked to pay increasingly large amounts of money for the convenience of the financial institutions, not for his own protection.

The risk absorbed by these title companies is almost nonexistent. Measured as a percent of their total liability, the title companies that responded to my questionnaire paid out less than one tenthousandth of a percent in losses. Measured as a percent of their gross income, the companies paid out about 2.5 percent in losses for the years 1968 to 1970. Obviously, the title insurance business is not the typical insurance business.

The title insurance companies claim they are in the business of risk prevention rather than risk assumption. And, they are right. The title insurance companies perform a vital service. By searching the title they are insuring that the home buyer actually gets what he is paying for. A home is the largest single investment that most of us make. We must be sure that we are actually getting good title. However, the consumer is being forced to pay too much for this service. I do not mean to say that the title insurance companies themselves are reaping large profits. They are not. What I am saying is that the title insurance industry's present mode of operation is costing home buyers millions of dollars in unnecessary charges because there is no incentive to be efficient. It is far easier for them to go along with the "way we have always done it" than change the customary way of doing things and risking irritating the real estate establishment which they must depend upon for business.

As a matter of fact, most of the pressure on the title insurance companies is to raise costs rather than reduce them. There is reverse competition in the title insurance industry. Because most title insurance companies rely upon agents to send them business, there is great pressure to raise the agents' commissions in order to obtain more business. This increases the cost to the home buyers who have no real opportunity to shop for cheaper title insurance.

What is needed is some incentive toward efficiency. This means that someone in the real estate establishment with sufficient economic power to bargain with the title insurance companies and the rest of the real estate establishment must have an incentive to cut title insurance costs.

THE BILL

My bill would require the lenders to absorb as part of their overhead the cost of title search and any title insurance they require as a condition for granting a home loan. The bill would also prohibit price discrimination between lenders and home buyers in the sale of title services.

Although home buyers eventually will have to pay for the title expenses absorbed by lenders in higher interest rates, home buyers will benefit from lenders' efforts to keep their overhead down. In addition, if the home buyer purchases title insurance to protect his equity, he will get the advantage of lower rates because title companies are required to sell title insurance to home buyers at the same rate they charge the lenders.

The bill could dramatically lower title costs without adversely affecting the secondary mortgage market. As we saw before, one of the primary uses of title insurance is to ease the sale of mortgages to life insurance companies. Under this bill, the life insurance companies and other secondary lenders still would have the ease and protection that title insurance provides. However, rather than requiring a separate title insurance policy for each home loan, lenders might opt for a blanket title insurance policy on all the home loans they make.

This would surely diminish costs substantially and provide the same protection to the lender. This would surely also lead to some real force behind efforts to improve our public land records.

As a matter of fact, this could lead to the adoption by the States of land registration systems which have worked so well in the few places they have been adopted. A land registration system or a Torrens System relies upon title certificates to pass title. If a defect in title does not appear on the face of the certificate, it does not legally exist so far as the purchaser of the property is concerned. Thus, it is possibly to quickly check title. In most cases, a lawyer or even a clerk could ascertain the validity of the title in 10 minutes. A person who was harmed by a wrongful transfer of title can only sue the transferor or file a claim against the fund set up by the State for such contingencies; he cannot sue the purchaser of a clean title certificate. Massachusetts has had such a system for many years and, to my knowledge, no successful claim has been filed against the State insurance fund. This is some indication of the worth of the system. Unfortunately, it has not been widely adopted elsewhere, and because of the complexity of the subject, there has been little public pressure for reform. However, if the lenders were to advocate forcefully its adoption, I am sure we would see a rapid change of attitude among the State legislatures.

ALTERNATIVES

In developing this bill, I have looked into other alternatives for lowering closing costs.

Federal title insurance—Federal title insurance on FHA and VA homes could provide a base from which to measure the reasonableness of charges by other title insurance companies. However, the problem with this solution is that it could create another Federal bureaucracy which I would prefer to avoid.

Federal regulation—Federal regulation of title charges on FHA and VA homes would be one way to provide for continuous pressure to protect the consumer from unreasonable charges. However, all too often regulatory agencies become the captives of those they supposedly regulate and, again, there is the danger of creating another Federal bureaucracy.

Besides, as we have seen, the title insurance companies are not making exorbitant profits; what is needed is a fundamental structural reorganization which a regulatory agency would most likely be incapable of accomplishing.

Free enterprise—This is the alternative that I have chosen. I have always been a firm advocate of the free enterprise system and my bill would allow the free enterprise system to work the way it was supposed to—to encourage competition and thereby reduce costs.

As we have seen, under the present system, there is a reverse incentive to cut costs; under my bill there would be every incentive to cut costs. Competition would again be the regulating force. This is a far better solution than Federal regulation.

I ask unanimous consent that the summary of my survey of title insurance companies be printed at this point in the RECORD as well as the text of my bill.

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

S. 2775

A bill to reduce certain charges and expenses in connection with the purchase and sale of residential real property, and for other purposes

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

SHORT TITLE

SECTION 1. This Act may be cited as the "Title Charge Reduction Act".

SEC. 2. (a) The Congress finds that—

(1) the costs of title examinations, title insurance, and similar related title services in connection with residential mortgage transactions are excessively high in many areas of the country, and home owners lack effective bargaining power to bring about reasonable reductions in such costs;

(2) financial institutions and mortgage leaders are principal beneficiaries of title insurance and should therefore be required to pay for those services to the extent of their benefit, but, in most residential real estate transactions, the buyer or seller of a home is required to pay for all title services;

(3) the costs of title services will be reduced if mortgage lenders are required to pay a part of the charge for these services because of the superior economic bargaining power of mortgage lenders as compared to home buyers or sellers; and

(4) title insurance policies have provided broader coverage at lower costs to mortgage lenders than to home owners, whereas fairness requires that title services should be made available to home owners on the same terms and conditions.

(b) It is the purpose of this Act to bring about a reduction in the charge for title services (1) by requiring the costs thereof to be paid by the mortgage lender whenever title services are required by the lender as a condition for extending credit, and (2) by prohibiting price discrimination between mortgage lenders and home owners in the sale of title services.

DEFINITIONS

SEC. 3. (a) The term "title services" includes, but is not limited to, the provision or conduct of the following:

(1) the performance of title examinations;

(2) the furnishing of title abstracts or similar documents;

(3) the furnishing of legal opinions on the status of a title; and

(4) the furnishing of title insurance for the protection of a lender, a home owner, or both.

Such term does not include services for which the fees and charges are prescribed by law and which are or will be paid to public officials for transferring or recording title to real property or for similar purposes.

(b) The term "mortgage lender" means any person who regularly makes loans secured by an interest in a home and, in so doing, uses any means or instrumentality of interstate commerce.

(c) The term "home" means a structure which is designed principally for the occupancy of from one to four families.

(d) The term "home mortgage loan" means a loan made by a mortgage lender secured by an interest in a home.

PROHIBITION AGAINST CERTAIN CHARGES; DISCLOSURE

SEC. 4. (a) Notwithstanding any other provision of law, in any case in which the performance of title services is a factor in a mortgage lender's determination of whether to furnish a home mortgage loan, all costs, fees, and charges in connection with those services shall be paid by that mortgage lender and shall not be charged to the buyer or seller of the home.

(b) If the performance of title services is not a factor in a mortgage lender's determination, that mortgage lender shall clearly and conspicuously disclose, prior to entering into any agreement with respect to a loan or any such services, to the buyer and seller of the home that such services are not such a factor. The costs, fees, and charges for title services may be paid by the buyer or seller if he then chooses to secure such services.

PROHIBITION OF PRICE DISCRIMINATION

SEC. 5. No person who regularly provides title services by any means or instrumentality of interstate commerce shall provide such services to the buyer or seller of a home at a rate or price which is in excess of that charged to a mortgage lender for comparable services or provide more restrictive services to the buyer or seller of a home than provided to a mortgage lender. In the case of title insurance, the Secretary of Housing and Urban Development shall, by regulation, establish standards for determining effective premium rates with respect to such insurance.

CIVIL LIABILITIES

SEC. 6. (a)(1) Any mortgage lender who violates section 4(a) of this Act shall be liable to the person who paid for such services in an amount equal to the sum of three times the charge for such services plus court costs and reasonable attorney's fees as determined by the court.

(2) Any mortgage lender who violates the provisions of section 4(b) of this Act with respect to disclosures shall be liable to the buyer or seller of the home in an amount equal to the sum of three times the amount actually or customarily charged for such services plus court costs and reasonable attorney's fees as determined by the court.

(3) Any person who violates section 5 of this Act shall be liable to the person purchasing such services in an amount equal to the sum of three times the charge for such services plus court costs and reasonable attorney's fees as determined by the court.

(b) Any action under this section may be brought in any United States district court, or in any other court of competent jurisdiction, within two years from the date on which the liability arose.

CRIMINAL PENALTIES

SEC. 7. Any person who willfully and knowingly violates any provision of this Act or any regulation under this Act shall be fined not more than $5,000, or imprisoned not more than one year, or both.

REGULATIONS

SEC. 8. The Secretary of Housing and Urban Development shall prescribe regulations to carry out the purposes of this Act. These regulations may contain such classifications, differentiations, or other provisions, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Secretary are necessary or proper to effectuate the purposes of this Act, or to prevent circumvention or evasion or to facilitate compliance of this Act.

ADMINISTRATIVE ENFORCEMENT

SEC. 9. Compliance with this Act shall be enforced by the Secretary of Housing and Urban Development. All of the powers of the Secretary under section 1415 of the Interstate Land Sales Full Disclosure Act are available to the Secretary in the enforcement of this Act.

EFFECTIVE DATE

SEC. 10. This Act shall become effective upon the expiration of 90 days after its enactment.

SUMMARY OF SENATOR PROXMIRE'S TITLE INSURANCE SURVEY

Losses and loss reserves	1968	1969	1970	Average
Net payments adjusted as percent of:				
Gross income	2.27	2.54	2.28	2.51
Net title insurance written	5.43	4.76	4.17	4.78
Face amount of that year's policies	.01	<.01	<.01	<.01
Gross income (in thousands)	293,635	312,390	299,120	301,715
Percent of—				
Service charges	31.20	32.66	33.68	32.51
Title insurance premiums	59.9	59.14	60.44	59.82
Net other income	.57	.76	.13	.48
Net investments	8.30	7.49	7.98	7.92
Total expenses (percent):				
Personnel expenses	40.12	40.79	40.78	40.29
Commissions	20.18	19.95	19.60	19.91
Production services	4.66	5.22	5.18	5.18
Net payments adjusted	3.21	2.71	2.53	2.81

Losses and loss reserves	1968	1969	1970	Average
Total expenses (percent)—Continued				
State tax	3.81	3.89	3.96	3.88
Federal tax	8.00	7.61	5.26	6.95
Percent net income of gross income	11.64	10.34	7.5	9.82
Interlocks between title insurance company boards and officers and others:				
Average number on title insurance boards	11.5			
Bank interlocks	5.4			
Savings and loan interlocks	2.6			
Real estate agents, etc	5.6			
Law firms	3.4			
Other title companies	2.3			
Other companies	7.1			

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 993

At the request of Mr. BYRD of West Virginia, for Mr. JACKSON, the Senator from New Jersey (Mr. CASE) was added as a cosponsor of S. 993, to provide for the cooperation between the Federal Government and the States with respect to environmental regulations for mining operations, and for other purposes.

S. 1389

At the request of the Senator from Minnesota (Mr. MONDALE) and the Senator from Massachusetts (Mr. BROOKE), the Senator from Indiana (Mr. BAYH), the Senator from Utah (Mr. BENNETT), the Senator from Texas (Mr. BENTSEN), the Senator from California (Mr. CRANSTON), the Senator from Oklahoma (Mr. HARRIS), the Senator from Michigan (Mr. HART), the Senator from Indiana (Mr. HARTKE), the Senator from Iowa (Mr. HUGHES), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Washington (Mr. JACKSON), the Senator from New York (Mr. JAVITS), the Senator from Washington (Mr. MAGNUSON), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Wisconsin (Mr. NELSON), the Senator from Rhode Island (Mr. PELL), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Illinois (Mr. STEVENSON), the Senator from Ohio (Mr. TAFT), and the Senator from California (Mr. TUNNEY), were added as cosponsors of S. 1389, a bill to negotiate a most-favored-nation agreement with Rumania.

S. 1859

At the request of Mr. JAVITS, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 1859, providing for the establishment of a National Institute on Building Sciences.

S. 2556

At the request of Mr. ALLOTT, the Senator from Wyoming (Mr. HANSEN) was added as a cosponsor of S. 2556, to establish a municipal mine demonstration plant.

S. 2696

At the request of Mr. PROXMIRE, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 2696, the Regional Water Quality Act of 1971.

S. 2724

At the request of Mr. BYRD of West Virginia, for Mr. JACKSON, the Senator from Wyoming (Mr. MCGEE) was added as a cosponsor of S. 2724, to establish a national Indian education program by creating a National Board of Regents for Indian Education, carrying out of a national Indian education program, the establishment of local Indian school boards, and for other purposes.

S.J. RES. 34

At the request of Mr. SCOTT, the Senator from Kentucky (Mr. COOK) was added as a cosponsor of S.J. Res. 34, proposing an amendment to the Constitution of the United States with respect to the offering of voluntary prayer or meditation in public schools and other public buildings.

SENATE CONCURRENT RESOLUTION 48—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO THE HOLY CROWN OF ST. STEPHEN

(Referred to the Committee on Foreign Relations.)

Mr. DOLE. Mr. President, today I submit for appropriate reference a concurrent resolution which will serve as a declaration of America's renewed determination to see that the principles of democracy and freedom will some day be restored to the Hungarian people in their homeland. This resolution expresses the sense of the U.S. Congress that the great national treasure of Hungary, the Holy Crown of St. Stephen, should continue to remain in the safekeeping of our Government until the Government of Hungary functions according to the free will of its citizens. By adopting this statement Congress will succeed in expressing its rejection of recent indications that the current Hungarian regime wishes to negotiate the crown's return, and Congress will reiterate steadfast adherence to a solemn commitment between the peoples of Hungary and the United States.

It is, perhaps, difficult to fully appreciate the great significance which the Crown of St. Stephen holds in the hearts and minds of Hungarians everywhere. It is to them what the Declaration of Independence, the Constitution, the Bill of Rights, and the Liberty Bell are to Americans—and more. Its history reaches back to the very roots of the Hungarian state and the cultural traditions of the Carpathian Basin, and its combined social, religious, and political aura permeates the entire concept of governmental legitimacy in that ancient nation.

At the close of World War II, when Eastern Europe was overrun by the forces of oppressive totalitarianism, valiant and devoted Hungarian patriots entrusted the crown to the U.S. Government until the day that freedom and liberty were once again realities in their country. Our Government undertook a solemn obligation in accepting the crown and has, for 26 years, adhered to that obligation and commitment.

I do not believe there is any immediate possibility that our Government would surrender the crown to the present Budapest regime, but 1971 being the 15th anniversary of the glorious and tragic Hungarian revolution of 1956, I feel it is entirely appropriate that the United States make manifest this reaffirmation of our commitment.

I am pleased to note that Senators THURMOND, BUCKLEY, BENNETT, ROTH, and TOWER are joining me today in submitting this concurrent resolution, and I express my hope that any other Senators who wish to join will feel welcome to add their names.

Mr. President, I ask unanimous consent that the text of the concurrent resolution and the following additional materials, which enlarge on the details of my remarks and the significance of this resolution, be printed at this point in the RECORD.

The text of a petition which was circulated by the Hungarian Freedom Fighters Federation, signed by more than 10,000 people and presented to the White House.

A statement on the significance of St. Stephen, King of Hungary, by Dr. Bela Maday.

A memorandum on the Holy Crown of St. Stephen.

The texts of two letters concerning the 15th anniversary of the Hungarian revolution.

A statement of the Hungarian Freedom Fighters Association on the 15th anniversary of the Hungarian revolution.

The text of an address by the Honorable FRANK HORTON, Congressman from the 36th District of New York, at the dinner commemoratory of the 15th anniversary of the Hungarian revolution.

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

S. CON. RES. 48

Whereas the Holy Crown of Saint Stephen is a national treasure of great symbolic and constitutional significance to the Hungarian people; and

Whereas the United States Government is in possession of the Holy Crown of Saint Stephen, it having been entrusted to the United States in 1945 for safekeeping until Hungary should once again function as a constitutional government established by the Hungarian people through free choice; and

Whereas Hungary is presently under the control of an atheistic Communist regime in whose interest it would be to destroy the Holy Crown of Saint Stephen; and

Whereas the Communist government of Hungary has proposed that the Crown be given to that government in order to further to improve the atmosphere of American-Hungarian relations; and

Whereas relations between the United States and the Communist government of Hungary have gradually been resumed, and discussions have taken place with a view to the settlement of various longstanding bilateral problems; and

Whereas it is possible that the Holy Crown may be considered as a negotiable item by the United States Government; and

Whereas the hopes of the oppressed people of Hungary for a future freedom and liberty, and the hopes of their brothers and sisters, the American-Hungarians in this country, will be dashed if the United States Government breaks its sacred trust and relinquishes the Crown; Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the Holy Crown of Saint Stephen should remain in the safekeeping on the United States Government until Hungary once again functions as a constitutional Government established by the Hungarian people through free choice.

PETITION

(Text of petition circulated by the Hungarian Freedom Fighters Federation and signed by more than 10,000 people. The Signatures were delivered to the White House.)

The PRESIDENT,
The White House,
Washington, D.C.

MR. PRESIDENT: We, the undersigned, are deeply concerned over the reported possibility that the day may be close when Washington finds an occasion to surrender Hungary's national treasure, the Holy Crown of

Saint Stephen to the presently ruling regime in Budapest. The Holy Crown of Saint Stephen is the symbol of Hungarian sovereignity, it represents traditional constitutionality. The release of the Crown to a regime which rules over ten-million Hungarians without their consent and to a regime which is kept in power by the Soviet occupation forces present in Hungary, would be the destruction of all principles for which the Crown stands. A country under the rule of the Brezhnev Doctrine cannot be sovereign and we cannot crown into respectability those, who not so long ago committed the foulest treachery and the basest deceit known to man, so monstrous crimes against the Hungarian people that their infamy should not be forgiven or forgotten.

Mr. President, consider our appeal, take your stand on the side of decency and defence of human rights, and deny the pleasure of self glorification for a regime which was born in blood, which denies the basic human rights for Hungarians, and rules with the guns of a foreign power.

THE SIGNIFICANCE OF ST. STEPHEN, KING OF HUNGARY, HIS REIGN AND HIS ERA TO STUDENTS OF HUMANITIES AND THE SOCIAL SCIENCES

(By Dr. Béla C. Máday, professor, American University)

These days when "law and order" has become a pejorative slogan, it is rather refreshing to speak about the virtues of a king who created a nation by establishing a fundamental legal order.

Saint Stephen is remembered, not only because he was the first king of Hungary in the European sense of term, but because the legal-political order he established in the Carpathian Basin proved his wisdom and genius for over a millennium. He was not an originator of great ideas or reforms. Instead, he was a man of noble purpose, sound judgment, and a strong determination; qualities which make a statesman of a politician.

His forefathers chose the land on which they settled, but he made it secure against foreign encroachments. His forefathers decided to take up Christianity, but he chose Rome against Byzantium. His father was said to be "rich enough to afford two gods", but Stephen made the commitment total to one God. His forefathers chose a more unifying form of government, but it was his keen mind that gave the union power and permanence through the form of monarchy.

He gave form and structure to the cataclismic transformation that changed Hungarians from Asians to Europeans, from nomads to sedentary people, from hunters to agriculturists; their religion from shamanism to Christianity, and their social organization from tribalism to nationhood. This was a process of cultural "metabolism" for which we can find no parallel in subsequent Hungarian history, not even during the 150 year long Ottoman-Turkish occupation.

King Stephen devoted himself to his enormous task with courage, wisdom, and tenacity. As a result, the Magyar nation made its unique imprint on the history of Europe, a contribution which has not yet been assessed in its proper dimensions. The accomplishments of this little nation and its great king are not known to the English speaking world. If the epoch to which we refer was really as dramatic, and the change as rapid and thoroughgoing as we believe they were, then they represent historical precedents the understanding of which could enrich our knowledge of the process of cultural and social change. If not to the public at large, they could be highly relevant to doctoral candidates in the humanities and in the social sciences.

Advocating the study of events which happened a thousand years ago may not be very popular these days, when many a student has traded the study of history for involvement in magic sociological slogans. They argue that if what happened during their forefathers' life time is utterly irrelvant today, why should anyone be concerned with something that happened some 1,000 years ago.

In spite of such skepticism, I would like to tackle the task of outlining some of the issues and events involving Saint Stephen's role, which could or should be of particular interest to research scholars of various disciplines.

FOR HISTORIANS

About one millennium and seventy five years ago, some 50,000 rugged riders and their families and slaves stopped at the crest of the mighty Carpathian mountains. They looked west into the great Danubian valley. They liked what they saw. Nestled in the mountain garland were rich pastures, lush forests, clear waters, and dispersed settlements of few and loosely organized people. The riders decided to stay. They descended from the mountain slopes, pitched their tents on the plains, and founded a new European nation, Magyarorszag, to be called Ungarn, Hungaria, Hungary

The Magyars did most of their important business on horseback. The late Prime Minister, Paul Teleky said once that the early Magyars had a democratic parliament before they had chairs to sit on because they deliberated and voted in the saddle. They elected their tribal chiefs in a democratic fashion, as nomadic people usually do. And when a collective leadership found it necessary to form a more permanent union, the chiefs of the seven tribes elected to general council entered into an agreement, the Blood Pact, in 896 A.D., safeguarding their rights and stating their responsibilities. They also elected Arpad, son of Almos, to be their leader.

The political philosophy expressed in this pact has had a lasting effect on Hungarian constitutionalism during the subsequent centuries. First, it regulated the succession by making it subject to election, although it was restricted to candidate from the family of Almos. The result has been a persistent desire of Hungarians for a ruler elected from among their blood. Second, it was agreed that any booty or gain from a victorious battle be considered common property until distribution, and that no member of the general council (tribe) could be excluded from the distribution. This principle was a basically different concept from that of contemporary European feudal theories in which possession inhered rather in the individual in terms of his status. The principle of the Blood Pact may be considered the basis of a historic resistance to feudalism in the country, as well as the beginning of the development of a concept of the state. Third, no member of the council, or any of the members' descendants, might be excluded from the council, except for treason.

No one has yet traced the effects of these constitutional principles through Hungarian history, except in broad generalities and in terms of opinions rather than facts.

FOR POLITICAL SCIENTISTS

When the seven tribes settled in the Carpathian Basin under the political organization of a loosely structured federation, they found a European continent of empires and monarchies. Charlemagne's empire had just disintegrated and Western Europe was in a process of political regrouping. The Holy Roman Emperor, the Pope and the eastern patriarch vied for power.

The East secured the allegiance of the Bulgars, Serbs, Russians, and for a while that of the Moravians. The West wrestled the Moravians away from the East, and added the Slovens, Croats, and all Germans to the Latins.

It fell to the great-grand-son of Arpad, to fit the newcomer nation into this political environment, and to consolidate it in the manner that would secure its survival. This great man fulfilled simultaneously his multiple obligations to God, to his people, and to the family of European nations with a genius for which he is still remembered. He forcefully guided his people along the path on which his forefathers set out when they decided to settle in Europe.

Stephen asked a crown from Pope Sylvester II, and received it in 1001 A.D. along with powers making Hungary a member of the Western Christian community, though ecclesiastically independent from the German bishopries. These powers also gave the Apostolic King of Hungary independence from the German Emperor's sanctions. The gradual increase of freemen not belonging to the original tribes had weakened the role of the tribal chiefs, a process favoring St. Stephen's centralizing efforts. He changed the divisions of land from the custom of outlining tribal areas to that of establishing defense areas around fortresses, the basis of the county system.

In subsequent centuries the relationship of the king to the nation underwent several changes, but the king remained basically and pre-eminently a national sovereign at all times, and according to Professor Carlyle Macartney, he was the head of "a national state in a sense in which hardly any other European State was national, because it was based on the free and equal community of the Magyar nation.

"In the matter of rights, no member of the nation was inferior to any other, except only the king. . . . The royal dynasty owed its position to election, and stood in a relation to the nation different to that of some Western ruler by grace of God and marriage alliance."

How a political order based on tribalism was changed to that of a monarchy within a span of one generation, still begs for an answer. The explication of Saint Stephen's engineering this transformation could be a superior challenge to a student of political science.

FOR PHILOSOPHY OF LAW STUDENT

Great statesmen are recognized not only by the political crop they harvest during their lifetime but also by the success of the seeds they have sown for the benefit of future generations.

Saint Stephen, by accepting a crown from Rome (which later was fused with a crown received from the Byzantine Emperor) and by amalgamating tribal interest with a strongly centralized monarchy, was also responsible for the evolution of the constitutional symbol of the Sacred Crown.

The Sacred Crown has been a symbol representing the supreme political power of the country as exercized jointly by the king and by the nation. The Sacred Crown became a symbol of a mystic concept superior to both the ruler and the body of the franchised citizens, within the framework in which the nobles as depositors of the traditional Magyar nation felt themselves equal partners with the monarch. This theory was a fundamental part of the asserted right of Hungarians to elect a king or resist him, reaffirmed in several documents throughout the history of the nation, and symbolized by the inclusion of a five-pointed crown in the pre-communist Hungarian coat of arms.

Through the history of Hungary as a monarchy, no coronation was considered legally valid unless it was performed with St. Stephen's crown. For example, in 1308, the crown was in the possession of the Prince of Transylvania who wished to prevent the coronation of Charles of Anjou. The papal

nuncio brought a substitute crown, blessed it, and declared the original crown divested of its constitutional properties. The nation considered the coronation legal only after St. Stephen's crown was recovered and physically placed on the head of Charles.

The fact that according to this theory the Hungarian lands were ultimately owned by the Sacred Crown rather than by the king or his subjects, had a signal impact after 1526, when Austria and Hungary shared sovereigns. Ernst Helmreich tells us that "The concept of the unity of the crown-lands was also a major factor preventing a successful reorganization of the multi-national Hapsburg domain. After World War I, when the historic kingdom was torn apart, reuniting the lands of the Crown of St. Stephen became a rallying cry for Hungarian revisionists." However, the policy of expansion and conquest beyond the Carpathian Basin has never become a part of the idea.

The concept also had side effects. One of these was the absence of political assassinations related to the succession in the nation's history. Because of the concept, Hungary was also able to avoid bitter strifes between saçred and secular power domains.

FOR SOCIAL SCIENTISTS

Four generations after the conclusion of the migration, the Hungarians under St. Stephen became a European power with a solid political, economic, and social fabric that began to make its independent contribution to the history of the Western world. The Magyars changed from a predominantly hunting and pastoral economy to predominantly sedentary agriculture, from followers of ancient, mostly Asiatic value systems and religious beliefs to Christianity, from fighters to mainly workers. All this in 100 years. Understanding how such social-cultural transformation of this magnitude took place in such a short period of time must baffle the most sophisticated social scientist.

To change one's way of life, indeed, one's deep-seated values is perhaps the most difficult and challenging human task an individual or group can perform. We are all witnessing something of the same order going on right now in our midst, in our society. And the coming generations will be exposed to an ever more trying time in which demands for rapid change and adjustment of great dimensions will become the order of the day, and not the exception. But in King Stephen's time dramatic changes occurred in intervals of centuries. It was a long way from the discovery of fire to the discovery of the wheel. Thousands of years elapsed from the beginning of food gathering to the commencement of food production. Yet, few historians have concerned themselves intensively with the interaction of economics, settlement patterns, division of labor, social stratification, kinship system, art, and other cultural phenomena.

Of course we are familiar with the Marxist interpretation of history in terms of class struggle. In this context St. Stephen is commemorated as the founder of feudalism in Hungary, which lasted until the beginning of Capitalism in 1841.

Such simplistic interpretations, of course, cannot satisfy the social scientist. He is interested in how the transformation from tribal system to centralized monarchy has changed social structure, the role of the clan and his family. He is interested in how the change in economy affected the division of labor and the role of various members in the family. He is interested in how agriculture, tied to the four seasons of the year has changed the distribution of leisure, its use, and its products. He wants to know what happened to the words which lost their meaning because the object or activity has ceased to be useful, and from where the new word for the new way of life was derived. He wants to know how and why people settled the way they did, how ownership patterns and land tenure patterns have changed, and what relationship developed between the original pioneers, their offspring, new migrants, conquered slaves and foreign visitors, how news travelled and all the implications of primitive communication.

We know little of these things and according to our present knowledge of human behavior, they play an immensely important role in the history of mankind.

FOR LIBRARIANS

The scarcity of publications on St. Stephen is demonstrated by the fact that in Paul Horecky's monumental two-volume bibliography of East-Central Europe, there is only one entry on St. Stephen.

Carl Sandberg tells us that "The famous lawyer, Rufus Choate, listening to foreign-language grand opera in New York, had told to his daughter to be sure to let him know when to laugh or cry or just sit still and keep cool. From the shifting stage scenes he could hear words, but he did not know what they were saying. He needed help. 'Interpret for me the libretto lest I dilate with the wrong emotions,' he told the daughter."

We find that Americans often look at the historical and contemporary scene of Hungary, and wish they could understand the messages of various events and occurrences. They want to know, what they mean today and what they will mean tomorrow. The academic community in general, and the bilingual scholar in particular, have special responsibilities for interpreting events and issues of Eastern Europe in historical perspective.

The millennium of the birth of King Saint Stephen reminds us that we may begin with his person and his era.

MEMORANDUM ON THE HOLY CROWN OF ST. STEPHEN

AN AMERICAN APPRAISAL

A distinguished American, John F. Montgomery, for eight years President Roosevelt's Envoy to Hungary, has defined the meaning and the intrinsic value of St. Stephen's Crown for the Hungarian people. In his book, "Hungary—The Unwilling Satellite" he explained (p. 36) that "Hungary, as contrasted with England and nearly every kingdom, has always put the crown above its wearer: *the king really served as regent for the crown* in which rested the sublime power carried down through the ages from the time of King Stephen." That sober American also paid tribute to St. Stephen and his people by stating that "with the coronation of its medieval king, who after his death was sainted, Hungary became the most eastern of the western lands," (p. 37).

CUSTOMS AND CONSENT

The Hungarian constitution—although its application was interrupted in 1945 by Soviet military occupation—remains based on St. Stephen's Crown. The constitution is the product of the Hungarian Realm's millenary history, gradually developed by custom and consent, with its roots extending far back into the tribal past of the nation. It is of primary importance that sovereignty attributed to the Holy Crown derives from the rule that decisions on affairs of public concern have to be made in the name of St. Stephen's Crown, personifying both the King and the Nation. Since the reign of Andrew II (1205–1235), "the strict observance of the rights, the freedoms, and the laws of the nation" has been included in the king's oath of coronation. Charles Robert was not accepted as the constitutional king in 1308 by the Hungarian nation when at first he was crowned with a substituted crown.[1] He had to be coronated a second time in 1310 with St. Stephen's Crown. Since that time the coronation implies the constitutional sanction that "only he shall be recognized as a legally reigning king of Hungary, whom the nation has crowned with St. Stephen's Crown."[2] Since then, the crown is being designated and revered as the "Holy Crown" of Hungary, a unique concept among people living under a monarchy.

MYSTERY OF THE HOLY CROWN

The mystery of the Holy Crown had been developed gradually and its partly religious, party political origins could hardly be explained rationally, except by the fact that it grew out of the historical necessity to synchronize the sovereign authority of the King with the Nation's insistence on its sovereign right to freedom. Sovereignty, however, means: supreme power—it is therefore indivisible. Unity and balance within the state had been secured in Hungary by personalizing St. Stephen's Crown and attributing to it the ownership of Hungarian sovereignty with the King and the Nation participating jointly in the Crown's ownership, as members ("membra Sacrae Coroane").[3]

This theory (in America it might be called a "doctrine") was born in the early XII century. King Coloman ("the Booklover") noted in 1103 that his treaty with the Doge of Venice "would have less validity unless it was concluded with the consent of the Kingdom's Council".[4] Personal rule by the King has been alien thereafter and unacceptable to the Hungarian people. In contrast to west European practice, donation of land in Hungary could only be effected as a reward for public service ("iusto servitio", according to King Andrew II's "Golden Bull", Art. XVII of 1222) and not as a personal favor.

In later centuries, landed aristocracy did gain more, but never exclusive influence on the conduct of state affairs; its power was never able, however, to eliminate the principle of constitutional government as incorporated into the personification of the Holy Crown. This theory remained the source not only of the King's sovereign power, but also of the people's inalienable right to freedom and self-determination. Political science, in modern times, has accepted the concept of "the state as a living organism." The Hungarian people have never deviated from that concept. They have considered the State as a society, established in order to serve the welfare of the entire community. Personified, the Holy Crown is the owner of all the public power originally rooted in the nation and held jointly by the King and the people. Always more than a symbol, the Crown during ten centuries also represented the statehood of Hungary and her sovereign independence from foreign nations. In 1440, the National Assembly of Hungary in its Manifesto already recognized the Holy Crown as a "Mystery".

WERBÖCZY'S "TRIPARTITUM"

This interpretation of the Holy Crown's sovereignty had been fully developed by the end of the XIVth century. Unquestionably, "the Kings of Hungary obtained loyalty of their subjects primarily because of the fidelity owed by them to the Crown."[5] The famous jurist, Stephen Werböczy, in the beginning of the XVIth century (1517) did not formulate, but only compiled the principles and rules of the then existing Hungarian constitution, formed by custom. In his egregious work, the "Tripartitum," based on accepted tradition, but not codified ever before, he defined the constitutional theory of the Holy Crown which upholds the irrevocable sovereignty of the King once he was crowned, but sets up the constitutional limits of his power also. St. Stephen's Crown remains the only source of power within the state: it confers sovereignty but also vindicates absolute rule. The Holy Crown is not only the symbol of national unity, it also owns all the land which forms "the territory of the Holy Crown." The Crown also maintains, though sometimes

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Footnotes at end of article.

only in principle, the equality of rights among all noblemen ("una eademque nobilitas") and actually prevented the aristocracy from legally setting up its rule over the lesser nobles as did happen in Western European feudal states.[6] King Ferdinand II, in 1635 (Art. XVIII) confirmed on the part of the Habsburg Dynasty Werböczy's statement that "legislative power belongs jointly to King and Parliament." The Kings of Hungary ruled not alone "by the grace of God", but with participation and consent of the nation also. The will of the Holy Crown has only been accepted as "the law of the land." And "the law is binding also the King," stated Werböczy,[7] as being the basic rule in the constitution.

ABSOLUTISM REPUDIATED

The "mystery" of the Holy Crown has not been derived from the medieval idea of the state ("Mysterium Christi"), but from the ancient Hungarian concept of divided sovereignty between King and Nation, held in indivisible unity by the Holy Crown. With the ascension of the Hadsburg Dynasty to the throne of Hungary (1529) valuable Western aid was secured against continuous Turkish invasions. But frictions also resulted from the difference between the Hungarian theory of the Holy Crown and the feudal concept of the monarch's personal (absolute) power in his germanic provinces. Attempts by the King at imposing similar absolute rules on Hungary have been consistently repelled by the Nation as contrary to the theory of the Holy Crown.

Such was the fate of King Rudolph's imposition in 1604 of Law XXII proclaimed by the King without the Nation's consent which two years later in Art. 1 of the Vienna Peace Treaty was repudiated as null and void. The same fate befell Joseph II's entire reign when the laws of his regime were cancelled under his own signature. The Law X of 1790 declared: "It is being recognized by His Majesty that in Hungary and her Associated Lands, the right to make laws, enforce and withdraw them remains a joint responsibility of the constitutionally crowned King and the estates convened in Parliament, and nothing can be imposed except through Parliament." In 1462 the Great King Matthias I had already proclaimed this principle and in 1741 Queen Maria Theresa had also emphasized that supreme power of the King is power conferred on him by the Nation ("concessa protestas"),[8] through the instrumentality of the Holy Crown.

THE BASIC REFORM OF 1848

The supreme power of the Holy Crown remained intact with the abolition of the nobility's privileges in 1848. Up to then, Hungarians, who could trace back their ownership of land to original settlement or donation by the King, had been accepted as noblemen the Holy Crown. Thereafter, all Hungarian citizens became entitled to participate in that membership and to form jointly with the King, after he has been duly crowned, the entire Body of the Holy Crown ("totum corpus regni Sacrae Coronae") it being identical with the Hungarian State. Since 1848, therefore, every Hungarian citizen could claim the rights and freedom reserved previously for nobles only. At the end of the Second World War, however, the Soviet Union imposed on Hungary the dictatorship of the Proletariate.

THE CORONATION

Since the Holy Crown has been considered for centuries the personification of the State and of its sovereignty, the crowning of a King had become an indispensable condition for the King's possession of royal powers. No law was needed to establish this postulate for an alert national conscience saw to it that the legality of the King's rule be properly established. The law passed in 1723 (the "Pragmatica Sanctio") on the succession of the House of Habsburg-Lothringen to the throne of Hungary, stipulated also that before being crowned, the rightful heir to the throne issue a diploma and guarantee under oath to abide by the Constitution. The powers to sanction law and to confer donations were reserved—according to Werböczy—only for the legally crowned King ("rex legitime coronatus"). Law III of 1790 also stipulated that "irrefusably" ("inomisse") the King's crowning must take place within six months from the heir's accession to the throne, or else all his acts and orders shall lose validity.

CONCLUSION

Mindful of the veneration paid to St. Stephen's Crown by Hungarians of all walks of life and every creed, there is unanimity among them that the last irreplaceable remnant of Hungary's millenary constitution and her national sovereignty may not be exposed to seizure by the Soviet army. It is generally felt that the historical existence of the Hungarian nation is attached to the Crown's survival for which innumerable Hungarian lives have been sacrificed during thousand years. The shattered sovereignty of the Hungarian state, the downtrodden freedom of its citizens, the confiscated independence of the nation, the entire destiny of Hungary are being intimately tied in the Hungarian heart to the fate of the Holy Crown.

Years ago, in 1955, the Department of State has given assurence[8] that it is "fully cognizant of the character and importance of St. Stephen's Crown", and that "as property of a special status held in trust by the United States authorities, the Crown of St. Stephen is being properly safeguarded under wholly secure conditions of custody," and that furthermore any exigencies that might arise from some future action "cannot endanger or otherwise affect the safekeeping of the object [the Holy Crown] in any way." The essence of this statement has been repeated recently by various spokesmen for the Department of State.[9]

The present government in Budapest is being inescapably controlled by the Soviet Union. Handing over the Holy Crown to that government while Soviet troops are stationed in the country would be deeply resented as a breach of promise. It would cause lasting alienation from America among Hungarians all over the world. For no cogent reason it would be generally damaging to the good name of the United States government.

Dr. Andras Pogany, President, Hungarian Freedom Fighters Federation.

Dr. Tibor Eckhardt, Chairman, Coordinating Committee of Hungarian Organizations in North America.

FOOTNOTES

[1] C. A. Macartney: "Hungary, A Short History", Aldine Publishing Co. Chicago, 1962, p. 40.

[2] A. Timon: Die Theorie der Heiligen Krone (p. 309), published in Weimar by Hegmann Bohlens.

[3] All the Latin terms in this Memorandum are quoted from Werböczy's Tripartitum.

[4] A. Timon, Ibid., p. 318.

[5] Francis Eckhart, "The History of Hungary," Budapest, Káldor Publishing Co., 1946, p. 120.

[6] Werböczy, Tripartitum, Tit. 5, part. II.

[7] A. Timon, Ibid., p. 322.

[8] On April 6, 1955, Mr. Walworth Barbour, Deputy Assistant Secretary for Foreign Affairs, issued the attached statement.

[9] Letters of Assistant Secretary Abshire to Congressman Wold, dated June 7, 1970, and to Senator Dole, in August 1971; Mr. McCloskey at a press conference on August 8, 1971.

AMERICAN CITIZENS COMMITTEE TO COMMEMORATE THE 15TH ANNIVERSARY OF THE HUNGARIAN REVOLUTION

October 23 of this year will mark the fifteenth anniversary of the Hungarian Revolution of 1956. All over America commemorative programs are planned to pay tribute to the principles of basic human rights, freedom of speech, assembly and religion, self determination for which thousands of Hungarians died. The guns of a foreign power indiscriminately killed strong and weak, soldiers and women, aged and infant.

The American Citizens Committee to Commemorate the Fifteenth Anniversary of the Hungarian Revolution respectfully urges you to remember the victims of an atheistic dictatorship by offering special prayers in the churches of your jurisdiction on Sunday, October 24th.

Hungary, a traditionally Christian country, deserves our attention and we must not spare any effort to enhance the peaceful realization of the goals so eloquently expressed by that revolution. The unbearable binds incarcerating the soul are still enforced by the Communist rulers of Hungary. Just a few months ago several Catholic priests and laymen have been sentenced to long prison terms for the "crime" of unauthorized teaching of the Bible. The thousands of refugees arriving to the West are living testimony to the fact that Hungary and the Hungarians need our prayers. Please respond to our request and inform us about your plans and actions regarding the commemoration of this historic event and its victims.

Respectfully yours,

FRANK HORTON.

AMERICAN CITIZENS COMMITTEE TO COMMEMORATE THE 15TH ANNIVERSARY OF THE HUNGARIAN REVOLUTION

October marks the 15th anniversary of the Hungarian Revolution, the brave effort of the Hungarian people to cast off the yoke of communist domination inflicted upon them in the aftermath of World War II.

The revolution which began in the streets of Budapest October 23, 1956 brought temporary freedom—until the Soviets brought in foreign troops and tanks for what became a blood bath. The revolution went underground and the communist hegemony survived.

The weeks following the revolution saw thousands of Hungarians risk their lives in leaving their beloved country to find freedom in western Europe and the United States.

Today, Hungarian Americans are valued and productive citizens of every major American city and the personal qualities that built a splendid nation in the heart of Europe enrich America.

The Congress has on many occasions drawn attention to the sacrifice and ideals of the revolution. On this anniversary the commemorative Citizens Committee is urging the extension of the observance to the leading cities of our nation to demonstrate the indivisibility of freedom's spirit among Amercan and Hungarian people.

On behalf of the Citizens Committee and your fellow Americans who are joining to honor the Hungarian revolution, I respectfully urge you to proclaim October 23rd "Hungarian Freedom Fighters Day" in your community and to issue a proclamation to that effect for publication in the Congressional Record.

Please joint in honoring the men, women and children who risked and lost so much in their battle to liberate Hungary from the forces of communist aggression.

Sincerely,

FRANK HORTON, *Chairman.*

STATEMENT OF THE HUNGARIAN FREEDOM FIGHTERS FEDERATION OF THE 15TH ANNIVERSARY OF THE HUNGARIAN REVOLUTION OF 1956

In the 1970's it is insufficient simply to attack or defend Communism. We must know it: what moral, economic, military forces, what psychological modes hold it together;

what new concepts, measures see the light of day, what sort of language the Communists use, that is understood differently by them and by us.

While there is no longer a single strong authoritarian leader who speaks for and rules over all Communists, with its present polycentrism, Communism presents an equally great threat to free societies. The aim of Communism is still the domination of the world by elimination of free political systems and their transformation into fundamentally totalitarian Communist rule. The leaders of Communism reconfirm this goal day by day.

Communist strategy, in order to achieve this goal may have been changed. The nature of confrontation may be shifted from a primarily military arena to the ideological battlefield. We here in the West are much better prepared to cope with the articulate military threat than with the shapeless and deceptive tactics of ideological warfare.

The realization of the consequences of nuclear warfare has increased the prudence of the Communists leaders, but has not made them any more ready to abide the U.N. Declaration of Human Rights or the Atlantic Charter than they did earlier. There is the problem of internal discontent in communist countries, moreover, which makes the Soviets less adventurous; however the West has not tried to use this discontent to force the Communists to implement the very principles of the two mentioned documents and help restore self-determination among those nations which are deprived this right by their Soviet rulers.

Instead a staunch refusal to exacerbate the problems has been expressed. One cannot ignore the dehumanizing, aggressive ideology of the Communist powers and their military institution which threaten the rest of the world. One cannot dream of coexistence and react only episodically to crises.

Systematic long term planning—based on the U.N. Declaration of Human Rights and the Atlantic Charter—is needed to help humanize the governments of the oppressed nations and restore lost freedoms in countries now occupied by foreign troops and foreign ideologies.

A man who has been sitting too long in one position in his chair and has become stiff, has the right to change his position but not with the argument that he is doing it because the attitude of the chair has changed. Let us change policy, let us try new ways of finding better understanding between East and West! But not try to convince the world that Communism has changed because we did. For that is an illusion. And in politics one cannot fall for an illusion without loosing substance.

Is there more convincing example of Soviet perfidy and perseverance than the Hungarian Revolution? Or the Berlin Wall, Czechoslovakia, the Russian writers in asylums? In 1956, fifteen years ago Hungary and her people of ten million tried to end the shameless double standard applied in international politics. To create reality from the myth of self determination they sacrificed their lives by the thousands. On November 4, 1956 the most principled, cleanest revolution of our century—Hungary's fight for freedom—was crushed by Red Starred tanks. A brave people and the great principle of self determination were shockingly overrun and abandoned.

Because of the complexity of international politics, and because of recurrent delusions, it is tempting to accept the status quo, arguing that not much can be done anyway, and that one must avoid an accidental nuclear war. But such quietistic approach assumes that the status quo is tolerable and just, which is simply not true. The international responsibilities incumbent on any great power cannot be avoided by the western governments, and thus they must creatively modify the situation in the direction of restoring lost freedoms and rectifying past injustices. The tacit acceptance of the Communist two zone doctrine is erroneous and dangerous.

Legislation of present conditions, prolongation of the status quo, seems particularly injurious to Hungary.

The economic conditions were improved, the standard of living of the average Hungarian increased in the past decade.

The Revolution in 1956 was not fought over bread and butter issues. The essential issues rousing a whole nation in anger, sacrificing its youth, its men and women are still there: The country is occupied by Soviet troops, the government put in power by Russian tanks and condemned by sixteen U.N. Resolutions continues to deny the basic human rights to the Hungarian people. The basic demands of the nation are not fulfilled. The withdrawal of foreign military forces from Hungarian soil, the declaration of neutrality and the establishment of a constitutional government through free elections with the participation of multiple parties representing multiple political and economic philosophies and interests, did not occur in the past fifteen years.

On the fifteenth anniversary of the Hungarian Revolution the Hungarian Freedom Fighters Federation is compelled to declare that the demands of the Hungarian people as they have been expressed during the Revolution are still unfulfilled. Hungary is still a dictatorship, a police state permeated by a network of informants assuring total control over the people. The changes observed by naive tourists, eager reporters and short-sighted politicians are changes in outside appearance, changes in tactics and changes in the inessentials. The substance for which the revolution was fought is that Hungary is ruled by foreign ideals and occupied by foreign troops. Therefore we, Hungarian freedom fighters and other Hungarians living in the United States shall continue to work for a sovereign constitutionally established, free Hungry and for freedom for all oppressed peoples of the world!

DR. ANDRAS POGANY,
President.
ISTVAN B. GEREBEN,
Co-President.

LIBERATION BY COMMUNICATION

(Text of Congressman Horton's remarks in his keynote address at the dinner commemorating the 15th anniversary of the 1956 Hungarian Revolution, National Press Club, Washington, D.C.)

(Dinner sponsors: American Citizens Committee for the Commemoration of the 15th Anniversary of the Hungarian Revolution, Congressman Frank Horton, Chairman; Hungarian Freedom Fighters Federation, Dr. Andras Pogany, President.)

". . . may a ray of hope reach our long tried people who at this moment endure the fifth day of bombs, shells, and flaming death, bearing witness, before God and the world, of their will to be free—a people whose sons are being dragged into slavery; whose children, with their last breath cry *"help"* from wrecked homes, hospitals, and shelters; whose women stand before looted stores, facing stark famine.

"Ardently I pray God to bless you and your people, Mr. President—to guard and guide America in gaining the common goal of peace and joy for a troubled world. May the Almighty grant that you thrive and wax strong. On the threshold of a happier future, I beg you not to forget—never to forget—this small gallant nation braving anguish and death in the cause of mankind."

With these words, Josef Cardinal Mindszenty, Prince Primate of Hungary, wrote to President Dwight D. Eisenhower on November 8, 1956. I could think of no man on earth whose words would be more appropriate to open my remarks on the 15th anniversary of the Freedom Fighters revolution. No man, including those who died in that revolution, and including those who were exiled forever from their homeland, has made a greater sacrifice than Cardinal Mindszenty in the cause of his people and his church. the American legation in Budapest, as a haven from certain death during the revolution, Cardinal Mindszenty has now made an even greater sacrifice—imprisoning his soul and his freedom of expression in exchange for his personal freedom, and in exchange for a chance for the Pope to melt the ice that has frozen relations between Hungary and Rome for the past 15 years.

While Cardinal Mindszenty may not, for the moment, be able to share with us his memories and his feelings about the people of Hungary, we can and we must turn to his words, spoken in the past, in commemorating this valiant try for freedom.

The Cardinal's prayer for President Eisenhower and the American people contains two vital and moving points. First, that America thrive and be strong so that we can gain the common goal of peace and joy for mankind; and second, that America not forget—never forget—the gallant and anguished nation of Hungary.

How far have we come in seeking these goals since the Cardinal penned his letter in the dark days of early November, 1956? We have come far, yes, but by no means far enough.

We have gone through years of anguished debate about whether the United States, at a moment when it enjoyed unquestioned military superiority in the world, could have, or should have used its strength to face down the threat of the Russian bloodbath. We have gone through years of unsuccessful effort to keep the question of Soviet occupation and stifling of Hungary and other nations of Eastern Europe before the United Nations.

But where are we today? What is the status of America's progress toward fulfilling Cardinal Mindszenty's goal of bringing peace and joy to a troubled world?

For those who long to turn the clock back to 1956, for those who wish we could return to the day when the seams of world order were held together almostly solely by unquestioned American military superiority and by the presence of thousands of U.S. troops encircling the communist world, we have not come far enough.

For those who see opportunity for improving the plight of communist peoples through other than military means, however, we have come very far indeed. No man or woman who is familiar with the awesome nuclear power that has been amassed by the Soviets and ourselves can believe that the solution to freeing the minds and lives of the captive peoples lies in a military confrontation between us and the Russians. None of us should seek the sacrifice of this entire planet as the price for any goal!

I think most of us are able to discern the international realities of the 1970's, and perceive how they differ from the stark, cold war days of the mid-1950's. I think that President Nixon captured the essence of present realities when he made his acceptance speech at the Miami convention in August of 1968. There he stated that it would be his goal to seek a generation of peace. He stated that this would have to be achieved by ending the era of confrontation—very dangerous confrontation—between the superpowers of the earth. He states that the generation of peace would be ushered in by what he called an era of negotiation, but he very forcefully made the point that such an era could only succeed if America is negotiating from a position of strength, not of weakness.

There are many in this nation, and many in this room who, because of their bitter experiences with the communists, and their justifiable distrust of communist leaders—based on the lessons of history—shudder at

the thought of any meaningful negotiation with the communist world. In the years of the 1940's and 1950's, we could well afford to deal with the communist world on our own terms. Our military superiority in Europe, in the Near East, in the Pacific and in Southeast Asia, as well as at home, even permitted us the luxury of virtually denying the existence of Communist China and her 750,000,000 people.

In the world of the 1970's, however, we cannot base the foreign policy of free nations or of our own nation on the world as we wish it were. If our policies are to be successful, they must be based on the realities of our world as it is today—whether these realities are popular or unpopular. Only in this way can we hope to change these realities, and to have a say in how they will change.

These are tumultuous days for those who do not want to see changed the policies and the assumptions of world order which existed in 1956. For in these months, the free world is undergoing an accelerated evolution into reality. Until a short time ago, America was clinging to the military, political and economic foreign policies which had been forged for use in the post-war era. America and her leaders were reluctant to shed their image of a world led and dominated by America alone—to shed their image of an America which was wealthy enough to carry on her shoulders all of their burdens for economic development of the war-torn nations of Europe and the Pacific, and strong enough to shoulder the defense of those nations against communism.

President Nixon has seen that in order to enter the era of negotiation from a position of strength, we will have to assess our own strengths and weaknesses as realistically and as pragmatically as our adversaries do. He perceived that the assumptions of the post-war era will have to be adjusted to the realities of today, if, indeed, we are to attain a true position of strength.

As a result, we have seen major changes in American economic and military foreign policies. The Nixon Doctrine states that the area defense alliances of the post-war era must quickly evolve into true defense partnerships—with each ally bearing his fair share of the expense and the manpower and hardware burden of defending his own region. The Doctrine recognizes the need to view NATO, for example, as our adversaries view it. If NATO were to remain an alliance which is almost completely dependent on American military power and American money, its true defenses against Communism in Europe and the Mediterranean would be strong in name only. As long as NATO allies feel completely free to scorn American policies at the same time they enjoy the luxury of life behind an American military shield, then there is no true strength to this alliance, or to any other alliance which is based on the same empty pronouncements of strength.

If the communists realize this, we must realize it ourselves, and we and our allies must be willing to make the hard decisions needed to give real strength and partnership to these alliances. The way to do this is not by unilaterally withdrawing American military support from these alliances, but by encouraging and even coercing our allies to pull their share of the weight.

I think that the President has withstood great pressures from people wanting to isolate America militarily and economically. While he, along with many of us in the Congress have sought to cut the *fat* from America's military establishment and defense budget, we have taken, and must continue to take great care not to cut the *muscle* and *bone* from our defenses. To do so would be to put us in a position of weakness at the crucial time when we need a position of strength from which to negotiate.

The same can be said for our new economic policies. How long, ladies and gentlemen, have our trading partners in the free world refused to relinquish the favored treatment they were given in the 1940's and 1950's as worn-torn nations suffering the aftermath of World War II? Originally, their trade barriers were erected to protect their slowly developing economies, while they rebuilt from the ruins of war. At the same time, Uncle Sam, who had nearly all of the gold and a huge trade surplus could afford to pursue the principles of freetrade, while our trading partners licked their wartime wounds behind the shield of economic protectionism and American military strength.

After negotiation failed, and while America's economy grew weaker and weaker, our President finally was forced to take drastic and unilateral action to set economic policies which are in line with the realities of the 1970's. Germany, France, and Japan are no longer war-torn, developing economies. They are modern, efficient and productive economies, well able to compete with an American industrial plant, which in many areas is older, less efficient and more costly than theirs. The President has given our trading partners a stark and simple choice. Either they demonstrate willingness to understand America's economic problems, as we have understood theirs for the past 26 years, either they cooperate in establishing a realistic world economic order which can benefit all of us, or we will pursue policies that will severely limit their access to lucrative American consumer markets.

Imposing a unilateral 10% surcharge on imports and removing the gold-backing of the dollar are drastic steps. But they may be what is needed to forge economic partnerships in the free world that are truly strong.

Again, we must be willing to see our strengths and weaknesses as our adversaries see them. The Soviets know that America cannot continue to support huge military operations abroad and pursue international economic policies that will drain our productivity and our wealth, and still provide the resources needed to solve the domestic problems of the American people—problems that must be solved if we are to be a strong nation in any true sense.

We must see these realities and must make the difficult adjustments to meet them head-on. I think the result will be a free world which is far more formidable an adversary to world communism than the world in which we live today. It will be more formidable because all free peoples will be in it together, gaining equal benefits, and shouldering equal burdens.

This is my concept of the position of strength which the free world must find itself in before we can undertake the era of negotiation that is beginning now. Speaking as a Member of Congress, I am pleased to see that we are, at last, facing up to these realities.

Early in my remarks I asked the question—how far have we come in seeking the two goals which Cardinal Mindszenty expressed in his prayer for President Eisenhower 15 years ago? My answer to the first goal—that America thrive and be strong, so we can be ready to gain the common goal of peace for mankind—is a very hopeful answer tonight. As I said earlier, we have made some progress, but have not come far enough. There is still a danger of communist expansion into third world nations. Today, both Cuba and Chile in the Western Hemisphere are under communist rule. Laos and Cambodia are precariously balanced on the brink of communist takeover, while South Vietnam seems better able to defend itself against communism than at any time in the past two decades.

Of course, the Cardinal's first goal is far from fulfilled. The peoples of Hungary, Eastern Europe, the Soviet Union, the People's Republic of China and other nations are still under the yoke of totalitarianism.

But I believe an important step has been taken toward this goal. Instead of pursuing policies founded on delusion and the realities of the past, we are now pursuing policies that can prepare us for the era we are entering.

I welcome this progress in meeting the first goal with a very strong warning that we cannot succeed if we ignore the Cardinal's second goal. That is that America and the free world not forget—never forget—what the people of Hungary fought and died for in 1956.

I am not at all happy with the progress we are making toward fulfilling the Cardinal's second goal.

Just as it is vital that we know ourselves, our strengths and weaknesses as our adversary knows them, we must also know and understand the strengths and weaknesses of our adversary. Our people must understand these realities too, and must never be allowed to forget them.

The goal of liberating the spirits and the lives of Hungarians and other peoples living under communism is not going to be obtained through military confrontation or war.

The possibility of liberation by the sword is too doubtful, and the costs to mankind are too great to pursue policies of liberation with bombs and guns.

Our task is more complex than mounting a physical invasion with tanks, planes and troops. We must instead take the other road. We must pursue the liberation of oppressed peoples with ideas, with exposure and with communication. This kind of liberation is not as heroic, as dramatic or as quick to come by as are military onslaughts. But the results of liberation by communication can be far more lasting and more beneficial to the well-being and freedom of mankind.

This must be the ultimate goal of America as she enters the era of negotiation with Moscow and Peking. But this goal will not be achieved if our only preparation is to strengthen ourselves militarily and economically. We must be ready in spirit and in the understanding and education of our own people as well.

Today, we are woefully lacking in this kind of preparation.

The experience of Vietnam, and the tragedies of racial conflict here and elsewhere in the world have weakened the free spirit of the American people. At a time when the free institutions of our own nation are under severe attack from both the right and left, we have indeed, forgotten the lessons of Hungary, and of October 23rd, 1956.

Today, the young people in our own country, at the same time they are asking probing questions about improving freedom in America, are not raising questions about the plight of human freedom in the communist world. Too many Americans see communism only as an academic philosophy. They see it as an ideal economic system where wealth is to be distributed equally according to the needs of all people. They see the social and economic aspects of communist theory without remembering to question and deplore the political and military aspects of communist totalitarianism.

When the communists come to the negotiating table, they will come with a full understanding of our system and of our people. They are treated daily to accounts of conflicts within our country and the free world. Our freedom of expression and freedom of the press does not permit us to hide these truths from them.

I fear that our people will not be as well

prepared to understand communism and totalitarianism. We as a nation have largely forgotten the lessons of the Berlin wall. We have forgotten why freedom fighters battled Soviet tank troops with sticks and stones. We don't take the time to envision what it would be like to live in a nation surrounded by gun towers, barbed wire and mine-fields. We pass lightly over news articles about Soviet oppression of Jews and other minorities. We read and then forget accounts of artists and writers being condemned to mental institutions in Russia for daring to express themselves freely—daring to dissent from the communist line.

Some Americans feel that in order to have hope for world peace through negotiation with the communists, we must somehow think nice thoughts about communism, that we must play down the suppression of human freedom that occurs behind communist borders.

It has become so unfashionable to speak up about the human aspects of communism that Americans who feel deeply about communist oppression have too often been designated as fanatics or right-wingers. We saw a sad example of this in American newspapers this week. Press accounts of the unfortunate and deplorable attack that was made on Premier Kosygin in Ottawa, labeled the Hungarian Freedom Fighters Federation as a quote, "right-wing group." I totally reject such a label, and you should reject it. Are the freedom fighters right wing because they lived under communism and fought to free themselves? Are they right wing because they want the world to know what life under communism is like?

This convenient kind of labeling is dangerous to our society. I am very far from being right wing, or even a conservative Congressman. Yet, I have been fighting for nine years in Congress and in my home community to make Americans think about the meaning of communism from the standpoint of human freedom.

On the first day of every Congress I have served in, I have introduced a bill to create a special committee in the House of Representatives to examine our foreign policy from a standpoint that takes self-determination into account. At first, my resolution called for a Select Committee on Captive Nations. But that phrase has become so unpopular in official Washington that this year, for the first time, I introduced a resolution to create a Committee on Self-Determination, hoping it would gain more acceptance. The purpose of this committee would not be to advocate foreign policies that seek to liberate communist nations, or any other nations militarily. Instead, it would take a good, hard look at whether or not our foreign policies are in line with the goal of self-determination of peoples. It would examine our relations with not only communist governments, but rightist military dictatorships as well, from that standpoint.

In addition I have made it a point to participate each year in the celebration of Captive Nation's week. I have on hundreds of occasions, spoken on the floor of the House to point out the miseries of people living under communist rule. Last year at this time, I entered into the Congressional *Record* a detailed account of a new passport regulation which was promulgated under the Kadar regime. I wanted to let the American people know that this regulation is not a loosening of freedom of travel for Hungarians. Instead, it is a sinister tool seeking to discredit and punish the families of those Hungarians who have left Hungary, and who dare to speak out about oppression in that country.

As you know, each year, under both President Johnson and President Nixon, the Presidential proclamation of Captive Nations Week is worded more softly and more subtly, and is given less and less publicity. Why? Are we afraid to tell our own people what life under communism is like? Are we afraid that this will ruffle the feathers of communist leaders? Are we afraid that we will, by telling the truth, be encouraging resistance to these regimes at home and abroad? I think these are exactly the reasons that communist oppression is downplayed by our diplomats and our government leaders. For the same reason, it was impossible for our American Citizens Committee to commemorate the 15th Anniversary to get a member of the Cabinet to agree to serve as an honorary chairman. Why, when the Speaker of the House, the Minority Leader of the House and two distingiushed Senators, including the Chairman of the Republican Party are willing to associate themselves with this commemoration, should the Federal executive branch be taking all pains to avoid this event?

Commemorating the revolution does not mean that America gives support to any exile or revolutionary government of captive countries. It merely means that we will not permit ourselves to forget Cardinal Mindszenty's second goal.

If our diplomats feel that in order to conduct successful relations and negotiations with the communists, we must try to forget about the events of 1956, and the events of 1968 in Czechoslovakia, I think they are sadly mistaken.

I do not notice, on the part of the communists, any attempt to downplay their steady diet of anti-imperialist, anti-American propaganda. They do not seem to feel the need to tell their people how wonderful we Americans are in order to prepare for negotiations with us.

On the contrary, I would like to recall a television broadcast I saw just this past Thursday evening. The CBS program, "Sixty-minutes" carried an excellent interview with a noted Chinese author, Dr. Han Suyin, who had just returned from a seven-week visit to Peking, and from talks with Cho En Lai. She is a personal friend of many Chinese communist leaders, and is in sympathy with their regime.

She was asked whether the Chinese would take down the huge anti-imperialist posters which are plentiful in every Chinese city, so as not to embarrass President Nixon when he visits China next year. Her reply is one which contains an important lesson for the people and leaders of America.

She said it was important to the Chinese people that the President see them as they really are. She saw no need to hide from him the strong differences between their system and the American system. She said that negotiation and co-existence do not mean that Chinese have to change their opinion about capitalism or imperialism.

In order for us to negotiate and co-exist peacefully with communism, should it be necessary for us to forget our own principles of individual rights and human freedom? May we not decry and publicly deplore the oppression of human beings by totalitarian rulers in the world? I say we can, and we must!

If we permit ourselves to forget the second goal of Mindszenty's prayer, then we will weaken the position of free men at the negotiating tables. Then we will be unprepared and unable to liberate anyone with ideas, with communication.

We have too much to be proud of as free men. We have no reason to pay lip service to, or to speak softly about oppression or about principles we abhor.

This is why, my friends, we must not allow our government to return to the Kadar regime, the crown of St. Stephen. This symbol of legitimate constitutional government has lived for a thousand years in the minds of all Hungarians. It remains a symbol of government of the people, by the people and for the people of Hungary. Should our diplomats pretend that there is no oppression today in Hungary? Should they use the holy crown as a bargaining tool to win some small economic concessions or to smooth over our bi-lateral relations?

The answer is obvious, and it is *no*. Frankly, I think that Congressman Hogan, Congressman Scherle and others in Congress have been successful in conveying to the President and to the Secretary of State, our strong feeling that the crown should not be returned until there is significant improvement in the personal freedom of the people of Hungary. I will continue to voice this position, and voice it strongly, and I call upon you and upon all Americans not to permit the degradation of this holy crown into a crass diplomatic bargaining tool.

Ladies and gentlemen, we, on the American Citizens Committee have made it our primary goal to motivate Americans—all Americans—to speak up about the lack of freedom in the Communist world. Our efforts can help to insure that America never forgets the lessons of Hungary in 1956. We have persuaded governors, mayors and clergymen throughout this country to speak out openly in commemorating this 15th anniversary.

But this goal will not be reached if we only attend to it every five years. We must not wait until the 20th anniversary to change the image of communism in America.

For if we are to accomplish any degree of liberation by communication, we must not ourselves be afraid to communicate. If we do not publicly and frequently accentuate the *differences* between freedom and communism, as well as the areas where there is opportunity for negotiation, then any negotiations will be empty and fruitless.

Just as I have joined the fight in Congress to keep the voices of Radio Free Europe and Radio Liberty ringing in the ears of communist rulers and their peoples, we must fight to keep the spirit of human freedom alive in the free world.

Yes, we have made excellent progress toward reaching the first goal of Cardinal Mindszenty's prayer. But we have lost ground in assuring that America will not forget—never forget, the symbolic lessons of Hungary in 1956.

Let us regain that lost ground. Let us accept the realities of today's world, and throw off the illusions of the past as we prepare to deal from strength. But let us recognize that no amount of military or economic strength can accomplish true peace, unless we are unafraid to speak up for what we stand for.

Thank you.

Mr. DOLE. Mr. President, as a co-chairman of the American Citizens Committee to Commemorate the 15th Anniversary of the Hungarian Revolution, I take pride and a special degree of pleasure in introducing this resolution and hope that it will receive speedy and favorable consideration.

Mr. President, on behalf of the distinguished senior Senator from South Carolina (Mr. THURMOND), I ask unanimous consent that a statement by him on the custody of St. Stephen's Crown be printed in the RECORD.

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

STATEMENT BY SENATOR THURMOND

Mr. THURMOND. Mr. President, fifteen years ago the people of Hungary rose up against their oppressors in what was to be a short-lived act of desperation. The hearts of the world went out to the heroic Hungarian peo-

ple, but unfortunately no tangible support was forthcoming.

It is particularly regrettable that even the United States did not offer material aid to the short-lived hope of freedom, even though it was widely believed that we had directly encouraged the Hungarians to take the fateful steps.

As an American it is not easy to look back upon those days. Our nation was occupied with other things among those weeks and our domestic concerns caused us to look the other way while people died and the Soviet tanks rolled into Budapest. It is too late now to make amends for our failure to act. We opened our doors to the refugees and we keep alive their hopes for freedom, but we can never fully compensate for our omission and our failure to respond at the historic moment.

At the present time the U.S. is engaged in a series of negotiations with the Communist government of Hungary leading to the settlement of the outstanding claims and counterclaims of the two governments. Many of the issues under consideration are the various assets which the United States obtained as a result of the outcome of World War II. Other matters were also discussed. The resolution of such items would obviously be of considerable diplomatic value and be a great aid to the conduct of relations with the Hungarian government.

However, we must not confuse the conduct of such discussions with our hopes for an improvement in the state of freedom within the Hungarian nation. The mere settlement of such domestic claims is little evidence that the people of Hungary are any freer than they were in 1956 when the tanks rolled into Budapest.

It was only one month ago that the Prince Primate of Hungary, Josef Cardinal Mindszenty ended a fifteen-year protest in the U.S. Embassy in Budapest and was taken to freedom and exile. There are those who mistakenly regard this as a concession by the Hungarain government; but if we examine the situation closely, we see that it is just the opposite. It is in effect, a concession to the Hungarian government.

I am sure many of us have forgotten the details of Cardinal Mindszenty's trial in 1949, but it would be a good thing to go back and examine the allegations made in that trial and the conduct of the Hungarian government. Nor must we forget that the Hungarian Minister of Interior during that period was nome other than Janos Kadar, the same man who rules Hungary in the top job today. As Minister of the Interior, Kadar had responsibility for control of the people and it was his ministry that gave the order for the Cardinal's arrest, that conducted the interrogation with all of its intended inhuman indignities, which staged the trial, and which maintained him in prison until those fateful days in October of 1956.

It was a typical Communist show trial. There was no cross examination of witnesses; no right to independent counsel; and no chance to dispute the definition of the treason allegations. As a matter of fact, when the smears and false rhetoric are stripped away from that trial, we see that the real charge against Cardinal Mindszenty was that he stood for dignity and human rights and for the legitimate successor of the sovereignty of the Hungarian people. In his role as Prince Primate, he would have been responsible in normal times for appointing an interim government until the legal succession was determined. He would have been, in effect, the regent ruling Hungary.

As we know, those were tumultuous times. Freedom never really had a chance in Hungary with the imposed coalition government in which the Communists gradually forced all of their opponents to leave political life, and indeed, in many cases, to flee the country. It was a government which usurped power and was imposed with the presence of the Soviet troops which remained behind when the token force of British and American troops left.

Cardinal Mindszenty, therefore, looked forward to the days when the tyranny which was slowly squeezing human rights out of Hungary would collapse, perhaps caught up in the tensions and counter-tensions of the cold war. No evidence was ever offered that the Cardinal worked against the government but merely that he maintained the hopes that his historic role might somehow be reasserted and that someday, with the help of the American authorities, he would deliver the historic crown of St. Stephen into the hands of a free government.

For this Cardinal Mindszenty was tortured and imprisoned. If we examine the record we find that he actually did write to the U.S. Minister in Budapest, Seldin Chapin, and urged that St. Stephen's Crown not be given to the Communist regime; but that if the U.S. gave up custody, it should be given to the Vatican from whence it had come 1,000 years ago.

Indeed, that was Cardinal Mindszenty's opinion then; and it was considered treason to deny the legitimacy of a Communist imposed government. For this he suffered seven years in prison, because he never changed his mind on the illegitimacy of the Communist government. After a few days of freedom in October of 1956, he entered the American Embassy and sought sanctuary so he could remain in Budapest as the symbol of legitimacy, sovereignty and freedom. His very presence there in Budapest was a living accusation against his oppressor. Far from being an imprisonment, it was a small area of freedom and his people knew it. The Cardinal, therefore, was an acute embarrassment to the Communist government. His historic position never changed. He still did not consider the Communist government worthy of the crown of St. Stephen and to think such thoughts even in Hungary today is treason by Communist definition.

One month ago, Cardinal Mindszenty vacated the U.S. Embassy in Budapest. We know it was not his desire to leave. He preferred to remain as an accuser from the very heart of the Communist capital. Yet the Communist government was anxious for him to leave and the U.S. cooperated in his removal.

It is a mistake, therefore, to say that Cardinal Mindszenty was freed. On the contrary, he gained none of his political rights back again. If Cardinal Mindszenty were truly free he could walk about the streets of Budapest and speak about human rights and the legitimate succession of human sovereignty. And if the Hungarian people were free they could listen to him and argue with him and follow him if they chose.

So on this anniversary of the courageous days of the Hungarian people, let us be thankful at least that he can still be the living accuser of the illegitimate oppressors of his people. St. Stephen's crown remains in the custody of the United States and hopefully there it will remain. The U.S. State Department has said repeatedly that it has no present plans for the return of the crown and that any such action should take place in circumstances and at a time appropriately marked by some further substantial involvement in the atmosphere and course of our relations with Hungary.

I think that the government of Hungary should be warned that the crown cannot be returned in the middle of a deteriorating situation, such as indicated by the ouster of Cardinal Mindszenty, and by the Kadar regime's rigid denial of his political rights and fundamental freedoms. I think that the government of Hungary should take note that the American people have lately entered into a new mood. They have grown impatient of the shoddy treatment of the United States and of the people who stand up for Western civilization. They are not about to accept the idea that freedom can be extinguished by a majority vote. Let us, therefore, be thankful that the holy crown of St. Stephen remains in our safekeeping and let it remain until Hungary is once more free.

SOCIAL SECURITY AMENDMENTS OF 1971—AMENDMENTS

AMENDMENT NO. 559

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

Mr. RIBICOFF. Mr. President, today on behalf of myself and Senators HARTKE, KENNEDY, JAVITS, BROOKE, STAFFORD, MUSKIE, HUMPHREY, JACKSON, HART, GRAVEL, MONDALE, TUNNEY, BAYH, METCALF, PASTORE, HUGHES, CRANSTON, and Moss, we announce the formation of a coalition to support welfare reform.

The present welfare system can no longer be tolerated. It has robbed Americans of dignity, provided inadequate benefits, encouraged recipients to remain on the welfare rolls, and drained State financial coffers to such an extent that almost half of the States have been forced to cut back benefit levels.

It is time to enact welfare reform now. In the past months we have been working toward that end. Now we are seeking grassroots support from every segment of American society.

The proposal we will be introducing in the Senate in the form of an amendment to H.R. 1 has been developed in cooperation with a bipartisan group of Senators, Governors under the leadership of Gov. Francis Sargent of Massachusetts, mayors, county leaders, and welfare administrators. It has the support of the League of Women Voters, the AFL–CIO, UAW, Common Cause, and other labor and social welfare organizations.

The legislation is modeled after President Johnson's report on income maintenance programs and President Nixon's family assistance plan. It assures that no recipient would receive less under welfare reform than he is now getting. And it provides a minimum $3,000 Federal payment level to a family of four. By 1976 families would receive no less than an income equal to the poverty level. The bill also provides improved work incentives, streamlined and fair administration and major fiscal relief for the States. By 1976 all State costs for welfare would be assumed by the Federal Government.

While support for our proposal has been broad, no legislation can be enacted unless the administration makes a real commitment to fight for welfare reform now.

Welfare reform cannot be passed without the joint support of Senators such as those sponsoring my legislation today and the White House.

I am prepared to assist the administration in pressing this matter.

The alternative to welfare reform is a

future of unfulfilled promises for 25 million Americans living in poverty conditions, their children assured of a lifetime cycle of welfare, malnutrition, and sickness.

For these Americans and for welfare reform the future must be now. I call on President Nixon to put the full weight of his authority behind immediate enactment of welfare reform. Letters and telegrams of support for our amendment are already reaching our office from States all across the country.

I ask unanimous consent that the following exhibits be printed at this point in the RECORD.

Exhibit 1: List of supporters.

Exhibit 2: Description of amendments and comparison with H.R. 1.

Exhibit 3: Federal costs under current law, H.R. 1 and Ribicoff amendments.

Exhibit 4: State by State fiscal relief under H.R. 1 and Ribicoff amendments.

Exhibit 5: Statements of support.

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

EXHIBIT 1

LIST OF SUPPORTERS

SUPPORT FOR NEW WELFARE AMENDMENTS

Senators

*Abe Ribicoff (D.-Conn.).
*Vance Hartke (D.-Ind.).
*Edward Kennedy (D.-Mass.).
*Jacob Javits (R.-N.Y.).
*Edward Brooke (R.-Mass.).
*Robert Stafford (R.-Vt).
Edmund Muskie (D.-Me.).
Hubert Humphrey (D.-Minn.).
Henry Jackson (D.-Wash.).
Philip Hart (D.-Mich.).
Mike Gravel (D.-Alaska).
Walter Mondale (D.-Minn.).
John Tunney (D.-Calif.).
Birch Bayh (D.-Ind.).
Lee Metcalf (D.-Mont.).
John Pastore (D.-R.I.).
Harold Hughes (D.-Iowa).
Alan Cranston (D.-Calif.).

Governors

Francis Sargent (R.-Mass.).
Walter Peterson (R.-N.H.).
Deane Davis (R.-Vt.).
Kenneth Curtis (D.-Me.).
Frank Licht (R.-R.I.).
Milton Shapp (D.-Pa.).
Marvin Mandel (D.-Md.).
John Gilligan (D.-Ohio).
Tom McCall (R.-Ore.).
Pat Lucey (D.-Wisc.).
Cecil Andrus (D.-Idaho).
William Milliken (R.-Mich.).
John Burns (D.-Hawaii).
Forrest Anderson (D.-Mont.).
*Original copsonsors.

Mayors

John Lindsay (D.-N.Y.) representing the National League of Cities/U.S. Conference of Mayors.

County leaders

National Association of Counties.

Organizations

League of Women Voters.
Common Cause.
AFL–CIO.
United Auto Workers.
American Federation of State, County and Municipal Employees.
National Associaton of Social Workers.
American Public Welfare Association.
American Jewish Committee.
American Association of University Women.
Council for Community Action.
B'Nai Brith Women.
Americans for Democratic Action.
National Conference of Catholic Charities.

EXHIBIT 2

DESCRIPTION OF AMENDMENTS AND COMPARISON WITH H.R. 1

1. PAYMENT LEVELS

Ribicoff	*H.R. 1*
(a) No beneficiary would receive less than he or she is now receiving.	(a) No such protection.
(b) Initial federal payment level of $3000 for a family of four.	(b) Permanent federal payment level of $2400.
(c) Each year payment levels would increase until by 1976 no recipient would receive less than the poverty level adjusted annually for rises in the cost of living.	(c) No increase in federal payment above $2400.

2. STATE SUPPLEMENTATION

(a) States whose welfare payment plus food stamp benefits exceed the income levels set by this bill would be required to make supplemental payments. The federal government would pay 30% of these supplemental payments.	(a) No requirement that states maintain current cash payment levels or add value of food stamps. Supplementation would be optional.

3. STATE FISCAL RELIEF

(a) Over the next five years no state would have to pay more than 90%, 75%, 50%, 25% and 0% of its calendar 1971 public assistance costs. Thus by 1976, the welfare program would be fully federalized.	(a) States protected only against increased costs over calendar 1971 expenditures.
(b) In addition, those states which have to supplement the basic federal payment would receive 30% matching payment from the federal government.	(b) No federal contribution toward state supplemental payments.

4. IMPROVED WORK INCENTIVES

(a) The working poor would be allowed to retain $720 plus 40% of any additional income without loss of benefits. Additionally, the Secretary would be required to carry out tests of various earnings disregards to develop an optimal work incentive.	(a) The working poor would be allowed to retain $720 plus one-third of any additional income without loss of benefits.
(b) Provision of at least 300,000 public service jobs.	(b) Provision of 200,000 public service jobs.
(c) All job referrals would have to be at the prevailing wage rate but in no case less than the federal minimum wage.	(c) Referrals to jobs could be at wages as low as three-quarters of the federal minimum wage ($1.20/hour).
(d) Mothers with children under age 6 would be exempt from work registration requirements and no recipient would be required to undergo work training unless suitable child care and a job following that training were available.	(d) Mothers with children over age 3 would be required to register for work.
(e) $1.5 billion would be made available for child care services under the program established by HEW pursuant to law.	(e) $700 million for day care.

5. ELIGIBILITY AND ADMINISTRATION

Ribicoff	*H.R. 1*
(a) Eligibility would include single individuals and childless couples.	(a) No coverage for single individuals or families without children.
(b) Eligibility based on current need.	(b) Bases eligibility on earnings in prior quarters which may results in denial of benefits to migrants and other seasonal workers.
(c) Procedural changes to assure due process, including right to counsel, notice, hearing, written decisions, equitable income reporting.	(c) Claimant's rights not adequately specified.
(d) Elimination of state residency requirements.	(d) States allowed to retain state residency requirements.
(e) Equitable provisions for U.S. territorial possessions.	(e) No such provisions for U.S. territories.
(f) Protection of employee rights.	(f) No protection of employee rights.

6. SOCIAL SERVICES AND HEW

(a) The provisions of existing law regarding social services authorization would be restored, eliminating H.R. 1's ceiling on these services.	(a) Ceiling on social services authorizations.
(b) The Department of Labor would be required to utilize HEW-supported programs in providing necessary services.	(b) Possibility of Department of Labor programs parallel to HEW services.

EXHIBIT 4.—STATE-BY-STATE FISCAL SAVINGS

COMPARISON OF CURRENT WELFARE COSTS, H.R. 1 SAVINGS AND SAVINGS UNDER THE RIBICOFF BILL[1]

[In millions]

	Calendar year 1971	Fiscal year 1973		Fiscal year 1974		Fiscal year 1975		Fiscal year 1976	
		H.R. 1	Ribicoff	H.R. 1	Ribicoff	H.R. 1	Ribicoff	H.R. 1	Ribicoff
Alabama	$32.60	$32.40	$32.50	$38.40	$38.40	$45.40	$45.90	$47.20	$47.40
Alaska	9.40	2.50	3.10	3.10	3.50	3.70	8.90	4.40	11.30
Arizona	18.60	21.50	30.50	22.60	31.70	23.80	33.90	25.20	35.20
Arkansas	15.40	19.70	19.70	20.40	20.80	21.30	21.30	22.10	22.20
California	960.20	234.90	578.70	294.90	770.40	356.50	957.50	402.50	7,135.00
Colorado	41.80	13.30	37.10	16.60	40.70	19.80	44.40	21.50	47.50
Connecticut	53.30	21.30	26.60	25.70	39.40	30.20	56.60	34.80	74.90
Delaware	6.80	1.80	7.50	2.10	7.50	2.50	8.50	3.00	8.60
District of Columbia	34.10	12.60	34.50	17.00	39.30	21.50	45.00	23.40	47.10
Florida	98.00	170.30	180.00	177.80	190.40	185.30	200.80	192.90	211.20
Georgia	44.40	57.80	59.80	53.40	63.40	55.00	66.10	56.70	68.80
Hawaii	17.20	7.00	19.50	7.80	22.00	8.60	23.10	9.60	25.20
Idaho	6.20	1.50	3.90	1.90	6.70	2.20	6.70	2.80	6.80
Illinois	224.60	62.10	119.10	78.90	200.10	95.60	219.50	112.40	235.80
Indiana	27.00	8.60	19.70	10.50	26.60	12.60	32.70	14.70	35.60
Iowa	43.40	26.70	54.20	28.60	56.40	30.50	59.60	32.60	61.80
Kansas	28.30	14.20	38.60	15.60	40.80	17.00	43.00	18.70	45.30
Kentucky	28.20	12.60	36.60	13.60	38.00	14.50	39.40	15.50	41.80
Louisiana	50.40	65.40	65.40	68.50	68.50	71.70	71.90	74.90	74.90
Maine	14.60	3.60	11.40	4.40	14.20	5.40	17.90	6.40	21.40
Maryland	54.60	41.90	67.70	44.70	72.10	47.50	75.50	50.40	79.90
Massachusetts	191.20	44.30	65.30	57.30	124.40	70.40	181.50	83.70	228.60
Michigan	174.10	45.40	121.10	58.20	169.20	71.20	203.50	84.20	216.70
Minnesota	61.00	15.20	26.70	19.40	50.70	23.80	73.10	28.10	77.40
Mississippi	15.40	23.30	23.50	24.20	24.20	25.20	25.30	26.40	26.80
Missouri	52.40	12.10	17.90	14.90	34.50	20.50	51.70	22.60	59.90
Montana	5.10	2.50	7.10	2.70	7.10	2.90	7.10	3.20	7.30
Nebraska	12.20	3.10	4.70	3.90	6.60	4.70	10.80	5.60	14.90
Nevada	3.20	1.10	1.10	1.20	2.50	1.20	3.30	1.80	4.20
New Hampshire	11.80	2.30	3.80	2.90	5.60	3.60	9.50	4.40	13.60
New Jersey	181.40	50.10	67.90	64.40	122.20	78.60	182.50	93.10	240.40
New Mexico	12.30	7.30	16.60	7.80	17.70	8.20	17.80	8.70	18.90
New York	663.40	188.40	375.10	238.70	622.60	289.20	749.70	339.60	980.30
North Carolina	33.30	31.90	42.80	33.00	45.10	34.10	46.40	35.20	48.70
North Dakota	4.40	1.20	1.70	1.20	3.10	1.40	4.20	1.80	5.70
Ohio	11..40	64.00	129.60	69.30	138.20	74.60	145.80	79.90	154.30
Oklahoma	46.80	38.30	52.50	40.20	54.20	42.00	56.80	43.90	59.30
Oregon	31.70	15.90	41.00	17.40	43.20	18.90	45.50	20.50	47.60
Pennsylvania	265.10	51.30	125.90	69.90	217.50	88.50	305.50	107.20	331.50
Rhode Island	20.90	6.30	15.60	7.70	22.30	9.30	26.30	11.00	28.50
South Carolina	8.30	13.80	13.80	14.50	14.80	15.20	15.20	16.00	16.40
South Dakota	5.40	2.50	3.20	2.80	4.00	3.30	6.50	3.70	7.90
Tennessee	34.70	34.20	43.00	35.10	45.20	36.10	47.40	37.00	49.60
Texas	85.90	57.10	108.40	59.70	113.10	61.40	116.90	65.10	123.70
Utah	9.60	3.40	11.70	3.60	12.70	3.90	12.70	4.30	13.80
Vermont	6.40	1.10	1.60	1.30	2.60	1.70	5.20	2.10	6.90
Virginia	34.60	10.40	14.20	12.90	21.60	15.50	34.20	18.20	44.30
Washington	71.40	11.40	30.60	15.90	48.00	20.60	63.30	25.20	78.70
West Virginia	16.00	18.30	20.80	18.70	21.90	19.20	23.00	19.70	24.10
Wisconsin	40.40	33.30	54.70	35.50	58.30	37.60	60.90	39.90	64.60
Wyoming	2.60	1.20	3.30	1.30	3.40	1.50	3.40	1.90	4.60
Guam	.60	.22	.42	.22	.52	.32	.62	.33	.63
Puerto Rico	19.20	26.10	26.60	27.60	27.90	29.10	29.20	30.70	30.50
Virgin Islands	.70	1.10	1.20	1.20	1.20	1.20	1.20	1.40	.30
Total	4,041.00	1,643.80	2,919.50	1,911.10	3,879.00	2,185.50	4,644.10	2,438.10	5,369.3

[1] Savings are derived by subtracting proposed costs from current law costs of the same year. Administrative savings are included.

EXHIBIT 3

FEDERAL COSTS UNDER CURRENT LAW, H.R.1, AND RIBICOFF AMENDMENTS

TOTAL FEDERAL WELFARE COSTS, FISCAL 1973

[In billions of dollars]

	Current law	H.R. 1	Ribicoff amendments
Family payments	3.9	6.5	11.3
Childless couples and singles	0	0	1.0
Adult categories	2.2	4.1	4.1
Food programs	2.4	1.0	1.0
Child care services	.3	.7	1.5
Child care facilities construction	0	.05	.1
Supportive services	0	.1	.1
Manpower training	.2	.54	1.0
Public service jobs	0	.8	1.2
Equal employment compliance activities	0	0	.01
Administration	.4	1.1	1.1
Miscellaneous costs	0	.7	0
Total	9.4	15.6	22.41
Payment level	Varies by State.	$2,400	$3,000, and up to poverty line by 1976.
Earnings disregard	$30+⅓	$720+33 percent.	$720+40 percent.
Break-even point	Varies widely.	$4,320	$5,720
Number of eligible people	15,000,000	19,300,000	30,000,000

EXHIBIT 5 STATEMENTS OF SUPPORT

STATEMENT OF GOV. FRANCIS SARGENT

On August 15, 1971, I went to the people of Massachusetts in a statewide broadcast and told them a very hard truth: that no matter how hard we work to manage the welfare system, no matter how diligently we at the State House struggle to control and administer and regulate the operation of public welfare we cannot make this system succeed.

I said we must end the public welfare system as we know it, not just in Massachusetts but across America, and that in its place we must create a federally financed, federally administered, national assistance program, improving upon the plan contained in H.R. 1 now before Congress.

I said I would contact governors across America to join me in working for this new national assistance program, stressing my belief that it is the first and most urgent priority in America today.

The plan for welfare reform was before Congress, but it needed to be improved and it needed new momentum to gain its passage. The plan was a start, but a bolder commitment was needed to provide for an adequate level of assistance, stronger work incentives, greater fiscal relief to the overburdened states and finally a complete federal takeover to get the states out of the welfare business.

I took the plan to other states, and to other governors, and they agreed. In the short time that I have had to meet and talk with them, we have gained enormous support from both Republicans and Democrats and from both industrial and rural states across the country; and more support will follow. The amendments to H.R. 1 drafted jointly with Senator Ribicoff, which he will introduce to the Congress, will make passage of welfare legislation a true reform.

Today's announcement and the coming together of Congressional leaders, Governors, Mayors, special welfare groups, labor people and many other interested organizations, a bi-partisan effort in support of a single bill, breathes new life into and provides a new momentum for passage of welfare reform this session.

WELFARE REFORM LEGISLATION

We have joined in the welfare reform amendment to be proposed by Senator Ribicoff and others for the following reasons:

(1) Because we believe it to be the best and most immediate way to get action on welfare reform absolutely indispensable to the states, municipalities, the poor and the people of the United States generally.

(2) To make the effort bi-partisan.

We have merged our ideas and amendments into this measure and we intend to do our utmost with the other sponsors to get affirmative action on it promptly.

WELFARE STATEMENT: LUCY WILSON BENSON, PRESIDENT, LEAGUE OF WOMEN VOTERS OF THE UNITED STATES

The League of Women Voters strongly supports the positive leadership shown by Senator Ribicoff and the co-sponsors of the welfare amendments he will introduce in the Senate.

League members are committed to working for an end to the present fragmented and unjust welfare system. They have seen state after state hack away at benefit levels and rolls—cutting back on the most basic payments and services during a period when the cost of living has risen for all Americans.

It doesn't take a crystal ball to see that our welfare mechanisms are on the brink of collapse. If it does not take positive action in this session, Congress must be held directly responsible for the resulting human hardship and fiscal chaos.

Change is needed and it's needed now. The League believes that Senator Ribicoff's proposals represent an extremely workable and comprehensive solution to the present welfare crisis. They correct many of the deficiencies of the House passed welfare provisions and protect the rights of recipients and the right of the American people to have a welfare system that is not self-defeating.

WELFARE REFORM

WASHINGTON, D.C.—The League of Women Voters announced today it will support Senator Abraham Ribicoff's welfare reform amendments when they are introduced in the Senate.

The announcement was made by League President Lucy Wilson Benson who stated: "The Ribicoff amendments will provide the brand of welfare reform which this country needs. They are a significant improvement over the provisions of H.R. 1 and, if passed, will go a long way towards relieving the welfare crunch now squeezing both welfare recipients and state fiscal resources.

"We supported House passage of H.R. 1 with some reservations but we have absolutely no reservations about the seriousness of the welfare crisis. Legislation is desperately needed in this session of Congress to counteract state cuts in welfare rolls and benefits."

Among the reasons contributing to League support, Mrs. Benson cited the fact that the Ribicoff proposals would: set an initial $3,000 yearly income floor for a family of four; give more fiscal relief to the states; guarantee that no recipient receive less than he was getting in January, 1971; and provide better protections for the rights of welfare recipients than the House passed bill.

The League president was also critical of the depth of the Administration's commitment to welfare reform as a top domestic priority. "We don't see the Administration pushing too hard in the Senate nor do we understand rhetoric that one day speaks of improving the lot of the 7½ million children receiving benefits and the next day stigmatizes their parents as cheaters and malingerers."

Mrs. Benson announced that special bulletins were being sent to 1300 Leagues throughout the country calling for an all-out, end-of-session push by League members and other groups active in the welfare reform campaign. Special emphasis is being placed on working with state governors to enlist their support for federal welfare legislation.

If the Ribicoff improvements are incorporated in the House passed legislation, the nation could be taking a monumental step toward eliminating poverty for more than 25 million Americans, Mrs. Benson stated. "It's amazing that with the welfare system so patently ineffective, this country has waited so long to enact legislation that will take us out of the current mess. Senator Ribicoff's amendments seem to us to be just that kind of legislation."

Other components of the Ribicoff proposal include:

Yearly increases in payment levels, reaching the poverty level by 1976 with a cost of living adjustment clause.

Required state supplementation with the federal government paying 30 percent of supplemental payments above federal floors.

Full federal takeover of welfare costs over a five year period.

Provision of at least 300,000 public jobs.

Improved work incentive income disregards.

All job referrals at no less than the federal minimum wage.

No work registration for mothers of children under age 6.

Eligibility provisions for a single individual and childless couples.

REMARKS BY LEONARD WOODCOCK

"Welfare reform is too important to be allowed to die," Leonard Wodcock, President of the United Auto Workers, said today.

Announcing support for Senator Ribicoff's welfare proposals, Woodcock also criticized President Nixon's suggested slowdown in the welfare reform drive. "Welfare reform promised to be the Nixon Administration's brightest achievement. That can happen now only if the Senate moves promptly to correct the inequities in the House-passed bill," Woodcock said.

Senator Ribicoff's reform measure would "go far toward achieving fairness both to the welfare recipient and the taxpayer," said the UAW President. "Under the Ribicoff amendments, those on welfare could expect that the system would apply dignity and a measure of economic justice to misfortune and need. The cost burden now borne through regressive state taxation would be shifted to the more progressive federal tax system," he said. "And federal administration of the welfare program under the Ribicoff guidelines would help greatly to reduce abuses in the present system both by governments and recipients."

Woodcock's statement put the UAW in the company of a large number of governors, mayors, county officials and private organizations who have announced support for the Ribicoff package.

STATEMENT BY PHILIP E. HOFFMAN

NEW YORK, October 28.—Philip E. Hoffman, President of the America Jewish Committee, today endorsed the changes in the Nixon Administration's welfare reform bill that have been introduced in Congress by a bi-partisan coalition headed by Senator Abraham A. Ribicoff (D., Conn.). The changes would provide that no welfare beneficiary would have his present benefits reduced under the new program, and would also commit the government to provide welfare benefits at least as high as the official poverty level.

In a letter to the Senator, Mr. Hoffman emphasized the need for quick Senate action on welfare reform. "Too much time has already been lost since the Administration first proposed welfare reform; there must be no further delays," Mr. Hoffman declared.

The welfare reform bill has passed the House of Representatives, and now awaits action by the Senate Finance Committee. There have been conflicting reports as to the likelihood of the bill's being reported to the floor of the Senate for action in the near future.

Mr. Hoffman pointed out that the American Jewish Committee had long favored the approach to welfare reform embodied in the Administration's bill. He added that the bill would afford America's poor "a greater measure of justice and dignity while we open up greater opportunities for them to break out of poverty and become self-sufficient."

The text of Mr. Hoffman's letter to Senator Ribicoff follows:

"The American Jewish Committee has long favored the basic approach of the Family Assistance Plan and we have on numerous occasions expressed our appreciation to President Nixon for having proposed this most significant change in our present welfare system. While calling for the earliest possible enactment of welfare reform, we have also called for some basic improvements in the plan.

"We have been heartened by the news that you have been able to put together a bi-partisan coalition of Senators, Governors, and Mayors in support of a welfare reform package which retains the basic features of the Administration plan, incorporated in House-passed HR 1, but which corrects some of its limitations. We are especially pleased that you have provided assurance that no welfare beneficiary would have his present benefits reduced following enactment of a new program, and that you have included a Federal commitment to welfare benefits not below the official poverty level.

"The introduction of your bill, with the impressive bi-partisan support it has already received, now provides welcome hope that at long last the Senate will act on welfare reform and that after differences with the House are resolved, the bill could be sent to the President for his approval. Too much time has already been lost since the Administration first proposed welfare reform; there must be no further delays.

"The American Jewish Committee, from the beginning, has urged passage of a genuine welfare reform bill because of its belief that America's poor must be afforded a greater measure of justice and dignity while we open up greater opportunities for them to break out of poverty and become self-sufficient. We will continue to urge such legislation, and you can count on our support."

* * * * *

Founded in 1906, the American Jewish Committee is this country's pioneer human relations organization. It combats bigotry, protects the civil and religious rights of people at home and abroad, and seeks improved human relations for all men everywhere.

WELFARE STATEMENT: LUCY WILSON BENSON, PRESIDENT, LEAGUE OF WOMEN VOTERS OF THE UNITED STATES

The League of Women Voters strongly supports the positive leadership shown by Senator Ribicoff and the co-sponsors of the welfare amendments he will introduce in the Senate.

League members are committed to working for an end to the present fragmented and unjust welfare system. They have seen state after state hack away at benefit levels and rolls—cutting back on the most basic payments and services during a period when the cost of living has risen for all Americans.

It doesn't take a crystal ball to see that our welfare mechanisms are on the brink of collapse. If it does not take positive action in this session, Congress must be held directly responsible for the resulting human hardship and fiscal chaos.

Change is needed and it's needed now. The League believes that Senator Ribicoff's proposals represent an extremely workable and comprehensive solution to the present welfare crisis. They correct many of the deficiencies of the House passed welfare provisions and protect the rights of recipients and the right of the American people to have a welfare system that is not self-defeating.

Ribicoff Amendments

WASHINGTON, D.C.—The League of Women Voters announced today it will support Senator Abraham Ribicoff's welfare reform amendments when they are introduced in the Senate.

The announcement was made by League President Lucy Wilson Benson who stated: "The Ribicoff amendments will provide the brand of welfare reform which this country needs. They are a significant improvement over the provisions of H.R. 1 and, if passed, will go a long way towards relieving the welfare crunch now squeezing both welfare recipients and state fiscal resources.

"We supported House passage of H.R. 1 with some reservations but we have absolutely no reservations about the seriousness of the welfare crisis. Legislation is desperately needed in this session of Congress to counteract state cuts in welfare rolls and benefits."

Among the reasons contributing to League support, Mrs. Benson cited the fact that the Ribicoff proposals would: set an initial $3,000 yearly income floor for a family of four; give more fiscal relief to the states; guarantee that no recipient receive less than he was getting in January, 1971; and provide better protections for the rights of welfare recipients than the House passed bill.

The League president was also critical of the death of the Administration's commitment to welfare reform as a top domestic priority. "We don't see the Administration pushing too hard in the Senate nor do we understand rhetoric that one day speaks of improving the lot of the 7½ million children receiving benefits and the next day stigmatizes their parents as cheaters and malingerers."

Mrs. Benson announced that special bulletins were being sent to 1300 Leagues throughout the country calling for an all-out, end-of-session push by League members and other groups active in the welfare reform campaign. Special emphasis is being placed on working with state governors to enlist their support for federal welfare legislation.

If the Ribicoff improvements are incorporated in the House passed legislation, the nation could be taking a monumental step toward eliminating poverty for more than 25 million Americans, Mrs. Benson stated. "It's amazing that with the welfare system so patently ineffective, this country has waited so long to enact legislation that will take us out of the current mess. Senator Ribicoff's amendments seem to us to be just that kind of legislation."

Other components of the Ribicoff proposal include:

Yearly increases in payment levels, reaching the poverty level by 1976 with a cost of living adjustment clause.

Required state supplementation with the federal government paying 30 percent of supplemental payments above federal floors.

Full federal takeover of welfare costs over a five year period.

Provision of at least 300,000 public jobs.

Improved work incentive income disregards.

All job referrals at no less than the federal minimum wage.

No work registration for mothers of children under age 6.

Eligibility provisions for a single individual and childless couples.

Hartke Supports Immediate Welfare Reform

WASHINGTON, D.C.—Senator Vance Hartke today called for the "junking" of the present welfare system.

Speaking at a news conference called to announce the formation of a new coalition for welfare reform, Hartke branded the current system as "inhumane, inequitable, and inefficient."

The full text of Senator Hartke's remarks follow.

I am pleased to join as a member of this coalition for welfare reform.

The time for more talk about the need to reform our welfare system has surely passed; the time for quick, affirmative action to meet the crisis has arrived.

It will no longer do to merely chart the dimensions of the problem, bemoan its effect on our society, and then hope that constructive action will be taken. If the problem is as great as we say it is, there can no longer be any excuse for delay.

The present system satisfies neither the recipient nor the taxpayer who must pay for it. It is in large part inhumane, inequitable and inefficient. The question in the minds of the overwhelming majority of Americans is not whether the present welfare system should be replaced but when it will be replaced.

Our answer here today is it should be junked now rather than later.

Under the leadership of Senator Ribicoff and Governor Sargent, a broad-gauged coalition has been formed which ignores party lines in the interest of solving the welfare sickness as quickly as possible.

It is our considered judgment that this bill is a better bill than H.R. 1: Better for the individual who receives welfare and better for those who must pay for it. Under its terms the costs of welfare will be federalized completely by 1976.

If there is any single thrust to this coalition it is I suppose, that this issue cannot safely be ignored any longer.

It is a problem which must be faced and solved now. If we delay, it will not only be the welfare recipient who suffers, but also the country.

Hartke Joins Welfare Reform Fight

Senator Vance Hartke (D-Ind.) today called for the "junking" of the present welfare system.

Branding the current system as "inhumane, inequitable, and inefficient," Hartke said the question in the minds of the overwhelming majority of Americans "is not whether the present system should be replaced, but when it will be replaced."

To enact welfare reform, Hartke joins with a bipartisan group of senators, governors, and labor, county, social, and welfare organizations in seeking full support for legislation he will introduce with Abraham Ribicoff (D-Conn.).

The Hartke-Ribicoff proposal, said Hartke, is a "much better means to the welfare reform end" than the "unrealistic and inadequate welfare package offered by the Nixon Administration."

Specifically, the Hartke-Ribicoff bill would provide an initial federal payment level of $3,000 for a family of four. Each year, payment levels would increase until, by 1976, families would receive at least an income equal to the poverty level adjusted annually for rises in the cost of living.

The bill also provides improved work incentives, streamlined and fair administration, and major fiscal relief for the states. "By 1976," Hartke pointed out," all state costs for welfare would be assumed by the federal government."

Citing the significant financial gain and fiscal relief that the Hartke-Ribicoff proposal would provide to individual states, Hartke indicated that the 1971–1976 savings to his State alone would be an estimated $106.2 million, "or $100 million more than would accrue to Indiana under the Nixon plan.

Hartke stated that while support for his proposal has been broad, "this legislation cannot be enacted unless there is a real commitment from the Administration to fight for meaningful welfare reform."

"If President Nixon means what he says about wanting reform," continued Hartke, "he will welcome this welfare package, recognizing that it is better for those who receive welfare and better for those who must pick up the tab."

NACo Strongly Supports Amendment to H.R. 1

"Rapidly escalating welfare costs are crippling county governments all over the country", according to Bernard F. Hillenbrand, "and the local property taxpayer can no longer support the load."

Hillenbrand, Executive Director of the National Association of Counties, emphasized his point by citing Los Angeles County, California:

Between September, 1969 and September, 1971—the same period Congress has been considering welfare reform legislation—Los Angeles Counties' expenditures for welfare have more than doubled. Annual costs went up from $645 million to over $1.4 billion. The number of people on welfare increased from 656,000 to 912,000."

Hillenbrand stated that NACo adopted policy positions more than a year and a half ago covering most of the provisions contained in amendments to H.R. 1 being introduced by Senator Abraham Ribicoff and some twenty other Members of the Senate.

"NACo worked with the Administration and many other interest groups to pass H.R. 1 in the House last Spring. However, we made it clear that we would try to improve the measure in the Senate."

"We are very hopeful that the Administration eventually will support most of the Ribicoff Amendments to H.R. 1 in the Senate."

Hillenbrand pointed out that the following proposed amendments to H.R. 1 were particularly important to countries:

(1) Increased fiscal relief—increasing minimum federal payments from $2400 to $3000 1 year for a family of four—30% federal matching on state-county supplemental payments

(2) Definite timetable for full federal assumption of costs by 1976

(3) Recipients would be protected from decreases in current benefits

(4) Needy childless couples and single adults would be eligible for benefits relieving states and counties of general assistance payments (currently no federal sharing).

(5) State and county employees would be provided job protection in transferring to federal employment.

Counties in over 22 states administer and share in the cost of welfare. It is estimated that 70% to 75% of the Nation's welfare rolls are located in these county-administered systems.

Attached is an editorial from NACo News & Views (October 29th, 1971) supporting the Ribicoff Amendments to H.R. 1.

Good News for Welfare Reform

On two separate occasions—last year and this year—we succeeded in passing the President's welfare reform package through the House of Representatives. Last year it died in the Senate and this year it's been held in the Senate Finance Committee for months.

The bill, which is commonly referred to as HR 1, has been very strongly supported by NACo's Welfare Committee and membership. However, we favor the more liberal provisions that are sponsored by Senator Abraham Ribicoff (D-Conn.). His amendments would provide greater fiscal relief ($3,000 minimum federal payment and 30% federal matching on state-county supplemental payments) and complete federal assumption of the costs of welfare by 1976.

It was beginning to look as if this legislation and the amendments would die again in the Senate, but now the Senate Democratic leadership has made a firm commitment that the welfare reform legislation will be voted on early next year. There is wide speculation that the administration is so anxious to pass the welfare reform measure that it will not actively oppose the more costly Ribicoff amendments.

We are much encouraged by this new development in the Democratic-controlled Senate and we hope it means that the Nation is going to get a more sensible, humane and hopefully (in the long run) less costly welfare system, and that county governments are going to be able to phase out welfare costs, which have constituted such a tragic burden on our local property tax owners.

YOUNGSTOWN, OHIO.

RALPH TABOR,
Director of Federal Affairs, National Association of Counties, 1001 Connecticut Avenue N.W., Washington, D.C.:

The Board of Mahoning County Commissioners heartily endorses the amendments to House Resolution. One which provides increased fiscal relief by establishing a minimum Federal payment of $3,000.00-year for family of four and grant 30 percent Federal matching on State supplemental payments. Relieves State and local governments of their share of costs by gradual reductions with Federal Government assuming the cost by 1976. No decrease in current benefits for recipients provides for needy childless couples and single adults being eligible for benefits relieving States and counties of general assistance (currently no Federal sharing), one of the many benefits of House Resolution One would be to amend same to remove ceiling on level of Federal payments for mandated social services. The Board of Mahoning County Commissioners recognizes the mounting cost of welfare assistance and feels relief on the Federal level by legislation as a step in the right direction.

Board of Mahoning County Commissioners Thomas J. Barrett, George J. Bindas, John Palermo, (255).

NACo NEWS & VIEWS,
COUNTY NEWS,
Washington, D.C., September 17, 1971.

GOOD NEWS FOR WELFARE REFORM

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We are much encouraged by this new development in the Democratic-controlled Senate and we hope it means that the Nation is going to get a more sensible, humane and hopefully (in the long run) less costly welfare system, and that county governments are going to be able to phase out welfare costs, which have constituted such a tragic burden on our local property tax owners.

YOUNGSTOWN OHIO,
October 26, 1971.

Hon. ABRAHAM RIBICOFF,
U.S. Senate, Old Senate Office Building, Washington, D.C.:

The Board of Mahoning County Commissioners heartily endorses the amendments to House Resolution 1 which provides increased fiscal relief by establishing a minimum Federal payment of $3,000-year for family of four and grant 30 percent Federal matching on State supplemental payments. Relieves State and local governments of their share of costs by gradual reductions with Federal Government assuming the cost by 1976. No decrease in current benefits for recipients provides for needy childless couples and single adults being eligible for benefits relieving States and counties of general assistance (currently no Federal sharing). One of the many benefits of House Resolution 1 would be to amend same to remove ceiling on level of Federal payments for mandated social services. The Board of Mahoning County Commissioners recognizes the mounting cost of welfare assistance and feels relief on the Federal level by legislation as a step in the right direction.

THOMAS J. BARRETT,
GEORGE J. BINDAS,
JOHN PALERMO,
Board of Mahoning County Commissioners.

SALINA, KANS.,
October 26, 1971.

Senator RIBICOFF,
United States Senate,
Old Senate Office Building,
Washington, D.C.:

As county welfare director in Salina County Kansas I heartily endorse your proposals relative to House reform bill one which you are considering attaching to the tax bill and submitting to the Senate this month.

JUNE F. GARRETT,
County Welfare Director.

MILWAUKEE, WIS.,
October 26, 1971.

ABRAHAM RIEICOFF,
United States Senator,
Old Senate Office Building,
Washington, D.C.:

Your proposed amendment to H.R. 1 provides better fiscal relief to States and counties than the version passed by the House. Moreover, it gives a more realistic basic benefit to families. Further it includes singles and couples. Therefore I strongly favor passage of your amendment.

ARTHUR SILVERMAN,
Director, Milwaukee County Department of Public Welfare.

FLINT, MICH.,
October 26, 1971.

Senator ABRAHAM RIBICOFF,
United States Senator,
Old Senate Office Building,
Washington, D.C.:

The Mich. Association of County Welfare Steering Committee announces support of the Ribicoff amendments to H.R. 1 and urges its adoption.

R. BARRY MCGUIRE,
Executive Director.
MAC AND CHARLOTTE L. WILLIAMS,
Chairman, Public Health Committee, Genesee County Board of Commissioners.

FLINT, MICH.,
October 27, 1971.

Senator ABRAHAM RIBICOFF,
United States Senate,
Washington, D.C.:

The Genesee County Board of Commissioners at its Oct. 26 group meeting adopted by unanimous vote support of the Ribicoff amendment to H.R. 1 as follows—

Entries fiscal relief.

Definite timetable for Federal assumption of costs by 1976.

Recipients would be protected from decrease in current benefits.

Needy childless couples and single adults would be eligible for benefits relieving States and counties of general assistance payments. H.R. 1 would be amended to remove ceiling on level of Federal payments for mandated social sevices.

HAROLD R. HAYDEN,
Chairman, Genesee County Board of Commissioners.
CHARLOTTE L. WILLIAMS,
Chairman Public Health Committee.

AUBURN, CALIF.,
October 27, 1971.

Senator ABRAHAM RIBICOFF,
Washington, D.C.:

Have reviewed your proposed amendments to H.R. 1 and am in full accord. Increased fiscal relief to States and recipient protections are especially good. Major reform is long overdue and H.R. 1 appears to be a major step in that direction.

DAVID C. ECHOLS,
Placer County Welfare Director.

AKRON, OHIO,
October 27, 1971.

Senator ABRAHAM RIBICOFF,
Washington, D.C.:

As I understand your amendment to H.R. 1 be advised you have full support of the Welfare Committee of CCAO (County Commissioners Association of Ohio).

RICHARD E. SLUSSER,
Chairman.

MINEOLA, N.Y.,
October 28, 1971.

Senator ABRAHAM RIBICOFF,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: We wholeheartedly support you in your efforts to gain speedy passage of amendment to H.R. 1 and commend you for your role in dramatizing the need for reform in the welfare program. Much has been said about the inequities inherent in the current program which places an undue financial burden on the local taxpayer and does not address itself to the basic needs of the welfare recepient namely to provide the opportunity for the individual to improve his status as a productive member of our society. We look forward to the day when this wholesome condition will be achieved by everyone and we believe that your amendments to H.R. 1 can help in this cause.

Sincerely,

THOMAS G. DEVIVO,
Deputy County Executive Fiscal Administration.

CHICAGO, ILL.,
October 28, 1971.

Hon. ABRAHAM RIBICOFF,
Senate Office Building,
Washington, D.C.:

Have carefully reviewed your amendments to H.R. 1 and believe an adoption of the measures which you have outlined will be essential in our effort to achieve a viable welfare program.

HAROLD E. BOYSAW.

CHICAGO, ILL.,
October 28, 1971.

Hon. ABRAHAM RIBICOFF,
Senate Office Building,
Washington, D.C.:

Heartily endorse and support your amendments to H.R. 1.

FAY L. ROBERTSON.

CHICAGO, ILL.,
October 28, 1971.

Hon. ABRAHAM RIBICOFF,
Senate Office Building,
Washington, D.C.:

Having carefully reviewed your amendments to H.R. 1, this is to advise that this department is in full agreement with the provisions covered by your amendments and, in view of the current financial burden which the States are experiencing I urge that prompt action be taken to adopt the measures which you have outlined. We are especially happy to endorse and support the measure which provides for increased fiscal release, assistance to needy childless couples, the current need concept, and increased Federal matching for mandated special services. Unless such measures as these are seriously considered, we believe the FAP will fall short of the goal which the program has outlined. We are sending copies of this wire to Senators Percy and Stevenson.

DAVID L. DANIEL,
Director, Cook County
Department of Public Aid.

CHICAGO, ILL.,
October 29, 1971.

Senator ABRAHAM RIBICOFF,
Old Senate Building,
Washington, D.C.:

We heartily endorse and support your amendments to H.R. 1 as being essential to achievement of viable and meaningful welfare programs.

WALTER R. MCCONNER,
President, National Association of
Social Workers, Chicago Area Chapter.

CHICAGO, ILL.,
October 29, 1971.

Hon. ABRAHAM RIBICOFF,
U.S. Senator, Old Senate Office Building,
Washington, D.C.:

Thoughtful review of your amendments to H.R. 1, leads us to conclusion they are vitally essential in our efforts to achieve a viable and meaningful welfare program. We cannot emphasize too strongly urgency of adoption of measures you have outlined in view of current financial burden which the States are experiencing.

JOSEPH L. BLOCK,
Chairman, Advisory Committee, Cook
County Department of Public Aid.

THE AMERICAN JEWISH COMMITTEE,
Washington, D.C., October 25, 1971.

Senator ABRAHAM RIBICOFF,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR RIBICOFF: The American Jewish Committee has long favored the basic approach of the Family Assistance Plan and we have on numerous occasions expressed our appreciation to President Nixon for having proposed this most significant change in our present welfare system. While calling for the earliest possible enactment of welfare reform, we have also called for some basic improvements in the plan.

We have been heartened by the news that you have been able to put together a bipartisan coalition of Senators, Governors, and Mayors in support of a welfare reform package which retains the basic features of the Administration plan, incorporated in House-passed HR 1, but which corrects some of its limitations. We are especially pleased that you have provided assurance that no welfare beneficiary would have its present benefits reduced following enactment of a new program, and that you have included a Federal commitment to welfare benefits not below the official poverty level.

The introduction of your bill, with the impressive bi-partisan support it has already received, now provides welcome hope that at long last the Senate will act on welfare reform and that after differences with the House are resolved, the bill could be sent to the President for his approval. Too much time has already been lost since the Administration first proposed welfare reform; there must be no further delays.

The American Jewish Committee, from the beginning, has urged passage of a genuine welfare reform bill because of its belief that America's poor must be afforded a greater measure of justice and dignity while we open up greater opportunities for them to break out of poverty and become self-sufficient. We will continue to urge such legislation, and you can count on our support.

Sincerely yours,

PHILIP HOFFMAN,
President.

COUNTY OF LOS ANGELES, DEPARTMENT OF PUBLIC SOCIAL SERVICES,
City of Commerce, Calif., October 26, 1971.

Hon. ABRAHAM RIBICOFF,
U.S. Senator, Old Senate Office Building,
Washington, D.C.

DEAR SENATOR RIBICOFF: Since the time you introduced your amendments to HR 1, I have carefully considered each of your proposals. As a result of my analysis, I am very much in favor, in general, of your proposed amendments to HR 1. In particular, I favor the provision that would call for Federal assumption of welfare costs by 1976 with definite timetables for gradual reduction of State and local costs. Your proposal for extension of benefits to childless couples and single persons would also relieve Los Angeles County of a tremendous financial burden as far as General Relief payments are concerned.

The interest and concern you are showing in regard to protection of rights for State and/or county employees who may become Federal employees under HR 1 is particularly appreciated as is your recommendation relative to automatic cost of living adjustments as a basic component such as is recommended in HR 1 for Social Security changes.

I personally take the point of view that the Federal Government should take over the complete cost of welfare if all residence requirements are to be eliminated.

I have not attempted to comment on all of your proposed amendments but, as indicated above, in general, I am strongly in favor of them.

The Los Angeles County Board of Supervisors has not acted on your amendments yet, and the observations and comments in this letter are personal coming from over 25 years experience in the present welfare system. The present system is absolutely impossible to administer and eventually will self-destruct under its own complexity unless drastic changes are made as indicated in HR 1 and many of your proposed amendments to that bill.

I very much appreciate your personal interest in this matter and trust that some type of basic welfare reform will get through Congress this session.

Sincerely,

ELLIS P. MURPHY, *Director.*

DEPARTMENT OF PUBLIC WELFARE,
COUNTY OF YOLO,
Woodland, Calif., October 26, 1971.

Senator ABRAHAM RIBICOFF,
U.S. Senate,
Old Senate Office Building,
Washington, D.C.:

The purpose of this letter is to state my support of the "Ribicoff amendments".

It is my understanding that these amendments involve a minimum payment of $3,000.00 per year for a family of four, and 30% federal matching on the state supplemental payments. This will provide needed fiscal relief to states and counties.

By far, one of the most important provisions of your amendments is the inclusion of needy childless couples and single adults. There is no group of individuals more in need of federal and state support than this group. Although the needs of these people have been of statewide concern, little has been done to provide them the assistance they need.

Also of some concern, was the proposed limitation on social services. I am happy to see that your amendment removes the federal ceiling on *mandated* social services.

EDWARD M. CURLEY,
Director.

COUNTY OF SAN MATEO,
DEPARTMENT OF PUBLIC HEALTH
AND WELFARE,
San Mateo, Calif., October 26, 1971.

Hon. ABRAHAM RIBICOFF,
U.S. Senate,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR RIBICOFF: I am very hopeful that your proposed amendments to H.R. 1 will be favorably received by your colleagues in the Senate and House.

Without your amendments, H.R. 1 will not provide adequate fiscal relief for welfare recipients and would cause local property taxpayers to support an enormous supplemental welfare program. We are also desirous that H.R. 1 not impose a ceiling on the Federal dollar support for services.

Critical weaknesses in H.R. 1, without your amendments, are the failure to protect recipients from a decrease in their current benefits and a failure of H.R. 1 to provide support for single adults and needy childless couples.

The timetable for Federal assumption of costs by 1976 represents a substantial improvement and allows the local governments of the United States to plan now for adaptation to a revised welfare system in an orderly manner.

If there is anything that we can do at the local level to provide you with additional information about H.R. 1, I would be happy to assist you.

Very truly yours,

GEORGE PICKETT, M.D., M.P.H.,
Director.

BLUE EARTH COUNTY WELFARE BOARD,
Mankato, Minn., October 26, 1971.

SENATOR ABRAHAM RIBICOFF,
U.S. Senate, Old Senate Office Building,
Washington, D.C.

DEAR SENATOR RIBICOFF: The Blue Earth County Welfare Board supports a federalized financial assistance program. Because of the financial pressure on them, they would favor a federal takeover of the welfare programs at the earliest possible date. They recognize that it probably is not possible for the federal government to take over these programs next year, so would support your phase in program over the next four or five years.

The Board in the meantime supports the principle of the 30 percent federal participation in the supplemental payments.

The Board supports an amendment in the Senate which would provide protection for recipients so that grants would not be decreased from their current level. They also support the addition of needy childless couples and single adults, as these individuals make up the major portion of the general assistance program in our county.

In Blue Earth County we operate a social service program completely separated from the financial assistance program. It is difficult to justify a ceiling on services provided to families having child rearing problems and marital problems, etc. which could, if they were not corrected, result in members of these families going on public assistance. The Board favors a social service program which is based upon need for these services rather than the financial income of the family, whether these be services to unwed mothers, mentally retarded, mentally ill, etc.

We hope that it is possible for you to introduce amendments to H.R. 1 in the Senate to accomplish these objectives.

Sincerely yours,

ALLEN SIGAFUS.

HARVEY COUNTY DEPARTMENT OF SOCIAL WELFARE,
Newton, Kans., October 27, 1971.

Senator ABRAHAM RIBICOFF,
Washington, D.C.

DEAR SENATOR RIBICOFF: I have just received a summary of the Welfare Bill to be introduced to you. This material has been reviewed and I wish to give my endorsement to your proposals.

I am speaking as a person who is concerned about the welfare people in Kansas. I see that some help is needed to meet the critical problems of the poor at this time.

Sincerely,

CATHERINE WESTERHAUS,
Welfare Director.

NASH COUNTY DEPARTMENT OF SOCIAL SERVICES,
Nashville, N.C., October 27, 1971.

Senator ABRAHAM RIBICOFF,
Washington, D.C.

DEAR SENATOR RIBICOFF: It is my hope that you will fervently pursue your proposal to secure increased fiscal relief in H.R. 1 including federal matching on state supplemental payments. A graduated scale recognizing the ability of the states and local communities to pay would be a reasonable approach. Certainly a definite timetable for federal assumption of cost should be outlined and should not run beyond 1976.

Current benefits for recipients should be protected from decrease since standards are now below actual needs in many areas.

Needy childless couples and single adults should be treated as others in the potential client load. In other words, need should be the criteria if no work opportunity can be provided by industry or meaningful public employment.

In spite of some of the comments about social services, I strongly believe that services will need to be an integral part of the overall program designed to get people into employment, training, and into the mainstream of our society. After spending thirty-six years as a director of social services, I am more than ever convinced that a lack of adequate services has helped to compound our problem. We have tried inadequate, poorly defined, fragmented and overlapping Social Services. The nation now recognizes that the above approaches have not solved the problem. Families or persons in crisis need services to help them cope with their problems. Social Services must rally to this challenge by providing mandated services if we propose to reach our goal of maximum self-support and personal independence.

Sincerely,

J. A. GLOVER,
Director.

COUNTY OF NEVADA, DEPARTMENT OF PUBLIC SOCIAL SERVICES,
Nevada City, Calif., October 26, 1971.

Senator ABRAHAM RIBICOFF,
Washington, D.C.

DEAR SENATOR RIBICOFF: Your proposed amendments to H.R. 1 are indeed needed and have the support of our Board of Supervisors. The increased fiscal relief giving a minimum federal payment of $3,000.00 a year for a family of four with 30% federal matching on state supplemental payments and the amendment to remove the ceiling on level of federal payments for mandated social services will reduce county tax payer cost. Likewise, payments to needy childless couples and single adults will reduce the need for county general relief.

Giving a definite timetable for federal assumption of costs by 1976 with a gradual reduction of state-local share of costs makes for an orderly federal takeover giving sufficient time by all parties for necessary planning.

I sincerely hope you are successful in cooperating your amendments to H.R. 1. It is sincerely hoped pressure can be put on the finance committee to act on H.R. 1 by the end of November.

Very truly yours,

EUGENE NEWMAN,
Director.

YOUNGSTOWN, OHIO,
October 26, 1971.

Senator ABRAHAM RIBICOFF,
Washington, D.C.

DEAR SIR: The Mahoning County Welfare Rights Organization supports the proposal of National Welfare Rights that the bill calling for $6,500 a year for a family of four is the only meaningful proposal we can accept.

However, the Ribicoff Amendment to H.R. 1 being introduced by Senator Ribicoff and 20 other Senators on October 28 merits our support.

Therefore we offer our support to your amendment and urge that you leave no stone unturned to achieve passage of the abovementioned bill.

Sincerely yours,

ODIE ELLIS,
President, Mahoning County Welfare Rights.

THERESA BONNER,
Publicity Chairman.

COUNTY OF SANTA CLARA, DEPARTMENT OF SOCIAL SERVICES,
San Jose, Calif., October 27, 1971.

Hon. ABRAHAM RIBICOFF,
Washington, D.C.

DEAR SENATOR RIBICOFF: I understand that on October 28, 1971 you will introduce certain amendments to H.R. 1.

I would like very much to express my support for these amendments, which will do the following, among other things:

1. Increased state and local fiscal relief:

Minimum federal payment of $3,000 a year for a family of four.

30% federal matching on state supplemental payments.

2. Definite time tables for federal assumption of costs by 1976:

Gradual reduction of state-local share of costs.

3. Recipients to be protected from decrease in current benefits.

4. Needy childless couples and single adults to become eligible for benefits, relieving states and counties of general assistance payments (currently no federal and state sharing).

5. H.R. 1 to be amended to remove the ceiling on level of federal payments for mandated social services.

The amendments you have introduced are not only constructive from the social services standpoint, but, in addition, they offer a most practical form of "revenue sharing" that has come to my attention.

Because of time limitations I have not been able to take your proposed amendments of the Santa Clara County Board of Supervisors for action, but I am sure their support would be forthcoming, if you would need or want it. If I can be helpful in that or any other way, will your office please let me know.

Sincerely,

FREDERICK B. GILLETTE,
Director.

EDGECOMBE COUNTY DEPARTMENT OF SOCIAL SERVICES,
Tarboro, N.C., October 27, 1971.

Senator ABRAHAM RIBICOFF,
Washington, D.C.

DEAR SENATOR RIBICOFF: It is my understanding that you are going to submit to the Senate Finance Committee some amendments to H.R. #1. I would like to express my opinion to you as to the amendment that I think you will be presenting. I would like to encourage passage of a time table for the Federal assumption of cost in the programs that are administered now through the local department. If my understanding is correct, this would mean a gradual reduction of state and local share of cost. As I envision the future program for social services and becoming more involved with problems of all peoples that request these services I would urge a removal of the ceiling on level of Federal payment for social services. I feel very strongly that unless it is removed that programs can be hampered and limited which I do not feel is the intent of the Congress of the United States.

Some provision as you are proposing should be incorporated in a bill which would enable Federal funds to be spent for couples or single adults that are now receiving assistance from either country or state funds. This again has been a limited program because funds have not been allocated on a very large basis by a local community. In our county these funds have only been available for an emergency situation and yet instances have occurred that if money had been available it would continue for a short period of time.

I would like to add my voice asking these points to be considered strongly by the Senate Finance Committee when they hear your amendment.

Sincerely,

CLAUDIA M. EDWARDS,
Director of Social Services II.

UNION COUNTY DEPARTMENT OF SOCIAL SERVICES,
Monroe, N.C., October 27, 1971.

Senator ABRAHAM RIBICOFF,
Senate Office Building,
Washington, D.C.

DEAR SENATOR RIBICOFF: It has come to our attention that you are prepared to offer on the floor of the Senate some amendments to the pending House Resolution 1. While I have some general resolutions as to the overall effectiveness of the bill and the commitment of our nation to seriously deal with the problems of the poor in our midst, I do feel that your proposed amendment would strengthen the bill.

We are in serious need of some fiscal relief at the local level and also need to assure that the clients of our respective agencies would have the benefits of the protection offered under your amendment.

I am particularly pleased that you are requesting a removal of the ceiling of Federal payments for the mandated Social Services. I would hope that it would also be possible for us to move toward the long term goal of providing services to all persons on a universal basis. If we were to remove the two major problems of discrimination and lack of money I believe that we would find that the problems incurred by the destitute in our country are problems that are common to all humans.

Thank you for your efforts in giving strength to the proposed legislation.

Sincerely,

WAYNE R. DAVIS.

Mr. KENNEDY. Mr. President, I am pleased to cosponsor and to express my support for the welfare reform amendment introduced today by the very able senior Senator from Connecticut. Perhaps, more than any other Member of this Senate, he is most qualified as the architect of welfare reform. As a former Secretary of the Department of Health, Education, and Welfare, his experience and knowledge can be very useful in the national drive to eliminate the chaos of the present welfare system. The pro-

posed legislation, therefore, should be the focus for developing the basic concept of income maintenance as the most efficient, effective, and direct way to deliver the requirements for a decent living to all needy Americans.

Despite all the anecdotes and the litany concerning "the psychology of the poor," the main and crucial problem affecting the lives of poor people is that they do not have the money needed to meet even the minimum requirements for adequate health care, nutrition, education, and housing.

Somehow, we in America have chosen to ignore the plight of those who are deprived. We have closed our hearts and our minds to the pleas of the poor because it was easy to do so. For too long, we have been satisfied and smug in the comfort of self-serving concepts that poor people want to be on welfare.

But today, like the spread of narcotics abuse, the agony of being without money has spread from our traditionally neglected ghettoes into the homes of thousands of so-called hard working families.

In my own State of Massachusetts, a number of the 1,800 men who receive assistance payments are scientists, engineers, and other professionals out of work because of a sick economy. They differ from the stereotype of the poor only because they will be back to work when the economy improves. Yet, it is because of them that our national conscience has been stirred to turn around the welfare mess.

No one wants to be poor. No one wants to be out of work. Yet, somehow we have drifted eons away from the ideals of the Massachusetts settlers who used the Articles of Confederation in 1672 to set their legal obligation to adequately assist those who were poor.

Instead of striving to achieve a degree of self-respect or self-sufficiency, today's system nurtures a psychology of dependence for thousands of poor families. Our current welfare service tends to guarantee that there will always be poor people. It is this stifling philosophy that breeds dissatisfaction and demands change. Today's system alienates the taxpayers who support it, the social workers who administer it, and the poor who depend on it.

I am encouraged by the amendment offered by the Senator from Connecticut because it can bring about the kind of change that many of us believe is long overdue for a national welfare system.

I look to the program offered today because it affords tremendous hope in the constant struggle to meet the deserving demands of those who are needy. I call upon this Senate to enact this measure for reform of the national welfare system.

ALASKA NATIVE CLAIMS SETTLEMENT ACT OF 1971—AMENDMENTS

AMENDMENT NO. 560

(Ordered to be printed and to lie on the table.)

Mr. GRAVEL submitted amendments, intended to be proposed by him, to the bill (S. 35) to provide for the settlement of certain land claims of Alaska natives, and for other purposes.

CONSUMER PRODUCT WARRANTIES AND FEDERAL TRADE COMMISSION IMPROVEMENTS ACT OF 1971—AMENDMENTS

AMENDMENT NO. 561

(Ordered to be printed and to lie on the table.)

Mr. SPONG (for himself, Mr. MAGNUSON, and Mr. Moss) submitted an amendment, intended to be proposed by them, jointly, to the amendment (No. 478) intended to be proposed by Mr. COOK (for himself, Mr. COTTON and Mr. HRUSKA) to the bill (S. 986) to provide minimum disclosure standards for written consumer product warranties against defect or malfunction; to define minimum Federal content standards for such warranties; to amend the Federal Trade Commission Act in order to improve its consumer protection activities; and for other purposes.

FEDERAL WATER POLLUTION CONTROL ACT AMENDMENTS OF 1971—AMENDMENTS

AMENDMENT NO. 562

(Ordered to be printed and to lie on the table.)

Mr. BOGGS. Mr. President, I send to the desk an amendment to S. 2770, the Federal Water Pollution Control Act Amendments of 1971. I ask that the amendment be printed and lie on the table. I also ask unanimous consent that the text of the amendment be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks. I intend to call up this amendment when the bill is considered next Tuesday. I am joined in this amendment by Senators COOPER, BAKER, DOLE, and BUCKLEY, who are colleagues on the Committee on Public Works, which reported the bill yesterday.

This amendment affects that portion of the water pollution bill authorizing grants for the construction of waste treatment facilities.

This is a vital aspect of the bill: I believe that the funds authorized in the reported bill are justified and will greatly accelerate our effort to achieve clean water. Specifically, this provision authorizes $2 billion to be appropriated for this purpose in the current fiscal year. After the current fiscal year, $3 billion would be authorized in fiscal 1973, $4 billion in fiscal 1974, and $5 billion in fiscal 1975.

But while the fiscal 1972 funds have been provided by the normal appropriations process, the funds for fiscal years 1973, 1974, and 1975 will be spent under contract authority given to the Administrator of the Environmental Protection Agency.

The purpose of our amendment is quite simple. It would provide that the grant funds for the fiscal years 1973, 1974, and 1975 would be provided by the normal appropriations process, rather than by the contract authority that is provided in the bill's present form.

Each of the sponsors of this amendment is a cosponsor of this bill. I know that I reflect their view when I say that I believe it is an important bill, and a strong bill. I intend to discuss the bill in greater detail at a later time, in an effort to show my colleagues that this bill is vital to our national drive toward a better environment.

But I must disagree that the contract authority concept, which was approved by a majority vote of the committee, is necessary.

The annual review of the program by the Congress will serve as a vital step in focusing public attention and public support each year on this program and the progress that has been achieved. It will enable the Congress to properly balance the need for construction grant authorizations against the other authorizations in this legislation, which totals several billions of dollars.

This is particularly important, I believe, in view of the accelerated research effort that is provided in the bill. Because of these potential breakthroughs, we believe it would be wise if the Congress, through the appropriations process, made an annual examination of the program and the needs for waste treatment grants.

I agree fully that the water pollution control program holds a very high priority in any list of national goals. But contract authority is a fiscal tool that is too restrictive, lessening the flexibility of the Congress and the President to examine spending levels annually.

There is no doubt in my mind that the sense of urgency for water pollution control that exists in our Nation will assure continuity for the program. I believe that this sense of urgency will be increased if the Congress annually will focus public support on the program.

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

AMENDMENT NO. 562

On page 48, line 19, beginning with "Approval" strike all through the period in line 22, page 48.

On page 52, lines 21 and 22, strike "or authorized to be obligated".

On page 53, line 14, strike "for obligation".

On page 53, line 23, strike "and obligated".

On page 55, line 10, strike "or obligation authority".

On page 55, lines 13 and 14, strike "or obligation authority".

On page 58, line 8, strike "is" and insert in lieu thereof "are".

On page 58, line 11, beginning with the period strike all through the period on line 1, page 59, and insert in lieu thereof the following: "; for the fiscal year beginning July 1, 1972, $3,000,000,000; for the fiscal year beginning July 1, 1973, $4,000,000,000; for the fiscal year beginning July 1, 1974, $5,000,000,000."

On page 59, line 5, beginning with the word "to" strike all through the word "contracts" on line 6, page 59, and insert in lieu thereof "for grants".

On page 74, line 22, beginning with "(e)" strike all through the period on line 24, page 74.

REVENUE ACT OF 1971—AMENDMENTS

AMENDMENT NO. 563

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

Mr. HUMPHREY (for himself and Mr. STEVENSON) submitted amendments, intended to be proposed by them, jointly, to the bill (H.R. 10947) to provide a job development investment credit, to reduce individual income taxes, to reduce certain excise taxes, and for other purposes.

AMENDMENT NO. 564

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

Mr. STEVENSON. Mr. President, on October 27, Senator PEARSON and I introduced an amendment to increase the Federal income tax personal exemption from $650 to $700 retroactive to January 1, 1971. The House-passed tax bill—H.R. 10947—contained an increase in the personal exemption to $675.

Our amendment was to H.R. 8312, rather than H.R. 10947 because the Senate Finance Committee had already reported H.R. 8312 and attached to it the provisions of H.R. 10947 relating to the 1971 personal income tax. Today Senator PEARSON and I, along with Senator HUMPHREY, are offering the same amendment to H.R. 10947.

The amendment would provide nearly $1.9 billion in immediate tax relief to hard-pressed American taxpayers—twice the amount provided by the increase in personal exemptions which passed the House. This would mean a tax reduction of $44 for a family of four with annual income of $10,000. The amendment would give the economy a stimulus and provide some of the much needed balance between the tax cuts the administration has proposed for business and those it has proposed for consumers.

ADDITIONAL COSPONSORS OF BILL

Mr. RANDOLPH. Mr. President, I ask unanimous consent that, at the next printing of S. 2770, the names of the Senator from Utah (Mr. Moss) and the Senator from Maryland (Mr. BEALL), both former members of the Committee on Public Works, be listed as cosponsors.

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

NOTICE OF HEARINGS ON CONSUMER PROTECTION AGENCY LEGISLATION

Mr. RIBICOFF. Mr. President, the Subcommittee on Executive Reorganization and Government Research will begin hearings on consumer protection agency legislation at 9:30 a.m. on Thursday, November 4, 1971, instead of the time reported in yesterday's RECORD. The hearing will continue on Friday, November 5, 1971, at 10 a.m., as previously reported, in room 3302 of the New Senate Office Building.

NOTICE OF HEARINGS ON SENATE JOINT RESOLUTION 108

Mr. CRANSTON. Mr. President, I announce that the Special Subcommittee on Human Resources of the Labor and Public Welfare Committee will hold hearings on Senate Joint Resolution 108, on Wednesday, November 3, at 9:30 a.m., in room 4200, of the New Senate Office Building.

These will be the concluding hearings on the joint resolution, of which the Senator from Ohio (Mr. TAFT) and I are the principal sponsors.

The joint resolution would establish a national policy of achieving population stabilization by voluntary means consistent with human rights and individual conscience.

On Wednesday, testimony will be heard from Charles F. Westoff, Executive Director, the Commission on Population Growth and the American Future; Rev. Msgr. James T. McHugh, director, Family Life Division, U.S. Catholic Conference; Dr. Mark Thoman, M.D., F.A.A.P., of Des Moines, Iowa; and perhaps several other witnesses.

ADDITIONAL STATEMENTS

ELIZABETH LOCHRIE, MONTANA ARTIST

Mr. MANSFIELD. Mr. President, Montana has a number of successful artists, many of whom concentrate on the Indian and the historic West as their favorite subject. One of our most prominent is Mrs. Elizabeth Lochrie, of Butte, Mont. She is not only considered to be one of the State's finest women artists, but also a good friend of the Plains Indian. She has proven to be one of the finest interpreters of both the historic and contemporary Indian.

A feature article about Elizabeth Lochrie appears in the December, 1971 issue of Pioneer West. This western publication contains Helen Clark's fine feature story. I ask unanimous consent that the article be printed in the RECORD.

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

SHE KNOWS THE INDIAN—MONTANA'S GREATEST WOMAN ARTIST

(By Helen Clark)

In her seventies, Elizabeth Lochrie does not get to summer among the northern Indians as much as she did in earlier years. She is one of the few white people to witness the Sun and Owl Ceremonials of the Blood Indians, at which time she was the guest of the tribe's chief, Shot On Both Sides, whose portrait she so beautifully painted. Montana's Elizabeth Lochrie is at home on all its seven Indian reservations. Her Indian portraiture has helped make hundreds of friends for those who sit for her. Because of her stature as a western artist, she has become a lecturer greatly in demand. From years of studying and painting the first Americans, she has become familiar with their history. Today she is considered an authority on Montana Indians. She is also deemed their friend. She has been permitted entrance into the sacred medicine tepee of her adopted Blackfeet, cousins of the Bloods, and has taken part in their beautiful face painting ritual.

When, in the thirties, she was inducted into the Blackfeet tribe, she was given the name of "Net-chi-ta-ki," translated, "Woman Alone In Her Way." She is particularly proud of a buckskin they presented her bearing this inscription: "This certificate is proof that many moons ago there came to us a white woman from far over the western mountains. She was friendly and understanding and we brought her into our medicine tepee and smoked a peace pipe with her and made her our sister, calling her name 'Net-chi-ta-ki.' She has ever been true and helped with good deeds and paints our pictures to show the whole world."

For 11 years, Elizabeth served as a judge at the All-American Indian Celebration in Sheridan, Wyo. where she helped select the All-American Indian Beauty Queen. Since an average of 45 tribes attend this colorful celebration, Elizabeth annually met some of the most outstanding Indian personalities in the nation.

A dear friend of Elizabeth's was a Blackfoot chief, Chewing Blanck Bones, who willed her a Zuni scalp which she wears on her buckskin ceremonial dress. Around her neck she often wears a Zuni necklace fashioned from human finger-knuckle bones, also a gift of the same chief, who took it from a Sioux enemy.

When in trouble, the Blackfeet often turn to her for advice and help. Wrote Maggie Many Hides: "Dear Net-chi-ta-ki: Please write to George Washington and tell him white man take sand off my land and don't pay me."

When Chief Good Gun, a Blood Indian, was in his early nineties, he agreed to pose for Elizabeth, but he would not look her in the eye, for fear the painting would take something out of him. When she had completed the painting of this prosperous old cattleman who had once been a fine buffalo hunter, she asked him if he would like to see his portrait.

"No," he replied. "If I don't know what you take out of me, I won't know what to miss."

For years, people brought Elizabeth hides of deer and elk which she had tanned at her own expense and sent to the Indians to encourage them to perpetuate their age-old artistry in buckskin and bead wear.

The Art Digest has summed up her work in these words: ". . . realistic illustrations of American western culture . . . from intimate portraits of weather-beaten Indians such as 'Tommy Coyote' to meticulously recorded landscapes such as 'October at 320 Ranch, (her) paintings . . . document every phase of life in the pioneer country."

Her canvases depict pack trains coming out of the back-country of the Spanish Peaks; sheep camps high in the Rockies; cattle roundups on the Big Horn; wild horse sorties in Hells Canyon of the Highlands; winter's majesty in the Grand Tetons; cattle rustlers; stew bums; Indian papooses in cradle boards; covered wagon attacks; black ravens sunning themselves in cottonwoods after a rain storm; gypsy campfires.

Her exhibits have been many, from New York to the Mexican border. She has had solo shows at New York's Arthur Newton Galleries, the Francis Lynch Gallery in the Statler Hotel, Los Angeles, Walter Goldsten's Galleries, River Oaks Garden Forum, Houston, Frederic-Nelson's Seattle, the C. M. Russell Gallery, Great Falls, the Montana State Historical Gallery, Helena Rhodes Store Gallery, Tacoma, to name but a few.

At the Madonna Festival sponsored by the Wilshire Methodist Church in Los Angeles, Elizabeth's "Bannock Grandmother and Grandson" was voted by the visiting public as the most popular painting in the 1962 exhibit and presented the popularity certificate of award. She was one of the first four contemporary artists to be honored with an exhibit (this in 1963) at the Whitney Gallery of Western Art, Cody, Wyo.

She has been included with illustration in International Directory of Artists, Who's Who in American Art, Who's Who in American Women. She has an honorary Life Fellowship in the International Institute of Art and Letters, Berne, Switzerland. She is an honorary life member of Beta Sigma Phi Sorority and Delta Gama Sorority. She belongs to the Association of American Artists, the American Federation of Artists, Artists of the North West, Montana Institute of the Arts.

Oil is her prime media, but Elizabeth also excells in wax, bronze, bas-relief, casein water colors, pen and wash.

A graduate of Pratt Institute in Brooklyn, Elizabeth also studied portraiture under Winold Reiss, fresco with Victor Arnotoff, Stanford, seco with Dorothy Pucinnecci, San Francisco. She has done many murals, three of these assignments from the U.S. Treasury

Department, her largest 12 feet by 30 feet. She has done story and book illustrations. She is married and the mother of three children, all in professions of their own and all highly successful. Elizabeth's husband is a retired Butte bank president. In 1960, Elizabeth was chosen Montana Mother. Her help has been instrumental in procuring recognition and education for gifted Indian children.

No other woman artist in the West has accomplished more in a lifetime of dedicated living. She was an inspiring teacher of art in her home for a number of years. Elizabeth Lochrie, petite silver-haired, brown-eyed woman, has won her place in the art world and it is lofty. Her works total into the thousands. She has left a proud record on canvas and paper "for all the world to read."

Wherever she goes, whatever she does, Elizabeth can regale her visitors with many anecdotes. She has been prevailed upon to collect a book of them around famous Indians she has known and painted. A sample of such anecdotes is this one concerning a Blackfoot Indian called John who was normally of jovial, happy disposition.

"One particular day I found John sad and long of face," recounted Elizabeth. "I asked him what was the matter.

" 'Oh, Net-chi-ta-ki, worst thing. I do like you white people tell me. I take money from cattle sale to bank, but banker he come out with little piggy bank and say to me, "John, fine thing you save big money, but you want to save little money, too. Here, put nickel, dime, quarter in piggy bank."

" 'You know ma and me like tobacco, but no—no tobacco. Money go in piggy bank. This I no like.' "

"A few weeks later, on my return to the reservation, I saw John again, but this time he was his smiling, happy self.

" 'Net-chi-ta-ki, best thing happen. Lightning, she come down from sky. She strike house. House burn up. Piggy bank burn up. Now ma and me have all tobacco we want.' "

NATIONAL 4–H SERVICE COMMITTEE CELEBRATES 50TH ANNIVERSARY

Mr. DOLE. Mr. President, on September 23, 1971, Mr. B. J. Yarrington, president of American Oil Co., addressed the 24th Annual Donors' Conference in Chicago, Ill., where representatives from some 60 corporations who support the 4–H movement nationwide met in their annual conference.

Blain Yarrington, serving as president of the national 4–H service committee, discussed the committee's past work but stressed the committee's goals. In the field of education, for instance, he suggested:

> Method used in 4–H work over the last half-century might very well serve the whole field of education. Learning not just facts but how to use facts in a practical manner is what 4–H young people have been doing for years.

Mr. President, this year is the 50th anniversary of the founding of the national 4–H service committee. I believe it is important that we recognize the contributions made through the committee by corporations, foundations, and individuals to the young people of America. I ask unanimous consent that Mr. Yarrington's address, entitled "A Businessman Looks at 4–H," be printed in the RECORD.

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

A BUSINESSMAN LOOKS AT 4–H

(Remarks of B. J. Yarrington)

This year is, as you know, the 50th Anniversary of the founding of the National 4–H Service Committee. It always seems to me a bit difficult to know what to say on the occasion of a 50th Anniversary.

It's not quite like a golden wedding, when everyone congratulates the old couple on having lived so long with each other. It's not even like a person's 50th birthday, which—in today's uncertain world—calls for congratulations just on being alive.

What's significant about this anniversary is not simply that business and government have worked successfully together for such a long time—and not that the committee still exists after 50 years.

The significant thing in my view is the impressive accumulation of contributions made through the committee by corporations, foundations, and individuals to the youth of America. These contributions are impressive not only in number, but in what they say about the way American business over the years has felt about young people.

I won't dwell at great length on the past, because it seems to me that the "tomorrow" of 4–H and the National 4–H Service Committee is a good deal more important than the "yesterday." At the same time, it would be valuable just to recall a few of the highlights that have been accomplished since that day in late 1920, when G. L. Noble—of Armour—first said, "Let's start a committee."

Among the first donors were some of the major organizations of the day in the field of agriculture—names like Armour, Wilson, International Harvester, and Montgomery Ward. One of the first things the new committee did was to enlist the help of Westinghouse Radio Service here in Chicago and go on the air three times a week with 4–H Club news. Breaking into radio in 1921 would be almost like grabbing three guest spots a week on Johnny Carson today.

It was Montgomery Ward, by the way, that became the first company to donate educational awards on a national scale. In doing so, they set the pattern which many companies—including yours and mine—have followed in the intervening years. By the beginning of the 1930's, the value of trips, scholarships, and other prizes provided 4–H youth by donor companies through the national committee totaled more than $100,000 each year.

Throughout the '20's and '30's, the committee developed and implemented two of its main philosophies. One was the need for close cooperation between the private and governmental sectors—and the other was the enlisting of close business support for youth programs at the local level.

One example of each: It was with the help of the committee, along with several other state and national organizations, that two major appropriation bills were passed in Congress to provide funding for extension work in agriculture and home economics. It was also with the committee's assistance that local businessmen were encouraged to channel their support—in money, manpower, and technical know-how—to local 4–H clubs and programs.

It's practically impossible to talk about committee accomplishments in the past without realizing that they are really the accomplishments of 4–H itself. Here, then, is the real clue to the nature of the National 4–H Service Committee: It is an *enabling* body. It's members and staff, and the donor companies who support it, take pride not in grants, or money, or programs—but in how these things enable young people to grow and contribute to our society.

When the committee-financed magazine, *National 4–H News*, gave its backing to the victory-garden and harvest-volunteer programs during World War II, 4–H'ers responded by producing or preserving enough food to care for a million servicemen for 3 years. In the immediate post-war years, the 4–H Tractor Program established the important principle of adequate advance training for adult leaders in 4–H. There are a half million of these volunteer adult and junior leaders now active.

It has been since the late '50's, however, that the entire 4–H movement—and with it the Service Committee—has had to cope with its greatest challenge. It is the many-faceted changes brought about in our country by an expanding technology. More and more, the thrust of 4–H training of young people has had to be oriented toward science. The problem was not simply the mechanization of farming—this had occurred long before, and the programs had been adjusted to fit. This time the change involved the whole science of agriculture and how the developing technology could be applied to provide food for people here and abroad.

Perhaps the most basic change of all, however, is the one which 4–H—and the National 4–H Service Committee—have only begun to cope with. That is that a smaller and smaller percentage of young people in America are now, or are ever going to be, directly involved in agriculture. Already some 36 per cent of Americans live in cities of more than 50,000 population—yet the latest figures show that less than 5 per cent of 4–H members come from these cities. Now youth in the cities are just as much in need of the kind of personal development 4–H can provide as are their counterparts on the farm . . . perhaps even more so. But in spite of the fact that we have been experimenting with programs for urban young people since the 1950's, we still have a long way to go.

I suspect that there is much for us to learn about motivating, teaching, and training young people who are growing up in big cities. In fact, there's no doubt about it—as anyone can see who has had the traumatic experience of visiting some inner-city public schools in Chicago or New York.

Yet it seems to me that there are at least half a dozen basic needs of young people—common to farm and city youth alike—that 4–H is particularly well qualified to meet.

One of these is the great desire to *belong*—to feel accepted by their peers. This drive produces such organizations as the Conservative Vice Lords and the Black P. Stone Nation—but, under the right circumstances, it also produces Scout troops and 4–H clubs.

Every young person desires *recognition* for his accomplishments. 4–H provides it with the system of awards supported by donor companies.

Young people want *action* and *fun;* they get both by participating in 4–H work programs and social activities. They feel a need to accept *responsibility,* and this they also find in the 4–H organization.

There is still another desire of young people, which it seems to me goes unrecognized by many of us—yet it's a strong desire, and one that 4–H is peculiarly equipped to deal with. That is the desire to *learn.*

Anyone can see it in young children—with their insatiable urge to explore and their endless question of "why" and "how." Yet anyone can see how often that urge is stifled when the youngster moves through the bureaucratic establishment of a major city school system.

Educational leaders today are calling for change—for new patterns and direction in education—for a breakthrough in the rigid structure and formalized methods of public education. The commissioner for education of the State of New York spoke recently about this need. He called for some fundamental transformations, among them a shift "from a system geared to provide mainly knowledge, treating knowledge as an end in itself, to one geared to helping people *learn how to use what they learn* and how to work together productively."

Here, certainly, is a place where the patterns of learning used in 4–H work over the last half century might very well serve the whole field of education. Learning by doing—learning not just facts but how to *use* facts—learning to work and live in productive cooperation—all these things 4–H young people have been doing for years.

Public education, I think, would do well to look at the accomplishments of 4–H—and to make a study of its methods. Attention to the individual needs of members, for instance, has been a fact of life in 4–H, but it remains little more than a cherished dream in many schools. Other improvements in education—such as more local decision-making and the constant upgrading of teachers and staff—also have their prototypes in the structure and methods of 4–H.

I know well enough that there are no panaceas for our educational ills, as there are none for the other social and economic problems that beset us today.

But I would suggest this challenge to the 4–H program as it faces the new world of the '70's and '80's: *Share the strengths you have.* Recognize them, assess them—and see where your more than 50 years of experience in working with American youth can be put to use for the benefit of those youngsters who most need it today.

One of the greatest strengths that I see in the 4–H movement is the fact that it is anchored so firmly in those basic, fundamental values of human worth and individual dignity that undergird our democratic government and our system of private enterprise. This is perhaps the most deep-seated reason I have for continuing to advocate the support by American business for the 4–H program. The objectives of 4–H—and the accomplishments it has recorded over the years—are thoroughly consistent with the aims of a businessman.

More than that, I can see where 4–H is helping young people to meet and conquer some of the major problems that face business executives: problems of organizing data, making decisions, setting goals, and motivating themselves and others.

There's still another thing, though, that makes me glad to be part of a donor organization that has provided nearly $1.5 million to 4–H this year alone. That can best be described as a sense of personal satisfaction. I simply enjoy seeing what 4–H does for people. This same sense of satisfaction seems to come to just about anyone involved in the programs; certainly this is the loud and clear message I get in my talks with all of you. We get a kick out of seeing young men and women working and achieving—and at the same time learning what our system of government and economy are all about.

So it makes excellent sense that those of us in responsible positions in business should see that our support is continued and increased.

I have indicated that I think 4–H does indeed face some major challenges in the next few years. Among these will be the need to broaden its membership and volunteer leadership so that it can reach more young people. It will need to press on with its program of dealing with urban youth, and dealing with them on terms and in language which they understand. It will have to continue to evolve its training and educational materials to fit the new circumstances in which young people find themselves.

There may be some tricky obstacles to overcome. We don't know, today, how the administration proposals for high-level government reorganization will affect such things as the Department of Agriculture, the extension program, and 4–H itself.

But this much is certain: There is too much in 4–H that is useful and beneficial to have it abandoned or de-emphasized. It has too much to offer our young people—and they, in turn, have too much to offer the country.

Given this truth, there is no question in my mind but what the continued support of donor companies like yours and mine—channeled through the National 4–H Service Committee—is going to be an absolute essential in the years ahead.

I would like to close by saying that I believe all of you—and all of those in the past who have contributed to the support of 4–H—and all of the people who have worked with the service committee and in the field organizations—deserve congratulations on this 50th Anniversary.

I devoutly hope that, 50 years from today, the man who stands here to deliver this kind of assessment will be able to say the same thing with equal conviction.

Thank you.

NEWARK UNIT IS SBA "OFFICE OF THE YEAR"

Mr. WILLIAMS. Mr. President, I am delighted to be able to inform Senators that the Newark district office of the Small Business Administration has been selected as "District Office of the Year" for the entire Nation.

The fine and essential work being done by the Small Business Administration is, of course, well known. This is one Government agency that can really help citizens to help themselves. In this, as in most areas of government, it is the human element which determines whether an agency is really helping people—or is simply pushing papers. If the people who operate an office are committed to being of service to the people who pay their salaries, then the office will function effectively.

I am very much pleased that the people who operate the Newark district office of the SBA obviously feel such a commitment. This office was organized 7 years ago by Mr. Andrew P. Lynch and has since been named regional office of the year four times. It has taken the lead in promoting bank participation in SBA loans, and organized one of the first bank pools in the Nation to make loans to minority businessmen.

Mr. President, I think we all owe Mr. Lynch and his staff both our congratulations on being selected Office of the Year, and our thanks for the splendid job they are doing.

MORALITY AND CONTROLS

Mr. HATFIELD. Mr. President, since the initiation of the wage and price controls by the Nixon Administration on August 15, most of the public and media attention has been on internal question related to the makeup of the Wage and Price Board, specific wages, and specific prices. Little focus has been made on the overall implications, particularly the moral implications, of the controls in general.

Prof. Milton Friedman directs his attention and his well known skills to this very issue in two editorial essays in the October 28 and 29 editions of the New York Times. The message Professor Friedman conveys is summarized in two sentences in his opening essay:

The controls are deeply and inherently immoral. By substituting the rule of men for the rule of law and for voluntary cooperation in the market place, the controls threaten the very foundation of a free society.

Mr. President, I would strongly urge Senators to consider seriously the words of Professor Friedman. I ask unanimous consent that the two essays be printed in the RECORD.

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

[From the New York Times, Oct. 28, 1971]

MORALITY AND CONTROLS: I

(By Milton Friedman)

ELY, VT.—Most discussion of the wage-price freeze and the coming Phase II controls has been strictly economic and operational: were they needed, will they work, how will they operate. I have recorded my own opposition to them in three columns in Newsweek.

There has been essentially no discussion of a much more fundamental issue. The controls are deeply and inherently immoral. By substituting the rule of men for the rule of law and for voluntary cooperation in the marketplace, the controls threaten the very foundations of a free society. By encouraging men to spy and report on one another, by making it in the private interest of large numbers of citizens to evade the controls, and by making actions illegal that are in the public interest, the controls undermine individual morality.

One of the proudest achievements of Western civilization was the substitution of the rule of law for the rule of men. The ideal is that government restrictions on our behavior shall take the form of impersonal rules, applicable to all alike, and interpreted and adjudicated by an independent judiciary rather than of specific orders by a government official to named individuals. In principle, under the rule of law, each of us can know what he may or may not do by consulting the law and determining how it applies to his own circumstances.

The rule of law does not guarantee freedom, since general laws as well as personal edicts can be tyrannical. But increasing reliance on the rule of law clearly played a major role in transforming Western society from a world in which the ordinary citizen was literally subject to the arbitrary will of his master to a world in which the ordinary citizen could regard himself as his own master.

The ideal was, of course, never fully attained. More important, we have been eroding the rule of law slowly and steadily for decades, as government has become more and more a participant in economic affairs rather than primarily a rule-maker, referee, and enforcer of private contracts. It was, after all, the development of the private market that made possible the original movement from a world of status to a world of voluntary contract. As government has tried to replace the market in one area after another, it has inevitably been driven to restore a world of status.

The freeze and even more the pay board and price board of the Phase II controls are clearly another massive step away from the rule of law and back to the rule of men. True, the rule of men will be *under* law but that is a far cry from the rule *of* law—Stalin, Hitler, Mussolini, and now Kosygin, Mao and Franco all rule under law.

The price that you and I may charge for our goods or our labor or that we may pay others for their goods or their labor will now be determined, not by any set of legislated standards applying to all alike, but by specific orders by a small number of men appointed by the President. And if governmental edict is to replace market contract,

there is no alternative. There are millions of prices, millions of wage rates arrived at by voluntary agreements among millions of people. The collectivistic countries have been unable in decades to find simple rules enabling prices and wages to be established by any alternative impersonal mechanism. We are not likely to succeed. And we are not trying. Instead, the appeal is to the patriotism, civic responsibility, and judgment of political appointees, most of whom represent vested interests. How do patriotism and judgment determine that the price of a widget may rise 2.8 per cent but the price of a wadget, only 0.3 per cent; the wage of a widgeteer by 2 per cent but of a wadgeteer, by 10 per cent? Clearly they do not. Arbitrary judgment, political power, visibility—these are what will matter.

The tendency for such an approach to violate human freedom is even more clearly exemplified by the present situation with respect to dividends. The President has *requested* firms not to raise dividends—he has no legal power to do more. The request has been accompanied by surveillance, a calling down to Washington and public lambasting of the handful of corporations that did not conform, and a clear implied threat to use extralegal powers. These measures have no legal basis at all. Yet I know of only one small company that has had the courage to refuse to cooperate on grounds of principle.

The full logic of the system will not work itself out this time. Our strong tradition of freedom, the ineffectiveness of the controls, the ingenuity of the people in finding ways around them—these will lead to the collapse of the controls rather than to their hardening into a full-fledged straitjacket. But nonetheless, it is disheartening to see us take this further long step on the road to tyranny so lightheartedly, so utterly unaware that we are doing something fundamentally in conflict with the basic principles on which this country is founded. The first time, we may venture only a small way. But the next time, and the next time?

MORALITY AND CONTROLS

(By Milton Friedman)

ELY, VT.—Enforcement of the price and wage controls, as of the freeze, must depend heavily on encouraging ordinary citizens to be informers—to report "violations" to Government officials.

When you and I make a private deal, both of us benefit—otherwise we do not have to make it. We are partners, cooperating voluntarily with one another. The terms, so long as they are mutually agreeable, should be our business. But not any longer. Big Brother is looking over our shoulders. And if the terms do not correspond with what he says is O.K., one of us is encouraged to turn in the other. And to turn him in for doing something few people have ever regarded and do not now regard as in any sense morally wrong; on the contrary, for doing something that each of us regards, when it affects us, as our basic right. Am I not entitled to sell my goods or my labor for what I consider them worth as long as I do not coerce anyone to buy? Is it morally wrong for Chile to expropriate the property of Anaconda Copper—i.e., to force it to sell its copper mines for a price less than its value; but morally right for the U.S. Government to force the worker to sell his labor for less than its value to him and to his employer?

By any standards, the edicts of the pay board and the price board, like the initial freeze, will be full of inequities and will be judged to be by ever increasing numbers of people. You believe that you are entitled to a pay raise, your employer agrees and wishes to give you one, yet the pay board says no. Will there not be a great temptation to find a way around the ruling? By a promotion unaccompanied by any change in duties but to a job title carrying a higher permitted pay. Or by your employer providing you with amenities you formerly paid for. Or by one or another of the innumerable stratagems—legal, quasi-legal, or illegal—that ingenious men devise to protect themselves from snooping bureaucrats.

In general, I have little sympathy with trade unions. They have done immense harm by restricting access to jobs, denying excluded workers the opportunity to make the most of their abilities, and forcing them to take less satisfactory jobs. Yet surely in the present instance they are right that it is inequitable for the Government retroactively to void contracts freely arrived at. The way to reduce the monopoly power of unions is to remove the special legal immunities they are now granted, not to replace one concentrated power by another.

When men do not regard governmental measures as just and right they will find a way around them. The effects extend beyond the original source, generate widespread disrespect for the law, and promote corruption and violence. We found this out to our cost in the 1920's with Prohibition; in World War II with price control and rationing; today with drug laws. We shall experience it yet again with price and wage controls if they are ever more than a paper facade.

One feature of price and wage controls makes their effect on individual morality especially vicious. Because these controls distort the use of resources, the evader benefits not only himself but society. The more rigorously the controls are enforced, the more harm they do. They render behavior which is immoral from one point of view socially beneficial. They thus introduce the kind of fundamental moral conflict that is utterly destructive of social cohesion.

Our markets are far from completely free. Monopoly power of labor and business means that prices and wages voluntary contract. Yet these blemishes, real and important though they are, are minor compared to replacing market agreements by government edict, compared to giving arbitrary power to a small number of appointed officials, compared to inculcating in the public contempt for the law.

The excuse for the destruction of liberty is always the plea of necessity—that there is no alternative. If indeed, the economy were in a state of crisis, of a life-and-death emergency, and if controls promised a sure way out, all their evil social and moral effects might be a price that would have to be paid for survival. But not even the gloomiest observer of the economic scene would describe it in any such terms. Prices rising at 4 per cent a year, unemployment at a level of 6 per cent—these are higher than we would like to have or than we need to have, but they are very far indeed from crisis levels. On the contrary, they are rather moderate by historical standard. And there is far from uniform agreement that wage and price controls will improve matters. I happen to believe that they will make matters worse after an initial deceptive period of apparent success. Others disagree. But even their warmest defenders recognize that they impose costs, produce distortions in the use of resources, and may fail to reduce inflation. Under such circumstances, the moral case surely deserves at least some attention.

SEARCH AND SEIZURE

Mr. BENTSEN. Mr. President, on October 6, 1971, I introduced S. 2657, a bill that would modify exclusionary rule relating to the admissibility of evidence in Federal criminal cases.

My bill provides a test of substantiality in determining whether or not an illegal search or seizure should result in suppression of the evidence involved. The Supreme Court has been sharply divided over the present practice of excluding all evidence that is improperly seized or searched, and some members of the Court have indicated that they would welcome a congressional remedy to this problem.

The American Bar Association Journal of October 1971, contains an excellent report on some of the badly divided decisions that the Court has recently made on the search and seizure issue. This ABA Journal report demonstrates once again the pressing need for a cogent yet constitutional alternative to the present exclusionary rule.

I ask unanimous consent that the article from the ABA Journal be printed in the RECORD.

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

SUPREME COURT REPORT

(By Rowland L. Young)

During its October, 1970, term, the Supreme Court handed down 121 formal decisions. Of these, ninety-four have been reviewed earlier this year. This month's report covers another fourteen, leaving thirteen cases that will be reported in our November issues.

The cases discussed this month are typical of the grist of the Court's last term—three involve search and seizure, five deal with elections and reapportionment, one with equal protection (reversing a twenty-year-old decision that private citizens may not be sued for conspiring to deny others of equal protection of the laws), one with the problem of libel and freedom of the press (this case extended the *New York Times* doctrine for the second time this term), two criminal law cases, a case dealing with the administration of the Social Security Act, and a case on the Court's original docket.

These cases were also typical of the October, 1970, term in that the Justices were badly divided on many of the issues. Only four of the fourteen cases were unanimous, and in three the Court was unable to muster a majority for a crucial portion of the decision.

FEDERAL AGENTS LIABLE FOR VIOLATION OF RIGHTS

The first of the search-and-seizure cases has the awkward name, *Bivens* v. *Six Unknown Named Agents of Federal Bureau of Narcotics*, 403 U.S. 388, 29 L. ed. 2d 619, 91 S. Ct. 1999, 39 Law Week 4821, decided June 21. The decision upheld a right of suit against federal agents who allegedly violated Fourth Amendment rights while acting under the color of their authority, even though there is no federal statute that authorize damages in such a case.

Agents of the Federal Bureau of Narcotics entered Bivens's apartment on November 26, 1965, and arrested him for narcotics violations. Bivens later brought suit in a federal district court alleging that the arrest and subsequent search were made without a warrant, that unreasonable force employed, and that the arrest was made without probable cause. He asked for $15,000 damages from each of the six agents. The district court dismissed the complaint on the ground, *inter alia*, that it failed to state a cause of action. The Second Circuit affirmed. 409 F. 2d 718 (1969).

Mr. Justice Brennan, speaking for a majority of five, reversed. The Court cited *Bell* v. *Hood*, 327 U.S. 678 (1946), to the effect that "where federally protected rights have been invaded, it has been the rule from the beginning that courts will be alert to adjust their remedies so as to grant the necessary

relief". The Court rejected the argument that the Fourth Amendment was merely a limitation on federal defenses to a state law claim and said that the federal question was an independent claim. It was hardly surprising that damages could be obtained for injuries following a violation of the Fourth Amendment by federal officers, the Court added, since historically damages have been regarded as the ordinary remedy for an invasion of personal interests in liberty. There was no explicit Congressional declaration that persons so injured may not recover money damages from the officers, the Court went on, and so, "The question is merely whether petitioner, if he can demonstrate an injury consequent upon the violation by federal agents of his Fourth Amendment rights, is entitled to redress his injury through a particular remedial mechanism normally available in the federal courts."

Mr. Justice Harlan wrote a concurring opinion which reasoned that, since the interest that Bivens claimed—the right to be free from official conduct that violates the Fourth Amendment—was a federally protected one, the question was not the source of this "right", but rather whether the power to authorize damages as a remedy was placed by the Constitution exclusively in the hands of Congress. He concluded that the power was not exclusively Congressional, arguing that a general grant of jurisdiction empowered federal courts to provide equitable relief and that it would be anomalous to hold that a general grant was not also sufficient to empower the federal courts to provide a traditional remedy at law.

The Chief Justice wrote a dissenting opinion that took the position that the Court's holding created judicially a damage remedy not provided for by the Constitution and not enacted by Congress. His opinion was a critique of the deficiencies of the exclusionary rule, which denies the use of evidence seized unconstitutionally, and an invitation to Congress to provide an entirely different remedy—perhaps "an administrative or quasi-judicial remedy against the government itself to afford compensation and restitution for persons whose Fourth Amendment rights have been violated".

Mr. Justice Black's dissent argued that neither Congress nor the State of New York had enacted legislation giving a right of action against officers who violate constitutional rights and that the Court had no constitutional power to provide such a right. "The task of evaluating the pros and cons of creating judicial remedies for particular wrongs is a matter for Congress and the legislatures of the States", he declared.

Mr. Justice Blackmun's short dissent said that he generally agreed with the reasons expressed by Chief Judge Lumbard in the court of appeals, adding that he also felt that "the judicial legislation, which the Court by its opinion today concededly is effectuating, opens the door for another avalanche of new federal cases".

COURT AT ODDS ON EXCLUSIONARY RULE

Another search-and-seizure case decided June 21 was *Coolidge* v. *New Hampshire*, 403 U.S. 443, 29 L. ed. 2d 564, 91 S. Ct. 2022, 39 Law Week 4795, a case that again points up the misgivings of some of the members of the Court about the exclusionary rule.

The Court overturned the murder conviction of a New Hampshire man because he was convicted partly on evidence obtained from his automobile. The police seized the automobile after his arrest while it was parked in his driveway. They had a warrant, but the warrant was held invalid because it was signed by the state's attorney general acting as a justice of the peace, and the attorney general had taken personal charge of the murder investigation and later served as the chief prosecutor at the trial. The Court held that a warrant obtained under these circumstances had not been issued by a magistrate who possessed the "requisite neutrality".

The Court was badly split on the decision, and only four Justices agreed with a crucial part of the opinion of Mr. Justice Stewart, who spoke for the Court. The Court reversed 109 N. H. 403, 260 A. 2d 547 (1969).

The Court said that it could find "no escape from the conclusion that the seizure and search of the Pontiac automobile cannot constitutionally rest upon the warrant issued by the state official who was the chief investigator and prosecutor in this case". Justice Stewart examined and rejected the state's arguments that the seizure of the automobile could be upheld as an incident to a "valid arrest", under the "automobile exception" to the exclusionary rule, or that the car itself was an "instrumentality of the crime" that could be seized because it was in "plain view" (It was this portion of the opinion that had the concurrence of only four members of the Court.) Justice Stewart answered in detail Justice White's dissent, saying that the latter's arguments proved too much and that to agree with him that the police may, whenever they have probable cause, make a warrantless entry for the purpose of arrest and that *per se* seizures and searches of automobiles are reasonable given proper cause, means that any search and seizure can be carried out without a warrant. The Fourth Amendment would in effect be read out of the Constitution, he declared.

Coolidge had also objected to the introduction into evidence of a rifle and items of clothing given to the police by his wife. The Court rejected the contention that the wife had in effect been made an instrumentality of the police in surrendering the items.

Mr. Justice Harlan, concurring, called for an overhaul of the law of search and seizure, saying that *Mapp* v. *Ohio*, 367 U.S. 643 (1961), making the federal exclusionary rule applicable to the states, and *Ker* v. *California*, 374 U.S. 23 (1963), should be overruled. Without those cases, he said, he would have had little difficulty in sustaining the conviction. Because of them, he went on, he concurred in the result and in the portions of Justice Stewart's opinion that held the warrant invalid as not being issued by a neutral magistrate, that replied to Justice White's dissent and that upheld the admission of the rifle and the clothing. "It must be recognized that the case is a close one", Justice Harlan said. "The reason I am tipped in favor of Mr. Justice Stewart's position is that a contrary result in this case would, I fear, go far towards relegating the warrant requirements of the Fourth Amendment to a position of little consequence in federal search and seizure law . . .".

The Chief Justice said that he joined in the dissenting opinion of Justice White and in most of Justice Black's dissent, except that he would not accept the proposition that the Fifth Amendment requires exclusion of evidence seized in violation of the Fourth. On the merits, he said that there was not the slightest basis for reversing the conviction.

Mr. Justice Black's opinion argued that the source of the exclusionary rule could not be found in the Fourth Amendment, and that if evidence is to be excluded it must be under the Fourth Amendment's guarantee against self-incrimination. Justice Black also took issue with what he said was the Court's theory that a magistrate must hold a "little trial" before issuing a warrant. He argued that the automobile itself was evidence and was properly seized as such.

Mr. Justice White contended that the judgment should be affirmed since the automobile was lawfully seized as evidence and was in plain sight. He expressed difficulty with the Courts' position that Coolidge's car, parked at his house, could not be searched without a valid warrant, although if Coolidge had been arrested as he drove away from his home, immediate seizure and subsequent search would have been upheld as incidental to an arrest.

DEATH OF DR. JAMES E. ALLEN, FORMER COMMISSIONER OF EDUCATION

Mr. PELL. Mr. President, the Nation has lost a great educator and a fine gentleman in the tragic death of Dr. James E. Allen. I came to know Dr. Allen only since he was named to the post of Commissioner of Education, I regarded him as a close personal friend whose wise council was highly valued.

Many people come to Washington and are lost in the bureaucracy, having to compromise their moral values to meet political expediences. Jim Allen was not one of these. In his all too short tenure as Commissioner of Education he enunciated goals and beliefs which our Nation has always mouthed, but all too often has never really supported. Indeed, his refusal to compromise led to his dismissal from this administration.

Since he left Washington, I fortunately maintained close contact with Dr. Allen. The Subcommittee on Education of the Committee on Labor and Public Welfare benefited from his incisive advice during its studies which led to the passage of S. 659.

At the time of his death, James Allen was a visiting lecturer at the Woodrow Wilson School of Public and International Affairs at Princeton University. In that post, he was working on such important matters as assessment and evaluation of educational offering. Just as his work as Commissioner of Education for the State of New York set the guidelines and high level of performance for the position of State Commissioner of Education, his work at Princeton was recognized as leading in the field.

Jim Allen for all his attainment will be remembered, however, for the fine gentleman that he was. A quiet man, with a gentleness of manner, he possessed something that can only be described as quality. Our Nation, which did not fully recognize him, is all the poorer for his death.

Mrs. Allen, too, was a lovely lady, enjoying with her husband an interest in literature and in sports. They were a wonderful couple whom my wife and I admired and liked immensely.

To their children I extend my deepest sympathies on the loss of their parents. We all grieve.

I ask unanimous consent that an editorial from the October 20, 1971, Washington Post be printed in the RECORD.

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

JAMES E. ALLEN, JR.

Although he served in Washington for only 18 months—as the Commissioner of Education—Dr. James E. Allen, Jr., who was killed last week in an Arizona plane crash, used his time here to serve and further many of the causes that assuredly needed serving and furthering. He understood that education is not merely another "vital concern," but that the course of millions of lives is irrevocably set depending on how much or how little educational opportunity is available. Dr. Allen was known as an outspoken man; yet

in many instances he earned this description less because of what he said on an issue than because other men chose to be silent. Thus, when he expressed dissent in the spring of 1970 on the administration's Vietnam policy—the "war is having a disastrous effect on the young people of this country"—he stated no more than an obvious fact; but it rankled others in the administration.

Dr. Allen was a stubborn advocate of school desegregation. In March, 1970, he wrote Mr. Nixon a private letter urging him to take a strong stand in a forthcoming desegregation message. Later, Dr. Allen said he did not even know if the letter passed through the White House staff to the President. At any rate, he did know that as time went by his advice was less and less sought by the White House. Perhaps Dr. Allen would have lasted longer in Washington if he had learned to hold his peace. But he saw a contradiction in this—being the Commissioner of Education meant being aggressive, firm and outspoken.

Before coming to Washington, Dr. Allen served with excellence as the head of the New York State school system for 14 years. Such innovations as prekindergarten schools, adult education courses and community colleges were established in large numbers of New York towns during his administration. Aptly, Governor Rockefeller said on Dr. Allen's death, "an entire generation of New Yorkers who attended school during his tenure is better educated because of it."

REPRESENTATIVE TIM LEE CARTER

Mr. COOK. Dr. TIM LEE CARTER has represented the Fifth District of Kentucky since 1965, and served it with distinction. His excellent service in Congress is only an extension of the dedication, selflessness, and care he has always shown for his fellow man.

A good example is the fact that he volunteered for military service in World War II and served 42 months as combat medic. As a captain of the 38th Infantry Division, he received not only the Combat Medical Badge and Bronze Star Medal, he also won the admiration of his buddies.

Mr. President, an article published recently in the Lake Cumberland Bugle, of Somerset, Ky., points out how highly the people of Kentucky hold Dr. CARTER in esteem. I might add that the article shows a bit of insight into Kentucky politics.

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

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

TIM LEE IS GREAT, AND OTLEY GILPIN WOULD LOVE TO VOTE FOR HIM, EXCEPT FOR ONE THING

Our congressman, Dr. Tim Lee Carter, has been in Adair County for some time visiting with his constituents.

Among the places he has visited was Coburg, Adair County, and its famous general store, run by Colonel Otley Gilpin.

The congressman's visit there was more than just a campaign stop. It was a meeting with an old comrade in arms. For Otley and the congressman were in the same army unit in World War II, where each distinguished himself in his field.

Otley became one of the greatest snipers in the U.S. Army, outdoing the Japanese in that field. He used to say modestly that sniping was just like hunting squirrels. "You do both the same way," he would confide, "and I was always a good squirrel hunter when I was a boy, down around Breeding and Sparks Ridge."

Dr. Carter won praise and well-deserved citations for his role as a combat doctor in Otley's unit; cool under fire, and devoted to the welfare of his army buddies, who largely came from this section of Kentucky.

Both old soldiers enjoyed the reunion and spoke highly of the other's role in the fierce combat of the South Pacific during the great war.

After the visit was over and Congressman Carter had departed, Otley made a small talk to those gathered in his store on the caliber of man that Dr. Carter is.

Otley addressed the onlookers as follows:

"Dr. Carter and I went overseas on the same boat. He was an officer and I was an enlisted man but nobody ever treated anyone any better than he treated me.

When we went into action, I watched Dr. Carter work under shell fire with bullets whizzing all around, saving the lives of my friends right up on the front line.

Without a doubt, he was the top combat doctor in the South Pacific.

And when he came home from the war, he cared for the poor people of Monroe County well, whether they had any money or not.

Furthermore, since he has been elected to the House of Representatives he will rank among great Kentucky statesmen like Henry Clay, Alben Barkley, and Governor Goebel, who died a martyr's death.

I want to serve notice right now that if any man speaks evil of Dr. Carter in my presence, he has a fight on his hands.

I love and admire that man and I would do anything to help him.

Why, when he was here a few minutes ago, I took him to the back room of the store for a real heart to heart talk."

At this point, Otley paused, shook his head resignedly: "Now, if that man would only change his politics so I could vote for him sometime . . ."

CONFUSION ABOUT FEDERAL INDIAN POLICIES

Mr. MANSFIELD. Mr. President, at the present time there seems to be a great deal of confusion about our Federal Indian policies, both at the administrative and congressional level. The American Indian is coming into his own, and I believe that we will be hearing a great deal more from them in the future.

Our Indian neighbors in Canada have encountered similar difficulties and seem to be moving ahead. An interesting commentary on the opening of a new industry on the Blood Reservation in Alberta has been brought to my attention in a letter written by Joshua Warren and forwarded to me by Jim Flaherty. Jim Flaherty is the grandfather of the author of the letter and is an old, longtime friend, living in Great Falls, Mont. I ask unanimous consent that Joshua Warren's observations, published in the Kainai News, be printed in the RECORD. The Kainai News is Canada's largest Indian newspaper.

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

LETTER TO THE EDITOR

Letters Sent to Kainai News (Taken from a letter to James J. Flaherty, of Great Falls, Montana).

Top of the morning, Grandpa: On Tuesday, August 3 (this morning) I was asked to give a talk before two history classes on "The Indian's plight, and how he is trying to change it." Each class had 35 members, totalling 70 souls in all. And all seemed eager to hear.

At 8:35 a.m. I began to speak . . .

For the past 100 years, the American Indian has been a down-trodden race . . . a broken people. And while the average American saw wild west shows, and gloried on the white man's greatness . . . the Indian lived in wretched shacks . . . and drank to forget. There was no hope for the Indian's future . . . none for his children. For five generations the Indian bred himself into shame and squalor . . . the white man either abused him . . . or ignored him. Only the Indian could help himself, if he would do so.

But the reservation system did not lend toward Indian independence. Originally used to pen up the Indian, who was nomadic by nature, it gave the Indian the white man's diseases . . . and took away his dignity, until the reservation became a haven in which to hide from the white man's world.

In the decade of Civil Rights, the Indian saw the Negro fight for equal recognition, and generally succeed. This prompted the Indian in many places to vie for his rights also. From this, examples such as the Alcatraz occupation are verification.

But there were other Indians who saw that the negative way was not the path to thead . . . instead they chose a positive way to follow. Among these were the Blood Indians of Alberta, Canada . . . it is their story I wish to tell . . .

As you may recall, earlier this summer I left school. It was during this time that I received an invitation from my grandfather to attend the opening of Kainai Industries, a prefabricated housing plant on the Blood Reserve in Alberta. Attending the opening of a plant seems absurd . . . however this one was different.

This opening represented the first time that, on their own, any Indian tribe has ever developed an industry on their own! It is true that other Indian tribes have industries of their own . . . yet they were started by the white man in order to give the Indians a livelihood in this modern age . . . and it is also true that the Bloods have not achieved this without help . . . but the idea of the Industry was initiated by them, and they have worked with vigor to make the dream a reality.

But the importance lies in this . . . These Indians have finally accepted the world as it is, and have finally decided to adapt to it. Their eagerness lies in their infant industry . . . it lies in their native newspaper, the Kainai News . . . it lies in their Kainai Chieftainship . . . a body of 35 chiefs . . . men, Indians or not who have done great service to the Indian. My grandfather is one. Their eagerness to meet the world lies in their integrity to preserve their majestic culture and they will fight for it . . . and this time—they will win!

The Canadian government was pleased by the Bloods' move . . . it was liked so much, that Prime Minister Pierre Trudeau came personally to the grand opening. I had the pleasure to meet him. The Prime Minister also had the pleasure to meet my grandfather, and the ex-governor of the state of Montana, J. Hugo Aronson, who was also traveling with my grandfather and I.

I had never seen so many teepees before as we were encamped at the grand opening . . . and suddenly it dawned on me that this event had sparkled the Indians' lives . . . they were to turn a new page in history.

This is an Indian first . . . it is only a start, but I think, before the next 50 years are out, the Indian will have risen from a second class citizen to assume his rightful position as the country's very first citizens' . . . after all, they were the first here.

Questions were then asked by the audience, but the one that has stuck in my mind is

one a girl asked: "But why, for all these years, has the Indian taken all of this abuse from the white man?" My reply was the surrendering speech given by Chief Joseph when he gave up his people in the Bear Paw Mountains of Montana:

"Tell General Howard I know what is in his heart. What he told me before, I have in my heart. I am tired of fighting. Our chiefs are killed. Looking Glass is dead. Tulhulhutsut is dead. It is the young men who say yes or no. He who led the young men is dead.

It is cold and we have no blankets. The little children are freezing to death. My people, some of them, have run away to the hills, and have no blankets, no food; no one knows where they are—perhaps freezing to death. I want to have time to look for my children and see how many of them I can find. Maybe I shall find them among the dead. Hear me, my chiefs. I am tired; my heart is sick and sad. From where the sun now stands I will fight no more, forever."

It was then 8:50 . . . I had spent 15 minutes on my talk with questions . . . another earlier 15 on a film strip on the plight of the Indians. My half hour was over. I thanked the students for being so responsive and thanked the professor. They all thanked me. I then left, it was time to go home.

Grandpa . . . I will never be able to repay you for the marvelous trip you gave me . . . Thank you.

Goodbye for now, and God Bless.

JOSHUA J. WARREN.

NINETIETH ANNUAL MEETING OF AMERICAN TRANSIT ASSOCIATION

Mr. WILLIAMS. Mr. President, recently I had the honor of speaking at the 90th annual meeting of the American Transit Association in Dallas, Tex.

I shared the platform with a number of most distinguished speakers who included Gov. Frank Licht, of Rhode Island, and Mayor Sam Massell, of Atlanta.

These are two men who know the problem well; they know that the alternatives to mass transit are traffic strangulation; massive immobility and economic chaos.

Facing these alternatives, Governor Licht and Mayor Massell are moving forcefully and imaginatively to preserve and improve mass transit facilities.

Their comments at that meeting demonstrate their commitment and outline their plans. They also point up the desperate need for our Federal commitment.

Mr. President, I ask unanimous consent that the remarks of Governor Licht and Mayor Massell be printed in the RECORD.

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

REMARKS OF GOV. FRANK LICHT BEFORE THE ANNUAL MEETING OF THE AMERICAN TRANSIT ASSOCIATION, DALLAS, TEX., OCTOBER 5, 1971

It is a great pleasure to be here today, and to address the 90th annual meeting of the American Transit Association.

We all know what would happen without adequate public transit . . . actually what is happening in many places already. Our highways are becoming intolerably congested . . . There is increasing strain on our environment . . . Our downtown areas are fighting for their survival . . . and many of our citizens are being deprived of equal opportunity for employment and recreation.

In this age of two or three car families, it is difficult to believe that 20% of the families in our nation do not own automobiles. But it is a fact—one-fifth of America's families must look to other means of transportation. Some of this is voluntary. Most of it reflects poverty, disability and old age. And as more public and private facilities are developed away from the immediate neighborhood and scattered in large shopping centers and malls, these Americans find it increasingly difficult to reach necessary facilities. What is an everyday convenience to us is a monumental task to them.

Therefore, we can readily start from the premise that mass transit systems are essential to any meaningful transportation system.

What, then, is the present status of mass transit?

I think you will all agree with me when I say that today we are confronted with deteriorating transit systems, particularly in the urban centers of the Nation. Service is being cut back while fares are rising. In many places the process has been to service the profitable lines, to hold on to the captive riders who have no other means of transportation, and to hope that in this way at least part of the system can remain solvent and above water. Moreover, most systems continue to suffer from a continual need for modernization.

This has been the story of public transit for the past quarter of a century. System after system going out of business. Other systems shrinking. Equipment becoming outdated, and service decreasing in both quantity and quality.

My experience has taught me that what is called for is a massive effort on the part of the Federal, State, and local governments to extend lines, to improve service, to hold down fares and to integrate mass transit into a total transportation system, without such an effort we shall find that mass transit will further deteriorate to the point where it will be a negligible factor in the total scheme of transportation.

Only the application of a public solution to the problems of public transportation will reverse the trend of the past decades. Where it is being reversed there is utilization of the resources of government at all levels. And it is being done in those places where governmental leaders realize the priority that must be placed on public transportation to achieve the goals which I have outlined. . . . Greater opportunity for all citizens, relief of congestion, preservation of the environment, and renewed vitality for downtown areas. It is happening in those places where socially concerned leaders are fostering an increased awareness among the citizenry that they, whether or not public transit is a part of their day-to-day lives, have an important economic and social state in the health of the public transportation system.

While there has been increased recognition of the need for more and better public transportation . . . and while there is evidence that government, generally, is beginning to offer the kind of assistance that is vital for good mass transportation. . . . We are only just commencing the journey that must be made.

It is with these thoughts in mind that I would like to share with you the unfinished story of public transit in the state of Rhode Island.

As you are probably aware, Rhode Island is a small but highly urbanized state. Our population of nearly one million people is concentrated in a geographical area only slightly larger than the county of Dallas. Like other metropolitan areas, we have experienced population decline in the old central cities and rapid growth in the newer suburbs. We, too, have to cope with an increasingly affluent society which has led our suburban citizenry to abandon public transit in favor of the automobile. We also have confronted the same cost pressures that have beset public transit throughout our country.

In Rhode Island today a single system provides bus transit that reaches areas containing 75 percent of our state's population. I must say that this service is not as comprehensive as it once was, but it is nevertheless important given the circumstances and conditions I have noted previously.

Prior to and during World War II a thriving private transit company provided inner-city service for several of our larger cities, and the routes fanned out from the central core areas of Providence and Pawtucket into the outlying communities.

In the years following the conclusion of the war, however, and as our nation experienced a tremendous economic growth and affluence, patronage dwindled and the system deteriorated. By 1964, the private company was on the verge of collapse. Its equipment was almost obsolete . . . costly to operate and singularly unattractive and uninviting to patrons. And, efforts to maintain the operation through service cuts and fare increases were failing.

It was at this point that the State created the Rhode Island Public Transit Authority to insure continued mass transportation to the Providence-Pawtucket-Warwick urban area. Two years later, in 1966, the Authority purchased through a Federal loan the property and assets of the private company, and began the job of rebuilding the system. I might note at this point that Rhode Island is paying a penalty for having taken early action to preserve public transit. For today it is possible to receive Federal grants, rather than loans, for the same purpose.

The State, at this time, also appropriated just over $800,000 to assist the authority purchase some 102 new busses. This appropriation was supplemented by a Federal grant of over one and one-half million dollars.

Thus, from 1964 through 1966 Rhode Island had acted to establish a transit authority with statewide responsibilities and to reverse the gradual decline in patronage, service and equipment that had marked the final years of the private company.

From 1960 through 1966 there had been a 24 percent decline in passenger levels, but in the first two years of actual transit operation under the authority, the number of passengers increased by five percent. Also, in both of these years operating revenue exceeded operating expenses.

For a period of time, there was additional progress in the area of extension and improvement of services: One new express line and two new local lines were added, other lines were relocated or extended, and frequency of operation on some lines was increased to provide better service. Day-to-day operations were placed under the direction of an experienced management firm, and a continuing program was launched to upgrade the image of public transit.

In 1969 the authority used one-half million dollars of its own revenue, and a Federal grant for just over a million dollars, to purchase 45 new busses, thereby completely modernizing its fleet. In many ways it has one of the most modern fleets in the entire nation today, with the average age of its 167 busses being only three years, and, in 1969, it could be said that we had improved and expanded operations, and also served more people than in previous years.

In 1970 we took long-range action that will have a major impact not only on mass transit but on all modes of transportation for years to come. I proposed and the General Assembly approved the creation of a unified department of transportation.

Historically, we had had no unified transportation system in Rhode Island. Those

who built highways were concerned only with highways. Those who were concerned with air transportation were concerned only with air transportation. There was, in short, no mechanism for giving consideration to our total transportation needs.

Through the new department of transportation we have sought to correct this fundamental flaw in our transportation planning. The new department can take an overview of our total transportation needs, and develop and recommend the alternative modes of transportation that will best suit those needs.

In order to make sure that public transit would be included in this arrangement, we brought the transit authority into close liaison with the new department. To be frank, one of the reasons the authority was not taken completely into the new department was its debt-structure, but we did bring its service and the kind of transportation it provides into the deliberations and considerations of the new department. And that is of considerable significance in the development of a total transportation system in our state.

Here is one example which demonstrates clearly how very important the new department can be in meeting our transportation needs. In the initial planning and construction of the major portion of our interstate highway system, there was never any consideration given to the need for fringe parking. Today, we understand that fringe parking can be a most effective tool in augmenting the capacity of our highway system during the rush hours especially by encouraging more drivers to park their cars and ride in on the bus.

One of the first matters undertaken by the new department was the selection of several fringe parking sites along our interstate system, and we are now proceeding toward the development of such facilities, which we are hopeful will in turn spur the use of mass transit on those highways. Naturally, it would have been far better had this been a part of the transportation program when we began the interstate system for we might have been able to limit highway congestion before it really became a severe problem. As it is now, we are trying to solve a problem with which we should have been concerned many years before. The important point, however, is that through the new department we have the mechanism for avoiding such neglect in the future.

Also in 1970 I recommend that the authority inaugurate a plan to permit a reduction in the basic 35 cent fare to 20 cents for senior citizens and school children. Any loss of revenue by the authority would be made up by the state. The need for state revenue, however, proved to be even greater as the national administration's economic policies failed to arrest the inflationary trend and the costs of maintaining the transit system soared. Drastic fare hikes and severe service cutbacks loomed as very real possibilities. The authority offered the state the following options: a state operating subsidy, for the first time, or a combination of a 50 cent basic fare and the elimination of about 25 percent of the service.

At first, I resisted any state subsidy for mass transit busses. I have learned that these subsidies can become open-ended and I was keenly aware that the original take-over contemplated no state subsidies. But when I was faced with an increase in fares and a cut in service, I knew that this was no solution and that it was only the beginning of the end of the transit system. This I could not allow to happen. Without a state subsidy, it would have meant forcing people, in areas where service would be abandoned, to seek other means of transportation. In many instances, I knew that would affect the very people least able to afford other transportation. . . . Namely the low-income families, the elderly and the school children.

And, where service would be retained, the spectre of higher fares meant an almost unbearable burden on those least able to afford such an increase.

The situation also threatened the program of reduced fares that I had announced only a very few months before.

To me and to others, this was not the road of wisdom, of concern for our future health and safety, or of compassion for those in need of assistance. It was not the road we could take.

Thus, this year the general assembly, for the first time, appropriated $700,000 to subsidize the operating expenses of the authority. $500,000 went for general operating support, while the remaining $200,000 went to support the reduced fare plan for the elderly and school children. This action thus averted an increase in the basic fare from 35 to 50 cents, and also permitted a continuation of the reduced fare plan. In taking this action, we moved from providing assistance to capital improvements to assistance for operating expenses as well.

But even with this latest action, I cannot say that we have solved all of the authority's financial problems. In a nation as highly mobile and interdependent as ours, public mass transit has increasingly become a matter of national concern. At the same time, it has also become peculiarly related to and affected by national economic trends. The rise of both inflation and unemployment hit mass transit hard, and they demonstrated unmistakably how dependent this form of transportation is upon a healthy national economy.

In Rhode Island we have temporarily bridged a gap. We have accepted the responsibility and met the need for a public solution to the problems of mass transit. But even our action and the return of prosperity will not be enough. For what we really need is a long-term solution, and that means a greater Federal commitment in program and funding.

First, the question of funding. Congress under the Urban Mass Transportation Act, has approved a program of funding up to $900 million, but I understand that the Urban Mass Transportation Administration in the Federal Department of Transportation has estimated a funding level for fiscal year 1972 of only $600 million. I would say to you today that both of these funding levels are inadequate to the immediate task at hand. For I also understand that there are applications totalling almost $3 billion now pending before the department.

In addition, our whole experience with the Urban Mass Transportation Act has been not only that the funds are inadequate to cope with the problems confronting our urban areas but also that we have never been able to count on even the meager funding that the Congress has proposed. What is proposed is not enough, and what we get is even less.

Furthermore, the program is too limited in scope. Current Federal legislation provides some funds for capital improvements to mass transit. I would be the last public official to criticize that, for there is no question but that we in Rhode Island have benefited from this legislation. But capital improvements, as important as they are, are not the sole answer to our public transit problems. Rhode Island's experience alone is testimony to that fact. We have modern equipment, but still we operate at a deficit. What is needed, then, is Federal aid not only for capital improvements but also for operating expenses. And that is the area in which the present program must be extended if we are truly to begin to meet our public mass transit problems.

For Rhode Island this would mean at least some security for a troubled system of mass transit. But it would mean more. It could mean, for example, that we could begin to consider an expansion of service to cover more Rhode Island communities. It could also provide us the opportunity to consider other modes of transportation for residents in part of the East Bay portion of our State. And, most important, it could give us the chance to develop a transportation system that would be a truly meaningful alternative to the prospect of even more heavily congested highways.

I would emphasize, however, that none of these alternatives can be seriously contemplated, let alone considered, until Federal programs encompass more than capital improvements and offer more than token financial assistance. I would also add that what I say about Rhode Island is true of every other urban area in our Nation, except for the fact that their problems may be and most likely are far more severe than ours.

Improved, and even expanded public transit systems are essential to the economic health not only of Rhode Island but of all our metropolitan areas. The economic health of these areas, where more than 70 percent of our people live, is surely within the national interest. Equally important, the protection and improvement of the natural environment and of the quality of urban life in these metropolitan areas necessitate improved and expanded mass transportation systems. And surely these, too, are national concerns.

Knowing this, let us be neither satisfied with our achievements nor dismayed with our problems. Instead, let us seek with greater effort and a more unified voice the kind of assistance which you and I both know is so very, very imperative.

ADDRESS BY SAM MASSELL, MAYOR, CITY OF ATLANTA, 90TH ANNUAL MEETING, AMERICAN TRANSIT ASSOCIATION, OCTOBER 5, 1971; STATLER HILTON HOTEL, DALLAS, TEX.

Atlanta has a long record of excellence.

People of this city have historically been in the forefront in a broad range of interests—commerce and industry, the arts, human relations, communications, professional sports, government, and many other fields. Individuals like William B. Hartsfield, Ralph McGill and Martin Luther King; firms like Scripto, Delta Air Lines and the Coca-Cola Company, are but a few of the names emanating from Atlanta but recognized everywhere.

Rare is the recent visitor to this city who hasn't gone home raving about our Regency Hyatt House Hotel with its glass elevators traveling a 22-story-high open lobby, or about Underground Atlanta where some 75 businesses in renovated basements provide a hidden entertainment center in the heart of downtown.

Most currently some of the subjects attracting wide interest are our unusual means of financing a tax-free seventeen-million-dollar coliseum (now under construction), our experimentation with the innovation of a four-day, forty-hour work-week for city employees, and our proposed unique low-fare mass rapid transit program.

Because of the accomplishments we have enjoyed, our city has become accustomed to participation in national seminars and to receiving visiting study groups . . . teams seeking information on everything from our success story in civil rights and the operation of our Community Relations Commission, to our economic prosperity and the format of the Chamber of Commerce Forward Atlanta program. And we are glad to share our story, as I do with this report on our local transportation plan.

Then why the long introduction to the subject at hand? It is because I wish to

remind you that Atlanta is something special—a very unusual city which does the unusual and does it well. It's a city with energy, initiative, ability, and ambition . . . and a proven record of success. Thus, my preliminary remarks were relatively very concise, but I wanted to establish the foundation from which we're functioning.

I do so for I'm convinced that once again Atlanta can lead the way . . . that Atlanta will be the first city in America to develop a coordinated bus-rail, modern, fast, efficient, comfortable and attractive mass transit system . . . with controlled minimum fares . . . and in doing so will provide maximum mobility to the envy of every progressive urban center.

I am also ready to warn that—failing to do so, failing to provide this new program (which includes acquisition of the existing bus system)—Atlanta can become the first major city to lose all of its public transportation. Yes, I am predicting that circumstances are such at this time in history that we will either end up with the best transportation system in the country or with no transportation system at all.

We presently have what is considered one of the better remaining privately owned bus systems. It is operated without local governmental subsidy. However, at the rate fares are increasing—no matter the justification—the private operation is going to price itself out of existence . . . . and there won't be any uncle government to pick up the pieces!

Consumer attitudes have become so sensitive to utility-type rate adjustments, continued further increases at this time are not likely to be accepted. Thus, the alternative would be public ownership, as is the pattern around the country. But, in our case the only source of funds for such an investment would be the ad valorem tax . . . . and let me hasten to remind you that all of the larger cities are in an era of revolt against further substantial increases in real estate taxes.

Atlanta, however, can buy this company and build a coordinated mass rapid transit system with a sales tax.

Atlanta has a referendum scheduled for November 9th to let the public decide. When one considers the alternatives, it's apparent we cannot afford to fail.

What has not been reported is that those voting against the sales tax for rapid transit will, in effect, be voting for an immediate increase in real estate taxes!

We are already holding a temporary note of the existing transit company for over $300,000 for their 1970 gross receipts tax. In January, a like amount will be due for 1971. Additionally, the president of the company has now estimated they will face a further cash shortage of approximately one million dollars annually at present fares.

In order to prevent new rate increases and if we are to keep the present bus system alive even temporarily, local government will have to pick up the deficit. This means when we plan our 1972 budget Atlanta will have to include a one mill ad valorem tax increase to carry the bus system for just one year.

Ironically, when the hue and cry against property taxes finally causes our Aldermanic Board to end this subsidy, the company's failure will cause even greater long range demands on our resources.

Without a public transportation system, many of those who have no other way to get around—the young, the poor, the aged, the handicapped—will go from gainfully employed to welfare receipents . . . . and as welfare rolls go up, property taxes go up as well.

In addition, the unstemmed growth of motor vehicles demands more money for new roads, street maintenance, improved traffic signaling equipment and addtional traffic policemen, all of which require still more property taxes.

Traffic strangulation will curtail new building development and damage existing business values, both of which can only be offset by yet further real estate tax increases.

The proposition seems clearly to be one of a "yes" vote to provide mobility and boost the economy or a "no" vote to immediately raise property taxes and eventually eliminate public transportation.

Can you just imagine a city in the seventies without a bus system or any other means of mass transportation? Reflect on that a minute. No way for clerks, maids, secretaries and others to get to work. Or worse, would they readjust their finances and buy automobiles? Just think about a bus load of people in bumper-to-bumper traffic if each individual therein occupied a separate vehicle in that line of cars.

Can it happen? Yes, and unfortunately, Atlanta might be the first in the nation to prove it. But we have the other option . . . one I sincerely believe to be most viable . . . that of providing a unique formula for what has been described as man's fifth freedom—mobility—which I believe will be emulated by cities from coast to coast.

First, let me outline the design of our physical plan. It will have 9 miles of subway rail, 20 miles of elevated rail, 27 miles of surface rail, 14 miles of fixed exclusive busways and 1530 miles of surface bus routes.

Overall the system will measure 60 miles between the farthest terminals, providing direct service to 1,224,000 people in 37 cities and 4 counties covering 1385 square miles. The development will include 10 rapid transit legs with 44 stations, 100 bus shelters and 34,500 parking spaces, and will operate approximately 330 electric rail cars and 806 diesel buses.

The bus, with its ready availability and route flexibility will continue to hold its position of prominence. Obviously, it's a distinct advantage, too, when all public transportation is coordinated under one ownership, as will be the case with our management.

The large dependence on busses will permit us to provide immediate relief through the purchase of additional equipment and expansion of areas served. In fact, just the short range bus improvement program proposed will give us the fifth largest bus operation in the country within only eighteen months.

Because of extensive use of busses, we are practically planning a portal to portal system. In fact, on completion, 90% of the people and 90% of the jobs within Atlanta's perimeter highway boundaries will be within walking distance of scheduled service.

The Atlanta program is under the sponsorship of the Metropolitan Atlanta Rapid Transit Authority (MARTA), the membership of which includes whites and blacks, spokesmen for big business and organized labor, and representatives from all of the major geographical interests served. The final plan has been developed over the past 9 years by a prestigious professional team with proposals refined in response to community attitudes.

Our total capital cost is estimated to be $1,400,000,000 (divided two-thirds federal and one-third local) and the entire package is scheduled to be in operation in 1980 at which time the patronage is projected to be around one hundred million annual riders.

However, to have the finest engineering, to purchase the finest equipment and to provide the finest service will not satisfy the transportation needs of any community if the fares are out of reach of those who depend on public transportation the most—those with low and moderate incomes. Add to this the fact determined from extensive studies—that the lower the fare, the higher the ridership—and it becomes evident that low fares are a necessary factor for maximum patronage.

The five county metropolitan Atlanta area had 465,000 registered motor vehicles in 1962, when we first recognized the need for rapid transit. By 1968, when we held an unsuccessful referendum, this number was already 602,000. Today we have over 800,000 vehicles and, left to grow without a competitive means of transit, they will surely strangle the inner-city.

Not only is congestion and all of its aggravations bringing downtown to a standstill—like the 15 minute period between 7:45 and 8:00 in the morning when we have 14,000 cars trying to move in the heart of the city . . . but more than 50% of the land in the central business district is now dedicated to the movement and parking of automobiles . . . and latest figures report that approximately 81% of all air pollution in Atlanta comes from motor vehicles.

But transportation is more than a dollars and cents proposition, and is more than a statistic on a graph. It is mobility—this fifth freedom—a social concept, if you wish, for which the benefits cannot be measured with numbers. They must be personally evaluated—by people.

We are changing the city—we are changing the way many of the people see the city, and the way they interact with it. To the majority of people, we are . . . figuratively and literally speaking . . . changing space—their space.

In many cases throughout the city's population one man's "space" is his house, his street, the neighbors' houses, the stores down the street. Nothing else in the city bears any meaningful relationship to him. It is out of reach . . . out of touch . . . unavailable. And so, he is uninvolved.

The greater the growth and prosperity of a city, the greater the deprivation imposed upon those who are without satisfactory means of transportation. As a community expands geographically and as society expands culturally—as more and more facilities are provided by government and private enterprise to the benefit of the general public, the more absolute is the imprisonment of those who lack mobility.

What does it mean to have giant shopping centers with their competing discount stores if you have no way to get to and from the center? What does it mean to have a free health clinic if you have to worry about the fare there and back? What does it mean to have a great museum or park lands if it costs 10% of a day's pay to make the trip?

With a low fare transit system, all of the city belongs to everyone—as many have said it did for so long. We make the city available to man, and so man is available to the city. He can work where he pleases, or at whatever business needs his particular skills. He can become involved in what was rightly his to begin with—the entire city—downtown, suburbs, business community, City Hall.

Inexpensive mass transportation broadens and creates these new choices—opportunities in employment, housing, recreation and education. Personally, this independence is bound to affect this man . . . boost his confidence, increase his awareness, improve his educational level, raise his productivity.

Local means of transportation do materially affect the economy, the environment and the basic happiness of the city dweller of today. So much so, in fact, that survival of cities as we know them, might very well depend on the mobility of their occupants.

Federal and state governments have long subsidized air and highway transportation needs for the more affluent society, and the time has come that they recognize the importance of doing the same at the local level to reduce the costs of the transportation needs of those with low and moderate incomes.

In Atlanta, we are moving forward now to provide an unusually low fare—15¢, in-

cluding transfers, and projected without increases for at least seven years! The Georgia General Assembly, at the request of MARTA, has authorized us to levy a 1% local sales tax—subject to referendum—for the purpose of providing the local share toward development and subsidized operation of a mass transit system for our region.

Although the sales tax is the most regressive, thus costing those with low incomes a disproportionate share, this disadvantage is overcome by the prerequisite of an extremely low fare.

In view of the fact that domestic employees and other low salaried workers are the largest users of public transportation, they—in effect—will be getting a rebate on their sales tax. To be specific, the fare on our present privately-owned bus company is 40¢, plus a 5¢ transfer fee—and the total fare when we buy this system will drop to 15¢. Thus, the laborer who votes for this program will be giving himself an immediate $3 per week raise (less the estimated 73¢ average increase in sales tax he would then be paying).

This plan has received endorsement by the Atlanta Chamber of Commerce and the Domestic Workers Union, which best illustrates its wide appeal.

Our present state law requires that this sales tax be lowered to ½% after the initial ten years and fares must then cover 50% of operating costs. Short of any statutory changes, annual fare increases of 5¢ are therefore presently anticipated for the eighth through eleventh years.

The financing plan is largely pay-as-you-go, requiring only short-term bonding. The peak accumulated debt is projected to be only $191 million, as a result of which an estimated $150 million in interest will be avoided. In this manner, the entire system is expected to be paid out in just fifteen years.

Our fare of only 15¢ is considered quite a breakthrough in transit rate structures, but it is my studied opinion someone will surely establish a completely free transit system . . . and probably within this decade. Just as government provides free roadways and free street lighting, free park facilities and free lending libraries, there will be created free transit webs which will truly tie the geographical parts and governmental functions into regions of common service.

Once again an Atlanta idea is receiving national recognition. The Metropolitan Atlanta Rapid Transit Authority expects to alleviate current traffic congestion, reduce air pollution, tremendously increase economic activity . . . and provide maximum mobility . . . man's fifth freedom. It's no more than one would expect of Atlanta . . . a city that believes in excellence.

CURRENT U.S. TREASURY REFUNDING AND INTEREST RATE DEVELOPMENTS SINCE AUGUST 15, 1971

Mr. BENNETT. Mr. President, in reading the terms of the Treasury's newly announced refunding of its November 15th maturing securities, I am struck by the fact that this offering dramatically points up the very constructive development in financial markets and in interest rates that have taken place since the announcement of the President's New Economic Policy on August 15. I would like to call some of these important developments to your attention.

The Treasury announced yesterday its regular refunding of $7.9 billion notes and bonds maturing November 15, 1971. The Treasury is offering the holders of these November maturities the right to exchange them for a 7 year 6 percent note priced to yield 6.04 percent and a 15 year 6⅛ bond to yield 6.15 percent. In addition, these new securities are also being offered to the holders of $13.5 billion of issues maturing in May and August 1972. Thus, the Treasury is refunding its maturing November 1971 securities and prerefunding some of its May and August 1972 maturities.

This Treasury financing is being carried out against a background of very favorable bond market and interest rate developments since August 15. Confidence in the success of the New Economic Policy is high in the financial markets and interest rates in all sectors of the capital markets are down sharply.

The decline in interest rates is highlighted when we compare the interest rates of 6.04 and 6.15 percent on the Treasury's new 7 and 15 year securities with rates of 7.06 and 7.11 percent on issues offered by the Treasury for 5¼-year and 10-year maturities in late July of this year. This is a decrease in interest rates of approximately one full percentage point or about 14 percent in the past 2 months. Virtually all of this change has occurred since August 15 and represents a victory for the administration's New Economic Policy.

Confidence in the effectiveness of the President's program in achieving its goal of stable noninflationary economic growth has reduced the inflationary psychology that has accounted, in large measure, for the excessively high interest rates we have had in recent years. This positive change in public attitudes is reflected in declines in interest rates, not only in intermediate and longer term U.S. Treasury securities, but in all other important markets as well. For example:

Short-term Treasury bill rates—90 days—have declined from 5⅛ percent on August 13 to 4⅜ percent at present—this is a decline of 15 percent.

High-grade corporate bond interest rates have declined from 8.20 percent in early August to around 7.40 percent now, a drop of nearly 10 percent.

Rates on 10-year Federal Home Loan Bank bonds have declined from 7.32 percent at mid-August to 6.56 percent at present, down more than 10 percent. Rates on other Federal agency issues have declined similarly.

The interest rates that State and local governments pay for long-term funds for public projects have declined from 6.03 to 4.97 or 18 percent.

The commercial bank prime lending rate has just been cut to 5¾ percent from 6 percent prior to August 15.

In the housing and mortgage markets, there continues to be a very large flow of savings funds into financial institutions. Insured savings and loan associations, for example, have received net new savings inflows of $16.5 billion in the first 9 months of 1971, compared with only $2.0 billion in the same period of 1970. Other savings institutions are also experiencing strong inflows. This, combined with vigorous Government programs this year to assist the mortgage market, has produced a record volume of housing starts and mortgage lending.

Since August 15, there has been a significant softening in mortgage interest rates as evidenced, for example, by recent auctions by FNMA of commitments to purchase FHA and GI mortgages. In late July, mortgage yields in these auctions averaged, net of servicing, 7.74 percent, but by October 18, these interest rates had declined to 7.48 percent. Similar rate movements have been reported in conventional mortgages made by savings and loan associations around the country, indicating a clear easing in the costs of financing housing for American families.

All of this points up the fact that confidence in and public support for the New Economic Policy is being fully reflected in a smoother flow of credit in our financial system and declining interest rates. The continued success of the New Economic Policy in reducing inflation and inflationary expectations will, based on our experience since August 15, produce further reductions in interest rates which are consistent with economic growth without inflation.

As Secretary Connally said on October 27 before the House Banking and Currency Committee:

In the light of this experience, Mr. Chairman, coupled with the promise of continued excellent cooperation from the Nation's lenders, I believe it would be most unfortunate if the Congress attempted to establish any sort of mandatory ceiling on interest rates. Things are going the way both you and the administration want. Let us not rock the boat.

ADDRESS BY SENATOR STEVENSON BEFORE CHICAGO CRIME COMMISSION

Mr. PELL. Mr. President, the distinguished junior Senator from Illinois (Mr. STEVENSON) recently delivered an excellent address before the Chicago Crime Commission.

In that address, Senator STEVENSON presented eloquently and forcefully the compelling arguments for control of handguns, the instruments of so much of the violent crime with which our Nation is afflicted.

I share with Senator STEVENSON the conviction that control of handguns can contribute substantially to reducing the terrible toll of violence in crime, and the terrible risks faced daily by our peace officers, without infringing on the rights of legitimate users of handguns. The junior Senator from Illinois is to be commended for his leadership in this field.

I ask unanimous consent that the text of his address to the Chicago Crime Commission on October 18, 1971, be printed in the RECORD.

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

ADDRESS OF ADLAI E. STEVENSON III, TO THE CHICAGO CRIME COMMISSION, OCTOBER 18, 1971

While preparing this address, I came across the statement of a commentator alarmed by crime and violence. "The land is full of bloody crime," he wrote, "and the city is full of violence."

The words are not from an editorial in one of our daily papers. They are not, as you

might suspect, from a campaign speech of the last few political seasons.

They are from the Bible: the Old Testament, at that—the book of Ezekiel.

They prove, if they prove anything that the affliction of crime is an ancient one. Crime and violence are far from new.

Conditions which breed it may change. What is new is the intensity of concern on the part of citizens across the Nation about crime in America. Crime is no longer a local issue but a national issue, dissected in the press and felt in Washington.

In 1968, 81 per cent of Americans expressed their belief, according to the Harris poll, that "law and order have broken down."

This concern of most Americans is not false or illusory. Crime is a real and growing affliction of America. And with the increasing mobility and anonymity of our society it is increasingly a national problem.

We have our disagreements about the reliability of crime statistics. But the figures each year grow more alarming. They are more alarming this year despite the unprecedented efforts of the Justice Department to varnish the statistics of the FBI with self-congratulatory rhetoric.

There may be a touch of paranoia in the widespread fear of urban Americans to walk the streets at night. But I, for one, will not advise these citizens to abandon their caution.

Fear of crime exists because crime exists; the fear is real because the danger is real. And the crime that is most feared is violent crime: robbery, rape, assault and murder.

Other varieties of crime in America—white collar crime, organized crime, the so-called property crimes—inspire other emotions: anger, contempt, sometimes fascination. I know that much of the crime commission's effort in the past has been fixed upon severing the corrupting and creeping tenacles of organized crime in business and in politics. I have been a part of that effort in the past, and I beg you to continue until the distant time when you have succeeded and the need for a crime commission in Chicago no longer exists.

Today I want to speak of the fear near the heart of our disquiet as a people. It threatens cheap and easy answers and legislative gimmickry, wire tapping, preventive detention and the rest, some dangerous, some merely useless.

Violent crime causes fear. It commands the fleeting indignation of the candidate whom, with an eye on the next election, sees the fears of one against another. It should command the steady, sober, statesmanlike attention of all citizens and leaders—as it does yours—whose goal is a tranquil, self-confident and free society.

Unfortunately, the recent record of national leadership in this regard is not a happy one.

We have been subjected to campaigns at the highest levels in which the offices at stake seemed, at times, to be that of police chief or sheriff.

We heard, in 1968, a great deal of law and order rhetoric. We heard more in 1970.

A month ago the Attorney General, speaking in Washington before a meeting much like this one, claimed credit for the administration in its war on crime.

With the accession of his party to the White House, he said, "a Nation suddenly found that it had leadership in the war on crime." The result, in his words, is that "fear is being swept from the streets of some—though not all—American cities."

Such partisan rhetoric requires us to study the facts unvarnished by the politicians in the Justice Department.

And the facts are these:

In 1969, total crime went up by twelve per cent; violent crimes—murder, rape, robbery and assault—were up eleven per cent.

In 1970, total crimes rose eleven per cent; violent crimes rose twelve per cent.

In 1969 and 1970, 2.3 million more crimes were committed than in 1967 and 1968.

In most of our large cities, crime has been on the increase since 1968. Exceptionally good police work on the local level has enabled a few cities—including Chicago—to buck the trend.

In 1970 the Chicago crime rate ranked fifth lowest among the six cities with a population of one million or more. In 1971, during the first six months, it experienced a decrease in the number of serious crimes. The improvement in this city can be credited to the work of its law enforcement authorities and their supporters, including the Chicago Crime Commission—not to self-serving officials in Washington and in Springfield.

Upon what slender thread, then, can they boast success in the war on crime?

The slender thread, it seems, is that the national rate of increase in crime has slowed. That crime increased last year by 11.3 per cent—less than the twelve per cent increase in 1970 and the rates of the previous four years.

Less partisan observers than the Attorney General will find that fact cold comfort.

The fact is that the number of crimes is going up—under the present administration as under the past ones.

It is not my intention to join in a partisan numbers game. I seek only to point out that for Presidents and Attorney Generals to deplore crime is not to deter it. That takes action, not White House rhetoric and juggled statistics. Crime is still largely a matter for action by local law enforcement agencies aided by national resources directed selectively to the most pressing needs, such as corrections, and to areas of high crime rates, namely our cities, both of which are still sadly neglected in our national priorities.

Crime, especially violent crime, though it may be of national concern and receive national attention—is essentially a local problem.

There are ways in which a president can exert his leadership. He can, for example, bring to bear the moral power of his high office and his example to create a "reverence for the law"—a phrase which I borrow from Abraham Lincoln.

A President can deal soberly, unemotionally and responsibly with crime in America, knowing that the approach to the affliction must be public—not partisan. It does little good—and can do much harm—to tar the opposition with the brush of "permissiveness"; to align the opposition with the forces of disorder; to interfere with orderly processes of the law, as in the Manson and Calley cases.

A President can, in the troubled area of civil rights, declare that the law of the land shall not be mocked; that laws requiring equality of opportunity in the schools, in the voting booths and in our neighborhoods are sacred laws which demand obedience. If, instead, he chooses a course of hesitancy, or worse, he not only disillusions those who seek equal treatment but injures our respect for law.

A President can in fulfilling his duties under the law strive for excellence. But if instead his nominees to the Nation's highest court are distinguished chiefly by their absence of distinction, all of us in a system which depends upon respect for the law suffer. Marshall, Holmes, Brandeis, Frankfurter and Black exalted not only the court, but the rule of law. Mediocrity demeans the court and demeans the law.

The President and our legislatures at all levels can act to diminish violence in America; to banish fear and to save lives. I could speak of drug abuse, of tough, but compassionate, criminal laws, of our courts and corrections and the needs of our law enforcement authorities.

But today I would talk about an elementary easy step toward reducing crime and violence which we alone, of all the advanced nations on earth, we have not taken. We haven't controlled the possession of pistols.

For all the talk of law and order and all the White House conferences carefully contrived, it's still better to appease the gun lobby. It's more important to win the next election than to stop crime by gun, coercion by gun, killing by gun.

The fear of crime in America is first and foremost, a fear of violence. And violence in America is, first and foremost, violence by gun: Violence against citizens and violence against policemen in the performance of their duty.

It is time to stem that violence.

The dimensions of the problem are well known and staggering.

Total casualties from civilian gunfire in our century exceed our military casualties in all our wars, from the Revolution through Vietnam.

Each year, more than twenty thousand citizens are killed and 200,000 maimed or injured by guns.

The Nation has become an arsenal—with private ownership of guns estimated from 50 to 200 million.

Between 1964 and 1970 armed robberies increased 198 percent, 63 percent of the armed robberies were committed with guns, 65 per cent of all murders are committed with guns.

And the villain in this grisly pageant of crime and death is the handgun: the pistol—too easily obtained, too easily concealed, too easily used to coerce, maim and kill.

In Washington, one day's crime news in the Washington Post reveals the problem in starkly vivid terms:

"The youth drew a gun . . ."

"The men, one with a handgun . . . took his money . . ."

". . . a man with a revolver confronted them . . ."

". . . I have a gun," the man said . . .

And so on.

On one day, September 20, twenty seven robberies were reported; twenty six involved the use of handguns.

Nationally, the crime gun is the handgun. Though only 27 per cent of the Nation's firearms are handguns, they account for most firearm assaults:

76 per cent of firearms homicides in 1967.

86 per cent of firearms assaults.

96 per cent of firearms robberies.

In the words of the President's own violence commission staff: "The handgun is the dominant firearm used in homicide. When firearms are involved in an assault and robbery . . . the handgun is almost invariably the weapon."

Police and law enforcement officials are rightly alarmed about the spread of handgun violence. The policeman in the line of duty is a prime target for the pistol-wielding offender.

In the last decade 633 policemen were murdered in the nation—most of them with guns; most of them with handguns. Last year 73 per cent of all the policemen killed in the line of duty in the nation where killed at the point of a pistol.

In Chicago, ten officers were slain last year five so far this year. The most recent, Patrolman William Johnson of Hamlin Avenue, died September 26. He was shot through the heart by a pistol.

Police commissioner Patrick Murphy of New York testified recently in Washington. "Ten times this year," he said:

"I have had to witness the burial of one of my men struck down in the line of duty by a killer. Nine of the ten were shot to death, and eight of the nine were murdered with illegal handguns . . . one hundred and fourteen other New York policemen have been subjected to handgun assaults

this year. Some of them have been seriously injured—clinging tenuously to life at this very moment." The median age of the murdered officers, across the nation, is thirty years. They are struck down in the prime of life.

Once again, the response of the national administration to this violence is more rhetoric than action.

In the face of growing violence against policemen, this administration has proposed not to save the policemen, but to pay their widows!

It has proposed, not to act against the plague of handguns, but to provide $50,000 to the families of slain policemen. I proposed that in the last campaign—but it isn't enough to pay the widows. The inescapable truth is that the White House is more interested in exploiting the lives of policemen than in saving them. It still has given us no proposal to reduce the traffic in handguns; to stem the bloodshed from handgun violence; to save the lives of law enforcement officers. And all the indications are that it won't.

It is time for Congress to act.

I will, therefore, submit to the Senate a bill to stop the spread of handgun violence.

Its provisions will be clear and simple:

It applies to handguns only—the chief weapons of violent crime in America.

It requires every handgun to be registered and that every person owning a handgun obtain a Federal license. It interferes in no way with State laws and regulations concerning gun licensing and ownership. It applies to working pistols only—not antiques or replicas. And, though it requires that sportsmen and target shooters, like myself, obtain a license, it does not threaten their ownership of pistols.

This bill will require that a handgun owner be at least eighteen years of age; that he be free of alcoholism, drug addiction or mental disease.

It requires that he be free of any criminal conviction carrying more than one year's imprisonment; that he is not a fugitive from justice, and that he demonstrate, to the satisfaction of the licensing authority, that his ownership of a handgun is for a legitimate purpose; and that he is mentally and physically fit to own and use a pistol.

The bill restricts the importation, manufacture and transfer of second hand, "junk" and unregistered guns.

It sets up penalties for violators: imprisonment not to exceed five years; a fine of $5,000 or both.

This bill is a workable and practical answer to the plague of handgun violence. It recognizes the legitimate uses for guns. It also recognizes that you don't shoot ducks with a snub nosed .38.

To those who believe the slogan that criminals—not guns—commit crimes, I would say this. Criminals cause crimes—and handguns are the principal instruments of the death and injury they cause. Other instruments of injury—cars, even dogs, are licensed. There's no instrument more sinister than the lethal, concealable pistol. If a gun is not used in a crime, the chance of death is five times less. Any policeman knows that a suspect who must rely upon a knife, a bottle or his fists is not so bold and not so dangerous.

There are those who point out that gun control laws in the past have been less than effective. They are right. Our present gun laws are a patchwork of 20,000 laws—some ancient, some unenforced or unenforceable, all too narrow and too inconsistent to be nationally effective. But this is an argument for, not against, effective national laws.

The evidence is strong that in cities—such as Boston and New York—where gun control is strict, the use of guns in homicides is less:

More than 40 per cent less than the national percentage in New York.

30 per cent less in Boston.

And the evidence is clear that in regions where guns are most numerous—the South and West—violent crimes involving guns are at their worst.

The risks of handgun ownership, for all but the most convincing reasons, outweigh the benefits. And we who are law abiding ought to gladly accept the minor inconvenience of restricted handgun ownership—in order to control the spread of criminal violence in America.

This bill is a compromise between the extremes of those who unrealistically propose to outlaw all handguns and those on the other hand who resist any effort to control the possession and ownership of any guns. It recognizes that many crimes are committed in moments of passion, the violence made possible by the easy accessibility of pistols. It recognizes the need of law enforcement authorities for means to disarm and prosecute those apprehended in the possession of unlicensed handguns. It offers the law enforcement authorities a chance to trace handguns used in the commission of crimes to the offenders. It offers a means of cutting back on the accidental injuries caused by the easy accessibility to handguns.

The public dialogue is divided between the extremes: between charges of permissiveness on the one hand and of repression on the other; between rhetoric which breeds fear and rhetoric which breeds passivity; between conservatives who believe we are a soft society and liberals who believe we are a sick society.

None of them, it seems to me, is right. I'm not ready to admit that we are, and must be, in urban America, a gun-toting society—some vestige of an imaginary wild west past glorified in the movies and on the television screens.

I am not ready to admit either that we are a sick society which nurtures violence; that we are more violent or bloodthirsty than other men in other lands. The evidence does not prove that we are innately violent; but it is clear that we have failed to keep guns away from violent men.

It is time to find some common ground.

It is time now to correct the ancient failure.

It is time to stop the bloodshed that handguns bring.

It is time to erase, as far as we are able, the fear that handguns spread.

It is time to protect the lives—of citizens, of policemen—that handguns endanger.

In doing so, we will not damage any liberty which free and lawful men enjoy.

We will, instead, honor the intention of those whose purpose when they founded our Nation, was "to form a more perfect union; to establish justice; to ensure domestic tranquility."

PROBLEMS CONFRONTING WELFARE SYSTEM

Mr. ALLOTT. Mr. President, in recent weeks I have had occasion to invite the attention of the Senate to several important essays by respected thinkers dealing with the problems confronting our welfare system.

Among those was an essay by Prof. Nathan Glazer, of Harvard University. Today I invite attention to another recent article by Professor Glazer.

This essay, entitled "The Limits of Social Policy," is from the September issue of Commentary, a journal which, along with the Public Interest—to which Professor Glazer frequently contributes—is doing noble work in addressing the most complex and important domestic problems of the day.

He defines his subject—social policy—in this way:

The term "social policy" is very elastic. I use it to describe all those public policies which have developed in the past hundred years to protect families and individuals from the accidents of industrial and urban life, and which try to maintain a decent minimum of living conditions for all. The heart of social policy is the relief of the condition of the poor, and it is in that sense I use the term here.

Professor Glazer gives special emphasis to two propositions:

(1) Social policy is an effort to deal with the breakdown of traditional ways of handling distress. These traditional mechanisms are located primarily in the family, but also in the ethnic group, the neighborhood, and in such organizations as the church and the *landsmanschaft*.

(2) In its efforts to deal with the breakdown of these traditional structures, however, social policy tends to encourage their further weakening. There is, then, no sea of misery against which we are making steady headway. Our efforts to deal with distress themselves increase distress.

Professor Glazer thinks the limited effectiveness of our social policies reflect three factors—limitations of resources, the professionalization of services, a lack of knowledge—and he adds:

But aside from these problems of cost, of professionalization, and of knowledge, there is the simple reality that every piece of social policy substitutes for some traditional arrangement, whether good or bad, a new arrangement in which public authorities take over, at least in part, the role of the family, of the ethnic and neighborhood group, or of the voluntary association. In doing so, social policy weakens the position of these traditional agents, and further encourages needy people to depend on the government, rather than on the traditional structures, for help. Perhaps this is the basic force behind the ever growing demand for social policy, and its frequent failure to satisfy the demand.

All Senators know that in the not very remote future we will have to come to grips with the welfare crisis in this country. If Professor Glazer is correct, and I believe he is, our first task will not be to "solve" the crisis, but rather to make an intelligent attempt to ease it a bit without making matters worse. Anyone even slightly familiar with the intricacies of this enveloping crisis will understand that the success of even this modest venture is by no means certain.

Specifically, Professor Glazer suggests serious reasons for doubting whether the family assistance program as currently conceived will be more help than hindrance to our attempt to ease the welfare crisis.

He points out that the four principle characteristics of this program—inclusion of the working poor, work incentives, grants divorced from services and the stigma of investigation, the requirement that the able-bodied register for work or job-training—are already in operation in New York where, perhaps not coincidentally, the welfare crisis is most severe.

As Professor Glazer says:

The dilemma of income maintenance is that, on the one hand, it permits the poor to live better, but on the other, it reduces their incentive to set up and maintain those close units of self-support—family in the first case, but also larger units—that have

always, both in the past and still in large measure today, formed the fabric of society.

Mr. President, so that all Senators can profit from another of Professor Glazer's important essays, I ask unanimous consent that "The Limits of Social Policy" be printed in the RECORD.

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

THE LIMITS OF SOCIAL POLICY

(By Nathan Glazer)

There is a general sense that we face a crisis in social policy, and in almost all its branches. Whether this crisis derives from the backwardness of the United States in social policy generally, the revolt of the blacks, the fiscal plight of the cities, the failure of national leadership, the inherent complexity of the problems, or the weakening of the national fiber, and what weight we may ascribe to these and other causes, are no easy questions to settle. I believe there is much at fault with the way we generally think of these matters, and I wish to suggest another approach.

The term "social policy" is very elastic. I use it to describe all those public policies which have developed in the past hundred years to protect families and individuals from the accidents of industrial and urban life, and which try to maintain a decent minimum of living conditions for all.* The heart of social policy is the relief of the condition of the poor, and it is in that sense I use the term here.

There are, I believe, two prevailing and antagonistic views of social policy.

One—I will call it the "liberal" view—operates with a model of the social world in which that world is seen as having undergone progressive improvement for, roughly, the past hundred years. The unimproved world, in this view, was the world of early and high industrialism. Market forces prevailed unobstructed, or nearly so. The enormous inequalities they created in wealth, power, and status were added to the still largely unreduced inequalities of the pre-industrial world. This situation, which meant that most men lived in squalor while a few, profiting from the labor of the many, lived in great luxury, was seen by a developing social conscience as both evil and dangerous. It was evil because of the huge inequalities that characterized it and because of its failure to insure a decent minimum at the bottom levels; and it was dangerous because it encouraged the destitute to rebellion against industry and the state. Consequently, in Bismarck's Germany, and somewhat later on in England, conservative states grew worried about rebellion and workingmen began to be protected against complete penury in old age or in times of unemployment through industrial accident and illness; small beginnings were also made in helping them cover some of the costs of medical care. Gradually, such measures of protection were extended to cover other areas like housing, and were made available to broader and broader classes of people.

In the liberal view, then, we have a sea of misery, scarcely diminished at all by voluntary charitable efforts. Government then starts moving in, setting up dikes, pushing back the sea and reclaiming the land, so to speak. In this view, while new issues may be presented for public policy, they are never really new—rather, they are only newly *recognized* as issues demanding public intervention. Thus the liberal point of view is paradoxically calculated to make us feel both guiltier and more arrogant. We feel guilty for not having recognized and acted on injustices and deprivations earlier, but we also feel complacently superior in comparison to our forebears, who did not recognize or act on them at all.

I have given a rather sharp and perhaps caricatured picture of the liberal view. Liberals are of course aware that new needs—and not simply new recognitions of old needs—arise. Nevertheless, the typical stance of the liberal in dealing with issues of social policy is blame—not of the unfortunates, those suffering from the ills that the social policy is meant to remove, but of society, of the political system and its leaders. The liberal stance is: for every problem there is a policy, and even if the problem is relatively new, the social system and the political system must be indicted for failing to tackle it earlier.

There is another element in the liberal view. It sees vested interests as the chief obstacle to the institution of new social policies. One such interest consists simply of those who are better off—those not in need of the social policy in question, who resist it because of the increase in taxes. But other kinds of obstructive interests are also there: real-estate people and landlords in the field of housing, employers subject to payroll taxes in the field of social security, doctors in the field of medical care, and so on.

Despite the assumption here of a conflict pitting liberals against conservatives, I would suggest that the main premises behind this general picture of social policy are today hardly less firmly held by conservatives than they are by liberals. In the American context, conservatives will differ from liberals because they want to move more slowly, give more consideration to established interests, keep taxes from going up too high. They will on occasion express a stronger concern for traditional values—work, the family, sexual restraint. But on the whole the line dividing liberals from conservatives grows steadily fainter. The Family Assistance Program, the major new reform of the welfare system proposed by the Nixon administration, will illustrate my point. Anyone who reads through the Congressional hearings on this proposal will be hard put to distinguish liberals from conservatives in terms of any naive division between those who favor the expansion of social policy and those who oppose it.

It is not only in America that one sees the merging of liberal and conservative views on social policy, and not only today. Bismarck after all stands at the beginning of the history of modern social policy. In the countries of northwest Europe, the differences over social policy between liberals and conservatives are even narrower than they are in this country. In England, very often the issue seems to turn on such questions as what kind of charges should be imposed by the National Health Service for eyeglasses or prescriptions. It was this kind of reduction in the conflicts over basic values in advanced industrial societies that in the 1950's led Raymond Aron and Daniel Bell to formulate their ideas about "the end of ideology." And while in the 1960's all the old ideologies returned to these countries in force, it remains true that ideological battles between major political parties have been startlingly reduced in intensity since World War II.

Having incorporated the conservative point of view on social policy into the liberal, I will go on to the only other major perspective that means much today, the radical. The radical perspective on social policy comes in many variants, but they can all be summed up quite simply: If the liberal, and increasingly the conservative, believes that for every problem there must be a specific solution, the radical believes that there can be no particular solutions to particular problems, but only a general solution, which is a transformation in the nature of society itself.

This point of view has consequences, just as the liberal point of view does. If, for example, the conservative proposes a guaranteed annual income of $1,600 for a family of four, and the liberal proposes that the figure be doubled or tripled, the radical will feel quite free to demand an even higher minimum. He knows that his figure is unlikely to be adopted, but he also knows that he can cite this failure as proof of his contention that the system cannot accommodate decent social demands. If, on the other hand, his policy or something like it is taken seriously, he can hope for a greater degree of class conflict as demands that are very difficult to implement are publicized and considered. And even if his policy is implemented, the radical remains firm in his faith that nothing has changed; the new policy is after all only a palliative; it does not get to the heart of the matter; or if it does get to the heart of the matter, it gets there only to prevent the people from getting to the heart of the largest matters of all. Indeed, one of the important tenets of radicalism is that nothing ever changes short of the final apocalyptic revolutionary moment when everything changes.

As against these two perspectives—the one that believes in a solution to every problem, and the other that believes in no solution to any problem save revolutionary change—I want to present a somewhat different view of social policy. This view is based on two propositions:

(1) Social policy is an effort to deal with the breakdown of traditional ways of handling distress. These traditional mechanisms are located primarily in the family, but also in the ethnic group, the neighborhood, and in such organizations as the church and the *landsmanschaft*.

(2) In its effort to deal with the breakdown of these traditional structures, however, social policy tends to encourage their further weakening. There is, then, no sea of misery against which we are making steady headway. Our efforts to deal with distress themselves increase distress.

I do not mean to suggest any automatic law. I do suggest processes.

One is the well-known revolution of rising expectations. This revolution is itself fed by social policies. Their promise, inadequately realized, leaves behind a higher level of expectation, which a new round of social policy must attempt to meet, and with the same consequences. In any case, by the nature of democratic (and perhaps not only democratic) politics, again and again more must be promised than can be delivered. These promises are, I believe, the chief mechanisms in educating people to higher expectations. But they are, of course, reinforced by the enormous impact of mass literacy, the mass media, and expanding levels of education. Rising expectations continually enlarge the sea of felt and perceived misery, whatever may happen to it in actuality.

Paralleling the revolution of rising expectations, and adding similarly to the increasing difficulties of social policy, is the revolution of equality. This is the most powerful social force in the modern world. Perhaps only Tocqueville saw its awesome potency. For it not only expresses a demand for equality in political rights and in political power; it also represents a demand for equality in economic power, in social status, in authority in every sphere. And just as there is no point at

*This definiton excludes measures aimed at influencing the entire economic or physical environment, even though such measures certainly have some claim to be considered as falling within the realm of social policy and may well be evaluated in terms of their effect on those vulnerable elements of the population who are the special target of social policy. Education, too, falls increasingly into the sphere of social policy, particularly when it is seen as a means of protecting people from poverty and destitution. The same is true of the control of crime, particularly if we see it as a response to poverty and destitution. I shall, however, exclude both these areas from my discussion.

which the sea of misery is finally drained, so, too, is there no point at which the equality revolution can come to an end, if only because as it proceeds we become ever more sensitive to smaller and smaller degrees of inequality. More important, different types and forms of equality inevitably emerge to contradict each other as we move away from a society of fixed social orders. "From each according to his abilities, to each according to his need"; so goes one of the greatest of the slogans invoked as a test of equality. But the very slogan itself already incorporates two terms—"abilities" and "needs"—that open the way for a justification of inequality. We live daily with the consequences of the fact that equal treatment of individuals does not necessarily lead to "equality" for groups. And we can point to a host of other contradictions as well which virtually guarantee that the slogan of "equality" in any society at all will continue to arouse passions and lead to discontent.

But in addition to the revolution in rising expectations and the revolution of equality, social policy itself, in almost every field, creates new and, I would argue, unmanageable demands. It is illusory to see social policy only as making an *inroad* on a problem; there are dynamic aspects to any policy, such that it also *expands* the problem, *changes* the problem, *generates* further problems. And for a number of reasons, social policy finds it impossible to deal adequately with these new demands that follow the implementation of the original measures.

The first and most obvious of these reasons is the limitation of resources. We in this country suffer from the illusion that there is enough tied up in the arms budget to satisfy all our social needs. Yet if we look at a country like Sweden, which spends relatively little for arms—and which, owing to its small size, its low rate of population growth, and its ethnic homogeneity, presents a much more moderate range of social problems than does the United States—we will see how even the most enlightened, most scientific, least conflict-ridden effort to deal with social problems leads to a tax budget which takes more than 40 per cent of the Gross National Product.

And new items are already emerging on Sweden's agenda of social demands that should raise that percentage even higher. For example, at present only a small proportion of Swedes go on to higher education. Housing is still in short supply and does not satisfy a good part of the population. And presumably Swedish radicals, growing in number, are capable of formulating additional demands, not so pressing, that would require further increases in taxation—if, that is, any society can go much beyond a taxation rate of 40 per cent of its Gross National Product.

In this country, of course, we still have a long way to go. By comparison with Sweden and with other developed nations (France, West Germany, and England) our taxes are still relatively low, and there is that huge 8 per cent of the GNP now devoted to arms and war that might be diverted, at least in part, to the claims of social policy. But social demands could easily keep up with the new resources. We now spend between 6 and 7 per cent of the GNP on education, and about as much on health. It would be no trick at all to double our expenditures on education, or on health, simply by taking account of proposals already made by leading experts in these fields. We could with no difficulty find enormous expenditures to make in the field of housing. And quite serious proposals (I believe they are serious) are now put forward for a guaranteed minimum income of $6,500 for a family of four, with no restrictions.

My point is not that we either could not or should not raise taxes and use the arms budget for better things. It is that, when we look at projected needs, and at the experience of other countries, we know that even with a much smaller arms budget and much higher taxes, social demands will continue to press on public resources. And we may suspect that needs will be felt then as urgently as they are now.

A second limitation on the effectiveness of social policy is presented by the inevitable professionalization of services. Professionalization means that a certain point of view is developed about the nature of needs and how they are to be met. It tends to handle a problem by increasing the number of people trained to deal with that problem. First, we run out of people who are defined as "qualified" (social workers, counselors, teachers, etc.). Second, this naturally creates dissatisfaction over the fact that many services are being handled by the "unqualified." Third, questions arise from outside the profession about the ability of the "qualified" themselves to perform a particular service properly. We no longer—and often with good reason—trust social workers to handle welfare, teachers and principals to handle education, doctors and hospital administrators to handle health care, managers to handle housing projects, and so on. And yet there is no one else into whose hands we can entrust these services. Experience tells us that if we set up new agencies it will be only a very few years before a new professionalism emerges which will be found limited and untrustworthy in its own turn. So, in the poverty program, we encouraged the rise of community-action agencies as a way of overcoming the bad effects of professionalism, and we already find that the community organizers have become another professional group, another interest group, with claims of their own which have no necessary relation to the needs of the clients they serve.

The third limitation on the effectiveness of social policy is simply lack of knowledge. We are in the surprising position of knowing much more than we did at earlier stages in the development of social policy—more about income distribution, employment patterns, family structure, health and medical care, housing and its impact, etc.—and simultaneously becoming more uncertain about what measures will be most effective, if effective at all, in ameliorating pressing problems in each of these areas. In the past, there was a clear field for action. The situation demanded that something be done; whatever was done was clear gain; little as yet was expected; little was known, and administrators approached their tasks with anticipation and self-confidence. Good administrators could be chosen, because the task was new and exciting. At later stages, however, we began dealing with problems which were in some absolute sense less serious, but which were nevertheless irksome and productive of conflict. We had already become committed to old lines of policy; agencies with their special interests had been created; and new courses of action had to be taken in a situation in which there was already more conflict at the start, less assurance of success, and less attention from the leaders and the best minds of the country.

Thus, if we look at the history of housing policy, for example, we will see that in the earlier stages—the 20's and 30's—there was a good deal of enthusiasm for this subject, with the housing issue attracting some of the best and most vigorous minds in the country. Since little or nothing had been done, there was a wide choice of alternatives and a supply of good men to act as administrators. In time, as housing programs expanded, the issue tended to fade from the agenda of top government. (Indeed, it has been difficult to get much White House attention for housing for two decades.) Earlier programs precluded the possibilities for new departures, and as we learned more about housing and its effects on people, we grew more uncertain as to what policies—even theoretically—would be best. Housing, like so many other areas of social policy, became, after an initial surge of interest, a field for experts, with the incursions of general public opinion becoming less and less informed, and less and less useful. This process is almost inevitable—there is always so much to know.

Perhaps my explanation of the paradox of knowledge leading to less confident action is defective. Perhaps, as the liberal perspective would have it, more knowledge will permit us to take more confident and effective action. Certainly we do need more knowledge about social policy. But it also appears that whatever great actions we undertake today involve such an increase in complexity that we act generally with less knowledge than we would like to have, even if with more than we once had. This is true for example of the great reform in welfare policy—which I shall discuss below—that is now making its way through Congress.

But aside from these problems of cost, of professionalization, and of knowledge, there is the simple reality that every piece of social policy substitutes for some traditional arrangement, whether good or bad, a new arrangement in which public authorities take over, at least in part, the role of the family, of the ethnic and neighborhood group, or of the voluntary association. In doing so, social policy weakens the position of these traditional agents, and further encourages needy people to depend on the government, rather than on the traditional structures, for help. Perhaps this is the basic force behind the ever growing demand for social policy, and its frequent failure to satisfy the demand.

To sum up: Whereas the liberal believes that to every problem there is a solution, and the radical believes that to any problem there is only the general answer of wholesale social transformation, I believe that we can have only partial and less than wholly satisfying answers to the social problems in question. Whereas the liberal believes that social policies make steady progress in nibbling away at the agenda of problems set by the forces of industrialization and urbanization, and whereas the radical believes that social policy has made only insignificant inroads into these problems, I believe that social policy has ameliorated the problems we have inherited but that it has also given rise to other problems no less grave in their effect on human happiness than those which have been successfully modified.

The liberal has a solution, and the radical has a solution. Do I have a solution? I began this discussion by saying that the breakdown of traditional modes of behavior is the chief cause of our social problems. That, of course, is another way of saying industrialism and urbanization, but I put it in the terms I did because I am increasingly convinced that some important part of the solution to our social problems lies in traditional practices and traditional restraints. Since the past is not recoverable, what guidance could this possibly give? It gives two forms of guidance: first, it counsels hesitation in the development of social policies that sanction the abandonment of traditional practices and second, and perhaps more helpful, it suggests that the creation and building of new traditions must be taken more seriously as a requirement of social policy itself.

II

A nation's welfare system provides perhaps the clearest and severest test of the adequacy of its system of social policy in general. Welfare, which exists in all advanced nations, is the attempt to deal with the distress that is left over after all the more specific forms of social policy have done their work. After we have instituted what in America is called social security (and what may generally be called old-age pensions); after we have expanded it to cover widows, dependent children, and the disabled; after we have in-

stituted a system to handle the costs of medical care, and to maintain income in times of illness; after we have set up a system of unemployment insurance; after we have enabled people to manage the exceptional costs of housing—after all this there will remain, in any industrial system, people who still require special supports, either temporarily or for longer period of time.

In thus describing the place of welfare, or "public assistance," in a system of social policy, I am of course describing its place in an *ideal* system of social policy. I do not suggest for a moment that our programs of social security, health insurance, unemployment insurance, housing, are as yet fully adequate (though as I understand these matters, even if they were better, they would still not be seen as fully adequate). The strange thing, however, is that even if we go to countries whose systems of social insurance could well serve as models of comprehensiveness and adequacy, we find that the need for welfare or public assistance still remains, and on a scale roughly comparable to our own. In Sweden, the number of persons receiving public assistance was 4.4 per cent of the population in 1959, and it was in the same year less than 4 per cent in America. In England, despite the broad range of social policy there, the number of those on Supplementary Benefits—the English welfare, formerly known as National Assistance—is of the same order of magnitude. In Sweden and England, too, we find concern, though much less than here, over the stigma of welfare, over the effects of a degrading means test, over the problem of second- and third-generation welfare families.

Why, then, do we have, or consider that we have, a greater problem than they do? One reason is that, whereas in Sweden the proportion of those on welfare declines as other forms of social insurance broaden their coverage and become more effective, quite the opposite has happened here. In this country, there has been a rise in the number of people on welfare during the past decade. The rise is not phenomenal—from 4 to 6 per cent of the population. Nor, interestingly enough, despite the increased cost of welfare, does it form a really heavy burden on the budget. The cost of welfare, though rising, still accounts for only a bit more than one per cent of the Gross National Product, and 6 per cent of the federal budget. However, it forms a greater share of state and local revenues, and in some larger cities up to 15 per cent of the population is on welfare. That is one reason it has become a serious problem.

But there are more important reasons. In Sweden and England a high proportion of those requesting public assistance are the aged; in America the aged constitute a smaller proportion of the welfare population, and families a much larger share. Indeed, our increase over the past ten years has been almost entirely concentrated in the family population, those assisted under the federal program called Aid to Families with Dependent Children (ADC). Here the situation is quite startling. In 1955, 30 out of every thousand American children received welfare; by 1969 this had doubled to more than 60 out of every thousand. In New York City, where eligibility has always been broad, and where the city and the state provide welfare to families not covered by the federal statute, the increase has been even more dramatic. In 1960, there were 328,000 persons on welfare in New York City, of whom 250,000 were in the family categories (children and their parents). In 1969, there were 1,012,000—about 12 or 13 per cent of the population—of whom 792,000, or four-fifths, were in the family categories. Yet during the same period, there seems to have been a drop in the number of families in poverty—from 13 to 10 per cent of all families—and the rate of unemployment was halved, from 6 per cent to 3 per cent.

A second reason why welfare is a more serious matter in America than in Sweden or or England is that in those countries it is a problem of the backward areas, whereas here it is a problem of the most advanced. A third and final reason is that welfare has come to be seen in America as a *regular* means of *family* support. In England and Sweden welfare is thought of as emergency aid, provided in response to a special crisis, and meant to put a destitute family back on its feet. In America the situation of the destitute family is increasingly considered a more or less permanent condition for which provision over a very long period of time must be made.

Why should all this be so? One of the most popular explanations to be advanced is that no jobs are available for the men—mainly unskilled—who would ordinarily support these families. In fact, however, unskilled jobs were widely available in the latter part of the 60's, just when the number of families on welfare increased so impressively. It is true that these jobs did not generally pay enough to support a family, but it is also true that large numbers of the urban unemployed were young and unmarried men and women who were not as yet required to support families on their own, though they might well have been capable of contributing to the support of the parental household in which they presumably lived. (The majority of American families, as it happens, are supported by two earners, or more.)

There is a modified form of the argument that no jobs are available, which is that since the actually available jobs do not pay enough to support a family, and since there is no way for working husbands to get supplementary assistance, they are encouraged to defect in order to make their families eligible for help. But let us consider the advanced jurisdictions, like New York State, where complete families *are* eligible for support and have been for a long time, and where a working husband *can* have his income supplemented to bring it up to some necessary minimum for the support of his family. It is just in these jurisdictions that we have had the most remarkable increase in the number of families broken up by abandonment. In 1961 there were about 12,000 deserted families on welfare in New York City. In 1968, there were 80,000, a more than sixfold increase during a period when the population of the city, inoverall numbers, remained stable. During the same period, there was a more moderate increase in the number of welfare families that consisted of mothers and illegitimate children, from 20,000 to 46,000. In other words, the family welfare population shifted to one overwhelmingly consisting of abandoned women and their children.

Another effort to account for the situation argues that high welfare payments in New York and other Northern cities encouraged migration from the South and from the rural areas. This probably played some role. But there is no evidence that abandoned families in these areas moved to New York in larger numbers in the 60's than in the 50's. And if the abandonment took place in New York, in a brisk job market, we would want to know why it took place, and migration would not be the explanation.

Then there is the view which holds that in the 1960's—with the spread of concern about poverty, with the development of community organizations, and with the rise of such groups as the National Welfare Rights Organization—more and more of the poor discovered their entitlement to welfare, more and more became willing to apply for it, and higher and higher proportions of those applying were accepted. According to this explanation, then, it was not the poor who increased in numbers, but only the poor on welfare. This is undoubtedly part of the story. But think once again of that huge increase in the number of abandoned families on welfare. If there were just as many, or almost as many, before, what did they do to stay alive?

Still another interpretation emphasizes the fact that the levels of welfare aid in New York became higher during the 60's. This would certainly mean that more and more workers could apply for income supplements. But why would it mean a six-and-a-half times increase in the number of abandoned families?

One must take developments in New York seriously because in many respects they can be considered a test run of the Family Assistance Program, the reform in the welfare system proposed by the Nixon administration and still working its way, after various revisions, through Congress. Without going into detail, and leaving aside the fact that welfare would acquire a national floor and a national administration, there are, I believe, four major features that distinguish the Family Assistance Program from the system we have at present.

The most important is that the working poor would be included in the same system as the non-working poor. The reasoning behind this feature is as follows. Welfare levels cannot be raised if people on welfare get as much as, or more than, people who are working. This would first of all lead to political resistance and resentment on the part of the working poor. Further, they would try to redefine themselves as incapable of work in order to get the higher benefits of the non-working poor. If, however, the working poor are also included, their resistance to higher levels of welfare will decline, and they will have less incentive to become non-working.

A second major difference is that a substantial incentive to work is built into the program. Thus, working leads not to the loss of welfare benefits but to an overall increase in the family income. Family Assistance payments are reduced when there is more earned income, but only as a proportion of the increased earnings.

Third, the grant would in part be divorced from services and from the stigma of investigation. It cannot be fully divorced from investigation—it is after all a grant based on need—but the hope is that in its administration it will become more of an impersonal income-maintenance program and less involved in the provision of help through services rather than through money.

A fourth feature of the new law is that, in addition to building in an incentive to work, it contains a *requirement* that everyone capable of work register for job training or for employment. If there is a father, he must register; if there is no father, the mother must register unless she has children still below school age. (This feature has been the target of much criticism, because of the element of compulsion.)

What are we to conclude about the prospects of the new system? Since all four of its features are in large measure already in existence in New York State, whose condition is not exactly of the happiest, we can be sure that Family assistance will not succeed in "solving" the problems of welfare. What it will do is redistribute more income, and put more money into the pockets of the poor. It will raise the abysmally low welfare payments in large areas of the South. It may, by moving some part of the way toward national standards, reduce immigration to the big cities of the North. It will provide some relief—but relatively little—to the states and local jurisdictions that now are heavily burdened with welfare costs. All this is to the good. But what the new system will not do, I believe, is strengthen the family or substantially increase the number of those on

welfare willing to enter the labor force. If it does, the accomplishment will be a mystery because similar arrangements have not done so in New York, nor in any of the other states in which families with unemployed males are eligible for welfare, or where a work requirement exists. The forces leading to the breakdown of male responsibility for the family among some of the poor seem greater than those the new program calls into play to counteract them.

This brings us back to my original point, and to a possible answer to the question I posed earlier as to how we can account for the dramatic increase in recent years of abandoned families on welfare. The constraints that traditionally kept families together have weakened. In some groups they may not have been strong to begin with. Our efforts to soften the harsh consequences of family breakup speak well of our compassion and concern, but these efforts also make it easier for fathers to abandon their families or mothers to disengage from their husbands. Our welfare legislation has often been harsh, and its administration harsher. But the steps we take in the direction of diminished harshness must also enhance the attractions of either abandonment or disengagement and encourage the recourse to welfare.

And yet, what alternatives do we have? This Family Assistance Program is after all the most enlightened and thoughtful legislation to have been introduced in the field of welfare in some decades.

My own tendency, following from the basic considerations I have suggested, would be to ask how we might prevent further erosion of the traditional constraints that still play the largest role in maintaining a civil society. What keeps society going, after all, is that most people still feel they should work—however well they might do without working—and most feel that they should take care of their families—however attractive it might on occasion appear to be to desert them. Consequently we might try to strengthen the incentive to work. The work-incentive provision is the best thing about Family Assistance, but we need to make it even stronger. Our dilemma is that we can never make this incentive as strong as it was when the alternative to work was starvation, or the uncertain charity of private organizations. Nor is it politically feasible to increase the incentive by reducing the levels at which we maintain the poor—if anything, the whole tendency of our thinking and feeling is to raise them, as indeed FAP does. The only alternative, then, is to increase the incentive to work by increasing the attractiveness of work. I do not suggest that this is at all simple (we know the ambiguous results, for example, of raising the minimum wage). Could we, however, begin to attach to low income jobs the same kind of fringe benefits—health insurance, social security, vacations with pay—that now make higher-paying jobs attractive, and that paradoxically in some form are also available to those on welfare?

The dilemma of income maintenance is that, on the one hand, it permits the poor to live better, but on the other, it reduces their incentive to set up and maintain those close units of self-support—family in the first case, but also larger units—that have always, both in the past and still in large measure today, formed the fabric of society. The administration proposal is a heroic effort to improve the condition of the poor without further damage to those social motivations and structures which are the essential basis for individual security everywhere. But does not the history of our efforts to expand policies of income support suggest that inevitably improvement and damage go together?

In other critical areas of social policy, too, the breakdown of traditional measures, traditional restraints, traditional organization, represents, if not the major factor in the crisis, a significant contribution to it. Even in an area apparently so far removed from tradition as health and medical care, the weakening of traditional forms of organization can be found upon examination to be playing a substantial role, as when we discover that drug addiction is now the chief cause of death—and who knows what other frightful consequences—among young men in New York.

Ultimately, we are not kept healthy, I believe, by new scientific knowledge or more effective cures or even better-organized medical-care services. We are kept healthy by certain patterns of life. These, it is true, are modified for the better by increased scientific knowledge, but this knowledge is itself communicated through such functioning traditional organizations as the school, the voluntary organization, the family. We are kept healthy by having access to traditional means of support in distress and illness, through the family, the neighborhood, the informal social organization. We are kept healthy by decent care in institutions where certain traditionally-oriented occupations (like nursing and the maintenance of cleanliness) still manage to perform their functions. I will not argue the case for the significance of traditional patterns in maintaining health at length here; but I believe it is a persuasive one.

One major objection, among many, that can be raised against the emphasis I have placed on tradition has to do with the greater success of social policy in a country like Sweden which shows a greater departure from traditionalism than America does. And it is indeed true that social services in Sweden, and England as well, can be organized without as much interference from tradition-minded interest groups of various kinds (including the churches) as we have to contend with in this country. Certainly this is an important consideration. But I would insist that behind the modern organization of the social services in the advanced European countries are at least two elements that can legitimately and without distortion be called traditional.

One is authority. Authority exists when social workers can direct clients, when doctors can direct nurses, when headmasters can direct teachers, when teachers can discipline students and can expect acquiescence from parents. Admittedly this feature of traditionalism itself serves the movement *away* from tradition in other social respects. The authority will be used, as in Sweden, to institute sex education in the schools, to insure that unmarried girls have access to contraceptives, to secure a position of equality for illegitimate children.

But then another feature that can legitimately be called traditional—ethnic and religious homogeneity—sets limits in these countries on how far the movement away from the traditional—toward indeed a new tradition—may be carried. In America, by contrast, it is the very diversity of traditions—ethnic, religious, and social—that makes it so hard to establish new forms of behavior that are universally accepted and approved, and that also makes it impossible to give the social worker, the teacher, the policeman, the judge, the nurse, even the doctor, the same authority they possess in more homogeneous countries.

But there is a more basic sense in which tradition is stronger in the countries of Western Europe than here. Whatever the situation with sex education and with the laws governing illegitimacy, divorce is less frequent in Sweden and England, responsibility for the rearing of children is still consistently placed within the family, and the acceptance of work as a normal pattern of life is more widespread and less challenged. In England and Sweden it is still taken for granted that the aim of welfare is to restore a man to a position in which he can work, earn his living, support his family. And indeed the psychological damage that renders a man unfit for work, and the ideology arguing against the desirability of work, are so little known in England and Sweden that the restoration of family independence is a fair and reasonable objective of welfare. But this is no longer a reasonable view of welfare for substantial parts of the American population. It is in this core sense that America has gone further in the destruction of tradition than other countries. In doing so, America comes face to face, more sharply than any other country yet has, with the limits of social policy.

UNJUSTIFIED PRICE RISES UNDER FREEZE

Mr. PROXMIRE. Mr. President, there is no justification at all why items allegedly frozen under the price freeze should have risen at an annual rate of 4.8 percent in September. The Cost of Living Council must crack down and make examples of those who have cheated on the price freeze. When the October price index comes out, the American people have every right to expect no increase at all in prices covered by the freeze.

When the Consumer Price Index for September was first announced, there was general public acclaim that the overall rate of increase declined from an annual rate of 4.5 percent in August to 2.4 percent in September. That seemed a welcome relief.

But when one examines the detailed figures, the 2.4-percent rise indicates that something is terribly wrong. The real question is, why should prices have risen at all?

NONFROZEN PRICES DOWN

Some will say that you cannot freeze everything and that nonfrozen prices were the cause. But that is not true. Raw agriculture prices went down as did the prices of fresh fruits and vegetables and eggs. If the unfrozen items are taken out, prices rose by a whopping 4.8 percent instead of the 2.4 percent.

Wages did not go up. They did not increase costs. Wage and salary payments in September for the country as a whole were $580.9 billion, the exact amount of the wage and salary payments in August. The wage freeze was self-enforcing. Employers were delighted to police wages and to refuse any increases.

BIG INCREASES IN FROZEN ITEMS

The big increases came in so-called frozen items like clothing, health and medical care, imported apparel, imported cars, meals in restaurants, and gasoline prices.

Numerous excuses and explanations are offered about this obvious contradiction; namely, that frozen prices went up while nonfrozen prices came down. But the American people deserve better explanations than those which have been given. When wages are frozen, when the nonfrozen food prices come down, and when virtually every significant interest rate declines, why should prices for restaurant meals, medical services, gasoline, home repair services, insurance and finance, wearing apparel, services, recreation, and personal care go up? They are all under the freeze.

SUCCESS DEPENDS ON ABSOLUTE FAIRNESS

The American people will make great sacrifices and cooperate fully with any program they believe is in the national interest and in which everyone bears his fair share.

But if one man's wages and prices are frozen while the man next door or down the street or in another business, reaps an unearned bonanza, the program cannot succeed.

That is why the Cost of Living Council must crack down and crack down hard now.

RURAL HEALTH CARE WORSENS

Mr. HUMPHREY. Mr. President, the Wall Street Journal, on October 27, 1971, published a front page story about the deteriorating health care situation occurring within rural America. The Rural Development Subcommittee of the Senate Committee on Agriculture and Forestry, of which I am privileged to serve as Chairman, has been holding field hearings in various parts of rural America these past several months, and one of the most consistent calls for help we received from people residing in these areas has been assistance in securing more doctors and improved health care. I believe the problem was most dramatically illustrated during our hearings in Vermillion, S. Dak., on May 4, 1971, when Dr. Duane Acker, dean of the College of Agriculture at South Dakota State University said:

A young man severely injured in a farm accident in some of our most rural areas of South Dakota today is more apt to die from his injuries than a soldier with the same injuries on the battlefields of Vietnam.

The number of doctors serving our Nation's rural areas today in this country is declining sharply. Most of those serving the people of these regions are old and are increasingly overworked. As many of these physicians retire or die, they are not being replaced by younger men. Most medical students graduating from our medical schools today, prefer to pursue their careers and practice in the large cities where the lure of greater medical challenge, specialization, better facilities and greater fortune are in the offing. Also, these young men, like most, want to live and work in communities which offer them and their families what appears to be the best of opportunities in community services and social life. Even medical students whose family roots are in rural communities seldom return to those communities to take up their medical practices.

My home State of Minnesota, which like most States facing this shortage of trained physicians in rural communities, is now experimenting with possible solutions to this problem. Medical students prior to the completion of their medical schooling and internship, are being sent into the rural areas and communities of Minnesota to assist and to gain experience in their profession. Although it is too early to determine how successful this effort will be in terms of encouraging more of them to take up permanent practice in these communities, the hope is that many of them will.

Mr. President, problems of providing citizens of our Nation's rural communities and open countryside with adequate levels of medical, educational, and other essential social services is basically symptomatic of our failure to develop a more balanced national growth pattern in the United States. Most incentives today are directed toward creating further concentrations of our Nation's population in the already overcrowded large cities. This trend must not only be stopped, but drastically altered. If we are to improve the quality of life for all the people of this country, we must begin changing our population settlement patterns. And if that is to happen, the social service base of our smaller communities must be appreciably enhanced, especially their medical and health care systems.

I ask unanimous consent to have printed in the RECORD Mr. James P. Cannon's article about the worsening health care crisis in rural America published in the Wall Street Journal of October 27, 1971.

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

MISSING MD'S: RURAL HEALTH CARE WORSENS AS DOCTORS RETIRE, MOVE TO CITIES

(By James P. Gannon)

DRY CREEK, W. VA.—The Jeep-like mountain vehicle lurches up a rocky path along a stream bed littered with rusty steel drums, crawls past a fleet of abandoned, stripped automobiles, and churns to a dusty halt in front of a ramshackle cabin.

Sitting on the porch is frizzy-haired Audrey Pettry, rolling one of the bent and pinched cigarets she smokes constantly. "I was just settin' here wondern' if you'd come," the 73-year-old widow of a coal miner says. Inside the dark front room of the cabin, decorated with out-of-date calenders, Mrs. Pettry sits down while Mildred Snodgress, one of her visitors, inspects the old woman's ulcered leg. Mrs. Snodgrass, a registered nurse, cleans and rebandages the sore while Mrs. Pettry puffs her cigaret down to a tiny, finger-scorching nub. "If it wasn't for these women," Mrs. Pettry says to another visitor, "I wouldn't have nobody."

Mrs. Pettry is one of more than 15,000 very poor people in Raleigh County who are beneficiaries of an unusual rural health care system known as the Mountaineer Family Health Plan. Based in nearby Beckley, the plan provides comprehensive medical, dental and eye care for country folks in the county, a coal-mining area in the southern part of West Virginia.

Programs like this one are important because of the worsening health crisis in rural America. The medical care problems all Americans face—ranging from shortages of doctors and clinics to skyrocketing, prohibitive costs—are found in double doses in rural areas. As the nation has become increasingly urban and its medical practitioners ever more specialized, personnel and facilities for health care have concentrated in larger towns and cities, leaving country people to the care of the dwindling numbers of country doctors.

FROM HERE TO ETERNITY

Thousands of such general practitioners once were sprinkled throughout the rural countryside, but few remain. Many of those left are aging and unable to handle heavy patient loads. "There used to be one doctor in every little hamlet," says Dr. Martha Coyner, who practices in Harrisville, W. Va., and heads the state medical society's rural-health committee. Ticking off the names of a dozen colleagues who have departed the precincts, she says that she and another Harrisville doctor now "are the only two MDs from here to eternity, practically."

Figures from the American Medical Association show only one doctor for every 2,145 residents in the nation's most thinly populated counties; in the most densely populated, on the other hand, there's one doctor for every 442 residents. The AMA finds 132 counties without a single doctor practicing. While suburbia swims in specialists, many rural areas are better supplied with veterinarians than with family doctors. AMA data show that Los Angeles County alone has more active MDs (14,203) than the 13 states of Arkansas, Idaho, Maine, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Dakota, South Dakota, Utah, Wyoming and Vermont combined. (The county has about 7 million residents, compared to over 11 million in those states, and since the states cover a far larger area it's often more inconvenient for their residents to get to a doctor.)

As discouraging as the enfeeblement of the old rural-health-care system is the fate of one major effort to preserve it. Last year, the Sears-Roebuck Foundation reluctantly killed a 14-year-old program to help rural towns attract doctors by establishing well-equipped medical centers. By 1970, 52 of 162 such centers were closed and empty.

BEATING THE DRAFT

"The premise on which the program was founded—that a good facility will recruit and retain a physician—was no longer valid," a foundation spokesman explains. "There are fewer and fewer doctors who are willing to staff these clinics. It's an injustice to a community to encourage them to build these clinics when the likelihood of getting a physician is remote."

Doctors reject a rural practice for diverse reasons. Because medical training has become increasingly sophisticated, many of them wind up as specialists; their specialized expertise is in greater demand in larger cities than in thinly populated areas. In the country, the round-the-clock demands on a doctor, and "professional isolation" from his peers, seem uninviting. And disadvantages of small-town living, such as schooling that sometimes is inferior and limited cultural activities, deter doctors.

Perhaps surprisingly, money isn't the controlling factor; those doctors who do practice in rural areas often (though not always) manage handsomely. Dr. John E. Van Gilder, a 26-year-old West Virginia University graduate, set up practice last June at West Union, W.Va., in one of the Sears-Roebuck program's empty clinics. He expects to earn around $30,000 a year, probably more than he would earn his first year in a city practice. "It's simply supply and demand," says Dr. Van Gilder, who is the only doctor in a county of 6,400 persons.

But even Dr. Van Gilder finds a rural practice unattractive in some ways. There's no hospital nearby, so his most difficult and "interesting" cases have to be referred to colleagues in Clarksburg, the nearest city. That leaves him with "colds, sore throats and arthritis," he says. He worries about keeping abreast of new medical techniques. Dr. Van Gilder freely volunteers that the threat of the draft prompted him to take his job in West Union—where, as the only doctor in the vicinity, he could get a deferment. He expects to stay in West Union five years or so and then go on for more training and a specialty—probably in a big city—after that.

West Virginia hoped to overcome its shortage of doctors by establishing a medical school a decade ago. Yet, of 138 graduates now in practice, only 34 have remained in the state, and only 14 of them are in rural towns. "I don't think solo practice is any longer a viable answer to problems in rural areas," says Dr. Robert L. Nolan, chairman

of West Virginia University's division of public health and preventive medicine.

Dr. Nolan and other students of rural health prescribe a new system for delivering health care to rural places. They think the solution lies in regional health-care plans, stressing preventive medicine practiced by groups of physicians based at a central clinic with an "outreach" effort to bring in patients from remote areas. Though no model system exists, the Mountaineer Family Health Plan—and similar systems in Maine, Florida, Alabama and California—represent significant innovations. According to the U.S. Public Health Service, the Mountaineer plan is the largest of the rural comprehensive health-care systems in operation.

It began four years ago as a poverty-war project of the U.S. Office of Economic Opportunity. The aim was to provide complete health care at no charge to Raleigh County residents whose annual incomes are below official poverty levels, currently $3,600 for a family of four. It's easy to find such families around here; 5,200 of them, with over 15,000 persons, one-fifth of the county's population, are registered and eligible for the plan.

The plan is based at a $500,000 clinic next to the Appalachian Regional Hospital at Beckley. The medical staff consists of five physicians and three dentists. On an average day, the doctors see 100 to 150 patients and the dentists about 30. Nearly all the patients have reached the clinic in the rugged four-wheel-drive ambulances that make daily runs between Beckley and its mountainous outlands.

Seven satellite clinics in hamlets like Slab Fork and Trap Hill are the plan's "outreach" terminals. Teams of health workers—a registered nurse, aides, drivers and environmental health workers who help build sanitary privies and test water supplies—work out of the satellite stations and keep in touch with even the most isolated families.

A tour with Mildred Snodgress, nurse-superviser at the Marsh Fork satellite center, shows how the plan works. The trip begins in her Scout vehicle from outside the four-room office housed in the building formerly occupied by the regions only private physician. (He died five years ago, and the nearest doctor now is some 25 miles distant.) She steers the vehicle along a bumpy trail to a cabin nestled in the sunny hollow between two green mountains. Here she takes the blood pressure of 60-year-old Chris Dickens, a new patient who lives alone on welfare, and makes sure he understands when to take his four newly prescribed drugs.

The day before, Mr. Dickens had his first physical examination in four years, at the Beckley clinic. "I haven't ever been to the doctor much," says Mr. Dickens, who is being treated for hypertension and indigestion.

After a stop to treat Mrs. Pettry's ulcered leg, Nurse Snodgress gingerly wheels the Scout up a precipitous path above the Coal River to the home of Cuba Opal Wiley, a disabled miner troubled by lung ailments. With his tobacco-stained teeth showing as he smiles, Mr. Wiley tells a visitor, "If it wasn't for this program, buddy, I don't know what I'd do. If I got sick, I guess I'd just lay here and die, buddy, that's all I could do." His wife, a diabetic, also gets medical care, and she's scheduled for liver surgery.

COSMOPOLITAN STAFF

Continuing her rounds, Nurse Snodgress and her aide take a medical history from a new patient, remind another of his scheduled appointment in Beckley, and make other routine visits.

Back at the Mountaineer clinic, a motley group of elderly, disabled men, pregnant women, tots and teen-agers patiently wait their visits with the doctors. The doctors themselves are a varied lot, and their names—like Arcadio Alarcon, G. Sri Rama Gupta, and Suradech Kongkasuwan—suggest the difficulty of keeping indigenous physicians in the area.

In fact, all five of the clinic's doctors—three internists and two pediatricians—are foreign physicians working here under temporary state licenses. "We have difficulty attracting American doctors," says Dr. Forest A. Cornwell, the Mountaineer plan's director. The $28,317 yearly salary isn't enough, apparently, to attract U.S. doctors, though all three dentists, who get $25,520, are Americans. (The foreign physicians generally have a harder time obtaining temporary licenses to practice in desirable urban areas, which often have their pick of American medical-school graduates and simply don't issue temporary certificates to foreigners.)

To the doctors, it's clear that their services are badly needed. "You see many children who have never been to a doctor, who have never had their inoculations," says Dr. Jose Alphonso, a Cuban refugee physician. "I have seen many children here who have worms, and many underweight and underheight because of poor nutrition."

"There's a tremendous backlog of care that is needed," says Dr. Edwin H. Warfield, a dentist. About one-third of Mountaineer's patients never have been to a dentist, and practically all the rest received only minimum emergency care, Dr. Warfield figures.

WHERE'S THE MONEY COMING FROM?

Beckley itself, with a population of nearly 20,000, has abundant health services. There are 23 dentists, 70 physicians and several group-practice clinics. But the rest of the 610 square miles in the county is a health wastleland, served only by the Mountaineer plan and its free transportation.

The major difficulty with the plan is its cost. Mountaineer has been nurtured by federal subsidies; a $2.1 million grant from the Health, Education and Welfare Department finances nearly its whole budget. But HEW indicates it doesn't plan to support the project indefinitely, and Mountaineer officials have been told that its survival depends on its progress toward "self-sufficiency."

Prodded by HEW, the plan just adopted a sliding-fee schedule under which clients currently registered will have to pay 15% of their bills. Dr. Cornwell says the long-range aim is to transform the plan from a poverty project to a broader-based plan open to any county resident. Meanwhile, the budget squeeze is limiting the number of new enrollees who are poor.

Costs have risen fast. From only $41.55 in mid-1970, the charge for a day in the hospital has risen to $81.54. The cost of the average drug prescription has risen to more than $4 from $3.44. Officials have dipped into the capital construction budget for operating funds, and they've scrapped plans for some new activities, such as a mobile dental unit.

The financial squeeze suggests that Mountaineer will have to scale back its services, or raise fees even higher, and it creates a painful dilemma. "It gets to be a moral decision," says Dr. Cornwell, "It's like having 10 people in a lifeboat, and if two don't get out, all 10 are going to sink."

The only feasible solution, in the minds of most rural-health authorities, is a massive federal rescue effort. Says Dr. Leopold J. Snyder, a doctor from Fresno, Calif., who is chairman of the AMA Council on Rural Health: "If there is to be any widespread improvement in today's dismal rural health scene, there will need to be large expenditures of honest human energies and a large infusion of public funds."

THE GENOCIDE CONVENTION AND THE RULE OF LAW

Mr. PROXMIRE. Mr. President, one of the reasons why the United States has been blessed with peace, justice, and liberty is because we follow the rule of law in our land. Our legislatures, both State and Federal, have, in their wisdom, passed laws protecting the American people. The executive has administered these laws. The police and courts have enforced them. As a result, we have had years of prosperity and freedom unequalled by any other nation on earth.

Having secured domestic tranquility through the rule of law, can we not do likewise in the international sphere? Surely it is in our own best interest to reduce the possibility of international anarchy and war. The extension of the rule of law to international relations will mean greater protection and security for the American people.

We have, at this time, an opportunity to do this. We have before us a convention which will add measurably to the safety of the American people—will help secure the blessings of the rule of law to the peoples of the world. I am referring to the Genocide Convention. The purpose of this convention is to protect people everywhere, including America, from the horrors of mass murder. By ratifying this treaty, the Senate will be taking another step forward in guaranteeing peace and justice in our time.

Mr. President, the Senate should ratify the Genocide Convention as soon as possible.

DRUG ABUSE PREVENTION PROGRAM OF SCHOOL OF PHARMACY, UNIVERSITY OF MISSISSIPPI

Mr. EASTLAND. Mr. President, the University of Mississippi School of Pharmacy is recognized nationwide as one of the country's great schools of pharmacy. Its excellence in the academic community is complemented by its reputation in the pharmaceutical industry. In short, the pharmacy school at Ole Miss is among the best in the United States.

Only recently, I have had the opportunity of reading the Bulletin of the Bureau of Pharmaceutical Services, published by the school of pharmacy. An article entitled "Drug Abuse Education—Student Power," written by Dr. Marvin Wilson, points up the tremendous job being done by pharmacy students to combat the growing drug problem that confronts the Nation. As coordinator of student drug abuse education program, Dr. Wilson effectively describes the vital volunteer work in establishing a speaker's bureau which provided extremely informative talks on drug abuse to more than 25,000 young people and adults throughout the entire State. Thus, the students of the university school of pharmacy recognized a need, met a challenge—and the end result was a highly effective program to combat drug abuse.

All Mississippians are proud of the accomplishments of our school of pharmacy at the university and we are particularly proud of the excellent job done by its students in the field of drug abuse education.

Mr. President, I believe this program is deserving of national attention. I am confident that it is an idea that will be duplicated across the country. And I know that just recognition is due to the

students and faculty of the University of Mississippi School of Pharmacy.

Therefore, Mr. President, I ask unanimous consent that the article from the Bulletin of the Bureau of Pharmaceutical Services, School of Pharmacy, University of Mississippi, be printed in the RECORD.

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

DRUG ABUSE EDUCATION—STUDENT POWER

(By Marvin Wilson, Ph. D., Assistant Professor of Pharmacology, Coordinator of Student Drug Abuse Education Program)

During this past academic year the School of Pharmacy has offered yet another service to the citizens of this state and neighboring states. Unlike most of our programs, this endeavor was initiated by senior pharmacy students in the fall semester. These individuals recognized that drug abuse was increasing at an alarming rate in Mississippi and they wished to do their part in preventing the spread of this problem. They believed that the best way to attack "drug abuse" was through education and they realized that being pharmacy students they were better educated than most other individuals about drugs. Because there was no existing formal mechanism for administering such a program, the Department of Pharmacy Administration provided a vehicle through its Pro-Seminar Course. These individuals began to obtain information concerning the drugs which are abused and established a student speaker's bureau. Their formal presentation was patterned after similar programs just recently adopted by students at other schools of pharmacy.

At that time there were nine students involved in the speaker's bureau and they spoke as three man teams. Each speaker talked for approximately fifteen minutes and each spoke on a pharmacological class of drugs which are abused. One individual spoke on narcotics; a second on hallucinogens and a third on stimulants and depressants. Following their presentations, a question and answer session was conducted; therefore their program was constructed to last an hour. The availability of this service was publicized with the cooperation of the Bureau of Pharmaceutical Services. It was emphasized that this program was available without charge to interested church groups, civic clubs and school systems throughout the state.

Initially the response was somewhat slow to develop so that by the first of January only ten to fifteen talks had been made and most of these were located within a twenty-five mile radius of the Oxford campus. However, many important things had become very evident during these initial weeks.

The approach of these students was to present facts and not to "preach" and this format was being received with great approval by all age groups. The speakers were totally against the latter approach and realized that most of the young people in their audiences would not at all listen to them if this approach was utilized. The students' aim was to present facts and then let the individual make up his own mind whether or not to get involved with the abuse of drugs. All concerned soon realized that this approach together with the speaker's identity of being a senior pharmacy student and lack of a "generation gap" between speaker and student audiences were an almost perfect combination.

Secondly, the speakers also soon realized that the question and answer part of their program was in many instances more valuable than the formal presentations. Therefore, sufficient time for such discussion assumed primary priority even if it meant reducing the time spent in actual formal presentation.

Thirdly, in conjunction with the popularity of the "Q and A" session, these students soon realized that they should, it at all possible, undergo a more formal training program so that they could learn as much as possible about all aspects of drug abuse such as the social, political, psychological, and legal aspects, in addition to the pharmacological and physiological consequences of drug abuse. Many of the questions which were being asked could not be answered by the speakers at the time and those involved soon realized that many in their audiences were well educated about certain aspects of drug abuse.

By early January, news of the program had become widespread throughout the state and speaking requests were arriving in great quantities. At this time, the School of Pharmacy Committee on Drug Abuse Education decided that since the program had achieved overwhelming acceptance and since the students involved had expressed a desire to learn more about drug abuse in order to improve the quality of their program, a two semester course sequence entitled Drug Abuse Education should be offered as elective courses for the student body of the Pharmacy School. It was decided that the first semester course would be an intense, but somewhat informal course, in which material related to all aspects of drug abuse would be presented by various faculty members of the Pharmacy School who had achieved some expertise concerning this subject. In addition, arrangements were made with the Memphis House Drug Rehabilitation Center to provide counselors and residents to speak to our students and furnish them with a vast amount of information concerning the "street use" of drugs.

The second semester course was developed to offer academic credit for being an active participant in the student speaker's bureau. This latter course could be repeated every semester for elective credit until graduation if so desired. The only prerequisite for the second semester course was successful completion of the initial course and active participation in the speakers program. In this way, it was somewhat assured that those individuals presenting speeches had access to basic unbiased material concerning the many facets of drug abuse so that they would be able to answer most of the questions which may arise following a presentation. It was hoped that by this means the quality of the program would be improved. In addition, it gave the School of Pharmacy a mechanism to exercise some control over the entire program if it deemed it necessary.

Most of those students who initiated the speaker's bureau enrolled in both courses during the spring semester. In addition, three other seniors enrolled in both courses and thirty fourth-year students enrolled in the first course of the sequence. It was thus assured that a supply of students would be immediately available to participate in the speaker's bureau in the upcoming fall semester.

The state-wide response to the student speaker's bureau during this past spring semester was extremely gratifying. The requests for programs exceeded our most optimistic expectations. The limiting factor in accepting invitations was the amount of class time that these twelve individuals could spend on travel. In this regard the entire faculty of the School of Pharmacy is to be greatly commended for their sincere cooperation in scheduling makeup tests laboratories, etc. for these students. During the last few weeks of the semester, those students in the non-speaking course were asked if any would volunteer to speak on a limited number of occasions in order to obtain experience prior to the beginning of the fall semester. Several of these individuals did volunteer and subsequently became members of the speaker's bureau although they did not receive any course credit.

The statistics that the student speaker's bureau achieved in the last six months are indeed significant. These students spoke to more than twenty-five thousand young people and adults throughout the entire state. They spoke in every geographical area of the state, to groups as small as twenty and to audiences as large as eight hundred. They spoke on more than one hundred different occasions, so one can readily see that being involved in this program was not all play by any means.

As previously noted in this article, there was no charge for presentation of this program but as one can readily see, there were a number of costs incurred in carrying out this endeavor. The principal cost included transportation, meals, and on a few occasions lodging. In addition, some money was spent on literature which was presented to the participants in the speaker's bureau for use in preparing their programs. On some occasions, the group extending the speaking invitation responded most generously with donations to cover transportation and meals, but in most instances these donations would not be offered. Therefore, since this program was not self-supporting, a substantial percentage of the cost had to be undertaken by some outside organization. In this case there were two such organizations, the Bureau of Pharmaceutical Services of the School of Pharmacy and the Alumni Association of the School of Pharmacy. At this time, on behalf of the student speaker's bureau, I would like to publically thank these two organizations for their financial support and administrative assistance. Without their help, the program would have definitely failed.

Before closing I would like to mention a few of the assets which such a program as this provides which are not readily appreciated. First of all, it supplies this state with a well qualified group of individuals who will become involved in drug abuse education in the area in which they become employed following their graduation from Pharmacy School. These individuals, I am sure, will welcome the opportunity to present programs on this topic and maybe you will have one of these individuals reside in your immediate area. If so, please take advantage of his training and education and invite him to speak to your community organizations.

Secondly, involvement in this program teaches one to speak publicly with some finesse. Furthermore, it gives one the opportunity to meet many new people and teaches one to converse effectively with those holding opposite viewpoints on a controversial topic.

Thirdly, and maybe most importantly it is a means by which pharmacy students can get involved with what is happening in society. It provides them with a means of doing something to help or improve their society. I am sure that you will all readily agree that true education is much more than passing examinations, and that providing such a means of getting involved in improving society is very beneficial to our state.

In closing, I would like to mention that the student speaker's bureau on drug abuse education will be functioning again this fall and if anyone reading this article would like for them to present a program in your area please write to the Bureau of Pharmaceutical Services; School of Pharmacy; University of Mississippi; University, Mississippi 38677. In addition, if any of you have attended one of these programs, I would appreciate it if you would send your comments or criticisms to the same address or to myself. If is only through this way that our program can be improved.

NATIONAL GOVERNORS' CONFERENCE—RECOMMENDATIONS

Mr. HUMPHREY. Mr. President, from September 12th through the 15th of this year, the Governors of the 50 States held their 63d Annual National Governors' Conference in San Juan, Puerto Rico.

No one knows the problems of the States better than the State Governors. Indeed, the Governors are in a unique and authoritative position to feel the pulse of their States and their people.

While attending the National Governors' Conference they squarely faced a number of the ills which trouble the States and the Nation. To these problems they applied their knowledge and their personal expertise. They debated and did not always agree. But out of those deliberations came a number of important and innovative policy recommendations recently published as the 1971–72 Policy Positions of the National Governors' Conference. These forthright decisions represent gubernatorial consensus on how we, as a nation, can solve the problems of our society.

Mr. President, I would like to summarize a number of the positions taken by the Governors.

HUMAN RESOURCES

The problem of protecting and enriching our human resources is one which spans State borders and touches each of us. The reform of our outmoded, archaic welfare system and the assurance of adequate health care are vital aspects of this problem.

The present welfare system is clearly not serving its intended function. It has become more likely to destroy a person's dignity than help him. To modernize our welfare programs the Governors recommend the phased substitution of Federal financing for the current Federal-State concept of public assistance. The Governors' report also recommends: first, an increase in the level of OASDI payments with a $100 per month per person minimum; second, the transfer of old age assistance, aid to the permanently and totally disabled, and aid to the blind to the jurisdiction of the Social Security Administration with payments coming from general Federal revenues; and third, Federal assistance in implementing State plans for combating hunger and malnutrition—especially as they attack infants, pre-schoolers, and mothers.

As for health care, the report urges the adoption of a federally sponsored universal health insurance program and the relocation of responsibility for comprehensive health care planning in the Office of Assistant Secretary of Health and Scientific Affairs within HEW.

RURAL AND URBAN DEVELOPMENT

The conference cites the need for bold new policies in our approach to rural and urban development.

The Governors envision a national population growth and distribution policy. As they state, all too often population imbalance results in such blights as poverty, ghettos, increased demands on mass transit, overloads on social services, pollution, crime, and a general feeling of frustration. It is often the Federal Government which is at the root of these problems through inadvertent and uncoordinated planning and programs. A forthright policy regarding population would help rectify these imbalances.

To revitalize our rural areas and rural economy, the conference calls for improving American agricultures' productivity, commodity transportation, and development of foreign markets for our goods. Within this framework, the Congress must act to assure a "parity of opportunity" for farmers and rural communities. Action must come on preserving and encouraging the continued development of agricultural land for production, recreation, and wildlife conservation.

INTERGOVERNMENTAL RELATIONS

The relations between the State and local governments and the Federal Government in Washington are frequently strained. Sometimes it seems only vaguely definable. Behind this is a partial breakdown of the Federal-State relationship. The Federal Government and the State governments are not adversaries. Theirs should be a role of cooperation.

One aspect of this problem is the question of revenue sharing. The cities and the States face a mounting crisis of finance. Demands on the localities grow while the funds shrink. Revenue sharing is a key.

The Governors also see an increasing demand for the extension of multistate program administrations and recommend a number of corrective steps. First, that provisions be made to allow the Governors to share in the crucial decisionmaking process. Second, that Federal participation in Federal-State enterprises be directly responsible to the President and that State participation be responsible to the Governor. And third, that adequate funds be provided for initial planning and policy developments.

The conference urges that the Federal role in State planning be clarified. At present we see a mess of confusion, contradiction, duplication, and overlap in Federal requirements and definitions. To help solve this, the report recommends that the Federal Government recognize the State Governors and the local officials as the chief policymakers in their own particular provinces.

The Governors urge the expansion of these principles within the Intergovernmental Cooperation Act of 1968 so that the accounting, auditing, and reporting of Federal assistance funds can be simplified. The simplification of joint funding for grants and the permission for periodic congressional and executive review of grant programs to determine effectiveness is also necessary.

The Conference recognized the essential need for a better exchange of information among the levels of government. To rectify this they ask for action towards uniform data and format requirements for computers. There should be Federal assistance to local governments for the development of more uniform information systems.

CRIME REDUCTION AND PUBLIC SAFETY

In the area of crime reduction and public safety, the San Juan conference urged concerted action regarding organized crime, firearms control, and drug abuse.

To combat the influence of organized crime, the recommendations ask that general testimony immunity be granted to witnesses on both the State and Federal levels. Continued Federal aid is required for technical assistance and training, with additional Federal funds going to State organized crime intelligence units. The Governors also urge enactment on a State basis of the Model Criminally Operated Business Act as drafted by the suggested State legislation committee of the council of State governments. This act would help coordinate State investigation programs which, on one level, would look into criminal infiltration of legitimate businesses, State, and local governments.

The Governors assert that the need for firearms control is a pressing issue. The report calls for State laws prohibiting persons such as habitual alcoholics, drug addicts, mental incompetents, and convicted felons from buying or owning firearms.

And lastly, drug abuse. This is a problem which touches the heart of our society: our youth. Thousands have "turned on" only to find their lives shattered. The Governors recognize that a strong nation cannot stand on shattered dreams. They ask for a coordination of Federal and State programs in this area, including expanded State treatment and rehabilitation programs. In recommending State enactment of the Uniform Controlled Substances Act, the need is underscored for a policy which separates the victim needing help from the pusher. Correspondingly, the Federal Government must intensify its diplomatic efforts to halt the production and importation of dangerous substances from foreign countries.

Mr. President, the Governors merit our sincerest appreciation for the time and effort which they put into the formulation of these recommendations. They have acted in areas where all too often there has been no action. We are in their debt.

It is incumbent upon us to give these recommendations our prompt and careful consideration—and to act. I ask that we do so.

PUERTO RICO

Mr. GRAVEL. Mr. President, yesterday in New York City, Senator Rafael Hernández Colón, President of the Senate of Puerto Rico delivered to the Puerto Rico Chamber of Commerce in the United States what I consider to be a very pertinent speech on the Commonwealth status of Puerto Rico.

Senator Colon, who is a brilliant and articulate young man and a close personal friend, has in this speech given us insight into all he is attempting to do for the people of Puerto Rico.

I commend Senator Colon highly for his efforts and views and wish to bring his speech to the attention of the Senate. I ask unanimous consent that the speech be printed in the RECORD.

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

SPEECH BY THE HONORABLE RAFAEL HERNÁNDEZ COLÓN

This opportunity to address the Puerto Rico Chamber of Commerce in the United States conveys an honor and an obligation. Your organization is unique in that it represents a volunteer group of private businessmen on the Mainland dedicated to the interests and welfare of Puerto Rico. Because so much of our lives is wrapped up in Puerto Rico, I owe you a candid exposition of how and where the Senate of Puerto Rico controlled by the Popular Democratic Party stands. Let there be no credibility gap between us!

I propose to touch on politics only as it relates to the economy of the Island. As you all know, the fate of the economy rests primarily on our political status. Because of population growth and the entry of 25,000 youngsters each year into our labor force, our economy must expand constantly or unemployment will rise and per capita income will decline. Expansion depends on four basic elements in our relationship with the U. S.:

1. Special treatment in Federal minimum wage legislation.
2. Freedom from Federal taxes.
3. A substantial net inflow of Federal funds into Puerto Rico.
4. Free trade and unrestricted payments between the U.S. and Puerto Rico.

Statehood would eliminate minimum wage differentials and tax autonomy, and greatly reduce the net inflow of Federal funds. Businessmen know that investment funds will flow to Puerto Rico only so long as they can earn an attractive rate of return. All costs of manufacturing in Puerto Rico for the U.S. market such as freight, inventory, overhead, insurance, interest rates, and communication are generally higher than those of our competitors on the Mainland. Only wages are lower and the average is largely determined by the legal minimum fixed by law. With the same minimum wage that prevails in the States, many of our labor intensive industries would perish, and these employ most of our manufacturing labor.

The most powerful attraction to Puerto Rico for the U.S. manufacturer is tax exemption. Eliminate that and most manufacturers will not even consider Puerto Rico as a site for new manufacturing plants. Indeed, the fear generated by irresponsible statements about the maintenance and longevity of tax exemption has a negative effect on new plant promotion and expansion on the Island. Most convincing is a quotation from a survey made by Arthur D. Little of 80 firms that had considered location of a factory in Puerto Rico: "Tax-exempt status is of overriding importance. Of 80 companies interviewed only 18 claimed that they would have considered Puerto Rico without the exemption, and only three considered the tax exemption of no importance in their attraction to Puerto Rico."

If anyone has the slightest doubt concerning the powerful incentive effect of granting long years of tax exemption he has only to look at the record. There are 13 mountainous municipalities in the interior of Puerto Rico which border on 16 municipalities along the North Coast. Because the interior hill towns were less desirable factory locations they were put in the 17-year exemption zone. The more favorably located municipalities on the main coastal highways were in the 12-year zone. During the six-year period in which this situation prevailed, factory employment in otherwise disadvantaged municipalities with 17-year tax exemption increased by 309% compared with 50% for those with 12-year tax exemption. It is grossly irresponsible to even speak of eliminating this powerful incentive when our need for jobs is so great.

If Puerto Rico were to become a state, the calculations made by the Status Commission project a disastrous drop in the net inflow of Federal funds. An analysis of the flow of such funds in 1964 shows we would have received an additional $56 million, but would have paid out an additional $283 million for a net direct loss of $227 million. Given the multiplier effect of about 100% for each dollar entering or leaving the economy, the net impact in 1964 would have been twice as great, a contraction of $454 million. Under Commonwealth, net income in that year rose by $173 million from $1,912 million in 1963 to $2,085 million. Had Puerto Rico become a state that year, net income would have declined by $281 million to $1,631 million, a net difference of 28%. Under Commonwealth our economy has grown steadily. We have never had a decline from one year to the next. Statehood would wreck the economy and put most of us on public welfare.

The only basic element in our relationship with the U.S. which would not be affected by statehood would be free trade and unrestricted payments between the Mainland and Puerto Rico. This advantage, along with Federal funds, would be lost under independence. Limited to its own scarce resources, our overpopulated land would see its per capita income descend from the highest in Latin America to one of the lowest.

The case for statehood or independence can be argued only on emotional or ideological grounds. The course of common sense is to continue the evolution of the Commonwealth relationship so as best to fulfill the needs and aspirations of the Puerto Rican people—that is the acid test of a political institution.

If the stakes were not so high, it would be amusing to examine some of the postures recently taken by the present administration in Puerto Rico. On the issue of the Federal Minimum Wage, it is pleading for the retention of selectivity as it applies to Puerto Rico. On the issue of the wage-price freeze, it seeks exemption for Puerto Rico. On the issue of the dock strikes, it pleads for the exclusion of Puerto Rico. These are three stands that I heartily endorse. Yet the Administration is also pressing for statehood. Just imagine a state of the Union asking for exemption from the minimum wage, the wage-price freeze, and a nationwide dock strike. When faced with reality, the Administration is forced to support the special status of Commonwealth.

Our immediate concern is the condition of the economy today. The reports in the news media range from it has never been better to it has never been worse. As usual, there is some truth in both these contradictory positions, but it is vital to ascertain the nature of the truth. Let us analyze some of the optimistic pronouncements. During the last two fiscal years, there were increases in real Commonwealth Net Income—that is, in constant prices, of 7% and 5% respectively. Perfectly true and laudable, but the nature of the growth during the past two years is different from previous years. We find that Construction and Government Services were the major contributors to that growth. Housing construction declined in fiscal 1970 but recovered in 1971. Industrial and commercial construction showed important increases in both years. Yet construction is measured on a put in place basis so that it represents commitments made in previous years. Public construction and Government salaries expanded considerably in both years and these constituted appropriate action in a recession period. The crux of the matter is that in the decade 1960 to 1969, manufacturing net income rose at an annual average of 13.3% compared to about 10% for the entire economy. In fiscal '70 and '71, the increase in manufacturing net income dropped to 6.0% and 4.3%. Instead of providing the major upward thrust for the economy, manufacturing now slows it down. In sum, the growth in 1970 was attributable to momentum from earlier periods and pump priming by Government and not, as in previous years, from substantial industrial expansion. Businessmen and other taxpayers are painfully aware that Government derives its funds from the private sector in the form of taxes and borrowing, and these are paid by present and future taxpayers.

More disingenuous is the attempt to paint a rosy picture of employment in manufacturing. In fiscal 1969, the total was 143,000, in 1970, 142,000, and in 1971, 142,000. Total unemployment was 10.6% of the labor force in 1969, 10.8% in 1970, and 11.6% in 1971. We are told that the situation has improved lately, yet the latest figures for July 1971 show a rise in unemployment from 97,000 a year ago to 110,000, from 11.4% to 12.2% of the labor force. In August it climbed to 12.6%, the third consecutive month in excess of 12%. The plain fact is that there have never been more people out of work in Puerto Rico than there are today.

Most misleading is the attempt to prove that Fomento is enjoying unparalleled success. The record tells another story. Between fiscal '66 and '68, the number of plants in operation rose from 1,094 to 1,334, a rise of 22%. From '69 to '71, the rise was from 1,388 to 1,442, an increase of only 4%. During the last three fiscal years the number of Fomento plants that have been temporarily or permanently closed is over three times the number during the preceding three year period. During the fiscal year ending last June, 77 factories were known to have closed their doors permanently. At the end of the fiscal year there were in addition, 387 plants which had ceased operations. Their status is uncertain—some will reopen but the rest will be added to the number that have been permanently closed.

With the other side of its mouth, Fomento excuses poor performance by pointing to the problems of the U.S. economy: tight money, high interest rates, inflation, increased unemployment, import competition, and pressure on the dollar. It is true that the U.S. is the major source of new plant promotion from external sources. This means that Fomento's major task is to capture a share of U.S. investment in new plant and equipment. A recent survey by the Office of Business Economics and the Security Exchange Commission estimates that such investment will reach $81.4 billion in 1971, 2.2% more than in 1970. In turn, 1970 showed a gain of 5.5% over 1969, and 1969 an increase of 11.5% over the previous year. U.S. investment in new plant and equipment rose each year after 1969, while Fomento's performance since 1969 has constantly declined.

Other reasons for failure might be advanced. Fomento had three administrators from 1941 to 1968, twenty-seven years. Since 1969 we have already seen two administrators at the helm who had no experience with the program when they took over. For the first time in history, Pridco employees went on strike. The present Administrator refused to even meet with them. I would not say that morale is poor, it is non-existent.

My main object is not to indulge in recrimination but simply to point out that self delusion is no solution to the grave problems that confront us. Instead of captivating slogans and numbers games, I propose less glamorous but practical steps:

Tax exemption should be made more comprehensive in two ways. First, the definition of eligible industries should be expanded. It now covers most manufacturing industries, hotels and industrial research laboratories. It should be expanded to cover assembly and packaging industries in the manufacturing field and some other industries like data processing—always provided that a substantial number of jobs is created. Second, we now stimulate the investment of additional capital by granting tax exemption to plant expansion; however, we feel that the period of tax exemption should be extended for

those established industries which increase investment in Puerto Rico, the additional period of exemption to depend upon the additional amount of investment. In other words, there should be an incentive to grow with Puerto Rico.

Some politically motivated individuals have called for the abolition of tax exemption under the cloak of need for additional revenue. Surely they know better. With tax exemption, income tax collections rose from $31 million in 1948 to $328 million in 1971. If they were sincere, they would have supported my efforts to obtain additional revenue as well as greater equity by means of comprehensive tax reform.

I would utilize the resources of the Puerto Rico Industrial Development Company, Pridco, to provide a huge reservoir for the financing of new industries. Pridco's properties and income could constitute the nucleus for the creation of a mutual fund or funds in magnitudes exceeding a billion dollars. This could mobilize money from Puerto Rico which is now invested in less productive channels or even in foreign countries. Such a vast source of equity and senior capital would prove an irresistible attraction for a multitude of new enterprise.

This plan has important implications for the development of the petrochemical industry. The original concept was that numerous satellite industries would be promoted downstream, utilizing the feedstock from the refineries in successive industrial stages to finished consumer products. Two of the companies projected employment of about 65,000 from such evolution. Arrangements made in 1969 for cooperative promotional effort on the part of the companies were neglected by Fomento. A revival of these arrangements together with financial support from Pridco could accelerate development enormously. Similarly, tourism projects which also require multimillion dollar financing could be expedited.

I would make every effort to encourage collective bargaining. When wage negotiations are left in private hands, the economics of the industry will tend to establish a fair share for the respective parties. Government intervention should be reserved for those rare cases in which the collective bargaining process breaks down and the entire public interest may suffer substantially.

The most effective and desirable way to achieve higher wages is by upgrading our skills and technology. To this end, we had planned the creation of a science center in Puerto Rico with the assistance of the National Academy of Sciences. The emphasis was on applied research in order to encourage the location of science based industry on the Island. The tax exemption law was amended to include research laboratories. Several of the large firms agreed to participate actively in the center. Here again the plan was allowed to languish. I would revive the concept.

In the meantime, the number one problem is still unemployment. Until this is solved, it is unthinkable to close down factories or discourage new investment by the indiscriminate application of US Mainland wage standards. For as long as necessary, I will continue to press for the selective application of minimum wages to each industry in order to preserve its capacity to create new employment opportunities.

A new approach to agriculture is indicated. While I do not pretend to a complete blueprint, I know that simply pouring subsidies into a declining sector is no solution. An active, promotional program is called for that will provide incentives to the farmer to maximize efficiency and concentrate on those products which offer him the greatest opportunities. Obvious targets are replacement of some of the over $400 million of food imports into Puerto Rico and the huge market here on the Mainland for tropical and out of season products.

We must not overreact to the failures and ineptitude of the present Administration. Such things as the chaos in Fomento, the irresponsible statements about applying Federal minimum wages and abolishing tax exemption, and the lack of flexibility in the mandatory Christmas bonus have tended to discourage investors from coming to Puerto Rico. Despite all this, Puerto Rico still offers the greatest opportunities for investment of any area within the American constitutional system. The differential in average hourly earning is about $1.50; tax exemption up to 17 years is obtainable; a huge pool of willing, trained, and trainable workers is available, transportation is usually fast, reliable, and economical; and all utilities are present in abundance. I have every confidence that the people of Puerto Rico will maintain this irresistible investment climate. We will not allow the fruits of twenty years of upward climbing to go down the drain. We respect performance, not empty semantics.

RISING RESENTMENT TOWARD WELFARE

Mr. HANSEN. Mr. President, I have been urged by some to get on with Senate approval of the family assistance plan included in H.R. 1, the House-passed Social Security Amendments Act of 1971. The whole thrust of welfare reform is toward a reversal of the miserable failure of the present program under which more millions are added each year to welfare rolls.

Mr. President, there is no question, as far as I am concerned, that those who are unable to provide for themselves should be provided for. Such sound and worthwhile programs of assistance to the aged, the blind and disabled should not only be continued but improved. As Senator RUSSELL LONG said in a recent speech to this body, those programs make sense, they meet the needs of people, they assure social and economic justice.

But, Mr. President, if the present program for aid to families with dependent children is allowed to continue to proliferate, the U.S. taxpayer may join the ranks of the demonstrators for or against one cause or another and, Mr. President, I honestly believe the long-suffering U.S. taxpayer has more cause for complaint than any of the so-called minority groups who protest so vociferously and often violently for one cause or another.

I agree with the question posed by Senator RUSSELL LONG in his recent speech here—"Welfare Reform—Or Is Git?"

No member of the Committee on Finance of which he is chairman, and on which I serve, opposes welfare reform. But most of us want to be sure, before we make such a drastic change as proposed in H.R. 1, that what we do is truly welfare reform rather than a continuation or proliferation of a program that has obviously been a miserable failure.

The statistics are proof enough—since 1960 when recipients under the program numbered 3,073,000—aid to families with dependent children—until 1970, recipients increased by 215 percent to 9,660,000.

Now we are told that the program should be further expanded to add another 10 million or so people to welfare rolls.

The idea in the first place was to offer these people the opportunity of becoming self-sufficient. These are able-bodied people who are physically and mentally endowed with the attributes and capabilities of taking care of themselves. They are not physically or mentally handicapped and, therefore, not eligible for aid to the aged, blind, or disabled.

Mr. President, I know of nothing in the constitutional requirements of our great Nation—even under some of the most recent interpretations—that says the American taxpayer and the Government he supports owe anything more to any other American citizen than the opportunity to a job—not the guarantee of a job or any minimum income.

I do not question the changing times, Mr. President, nor do I question the need or absolute necessity of true welfare reform, and I firmly believe the President's new economic plan will go far toward undoing the damage of the ruinous inflation he inherited from the previous administration and restore the economy to a sound basis of progress, prosperity, and job development.

Job development is the answer to the problem rather than a continued sapping of the economy by bleeding the American taxpayer to death.

Mr. President, a recent column written by Jenkin Lloyd Jones emphasizes what I am talking about. His warning that a nationwide taxpayer's revolt may be gathering, should be heeded by all of us in the Senate, particularly by those who insist on proliferating the errors of a program that has failed miserably in accomplishing what it was intended to do.

I ask unanimous consent that the column entitled "Rising Resentment Toward Welfare," be printed in the RECORD.

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

RISING RESENTMENT TOWARD WELFARE

(By Jenkin Lloyd Jones)

It may be an unthinkable thought, but it is possible that at this moment the United States is passing through the Golden Age of Welfare.

The thought will be hard to get used to, for we have been well-conditioned to think of ever-expanding social agencies, ever-proliferating social workers and ever-escalating welfare costs.

But there are a few wisps of black cloud scudding across the sky, a few storm signals beginning to flutter. For a nationwide taxpayers' revolt may be gathering.

You see it manifested in the ever-more-frequent defeat of local bond issues. A year or two ago only "frills," that public improvements people could easily do without, were failing in the bond elections. Now "nuts-and-bolts" items—water works, disposal plants, street projects, schools—are beginning to have trouble.

People first express their tax anger at those expenditures they can most directly control, which are local. State expenditures are more remote, federal spending remoter still. But distaste for rising taxes can eventually be felt as far away as Washington.

It is a political truism that the poor do not control spending in any field, not even spending in their own behalf. The nonpoor do, for they are in the majority. Poverty programs,

therefore, depend upon the enthusiasm, or at least the acquiescence, of the nonpoor. When the nonpoor get turned off, the programs will languish.

We may, therefore, be approaching the time when the best political speech will not be the one in which every paragraph begins: "We must do more. . . ."

For taxes are drawn from the fruits of labor and risk. And where poverty programs fail to produce desirable results, those who labor and risk will eventually express their disillusionment. Compared to the vast group which contributes more to government than it asks from it, the clout of those who ask more from government than they contribute to it is feeble.

This may be the reason why recently you haven't seen "many poor people's marches" led by Rev. Ralph Abernathy. Or welfare pickets parading around the state capitol or city hall. They aren't going over so well any more. The cabdrivers are angry, the bartenders cynical, the store clerks sarcastic.

The idea that there is a nobility attached to the perpetually poor dies hard among aristocratic "liberals," whose contact with them is sketchy. Perhaps they subconsciously seek to atone for their coming-out parties and their prep schools by "identifying" with the losers. It is a form of instant humanitarianism, even if they keep guards at their gates.

But there are no such illusions among the working proletariat. They have been poor. They know struggle. The have few tears for nonstrugglers.

Candidates may soon discover that it is no longer politically rewarding to demand still greater appropriations for welfare programs that have apparently failed. Failure is becoming too plain. The rise of dependency, irresponsibility and crime, even as outlays for their cure have risen, can no longer be shrugged off. Americans will not underwrite ever-growing chaos with ever-larger checks forever.

Yet there is much the public money can do to uplift the poor. We are simply very new at this idea of national charity. We had no experience to go on. For the first time in history we told a man that subsistence would be guaranteed him whether he chose to work or not, and some of us are aghast that many have chosen not.

We told ourselves that human beings asked only opportunity. This is not true for many human beings. Slums are characterized by empty libraries and full beer joints. Poverty is often the result of a lack of purposeful organization within the individual, himself.

Under the lash of necessity even a disorganized man will struggle to eat. Remove that necessity through free charity and the struggle ceases and endless demands for more begin.

We learn from experience. We should now have enough experience with welfare to know that some theories don't work. But the sociologists will not audit them, for many are their own brainchildren. Many politicians will not audit them because they authored the welfare bills.

So angry taxpayers will enventually grab the meat ax. And the danger is that good programs will suffer with the bad.

THE ECONOMY: DISMAL STATISTICS

Mr. HUMPHREY. Mr. President, the third quarter economic statistics were released yesterday, and, in the words of Washington Post financial editor Hobart Rowen, the performance of the economy even with the administration's policy changes is "just plain dismal."

The composite indicators published by the Commerce Department show an overall 0.3 percent decline in the performance of the economy.

The GNP indicator rose 6.3 percent—but half of this gain was due to inflation, leaving only 2.9 percent increase in real growth—pitifully lower than the 4 percent needed just to keep pace with the steady increase in the labor force. What this clearly means is more unemployment.

No one can read these figures and come away satisfied. What they show is what many of us have known all along.

The policies of the Nixon administration are just inadequate to move the economy of this country.

They fail in three prime areas:

First, there is not enough fiscal stimulus for the average working man or the average consumer.

Look at the tax proposals which the President has sent to Congress. There is little here that would give the economy a badly needed shot in the arm. Consumers get less than one-third the relief promised the corporate interests. And, only yesterday, the Secretary of the Treasury came to Congress requesting more for big business while saying little about small business. In 1968, for example, the Small Business Administration's direct loan funds were at a level of $320 million. Today, when there is great need for an expanded program of direct loans to small business, the funds have been cut to just $90 million.

And, the administration shows no concern for the plight of the family farmer. Farm income is at depression levels. Farm parity is only 68. And the Nixon administration lacks an effective program for the most independent of all free enterprise—the family farm.

With these kinds of programs, no wonder average Americans have little to cheer about.

Second, there is a glaring lack of confidence on the part of business, financial, and investment circles—not to mention the lack of confidence of the American consumer—over the Nixon administration's management of the economy. Savings rates hover around 8 percent of total disposable income. Consumers are uncertain as to what the Nixon administration plans next. This uncertainty is reflected in an attitude of clear expectation that prices will continue to rise in the next few months. And, for the 11th consecutive session, the stock market continued its slump. Brokers feel that the selling of stock reflects a lack of concrete evidence that the Nation's business has improved since the changes announced August 15.

The recent Gallup poll, with 63 percent of the Nation expecting higher prices and only 34 percent believing prices would level off, should be a strong indicator to the administration that it is failing to hold down prices.

And, why should we expect the administration's present policies to succeed?

There is little active effort to insure that manufacturers and merchants adhere to the freeze. Complaints from consumers are increasing. And, according to the Cost of Living Council and the Office of Emergency Preparedness, few if any merchants and manufacturers have complied with regulations to post their prices. The OEP originally set October 15 as the compliance date. Then, this was changed to November 1. Yesterday, the Secretary of the Treasury, testifying before Congress, said that the Cost of Living Council was going to suspend that ruling. His statement was quickly "clarified" later and the result now is that merchants will only have to respond to specific inquiries rather than providing the information for all consumers.

The wishy-washy attitude of the administration on the cost of goods gives the American people little cause for confidence and trust that prices will be stabilized.

Finally, the administration lacks a positive policy for job creation.

The administration said that removing the auto excise tax would increase jobs, but motor company officials have said that additional employees would not be hired until present employees working overtime could not handle the demand.

They said that the 7-percent investment tax credit would help—but the economy is still moving along at less than 75-percent capacity—and few major corporations need new machinery as much as they need customers.

What the administration just does not understand is that the No. 1 domestic priority of this Nation is jobs, jobs, jobs, jobs.

The administration has but one plan for dealing with the unemployment problem—ignore it.

But I say that when the unemployment rate in the construction industry is over 10 percent, then we need jobs.

When teenage unemployment is over 17 percent, I say we need jobs.

When unemployed workers lose their compensation benefits at the rate of over 45,000 a week, I say we need jobs.

If we are ever going to solve the problems of the economy, if we are ever going to get the trust and confidence of the investor and consumer, if we are ever going to reduce unemployment and decrease inflation, then we are going to have to have programs that invest in people.

There are things to do:

First, immediate tax reform to provide consumer purchasing power and to encourage business investment;

Second, increase farm income;

Third, stimulate the housing market through liberalized credits and loans, interest subsidy for low-income housing, and rent supplements;

Fourth, accelerated and expanded public works to put people to work;

Fifth, public service employment and extend unemployment compensation benefits;

Sixth, immediate passage of welfare reform;

Seventh, financial assistance to our cities and rural America;

Eighth, the creation of a National Development Bank;

Ninth, the establishing of a Rural Development Credit Bank.

Above all, it means domestic development enterprise, and the investment of our resources in people.

Mr. President, I ask unanimous consent that the column by Hobart Rowen and the articles by Carole Shifrin and Michael Stern be printed in the RECORD.

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

ECONOMIC INDICATORS OFF IN SEPTEMBER

(By Carole Shifrin)

A key government index of business activity declined in September for the second month in a row, indicating that the administration's new economic policies may not have had the impact anticipated.

A 0.3 per cent decline in the Commerce Department's composite index of leading indicators—which tends to foreshadow movements in the general economy—suggests that the economy may still be more sluggish than the administration had hoped.

In another report, the Labor Department said that productivity measured by output per man-hour, increased at an annual rate of 4.3 per cent in the third quarter, compared to a 3.4 per cent gain in the second quarter. But it attributed the greater increase to an unusually sharp rise in output per man-hour in agriculture. In the non-farm sector, productivity rose at an annual rate of 2.1 percent, substantially below the second quarter 4.3 per cent increase and the first quarter 7.1 per cent gain.

Harold C. Passer, assistant secretary of commerce for economic affairs, urged that the business activity figures be interpreted cautiously.

"The leading indicators of business activity have historically been good predictors of economic trends because they are especially sensitive to the changes that characterize economic expansions and contractions." Passer said. "The leading indicators, however, may not immediately reflect the economic impact of major and abrupt changes in economic policy.

"The September figure may not yet fully reflect the stimulative effects of the administration's New Eocnomic Policy which was announced in mid-August."

The 0.3 per cent September decline in the index, to 126.5 per cent of the 1967 average followed a 0.1 per cent August decline (originally reported as a 0.9 per cent decline but revised upward in yesterday's report.)

Five of the eight indicators available for September declined while three advanced. Those which improved were industrial raw materials prices, up 1.3 per cent; common stock prices, up 2.3 per cent, and initial claims for unemployment insurance, which declined from an average of 327,000 to 324,000 a week.

Those that declined are plant and equipment orders, down 7.9 per cent; new orders for durable goods, down 3.9 per cent; housing permits, down 1.9 per cent; average manufacturing workweek, down 0.5 per cent, and manufacturing price-labor cost ratio, down 0.6 per cent.

Twelve indicators comprise the index, but four are never available until later and sometimes cause revisions in subsequent months.

Passer also pointed out that on a quarterly basis the index scored its third consecutive gain in the third quarter. The pace of improvement has clowed considerably, however, on a quarterly basis.

GOALS ELUDING NIXON: THIRD QUARTER ECONOMY "JUST PLAIN DISMAL"

(By Hobart Rowen)

The performance of the U.S. economy in the July-September quarter was just plain dismal, although the Nixon administration hasn't lost its talent for de-emphasizing bad news.

According to the Commerce Department's official data, the Gross National Product rose by a rate of only $15.9 billion, or 6.3 per cent, to a seasonally adjusted annual rate of $1,059 billion.

Since more than half the gain was due to inflation, the real rate of growth was only 2.9 per cent or well below the 4 per cent rate that the economy needs to keep up with the steady growth in the labor forces; anything less simply assures higher unemployment.

The crumb of satisfaction that the administration economists wrung out of the poor 3rd quarter picture was that the GNP "deflator"—the best measure of inflation in the economy as a whole—dropped to 3.3 per cent from 4 per cent in the 2nd quarter.

But the hard real significance of the GNP numbers is that the progress of the U.S. economy in moving out of the 1969–70 recession is not satisfactory.

It is not just the certainty that the GNP will hit only about $1,050 billion for the year as a whole, and not the administration's extravagant $1,065 billion forecast; that had long since been foredoomed.

The problem is that unless the economy is pushed forward with more vigorous steps, recent ebullient forecasts (such as Walter Heller's) that GNP in 1972 will increase by $100 billion or so may also become candidates for the ash-heap. None of Heller's Democratic colleagues have gotten out on that limb with him.

Let us stop and recall for a moment the rationale behind the price freeze and the Phase II of the wage-price controls program that will begin on November 14.

The argument has been that an "incomes policy"—vaguely defined as some sort of wage-price limits—was needed because:

1. There was a unique combination of unemployment and inflation (stagflation is the word used by some) that classic monetary and fiscal policy had failed to control.

2. In order, thus, to control inflation while expanding economic activity (so as to create more jobs) wages and prices would have to be held down by the government order.

3. With a wage-price control network in effect, expansionary moves to "get the economy moving again" could safely be undertaken.

Meanwhile, while official Washington has been pre-occupied with establishing the machinery for a Pay Board and Price Commission, the expansionary phase of the program is still stuck in the congressional mill. And the effectiveness of the key measure—the 7 per cent investment credit—is highly debatable, inasmuch as the economy is operating substantially under capacity.

The key indicators at the moment are not terribly encouraging about the future. Automobile sales, it is true, have risen sharply, but largely stimulated by the prospective repeal of the 7 percent excise tax. The auto sector, in fact, dominated whatever minimal gains there were in the 3rd quarter.

Consumer spending generally hasn't shown the response hoped—namely, a broad-scale advance predicated on the assumption that price controls would put a lid on inflation.

At the Business Council meeting a week ago in Hot Springs, the estimates of the economy for 1972 were anything but ebullient. Two of the leading corporation officials of the country said flatly that the investment credit might improve the profits picture in 1972, but not jobs or the GNP.

Ralph Lazarus, a keen analyst of consumer trends, finds the individual keeping a tight hold on his wallet while looking for real bargains in terms of quality. The head of Federated Department Stores, Inc., Lazarus said that an additional $20 to $30 billion in purchasing power could be released "if reasonable consumer confidence" were restored. This would require, Lazarus said, "greater determination on the part of business, labor and government."

And although the average person (unless he depends a great deal on imported goods or does much travel abroad) is less aware of the international implications of Mr. Nixon's New Economic Policy, the threat of a worldwide recession triggered by a trade war may be beginning to sift into consumer consciousness.

Many officials, notably Federal Reserve Chairman Arthur F. Burns, had been counting on a psychological lift from the price freeze: if businessmen and consumers were convinced that the cycle of inflationary expectations was finally broken, then they would spend their money freely.

But there is so much uncertainty about the form and the power of the Pay Board and the Price Commission, so much a wait-and-see attitude, that both businessmen and the average consumer seem uneasy. The concessions won by George Meany and the other labor leaders, and the failure so far to establish a wage yardstick, seem to have convinced Wall Street that while corporate prices may be pinned down, wages will be controlled with a loosely-woven sieve.

This, of course, would be a disaster: there is widespread support, among ordinary citizens, for controlling out-size wages and prices. The business community and ordinary citizen were way ahead of Mr. Nixon on this one, and it will be a shame if his long-delayed action now loses its impetus. A tough program is needed to make the thing work.

Politicians are well aware that the economy—jobs and prices—has supplanted Vietnam as the key issue for next year. Mr. Nixon, when he moved to freeze wages and prices, and "float" the dollar, converted, in a single stroke, what had been a "minus" issue for him to a potential plus. But to get votes on the economic issue he has to produce results, in terms of lower prices, reduced unemployment, and growth in the economy. So far, those real goals of his NEP have eluded him.

INFLATION PSYCHOLOGY CONTINUES

(By Michael Stern)

Evidence is mounting that a principal goal of President Nixon's economic program—breaking what Treasury Secretary John B. Connally has called "the inflationary psychology"—is not being achieved.

A Gallup poll released yesterday shows that 63 per cent of the people expect prices to continue to rise in the next six months. Only 34 per cent believe prices would hold at present levels or fall. The poll, which questioned a sampling of 1,506 adults in 300 communities around the country this month, corresponds to the findings of an earlier national sampling of 2,216 persons conducted by the Census Bureau in September. This found that only 33 per cent of the people believed the President's Aug. 15 freeze order had stopped the upward march of prices.

Another indicator was the sharp rise in the number of complaints about alleged freeze violations reported last week by the New York region of the Office of Emergency Preparedness.

The Federal office, which administers the wage-price freeze for the President's Cost of Living Council, said that after several weeks of declines, the number of complaints shot up from 700 received in the week ended Oct. 12 to 1,100 received in the week ended Oct. 19.

The number of inquiries about the freeze rules also rose in those weeks, from 14,700 to 17,600.

"Judging from the complaints and the inquiries," said John F. Sullivan, regional director of the Federal office, "public interest appears to be on the rise again."

The polls, the high level of violations complaints, samplings by unions, comments by constituents received by Congressmen, newspaper interviews with consumers and other evidence show that when such labor leaders as George Meany, president of the A.F.L.-C.I.O., and Victor Gottbaum, executive di-

rector of District 37 of the State, County and Municipal Employes, express strong doubts about the effectiveness of the freeze, as they have repeatedly in recent weeks, they are reflecting an opinion broadly shared by working people.

The sources of this widespread skepticism are not hard to find. One is the failure of most retailers to maintain lists of legal ceiling prices for customers, leaving consumers with no base lines against which to check their suspicions that prices are continuing to go up.

Commenting on the puzzlement of many New York householders. Henry J. Stern, first deputy commissioner of the city's Department of Consumer Affairs, told of his own frustration when he found a higher price pasted over a lower price on a box of dried apricots.

"Was it illegal?" Mr. Stern asked. "How could I tell? There wasn't any price list available so I could check."

The Cost of Living Council has required merchants to show ceiling prices to customers since the freeze was instituted in August. When it became apparent that the rule was not being obeyed, the Office of Emergency Preparedness set an Oct. 15 deadline for compliance.

PRICE INDEX RISES

When this failed to produce results and complaints mounted, the deadline was pushed back to Nov. 1 and modified, allowing retailers who had not prepared the lists to respond within 48 hours to specific requests for price information from customers.

The confusion was compounded yesterday when Secretary Connally told Congress that the Cost of Living Council would suspend the list requirement because merchants found it such a chore. Later, the council issued a clarification saying the list requirement would be retained but that merchants could choose as an alternative just to respond to specific inquiries even after Nov. 1.

Another source of the public's skepticism was the ambiguous performance of the Consumer Price Index in September, the first full calendar month of the freeze. The index, the most widely watched indicator of what is happening to prices, rose 0.2 per cent in the country and 0.5 per cent in the New York metropolitan area.

Some economists and officials of the Bureau of Labor Statistics, which prepares the index, said the rises indicated apparent violations of the freeze. Others asserted that the index really was an imperfect measure of the effectiveness of the freeze because it measures movements of both controlled and uncontrolled prices.

A less equivocal indicator of what has been happening to one major commodity in almost every family's market basket—meat—came in a New York Times analysis of State Department of Agriculture weekly reports on the prices of 27 different cuts of meat. The analysis showed the prices of 25 per cent of the cuts had been raised illegally.

The subtleties and sophistications of price indexes and marketing studies may be beyond the understanding of many consumers, but when all else fails there is the ultimate test for any family head—the evidence of his own pockets. And interviews with consumers show that many agree with a man in Flushing, Queens, who finished his weekend shopping at Kissena Boulevard and Elder Avenue and observed:

"You can see at the end of each week that you have less money left and you haven't bought any more food."

REVIEW OF FORMER PRESIDENT LYNDON B. JOHNSON'S BOOK "THE VANTAGE POINT"

Mr. BENTSEN. Mr. President, when the history of the turbulent years of the 1960's is written in proper perspective, free from the passions and the prejudices that mark so many contemporary writings about our Government, there will emerge one strong and consistent theme: President Lyndon B. Johnson was a patriot, a dedicated American, a man of intellect and capacity and one who did what he thought best. History will treat him kindly.

Today, Lyndon Johnson suffers much criticism at the hands of those who denigrate his presidency because in these times it is seemingly the fashionable thing to do. It has been very interesting to read the reaction to the Johnson book, "The Vantage Point" in some literary and journalism circles. Some of their remarks indicate that they intend to hold on to their firmly held views no matter what the facts may show. They refuse to admit that Lyndon Johnson, who was there and made the decisions, knows more of the activity of the White House during his term than do they.

One of the most balanced reviews I have read of the Johnson book is that of the noted historian and writer, James MacGregor Burns. Certainly Burns has the credentials to judge the book. His academic and professional credits are vastly superior to many of the contemporary writers who attempt to write history in their own view and without regard to the truth.

Because I believe what Burns has written, and that it accurately reflects an unbiased and perceptive look at the Lyndon Johnson book, I would like to insert into the RECORD his review from the Washington Post of October 28.

THE PRESIDENCY AS L. B. J. SAW IT

(Reviewed by James MacGregor Burns)

The Vantage Point: Perspectives of the Presidency 1963–69. By Lydon Baines Johnson

The reviewer is professor of political science at Williams College and author of "Roosevelt: The Soldier of Freedom."

This is Lyndon Johnson's book. He makes no pretense to objectivity—this is the presidency as *he* saw it during the turbulent Sixties. It is the memoir one hoped he would write—candid, intensely personal, sometimes passionate. While he seems to hold himself on a short tether, with praise for many and blame for few, both the exultation and the bitterness break to the surface as he portrays the triumphs and frustrations of his five years in the White House.

As a personal document, it is also a tribute to Lady Bird, who on this showing (and others) emerges as the most effective and important First Lady in this century, save for Eleanor Roosevelt. Anyone who doubts her influence on her husband need only consult, on page 93, the remarkable memorandum she gave him in May, 1964, on the question of whether he should run for a full term. Her conclusion: "Stay in." She warned him that the going would be rough, that he must pace himself, that after another term he would still be only a "mellow 60," and if he lost in November "it's all settled anyway"—and pretty soon they would have grandchildren.

Doubtless Johnson would have run in any event since he was absolutely committed to a big domestic program. Perhaps the most eloquent two pages in the book are not in the words of Lyndon Johnson but a list, in the front end pages, of the "landmark," legislative achievements of his presidency. "I remember all 207 of those laws," the former President now writes, "and the work and the worry that went into them . . . They were the tools with which we cleared up the old agenda and began work on the agenda of the future . . ."

If these constituted the triumph of his administration, Vietnam certainly was the tragedy. Johnson does not slight this part of the story; it runs like a dark skein all through the book. He describes day by day, sometimes hour by hour, the stupendous pressures that mounted on him as the nation became more and more fixed in the quagmire. Much of this he reports with an air of incredulity and of indignation—incredulity that Hanoi could continue to reject his peace offers with such implacable hostility (in an appendix he lists 72 peace initiatives that he accuses Hanoi of rejecting), and indignation that American doves could follow a "double standard" in assessing American and Communist behavior. That double standard, the former President argues, decisively impaired the possibility of real negotiation and thus lengthened the war.

Like other controversial Presidents, Lyndon Johnson says that he is willing to await the verdict of history. How will historians of the future rate this leader? They will, I think, puzzle over the difference in the strategy of Johnson the domestic reformer and Johnson the foreign and defense policy maker.

The first Johnson was the brilliant legislative leader fighting at the head of his troops. "A President cannot ask the Congress to take a risk he will not take himself," Johnson says in his book. "He must be the combat general in the front lines, constantly exposing his flanks." He gave the fight for his domestic program everything he had, he says, in prestige and power. On the civil rights bill especially he decided to "shove in all my stack," despite the advice of some of his advisers and staff members. During the middle years of his presidency he found that to exert leadership did not mean using up the resources of leadership; on the contrary, he went on from victory to victory, shoving in all his stack each time.

The basis of this success lay in the majority that Johnson planned to mobilize in 1964 and in the power that was his after the majority had been mobilized and a decisive victory scored over Barry Goldwater.

While the President courted and played with politicians all across the political spectrum, and while he paid obeisance to "bipartisan politics," in fact he depended on a broad coalition of liberals and laborites bunched toward the left end of the continuum. Like Jefferson and other strong Presidents, he was essentially a partisan, appealing to a huge constituency of the poor, labor, Negroes, and others who needed his leadership and his help.

The second Johnson was the bipartisan mobilizer of consensus. One of the troubles with the politics of consensus is that the idea is not very clear. Does it mean trying to represent all the people, or both parties, or all the major groups, or the combined congressional and executive leadership in Washington? Does it mean one cannot act without clearing policy with all the major leaders, in both parties? Or is it essentially symbolic, a kind of rallying cry for patriots or a comfortable banner for those who hate the divisiveness of democratic politics? Johnson feels that his approach to consensus was misunderstood. It was not, he said, a search for the lowest common denominator, for that almost invariably would lead to inaction. Rather consensus meant deciding what needed to be done, "regardless of political implications," and then convincing a majority of Congress and the American people of the necessity for doing what needed to be done.

Now that is a definition of leadership, not consensus. In fact the President followed that policy in domestic policy-making, but not in foreign, especially in Vietnam. As foreign

policy maker he made a fetish of clearing decisions with Everett Dirksen and a wide range of congressional leadership. In his Vietnam policy particularly he followed a kind of lowest common denominator. He pursued a middle way between doves and hawks, between those demanding escalation and those endlessly calling for bombing halts and negotiations. The middle way failed to work against the set strategy of Hanoi. And most ironic of all, the consensus strategy of this President who wanted to represent all the people left the nation more divided than it had been since the days of Bryan or perhaps even Lincoln.

One trouble with the strategy of bipartisan consensus is that it can inhibit policy rather than widen options. The most poignant aspect of this book is its portrait of a desperate, well-meaning man trying every tactical method, every channel of communication, every kind of minor concession, to win Hanoi's agreement to some kind of negotiations. The President never seemed to recognize that it was just as impossible for the North Vietnamese to give up the struggle in South Vietnam as it was for the Americans to quit the struggle and go home. Hanoi had a public opinion' problem too; after countless years of battle and bloodshed the Communists could not give up their effort to take over South Vietnam through invasion or subversion.

Johnson perceived quite rightly that any kind of coalition government that Hanoi would accept was bound to deliver the South Vietnamese into its hands sooner or later. But the President did not seem to feel that he had the latitude to try in his Indo-China policy the kinds of imaginative and daring alternatives that he had employed so successfully on the domestic front. Some observers, for example, had been urging for years that the United States foster a repartition of South Vietnam, yielding the Communists northern, upland and inland sectors, so that Hanoi might conclude that it could give up the struggle and still claim victory. There is no indication in this volume that the President tried this or other possible alternatives. Rather he was stuck with the policies of repeated bombing pauses, efforts to get negotiations started, and other tactical ploys that—we know now, and many knew at the time—never had a chance of succeeding.

It is largely because of Vietnam, I think, that the President concludes his book with the query as to whether he got too far out ahead of his troops, tried to move too far and too fast, gave the American people insufficient breathing spells. He even comes out for a six-year, non-repeatable term for Presidents, as though he had concluded that a President of all the people could do best if he did not have to win the endorsement of a majority of the people. He believes that he would have won re-election if he had stood again in 1968—but concedes that he would have lacked the kind of broad support necessary to an effective presidency.

One thinks of Harry Truman, who did not let his minority status and powerful enemies stop him from undertaking audacious aid programs abroad and civil rights efforts at home. Perhaps the chief lesson of Lyndon Johnson's book for Democrats in the 1970s is that the next Democratic President should take a partisan stance in both his domestic and foreign policies. Bipartisanship is essentially another form of gradualism and easily leads to paralysis of politics and policy. The tactics of consensus may sometimes help gain support for policies, but it should not be followed as an end in itself.

Still, there is much more in this book than the agony of Vietnam and the dilemmas of democratic politics. A picture emerges of a dedicated, compassionate and committed President—a portrait that I think will long survive the distortions of the last decade. Two of the author's observations will stick in my mind for a long time. One is his conclusion that "Politics goes beyond the art of the possible. It is the art of making possible what seems impossible." In domestic affairs and in many foreign accomplishments the President embodied that notion. The second is his reflection, on returning home for good to his beloved hill country, that he could hardly believe that he had shared the power and splendor of the presidency. "But on this night I knew I had been there. And I knew also that I had given it everything that was in me." And he had.

MEDICAL CARE IN RURAL AREAS

Mr. HANSEN. Mr. President, in many parts of the country there is a serious problem in delivering health care to people in rural areas.

While the problem is especially acute in the western part of the country, it is certainly not unique there.

Many government and private organizations are working to try to solve these problems. In a recent issue of AMA Update, the work of the AMA Council on Rural Health and the association's physicians' placement service is discussed.

Mr. President, I think it would be interesting and useful for Senators to have this information. It will perhaps suggest to them ways that communities in rural areas might solve some of their health problems. I ask unanimous consent that the article be printed in the RECORD.

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

IN RURAL AMERICA . . . AMA IS HELPING THE "HEALTH CARE" GAP

Helping improve health care services in rural America—where people are few, and doctors are scarce—is the concern of Dr. Bond L. Bible and Miss Katherine Hart. He heads AMA's Council on Rural Health; she is director for the Association's Physicians' Placement Service.

"The job of the Placement Service," Kathy Hart explains, "is to help communities find a physician, and vice versa. We work closely with placement services sponsored by state medical associations. In a year's time, we may receive 2500 to 3000 requests for a doctor, some of them from small, rural communities, and about the same number of requests from doctors looking for an opportunity to set up practice.

"But those numbers don't always balance We have more surgeons looking for locations than localities looking for surgeons, for example. And most rural communities want us to help them find a family physician, but there just aren't enough family physicians available."

"Paradoxically, most MD's who live and practice in rural areas enjoy their work; once he has established his practice there, a doctor isn't likely to move," Dr. Bible observes. "A reason many young medical graduates choose the cities and suburbs may be that they are not aware of the real pleasures of a country practice—such as warm and lasting friendships with their patients, opportunities for community leadership, closer ties with their own families, and the chance to indulge in occasional hunting or fishing."

Are there ways to make a rural area's search for a physician easier? "Yes, definitely," says Dr. Bible. "One suggestion would be to look for an MD who grew up in a small community, perhaps even in the same part of the country.

"A survey by AMA's Council on Rural Health indicates that many doctors establish their practices in communities like those in which they were raised. Nearly half of the MD's we polled who were practicing in towns of less than 2500 said they were brought up in a small town.

"For that reason, many small communities are encouraging their young people to take a medical education. About a third of the doctors we polled in isolated rural areas said they were practicing in the town they grew up in, or in a neighboring community. Another 30% said that friends had helped them decide upon their present locations.

"About 28% of the remainder told us they had been helped to find their present location through the AMA and state medical association placement services. That was particularly true in the more rural areas."

"Other good places for a small community to check are the nearest medical schools and hospitals," Kathy Hart suggests. "It's during his internship or residency that a young doctor often decides where he will locate. And chances are, several medical seniors, interns or residents will be from the surrounding area.

"Many communities have found it helpful to prepare a physician-recruitment brochure that describes the area, its economy, its medical needs, and available health resources," she says. "These can be circulated to hospitals, medical schools, medical associations and other places. AMA will gladly advise any community that wishes to design such a brochure."

"Another way AMA is helping sparsely-populated communities is to encourage programs that extend the available medical services to a wider geographic range," Dr. Bible says. "Thanks to today's automobiles and roadways, a doctor may be 15 or 20 miles away in distance, but only minutes away in time.

"When feasible to do so, we urge groups of communities to establish a centrally-located medical center or group practice, together with mobile health units or satellite health stations. Such arrangements have proved beneficial to MD's and patients, alike.

"We're trying other approaches, too, in Washington State, for example, AMA is supporting a pilot project to improve delivery of health care services in a 4000-square mile area, with about five people per square mile.

"It's a team approach, basically, in which the area's eight doctors coordinate their own efforts, and those of physician's assistants (called Medex), nurse practitioners, social workers, and community health people. At the same time, the small rural hospitals have made referral arrangements with a large university medical center, some 275 miles away.

"Medex is a fairly new concept, in which former medical corpsmen, largely Vietnam veterans, are retrained to serve as physician's assistants. After 15 months of medical school and on-the-job training, an ex-corpsman is employed full time by an MD. Some 30,000 corpsmen and medically-trained technicians return to civilian life each year.

"In Washington State, where the program began, Medex sharply boosted physician productivity in rural areas, and quickly gained approval and respect, even among skeptical nurses, hospital staffs and patients.

"Now the program has been extended, with Medex in service or training in more than 25 other states. I expect it will be almost nationwide within a few years," says Dr. Bible.

CHINA AND THE U.N.

Mr. HUMPHREY. Mr. President, this week's vote in the U.N. has come to many as a swift shock. I have noticed a feeling of consternation over the fact that the American resolution was defeated and the Albanian resolution so resoundingly

accepted. Talk of retribution is in the air for the rebuke that the United States has suffered in its noble defense of a faithful friend and ally, the Republic of China. Proposals are being aired for a reduction in American support to the United Nations and for chastisement of recipients of American aid who voted against the United States resolution or for the Albanian resolution or both.

I am disturbed by this kind of talk, particularly because it is openly encouraged by high Government officials. I would hope that a clear denunciation of any attempts to sabotage the United Nations or carefully wrought friendships with other countries would nip these kinds of pernicious plans in the bud. If we were to do some of the things which have been suggested, we would be leading ourselves and the international community into a situation of great peril.

Rather than dwell on an event which was inevitable, it would be far more productive to discuss ways in which the UN can now be revitalized and made more relevant to the needs of the modern world. I suggested several preliminary steps which could be taken in an address marking the 26th anniversary celebration of the U.N. I proposed that structural reform get underway so as to have a system of world government which could better cope with the realities of a world system which revolves on an axis of the power and influence of a select group or groups of countries. More precisely, I suggested that a formula of weighted voting in the General Assembly be devised. I underlined the need to have a strong, reliable peacekeeping force whose mission would be far more comprehensive than the actual U.N. peacekeeping forces. I also mentioned the need to form such specialized agencies as a Commission on World Pollution which would be prepared to handle the political and human repercussions of rapid technological developments.

The list is endless of what can be done, and yet many of us here persist in dwelling on what was done. I personally place a great value in history and consider myself a student of it, but I do not understand the fixation some of us have on the past and the total lack of vision or caring with respect to the future.

I view the recent U.N. vote as a kind of purge, a backlash against an anachronistic policy which has finally had its day. Any judgment I make today is in the spirit of fairness and objectivity because certainly the policy which the United States so tenaciously held was as much the product of Democratic as Republican administrations.

I should say to begin with that I was not in favor of the expulsion of Taiwan any more than I was in favor of the exclusion of mainland China from the United Nations in recent years. But I think the chances for maintaining that position in the U.N. this year were very slim, especially considering the fact that last fall, a majority of the General Assembly voted in favor of the Albanian resolution for the seating of Peking. It is on the question of poor timing that I would criticize the administration.

I have not spoken out on this question until now because I did not choose to undermine the position of my Government, but now that the vote is over and the United States has by its own actions made the U.N. vote a humiliating defeat, I can no longer withhold my criticism.

The first point to be made is that the administration has blown the issue involved in the expulsion of Taiwan and the seating of mainland China totally out of proportion. The U.N. Charter discusses U.N. membership in terms of states and not governments. Mainland China will always be mainland China, and the signing of the U.N. Charter in San Francisco calls for the representation of China in the U.N. For over 20 years we conceded that the Nationalist Government of Chiang Kai-shek was the sole representative of the U.N. and a majority of countries agreed with this position. On that premise only Taiwan could be seated in the U.N. to represent China. Because a majority of nations have now accepted the fact that the People's Republic is the legitimate representative government of mainland China, they have concluded that only the People's Republic can represent China. Hence, by expelling Taiwan they have not expelled China or closed the door to some other formula for the representation of the Chinese people within the U.N. What the recent vote in the U.N. has done, instead, is to expel the Government of the Republic of China.

Therefore, when Ambassador Bush and Secretary Rogers reiterate the principle of universality, they should remember that the expulsion of Nationalist China in no way contravenes this principle. Universality is a question affecting states and not particular governments.

Second, by striking an overly moralistic tone to the question of dual representation, the administration deliberately played into the hands of those who seek to undermine the U.N. I joined with a number of other Senators in sending a letter to Ambassador Bush which reiterated our support for the U.N. and which clearly repudiated any attempt to link the results of the China representation vote with our participation in that body.

Third, the administration's management of the U.S. resolutions was a study in bungling. First of all, we submitted our resolutions to the U.N. as late as September 21 just before the reopening of the General Assembly. Before that, in July the President's announcement of his trip to Peking paralleled the reintroduction of the Albanian resolution calling for the seating of China and the expulsion of Taiwan. Here, the timing was strange indeed if we had a policy clear supporting dual representation. Further questions were raised when Dr. Kissinger scheduled his second visit to Peking at the time of the vote in the U.N. Undoubtedly, these moves influenced several countries' votes.

Finally, our failure to recognize the futility of what could at best be the postponement of China's representation in the U.N. for another year, led us to bargain and elbow other countries in a way that was bound to have a damaging effect on our future relations. This is particularly true in the case of Japan who was already backed into a corner by the sudden reversal of official policy towards China.

I cannot emphasize enough the importance of this last point. The vote is over and the United States still must deal with the same international community. Its economy and stability are very closely related to economy and stability of the world. If we continue to offend and badger, especially over a situation which is not beyond repair, we will wreak far greater damage.

Our mistake was to place so much national prestige on this particular issue. Our greatness and the greatness of any nation is to be able to reverse itself nobly, to work with the majority as well as with the minority of nations, and to view prestige ultimately in more substantive terms than a loss of a vote in the United Nations. We must in addition remember that the expulsion of Taiwan from the U.N. was a result of a U.N. vote. It should be clear that the U.N. vote in no way affects our own obligations as set out in the mutual defense and mutual security treaty between the U.S. and Nationalist China. That is why I think the U.N. vote should be considered for what it is—an acceptance of the legitimacy of the People's Republic's claim that it is the sole representative of China, and as such, should represent China in the U.N.

It is not for the United States to endorse the claims of one government or the other for the territory of Taiwan. This question should be decided peacefully with the consent of the Taiwanese people.

What the United States can do is to reiterate its intention to uphold its treaty obligations with the Republic of China and can reserve its right to withhold its own final determination of the sovereignty of Taiwan.

It should not be surprising that as U.N. membership grew, and as American influence waned because of many factors, that the majority will of the U.N. would be reflected in the vote on Chinese representation. Thinking positively as I will persist in doing, I view the U.N. vote as the symbolic end of an era, and the beginning of another where the United States has a key role to play the role of a constructive partner—not a dominating power. Now the most populated territory in the world will no longer be excluded from the international community. In that respect we can hopefully look forward to a more effective world order. The search for peace is a long and demanding task. It cannot be achieved in anger, self-pity, or petulance. Peace requires persevering patience and sustained strength in face of frustration and difficulties. We must be firm without being belligerent, resolute without being bellicose, strong without being strident.

HOSPITAL ADMISSIONS SURVEILLANCE PROGRAM

Mr. PERCY. Mr. President, I have been following with great interest the planning and development of the hospital admissions surveillance program—HASP—in Illinois, Congress should be

aware of the excellent support which Illinois doctors have given to the State's plan.

The surveillance program, which will provide a continuing review of hospital utilization by medicare/medicaid patients, will surely cut down the length of hospital stays and will help control Federal medical costs. The Federal Government simply cannot afford the high costs and inefficiencies of the medicare/medicaid program and must begin to study the benefits of regional hospital planning and better financing methods for medically indigent patients.

From all indications, Illinois has formulated a sound program with HASP. Its success is dependent upon the full cooperation of Illinois doctors in certifying the patient's need for hospital treatment. I commend our doctors in the Illinois State Medical Society for their early agreement to help work for hospital cost controls which are so clearly needed. Similar activity in other States would help to control spiraling Federal medical costs.

TERROR STALKS THE ELDERLY

Mr. PERCY. Mr. President, I invite attention once again to a problem which affects all of us, but which affects our elderly citizens with special severity. That problem is crime.

Many elderly citizens live in neighborhoods so rampant with crime that they are virtual prisoners in their apartments or houses. They are afraid to leave their homes to carry on such ordinary activities as grocery shopping or visiting friends. Because of the physical infirmities from which many of them suffer, such as poor eyesight or bad hearing, they are especially vulnerable targets for criminals.

While on a recent tour of the Woodlawn district in Chicago, I met an elderly woman who told me she was so frightened by the crime problem that she absolutely refused to leave her apartment after sundown. She said that when the sun goes down, she locks herself in as securely as possible, and yet she still lives in terror of what might happen to her because of repeated vandalism in the building.

In yesterday's Washington Evening Star, I noticed an article by David Holmberg about an 82-year-old woman who was senselessly raped and murdered earlier this week in Washington. If this incident were an isolated one, it would be tragic enough. But it is not an isolated incident. Elderly people who live in cities across the country live in constant terror. They are not only terrified of going out at night, but in many places, they are afraid to walk out in the daytime.

Already somewhat isolated by a society which fails to show its concern or respect for them, the elderly often find that the crime problem makes their isolation complete. There is no doubt that this problem affects their whole personalities, their outlook on life, and not least of all their health.

In summarizing the crimes that occur against aged people who live in poverty ghettos, Noel Tomas, northeast regional representative for the National Council on the Aging, told the Senate Committee on Aging this:

> There are the murders . . . the purse snatchings and assaults, check and mail thefts, the tying up of elevators in high-rise buildings, vandalism to windows, screens and doors for which the tenant must pay repairs if he cannot or will not identify the culprit—out of fear of retaliation—neighborhood fighting and rowdyism, window peeping, door knobs being tried all night long, lights kept on all night, elderly tenants staying up all night and sleeping during the daytime, young people spitting upon and speaking abusively to old people, running them down with bicycles, shooting BB's at them. There are many other indignities, harassments, shakedowns and attacks—all of this taking place in this Nation would lead one to believe we have created or allowed to develop a chamber of horrors for those golden years of life. We allow the destruction by physical terror and mental paranoia of our elderly poor.

Mr. President, I am not one to underestimate the difficulties of solving essentially deep-seated and complicated problems, but clearly, the terrorizing of our elderly people has got to stop.

There are no words strong enough to express my feelings of total shock, disgust and absolute heartsickness upon reading articles such as the one written by Mr. Holmberg in last night's Evening Star, about the 82-year-old woman who was raped and murdered.

Mr. President, I want to bring Mr. Holmberg's article to the attention of my colleagues by asking unanimous consent that it be printed in the RECORD.

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

[From the Washington Evening Star, Oct. 28, 1971]

THEY LIVE EVERY DAY IN FEAR

(By David Holmberg)

Down the curving driveway past the police car came the tiny elderly woman, a fragile figure so delicate and vulnerable it seemed she might be lifted away by a stiff fall breeze.

She is one of those aged women who live in constant fear on 16th Street—one of the anonymous elderly who spend the last years of their lives in a part of the city that is increasingly alien to them.

Elta Miller, 82, was one of those women, too, until Tuesday she became a statistic. The 230th murder victim in the city this year. She lived on the fifth floor of the Century Apartments at 2654 16th St., and some time early Tuesday night she was raped and smothered to death with a pillow jammed over her head.

Yesterday, the tiny woman walking down the apartment driveway to catch a bus had not yet heard that her neighbor had been murdered.

"Of course I know her," she said, "I live on the fifth floor, too. Oh, how awful. How awful."

She said that about 8 p.m. the night before—about the time that Mrs. Miller had been killed—she had heard a loud knock at her door.

"I didn't answer it," she said, "I didn't even ask who was there. I never answer my door any more. If some of my friends are coming over, they call first. And if someone in the building comes, they say who they are."

She said that after the frightening, persistent knock on the door, she called one of the neighbors, who said: "You didn't answer it, did you? It might have been someone just going up and down the halls knocking on doors, hoping someone would let them in."

The woman did not think about the strange knock until yesterday morning when she walked by Miss Miller's door and saw a police notice on it saying the room had been sealed off.

"I saw that, and I wondered what had happened. The man who killed her could have been the one who knocked at my door, couldn't he? Or maybe it was the police, but wouldn't they have said who they were?"

She said she had lived in the building 13 years. Although there has been relatively little crime there, she has been robbed three times in other places.

"I'm scared to death of the city," she said.

Miss Miller, the woman said, was a retired government clerk who had lived in the building for "several years." She was "such a kind and nice neighbor," the woman said, and she was almost totally deaf.

"If anybody got in and tried to talk to her, tried to tell her to do something, she couldn't have heard a thing. I could talk to her because she could read my lips. She used to say that my lips were easy to read."

Another resident of the building, Evelyn DeStrito, said she had been afraid to leave her apartment that morning because she knew something had happened. She finally walked a few feet to her sister's waiting car, but she was still frightened. Her sister lives in Virginia, and had moved there from the District not long ago.

"I'd like to move too," Mrs. DeStrito said, "but I can't afford it." She said her pocketbook has been snatched twice, and she does not go out at night at all anymore.

WORK OF LOCAL CHAMBERS TO IMPROVE SOCIAL CONDITIONS IN CITIES

Mr. SAXBE. Mr. President, the Chamber of Commerce of the United States has recently completed a survey of 347 local chambers of commerce which shows that these local business groups are spending millions of dollars to improve social conditions in American cities.

This study was done by the National Chamber under the guidance of William Adams II, president of the Greater Cleveland Growth Association and two other men, Amos Martin, executive vice president of the St. Paul Area Chamber of Commerce and Harry Hall, president of the Michigan Chamber of Commerce.

These three men are members of the National Chamber's Urban and Regional Affairs Committee and composed the subcommittee under which the survey was conducted by National Chamber Urban Affairs Committee staff executive Ivan C. Elmer.

Mr. President, I ask unanimous consent that the press release explaining the survey be printed in the RECORD.

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

CORPORATE INVOLVEMENT IN URBAN PROBLEM SOLVING FINDING NEW STRENGTH IN LOCAL CHAMBERS, SURVEY SHOWS

WASHINGTON.—Millions of dollars from the nation's business community are going to improve social conditions in American cities by a route which is rarely noticed by the general public, a Chamber of Commerce of the United States survey released today shows.

This route is the local chamber of commerce, the organization through which business is investing a growing amount of funds for solving urban socio-economic problems and, as a result, improving the general community and business climate as well.

This type of survey of local chambers is the first to be taken by the National Chamber in its 59 year history. It shows an added dimension of corporate and business contributions to resolving the problems plaguing American cities.

The 347 local chambers responding report spending more than one-fourth of their income in ten general social problem areas: Consumer protection; crime prevention; education; environmental quality; manpower; minority enterprise; model cities; urban renewal; transportation, and youth involvement.

In the transportation field, for instance, the respondents report initiating 567 programs to improve problems affecting air, rail, public transit, automobile and parking problems.

The responding chambers are spending $13.5 million on social problems this year, 26% of their total income. Ninety five per cent of these same organizations indicate such goals will become an even greater part of their expenditures in the future.

Further evidence that attacking such problems is good for the local chambers is revealed in overall spending by these units, the National Chamber survey shows. Local chambers who report specific spending for socio-economic programs average 15 per cent more income than those who are not involved in such activities.

The use of local chambers of commerce and/or trade associations is often overlooked as a way of corporate involvement, the Chamber federation believes. This survey shows that business in communities ranging from less than 5,000 inhabitants to more than one million citizens are actively engaged, through their local chambers, improving their communities.

RESIGNATION OF POSTMASTER WINTON M. BLOUNT

Mr. FONG. Mr. President, several hours ago I received a call from Postmaster General Winton M. Blount, advising me that he had submitted a letter of resignation, effective today, to the Board of Governors of the U.S. Postal Service. The Postmaster General is returning to private life in Alabama after guiding the Post Office Department into a new era as the U.S. Postal Service.

Mr. Blount was nominated to be Postmaster General by President Nixon on January 20, 1969, and his nomination was confirmed on that same date. Even before he was sworn in as Postmaster General "Red" Blount had begun a very meticulous and thorough study of the operations of our postal system. When he appeared before the Senate Committee on Post Office and Civil Service for his nomination hearing, he exhibited a very impressive understanding of our postal problems and a dedication to improving them.

During the past 2½ years his mark on our country's postal system has become indelible. He has instituted many momentous changes for the betterment of postal operations. First, on his recommendation, Congress removed the requirement for Senate confirmation of nominations of postmasters, thus eliminating political considerations in their selection.

Then, with President Nixon's full support, Postmaster General Blount recommended landmark legislation to establish the new U.S. Postal Service as an independent Federal agency. This legislation also removed the Postmaster General from the President's Cabinet. Congress gave detailed consideration to this proposal and on August 12, 1969, after over a year of very difficult and highly controversial committee, floor, and conference action, the Postal Reorganization Act finally became law.

The new Postal Service is indeed a credit to the hard work and dedicated efforts of Postmaster General Blount in his determination to achieve for all Americans a postal system removed from the spoils of party politics and to improve the transportation of the mail to every village, city, and State of our great country.

The tasks undertaken by Postmaster General Blount during his tenure as head of our postal system have been awesome and he has succeeded in many of them. He has faced much opposition from many sides in attempting to implement the reforms he felt essential to improving the delivery of our mail. He has succeeded where many of his predecessors failed.

Although many things still remain to be done in the Postal Service, Postmaster General Red Blount has left a fine legacy to his successors.

I deeply regret that "Red" Blount has deceided to retire as Postmaster General. But before he retires, I wish to express to him my heartfelt thanks for a job well done.

I am confident that all Americans join me in this expression of thanks and in wishing him well.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

FOREIGN ASSISTANCE ACT OF 1971

The PRESIDING OFFICER (Mr. BURDICK). In accordance with the previous order, the Chair lays before the Senate the unfinished business, which the clerk will state.

The assistant legislative clerk read as follows:

H.R. 9910, an Act to amend the Foreign Assistance Act of 1961, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Missouri (Mr. SYMINGTON).

CALL OF THE ROLL

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged equally against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

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

[No. 277 Leg.]

Allen	Fulbright	Spong
Baker	Griffin	Symington
Buckley	Mansfield	Talmadge
Burdick	McIntyre	Young
Byrd, W. Va.	Metcalf	
Cotton	Scott	

The PRESIDING OFFICER. A quorum is not present.

Mr. BYRD of West Virginia. Mr. President, I move that the Sergeant at Arms be directed to request the presence of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After some delay, the following Senators entered the Chamber and answered to their names:

Aiken	Eastland	Montoya
Allott	Ellender	Moss
Anderson	Ervin	Nelson
Bayh	Fannin	Packwood
Beall	Fong	Pastore
Bellmon	Goldwater	Pearson
Bennett	Gravel	Pell
Bentsen	Gurney	Percy
Bible	Hansen	Proxmire
Boggs	Hart	Randolph
Brock	Hartke	Ribicoff
Brooke	Hatfield	Roth
Byrd, Va.	Hollings	Saxbe
Cannon	Hruska	Schweiker
Case	Hughes	Smith
Chiles	Humphrey	Sparkman
Church	Javits	Stafford
Cook	Jordan, N.C.	Stennis
Cooper	Kennedy	Stevens
Cranston	Long	Stevenson
Curtis	Magnuson	Tunney
Dole	Mathias	Weicker
Dominick	McClellan	Williams
Eagleton	Mondale	

Mr. BYRD of West Virginia. I announce that the Senator from Georgia (Mr. GAMBRELL), the Senator from Oklahoma (Mr. HARRIS), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. JACKSON), the Senator from Wyoming (Mr. MCGEE), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from Maine (Mr. MUSKIE) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Idaho (Mr. JORDAN), the Senator from Iowa (Mr. MILLER), the Senator from Ohio (Mr. TAFT), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from South Carolina (Mr. THURMOND) is absent on official business.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the House had passed the bill (H.R. 11423) to extend the Federal Water Pollution Control Act un-

til January 31, 1972, in which it requested the concurrence of the Senate.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending amendment be laid aside temporarily until a later time during the day and that in its place the distinguished Senator from New York (Mr. BUCKLEY) may be recognized to offer his amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The Senator from New York is recognized.

FOREIGN ASSISTANCE ACT OF 1971

The Senate continued with the consideration of the bill (H.R. 9910) to amend the Foreign Assistance Act of 1961, and for other purposes.

AMENDMENT NO. 536

Mr. BUCKLEY. Mr. President, I call up amendment No. 536 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 29, line 22, after "SEC. 108.", insert the subsection designation "(a)".

On page 31, between lines 5 and 6, insert the following new subsection:

"(b) The Congress strongly urges the President to undertake such negotiations as may be necessary to implement the portion of the recommendations of the Report of the President's Commission for the Observance of the Twenty-fifth Anniversary of the United Nations ('Lodge Commission') which proposes that the portion of the regular assessed costs to be paid by the United States to the United Nations be reduced so that the United States is assessed in each year not more than 25 per centum of such costs assessed all members of the United Nations for that year.

Mr. BUCKLEY. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 5 minutes.

Mr. BUCKLEY. Mr. President, I do not think this is a very complicated amendment. What it does in effect is to have Congress endorse the recommendation of the Lodge Commission report, the report of the President's Commission for the Observance of the 25th Anniversary of the United Nations, in which the members of the commission went to considerable pain to point out that there is too large a financial dependence in the United Nations on the United States and that this is unhealthy for the world body and unhealthy for the United States.

The Commission report urged therefore, that working within the United Nations, we negotiate a ceiling on the amount of our contribution, which currently stands at 31.5 percent.

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

Mr. BUCKLEY. I yield.

Mr. PASTORE. Mr. President, would the Senator oblige me by including my name as a cosponsor of the amendment?

Mr. BUCKLEY. I would be delighted to do so.

Mr. President, I ask unanimous consent that the name of the Senator from Rhode Island (Mr. PASTORE) be listed as a cosponsor of my amendment No. 536.

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

Mr. BUCKLEY. Mr. President, this is a very simple proposal. We urge that negotiations be initiated within the United Nations so that the mandatory assessment of the United States may be reduced to not higher than 25 percent.

Given the number of the countries now in the world body, given the fact that other countries have gained in prosperity and economic potential, and given the fact that the total mandatory costs of the United Nations are low enough so that they could be more equitably shared by the world community, I urge that the Senate adopt the amendment.

Mr. FULBRIGHT. Mr. President, I certainly favor the Senator's amendment. It is part of the Lodge Commission report.

There are many reasons why we should reassess our role in the U.N. But I do not want this to be understood as a reaction to the recent vote in the United Nations. This is a recommendation that was in the Lodge Commission report long before the United Nations vote.

The amendment is sound. I shall support it and vote for it. I will be happy to take it to conference. Does the Senator wish a rollcall or voice vote? I am perfectly willing to take the matter to conference.

Mr. BUCKLEY. Mr. President, I am delighted that the chairman of the committee has also endorsed the proposal. I believe the entire membership of the Senate feels that the time has come for a more realistic sharing of the burden.

Mr. President, before action on the amendment, I ask unanimous consent to have the name of the junior Senator from Texas (Mr. BENTSEN) listed as a cosponsor.

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

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

Mr. BUCKLEY. I yield.

Mr. PELL. Mr. President, I see the objective of the amendment, and I am in great sympathy with the objective. However, I wonder if it is realized that the assessments now are based on a formula reflecting relative gross national product and the national income of countries.

If we agree to the amendment, we would be saying that maybe we should have a different formula adopted instead of saying that, unilaterally, the United States wants better treatment under the present formula than other nations.

Mr. BUCKLEY. That is a correct statement. It is quite clear within the report that we would be working within the United Nations and urging a shift in the formula that would lessen the burden unilaterally borne by the United States.

Mr. BIBLE. Mr. President, I have had continuing problems with the extent of our Government's financial participation in the United Nations. I heartily agree that the time is ripe for a critical reevaluation of our U.N. spending, and I strongly support the amendment of the distinguished Senator from New York.

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

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

The PRESIDING OFFICER. All time having expired, the question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to.

Mr. PASTORE. Mr. President, let the record show that the senior Senator from Rhode Island voted in the affirmative.

Mr. GRAVEL. Mr. President, let the record show that the junior Senator from Alaska voted in the negative.

Mr. ROTH. Mr. President, let the record show that the junior Senator from Delaware voted in the affirmative.

Mr. ERVIN. Mr. President, let the record show that the senior Senator from North Carolina voted in the affirmative.

AMENDMENT NO. 554

Mr. GRAVEL. Mr. President, I send an amendment to the desk and ask that it be stated. It is my amendment on universality in U.N. membership. It was submitted yesterday and is not printed by the Printing Office as yet.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

TITLE V—UNIVERSALITY IN UNITED NATIONS MEMBERSHIP

SEC. 501. The Congress hereby finds that to achieve universality of membership in the United Nations would significantly enhance the ability of that body to preserve international peace and to carry out its other responsibilities for promoting and maintaining world cooperation as set forth in the United Nations Charter. Therefore, to that end, it is the sense of the Congress that it should be the policy of the United States actively to support the admission to membership in the United Nations of the Republic of China, the Federal Republic of Germany, the German Democratic Republic, the Republic of Korea, the People's Democratic Republic of Korea, the Republic of Vietnam, and the Democratic Republic of Vietnam.

The PRESIDING OFFICER. Who yields time?

Mr. GRAVEL. Mr. President, I yield myself as much time as I shall require to explain the amendment.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. GRAVEL. Mr. President, I would hope that the chairman of the committee would look upon this amendment favorably.

The crux of the disappointment and the disagreement that exists in the United Nations, as I see it, is the fact that the Island of Taiwan, the Republic of China, numbering 14 million or more people, should, because of its very number, occupy a seat in the United Nations. The action of the United Nations in expelling a nation with that many people was intransigent. There are nations who are members of the United Nations and have a smaller number of people.

Yet those nations were voting on the expulsion of Taiwan.

The whole theory behind the amendment is the theory of universality; that is, that if we are going to have a union of nations of the world, all nations of the world should be able to have membership in the organization.

In fact, there is the example of a twenty-year effort by this nation not to permit the Peoples' Republic of China to have membership, and this laid the groundwork for the rejection of our foreign policy in the United Nations this week. I personally feel from my visits to Europe, which have not been as extensive as the visits of many other members of this body, that the heart of the difficulties we have in Europe is the fact that we have an East Germany and a West Germany, and we choose not to recognize East Germany. This has been responsible for their intransigence.

Were they to be admitted we might lay a real foundation for peace in Europe. We have the same situation in connection with Korea, and in Vietnam. In 1957 Khrushchev suggested that we have North and South Vietnam in the United Nations. Could anyone doubt that had both North Vietnam and South Vietnam been admitted to the United Nations in 1957 we would not have the difficulties we have today?

So all of these situations have arisen because we have been party with others not to allow universality, which means to get everybody in that organization, friend or foe, because in that way we stand a better chance to resolve the difficulties, since there would then be a better chance to face each other across desks rather than across barricades and border lines.

The amendment is not very long and I would like to read it for the Senate. I believe it goes to the heart of our world difficulties. I think this body aspires to this principle. The reaction we have seen all this week results from the fact that the Republic of China was expelled. I think my amendment solves that problem in a constructive fashion.

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

Mr. GRAVEL. I yield.

Mr. PASTORE. Is the purpose of the amendment of the Senator from Alaska that East Germany be admitted to the United Nations as a sovereign government?

Mr. GRAVEL. That would be the end result of it, yes; as a policy decision it would be an end goal. I will read the amendment so that it will be clear. The amendment would add a new section, which would state:

TITLE V—UNIVERSALITY IN UNITED NATIONS MEMBERSHIP

SEC. 501. The Congress hereby finds that to achieve universality of membership in the United Nations would significantly enhance the ability of that body to preserve international peace and to carry out its other responsibilities for promoting and maintaining world cooperation as set forth in the United Nations Charter. Therefore, to that end, it is the sense of the Congress that it should be the policy of the United States actively to support the admission to membership in the United Nations of the Republic of China, the Federal Republic of Germany, the German Democratic Republic, the Republic of Korea, the People's Democratic Republic of Korea, the Republic of Vietnam, and the Democratic Republic of Vietnam.

That covers the waterfront.

Mr. PELL. Mr. President, would the Senator yield?

Mr. GRAVEL. I am happy to yield to the Senator from Rhode Island.

Mr. PELL. I completely agree with the Senator about the objective of universality. This is an objective that many of us have had for the last 10 years. I think it was Pope Paul, when he visited the United Nations in 1964 or 1965, who underlined that same point.

But I think the Senator is incorrect in talking about the origin of the United Nations or the philosophy behind the United Nations or being based on universality. I had the good fortune to participate in the birth of the United Nations at San Francisco. At that time the philosophy of the United Nations was that it was a combination of the winners of the war. Then, later we let in the neutrals. But the idea of universality is a growth, a development, and a change from the original genesis of the United Nations. The record should show this fact clearly.

Mr. GRAVEL. I would be happy to accept that explanation based on the knowledge of the Senator from Rhode Island. This would represent a new level of maturity, not only in the world, but in this Government.

Mr. FULBRIGHT. I think perhaps this should be a separate resolution.

I can think of another country the Senator did not mention, Outer Mongolia. The Senator overlooked mentioning that country and at one time we were about to establish diplomatic relations with it.

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

Mr. FULBRIGHT. I yield.

Mr. PELL. It is already a member of the United Nations.

Mr. FULBRIGHT. Yes. I was referring to our recognizing it. We were about to recognize it and send an ambassador there but some difficulty developed.

I hesitate to accept this amendment without hearings and without consultation with the administration. In principle I favor the idea. But I do hesitate to accept it on this bill, which is already complicated enough with irrelevant matters and we will probably have more of them. I hesitate to do it without the matter having been examined by the committee or having had the advice of the administration. I do not know what the status is of any negotiations with regard to North Korea and East Germany and the others. Obviously, with the state of war that exists between us and North Vietnam it would be impractical to do anything about that at this time.

I do not feel justified in taking this amendment although I agree with the principle and feel we need to move in this direction. I hate to put on this additional matter when it has not been considered by the committee.

I would like to suggest that it be submitted in the form of a resolution to the committee, and I can assure the Senator it will receive consideration. Personally, at the moment, I would be inclined to support it. This has become kind of a Christmas tree bill already. A lot of things have been put on it that have not been given a great deal of attention. The first amendment, the one offered by the Senator from Vermont, dealt in a limited degree with an item on which no hearings were held.

I hope the Senator from Alaska will not press his amendment. I do not feel I can accept it at this time, although I favor the principle.

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

Mr. GRAVEL. I yield.

Mr. GRIFFIN. Does the Senator have an amendment pending at the desk?

Mr. GRAVEL. Yes.

Mr. GRIFFIN. The reason I ask the question is that I went to the desk to look at the amendment, and there is no amendment at the desk.

The PRESIDING OFFICER (Mr. BENTSEN). The Chair has not received a copy of the amendment. The Chair understands the Printing Office is delayed.

Mr. GRAVEL. The Printing Office has a copy of it.

Mr. GRIFFIN. That does not help the Senator from Michigan.

The PRESIDING OFFICER. Will the Senator from Alaska send a copy of the amendment to the desk?

Mr. GRAVEL. This is the only copy I have.

The PRESIDING OFFICER. The amendment will be read.

The amendment was read as follows:

TITLE V—UNIVERSALITY IN UNITED NATIONS MEMBERSHIP

SEC. 501. The Congress hereby finds that to achieve universality of membership in the United Nations would significantly enhance the ability of that body to preserve international peace and to carry out its other responsibilities for promoting and maintaining world cooperation as set forth in the United Nations Charter. Therefore, to that end, it is the sense of the Congress that it should be the policy of the United States actively to support the admission to membership in the United Nations of the Republic of China, the Federal Republic of Germany, the German Democratic Republic, the Republic of Korea, the People's Democratic Republic of Korea, the Republic of Vietnam, and the Democratic Republic of Vietnam.

Mr. GRAVEL. That is my amendment.

The PRESIDING OFFICER. Who yields time?

Mr. GRAVEL. I yield to the distinguished Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. GRIFFIN. Mr. President, I appreciate the Senator from Alaska's yielding.

On first impression, after listening to the amendment being read for the first time, I must agree with the comments of the distinguished chairman of the Foreign Relations Committee. He indicated that this is the kind of proposal which should be put in resolution form and should at least have the benefit of hearings before the committee having jurisdiction. I do not know whether I would be for the proposal or against it, if it were reported by the committee. But at least I would hope that the Senate at this time would not take action without giving the Foreign Relations Committee the

opportunity to study it and have hearings.

Mr. GRAVEL. Mr. President, let me first say to the distinguished chairman of the Foreign Relations Committee that I certainly would not be averse to that, because I think it would probably be a most fundamental act in the developing maturity of the United States to present the resolution to the committee. However, before agreeing to that, I just wonder if the amendment could be accepted if the language were modified to take out the specific countries in question? I go to the middle of the paragraph where it says—

Therefore, to that end, it is the sense of Congress that it should be the policy of the United States actively to support admission of all nations not yet members.

Mr. FULBRIGHT. Again, I have the same feeling about it. In addition to the States the Senator mentioned, none of which are what we refer to as mini-States, there are a number of these so-called mini-States which present a very difficult problem. I think it is a matter that deserves attention. I can assure the Senator the committee will be glad to hold hearings on such a resolution.

Taking North Vietnam, for example, while we are at war with her—and obviously it is an important state. What is going to be our policy? But to take in every little, tiny state of 100,000 or less that is something else again. I do not like to mention some of the little islands, but some of them are now requesting admission. Are we going to say that we want every one of them as full-fledged members in the United Nations? I think we have probably gone too far. I just do not think it is wise to do it without hearings.

I would agree with what the Senator said on the report of the President's Commission. Let me read one paragraph:

All governments of the world should have access to the United Nations; and every state, no matter how small, should benefit from the work of the Organization to maintain international security and to advance the economic and social well-being of mankind. But access to those benefits does not necessarily require membership with voting rights in the Organization. Some small states, with a limited capacity to meet the obligations of the UN, would be better served by an associate status.

My reason for reading this is to point out that the matter is under consideration. I do not know if the administration has reached a decision on it. I favor the idea suggested by the amendment, but whom are we going to let in there? There should be some limit, at least, to full membership. The states the Senator mentions do not address the issue fully.

I would still recommend strongly that the Senator not press the amendment, but present it as a resolution to be considered at the proper time by the committee.

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

Mr. GRAVEL. I yield.

Mr. ALLOTT. I think there are some elements of this proposal with which I agree, but I want to say to the Senator from Alaska that the statements made by the chairman of the Foreign Relations Committee are very apt in this situation. This matter has been the subject of discussion in the U.N. and the Department of State for a long time, and in addition to what connections I have had with the U.N., I have had occasion to discuss it in connection with the Interparliamentary Union.

The question of universality is one of the most complex and difficult ones that we could possibly get into. On the surface, saying that we want every country to be a part of the United Nations sounds very great and sounds very wonderful, but as the chairman has just pointed out, it is an extremely complex question. As a matter of fact, when one looks at the influx of new countries into the U.N. in the last few years, it is not very difficult to see countries that have actually denuded themselves of their best governmental talent in order to staff the U.N. talent that ought to have been used and ought to at this time be used in their own countries.

I do not have specific cases, and perhaps it might not be too well to comment on specific cases, but this is true and has been true in the past.

I would hope the Senator from Alaska would offer the proposal in the form of a resolution and let the Foreign Relations Committee work its will on it, because I think the chairman has stated and recognizes the extreme complexity and difficulties involved in this question. It is not something we should decide here today on the basis of an amendment, in my opinion.

Mr. GRAVEL. Mr. President, I think these suggestions certainly should be well received, and in light of those suggestions and certainly because of my respect for the chairman of the committee, I would hope we could have early hearings on this subject, which I think is very fundamental.

As the chairman appreciates, I did mention specific countries because these countries are at the heart-throb of the problem today. The chairman mentioned the fact that we are at war with North Vietnam. That is a different point in itself. I am ready to introduce a declaration of war resolution so we can dot the "i." That point was considered with respect to the draft, and it was dodged, and I think erroneously so, because I think we are in a no man's land now. I think it is evidence of a lack of candor on the part of Congress and a desire not to face up to the situation.

Mr. FULBRIGHT. I agree with much of what the Senator has said, but we lost a motion yesterday in the direction of ending the war. The Senator knows what the situation is. It was by one vote, really, on the critical vote. But I do not think that we can do any more in this bill than that. We still have a test coming up on the Mansfield amendment. So there will be one more vote. We will see what the sentiment of the Senate is at that time. I do not want to declare war—I want to declare peace at this time.

Mr. GRAVEL. Mr. President, in view of this colloquy, I withdraw my amendment at this time, and I thank my colleagues.

The PRESIDING OFFICER. The amendment is withdrawn.

The bill is open to further amendment.

Mr. ALLEN. Mr. President, on behalf of myself, the Senator from Tennessee (Mr. BROCK), and the Senator from North Carolina (Mr. ERVIN), I offer an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read the amendment, as follows:

On page 39 strike subsection (w) on lines 9 through 21, and renumber subsections accordingly.

The language sought to be stricken is as follows:

(w) No assistance shall be furnished under this Act, and no sales shall be made under the Foreign Military Sales Act, to Greece. This restriction may be waived when the President finds that overriding requirements of the national security of the United States justify such a waiver and promptly reports such finding to the Congress in writing, together with his reasons for such finding. Notwithstanding the preceding sentence, in no event shall the aggregate amount of (1) assistance furnished to Greece under this Act, and (2) sales made to Greece under the Foreign Military Sales Act, in any fiscal year, exceed the aggregate amount expended for such assistance and such sales for the fiscal year 1971.

Mr. ALLEN. Mr. President, I yield myself such time as I may require, but first I yield to the distinguished Senator from West Virginia.

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

EXTENSION OF AUTHORITY CONFERRED BY THE EXPORT ADMINISTRATION ACT OF 1969

Mr. BYRD of West Virginia. Mr. President, at the request of the distinguished senior Senator from Alabama (Mr. SPARKMAN), I ask the Chair to lay before the Senate a message from the House of Representatives on Senate Joint Resolution 167.

The Presiding Officer laid before the Senate the amendment of the House of Representatives to the joint resolution (S.J. Res. 167) to extend the authority conferred by the Export Administration Act of 1969, which was to strike out lines 7 through 9, inclusive.

Mr. BYRD of West Virginia. Mr. President, I am advised that this matter has been cleared with the minority, and on behalf of the Senator from Alabama (Mr. SPARKMAN) I move that the Senate agree to the amendment of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

FOREIGN ASSISTANCE ACT OF 1971

The Senate continued with the consideration of the bill (H.R. 9910) to amend the Foreign Assistance Act of 1961, and for other purposes.

The PRESIDING OFFICER. Who yields time?

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

The amendment which has been submitted is submitted for myself and for the distinguished Senator from Tennes-

see (Mr. BROCK), the distinguished Senator from New York (Mr. BUCKLEY), and the distinguished Senator from North Carolina (Mr. ERVIN).

The amendment is quite simple. All it would do is knock out subsection (w) of section 301 of the bill. This is the subsection that prohibits any military assistance to the country of Greece.

Mr. President, the United States has been most generous to foreign nations. This bill contains authorization for more than $3 billion. It was developed in debate yesterday that contained in the bill is authorization for appropriation of some $1.4 billion to countries which voted against the United States in the recent vote in the United Nations. Counting the nations that abstained in that vote, there is contained in the bill authorization for the appropriation of some $2.3 billion to nations that did not show any friendship for the United States.

There were two votes in the United Nations. The critical vote was the close vote on the question of whether the expulsion of Nationalist China should be considered an important question—and how much more important could a question be than on expelling a member? But on the question of whether that question would be an important question, requiring a two-thirds vote, or whether it would require only a majority vote, that being the critical question, there were 55 votes cast in favor of declaring that question an important question. Greece was in that number. There were 59 member nations opposed. But on this critical vote, Greece stood by the United States, whereas nations to which the United States is proposing to give more than $2 billion under this bill either voted against the U.S. position or abstained from voting.

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

Mr. ALLEN. I shall be glad to yield.

Mr. FULBRIGHT. Just to complete the record, Greece abstained on the Albanian resolution, which resulted in the seating of Communist China.

Mr. ALLEN. Yes, that is correct.

Mr. FULBRIGHT. I would say she took an equivocal position; she voted with us once, but refused to vote with us on the final vote which resulted in the unseating of Nationalist China.

Mr. ALLEN. That is not contrary to anything the junior Senator from Alabama has stated.

Mr. FULBRIGHT. I know; I am just completing the record.

Mr. ALLEN. I stated that on the critical question, the vote was 59 to 55.

Mr. FULBRIGHT. That is correct.

Mr. ALLEN. On the vote which resulted in the seating of Red China, the vote was a topheavy 76 to 35 in favor of the Albanian resolution. Greece did abstain on that vote.

Mr. President, I ask unanimous consent at this time to have printed in the RECORD as a part of my remarks a rollcall tally as published in the New York Times on the two votes in the United Nations.

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

U.N. ROLLCALLS ON CHINA

UNITED NATIONS, N.Y., October 25.—Following are two rollcall votes taken in the General Assembly tonight on seating Communist China and expelling Nationalist China.

ON TWO-THIRDS REQUIREMENT

Resolution declaring the expulsion of Nationalist China an "important matter" and thus requiring a two-thirds vote rather than a simple majority for passage.

In favor—55

Argentina, Australia, Bahrain, Barbados, Bolivia, Brazil, Cambodia, Cent. Afr. Repub. Chad, China, Colombia, Congo (Kinsh.), Costa Rica, Dahomey, Dominican Rep., El Salvador, Fiji, Gabon, Gambia.

Ghana, Greece, Guatemala, Haiti, Honduras, Indonesia, Israel, Ivory Coast, Jamaica, Japan, Jordan, Lebanon, Lesotho, Liberia, Luxembourg, Madagascar, Malawi, Mauritius, Mexico.

New Zealand, Nicaragua, Niger, Panama, Paraguay, Philippines, Portugal, Rwanda, Saudi Arabia, South Africa, Spain, Swaziland, Thailand, United States, Upper Volta, Uruguay, Venezuela.

Opposed—59

Afghanistan, Albania, Algeria, Bhutan, Britain, Bulgaria, Burma, Burundi, Byelorussia, Cameroon, Canada, Ceylon, Chile, Congo (Brazza.), Cuba, Czechoslovakia, Denmark, Ecuador, Egypt.

Equatorial Guinea, Ethiopia, Finland, France, Guinea, Guyana, Hungary, Iceland, India, Iraq, Ireland, Kenya, Kuwait, Libya, Malaysia, Mali, Mauritania, Mongolia, Nepal, Nigeria.

Norway, Pakistan, Peru, Poland, Rumania, Sierra Leone, Singapore, Somalia, So. Yemen, Soviet Union, Sudan, Sweden, Syria, Tanzania, Trinidad-Tobago, Uganda, Ukraine, Yemen, Yugoslavia, Zambia.

Abstentions—15

Austria, Belgium, Botswana, Cyprus, Iran, Italy, Laos, Malta, Morocco, Netherlands, Qatar, Senegal, Togo, Tunisia, Turkey.

Absent

Maldives, Oman.

ON SEATING PEKING

Resolution to seat Communist China and expel Nationalist China.

In favor—76

Afghanistan, Albania, Algeria, Australia, Belgium, Bhutan, Botswana, Bulgaria, Burma, Burundi, Byelorussia, Cameroon, Canada, Ceylon, Chile, Cuba, Czechoslovakia, Denmark, Ecuador, Egypt, Eq. Guinea, Ethiopia, Finland, France, Ghana, Guinea.

Guyana, Hungary, Iceland, India, Iran, Iraq, Ireland, Israel, Italy, Kenya, Kuwait, Laos.

Libya, Malaysia, Mali, Mauritania, Mexico, Mongolia, Morocco, Nepal, Netherlands, Nigeria, Norway, Pakistan, Congo (Brazza), Peru.

Poland, Portugal, Rumania, Rwanda, Senegal, Sierra Leone, Singapore, Somalia, Southern Yemen, Soviet Union, Sudan, Sweden.

Syria, Tanzania, Togo, Trinidad-Tobago, Tunisia, Turkey, Uganda, Ukraine, Britain, Yemen, Yugoslavia, Zambia.

Opposed—35

Australia, Bolivia, Brazil, Cambodia, Cent. Afr. Republic, Congo (Kinsh.), Costa Rica, Dahomey, Dominican Rep., El Salvador, Gabon.

Gambia, Guatemala, Haiti, Honduras, Ivory Coast, Japan, Lesotho, Liberia, Madagascar, Malawi, Malta, New Zealand.

Nicaragua, Niger, Paraguay, Philippines, Saudi Arabia, South Africa, Swaziland, United States, Upper Volta, Uruguay, Venezuela.

Abstentions—17

Argentina, Bahrain, Barbados, Colombia, Cyprus, Fiji, Greece, Indonesia, Jamaica, Jordan, Lebanon, Luxembourg, Mauritius, Panama, Qatar, Spain, Thailand.

Absent—3

China, Maldives, Oman.

Mr. ALLEN. Mr. President, I am strongly opposed to undermining the deterrent effect of the NATO Alliance as I believe all realists should be. Yet, section 301 of H.R. 9910, the pending amendment to the Foreign Assistance Act of 1961 provides as follows:

Sec. 301 of the Foreign Assistance Act of 1961, relating to prohibitions against furnishing assistance, is further amended by adding after subsection (v), as added by section 104(b) of this Act, the following new subsections:

"(w) No assistance shall be furnished under this Act, and no sales shall be made under the Foreign Military Sales Act, to Greece. This restriction may be waived when the President finds that overriding requirements of the national security of the United States justify such a waiver and promptly reports such findings to the Congress in writing, together with his reasons for such finding. Notwithstanding the preceding sentence, in no event shall the aggregate amount of (1) assistance furnished to Greece under this Act, and (2) sales made to Greece under the Foreign Military Sales Act, in any fiscal year, exceed the aggregate amount expended for such assistance and such sales for the fiscal year 1971."

Those who would have us cut off aid to the Greek nation have dressed their arguments in the respectable cloak of democracy. Never mind the fact that some of those who would have us abandon Greece, a NATO ally, are proponents of increased aid to Communist nations. With respect to Greece, their argument is that the present Greek Government has not implemented democratic reforms, so the United States should immediately discontinue its support.

Since Greece is a NATO ally what effect would our unilateral abandonment of our ally have upon the NATO Treaty? There are 15-member nations and each seeks to promote stability in the North Atlantic area by means of collective defense. Article 3 provides:

In order more effectively to achieve the objectives of this Treaty, the Parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.

And, article 4 provides:

The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all, and consequently they agree that, if such an armed attack occurs, each of them . . . will assist the Party or Parties so attacked by taking forthwith, individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

Mr. President, let us remember Greece no longer receives economic aid from us such as might be expected under terms of the treaty. Now we are urged to take an additional step and deprive our ally of military hardware and military sup-

port to enable the nation to fulfill its military obligations under the treaty. I had thought that only Communist nations wanted to weaken and destroy the NATO alliance.

Mr. President I am concerned by what appears to me to be a cynical attitude reflected in the proposal to deprive Greece of military aid.

I might say, Mr. President, that knocking this subsection out of the bill does not appropriate any amount to the Greek nation; it merely provides a general authorization to come in under the general terms of the bill, to be eligible for inclusion in the appropriations bill when it is finally before the Senate.

Bear in mind that an armed attack upon any of the 15-member nations means an attack "on the forces, vessels, or aircraft of any of the parties." Let us assume such an attack upon the United States should we decide to abandon Greece. Would Greece be better able to help defend us or less able to help us? The answer to that question is obvious. But the answer to the question of why Members of Congress would want deliberately to weaken a defensive ally is far less obvious, for surely this is the object of Russia and the Warsaw Pact nations.

Furthermore, suppose we go ahead and cut off aid. Is it conceivable that the Greek Government would take the position that we had defaulted on our Treaty obligation to provide economic and military aid? Or would Greece at some later time accept military assistance from us in a time of our own crisis? Why should that nation provide troops, port facilities, air bases, and lay bare its territory to possible retaliation to help us at a time when we most needed help if we deprive it of the means to better defend itself and other NATO nations in times of peace?

In other words, what nation, having been denied military assistance to help maintain the peace will accept such assistance to help us fight a war after an attack has already been launched?

Mr. President, I think it is dangerous nonsense to assume that Greece would participate in any such arrangement. I know of no better way to alienate all NATO allies than for us to make economic and military assistance contingent on vagaries of congressional attitudes with respect to political qualifications for military assistance under terms of the NATO Treaty. So, before commenting on the military aspects of the question, let us examine some of the political implications inherent in section 301 now under consideration.

All sorts of limitations and exclusions have been written into various forms of foreign aid—limitations relating to the use of funds; exclusions in the form of retaliation in some instances; and limitations in the form of divesting contingencies in still other cases—all designed to influence recipient governments in a particular manner. I agree that it is proper for Congress to impose limitations and restrictions in some cases.

However, it is disturbing when exclusions on military assistance are made to apply to nations which are committed to help defend the United States in the event of an attack because the effect is to undermine the capability of the nations involved to fulfill defensive obligations.

Furthermore, it is cause for concern when Congress undertakes to make military assistance to our allies contingent on our supposed right to dictate to them in matters relating to internal political policies. Yet, proponents of the "abandon Greece" policy are undertaking to do just that. A word or two on this aspect of the question might be useful.

Mr. President, I do not intend to discuss in detail the political situation in Greece—but it is necessary to illustrate the consequences of the loss of Greece as a NATO ally either by weakening her defensive potential as proposed by this measure or by encouraging political instability which might result in that nation withdrawing from NATO.

As political background information, let me quote remarks made by the distinguished Representative from California, Mr. HANNA, during the course of debates in the House on this provision of H.R. 9910.

In the country of Greece the true and operative facts are that it is a fractionalized and a factionalized country. It has a long history of this. It makes democracy under our definitions very, very difficult in practical operation. There has been a history of 400 years of Turkish occupation in Greece. Prior to that Greeks were always citizens of their city before they were citizens of their country. And it has given them a base, coming into this century, of a fractionalized country—and they operate with factions. So that when you come to an election, for instance, they have multiple parties—six or eight—none of whom can form a government. So what happens is that when you finish with an election where a man from one area has been elected from one party and he goes to the capital, he starts to wheel and deal with the power that his people bestowed on him, because his party cannot form a government, nor can anybody else. Representatives are bought off to form whatever government makes the best bid and he remains at bid all the time to a new government with a higher offer which might take over.

Mr. President, in the light of this background, the remarks made in the course of debates by the distinguished Representative from Illinois, Mr. PUCINSKI, take on added significance:

I was in Greece 3 weeks after the present Government took over. I took with me our American Consul, because I wanted to rely on his translations. There is no question that on April 21, 1967, Greece was on the verge of complete chaos and of falling into Communist hands. The Government of Greece was in a state of complete shambles and ripe for a Communist takeover.

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

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

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

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

He said, "Taking Greece out of NATO."

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

He said, "Yes, that is right."

Mr. President, who among those who insist on our brand of Democracy for Greece as a qualification for *economic* and military assistance are prepared to say that Greece would not again fall into chaos and return to the verge of falling into Communist hands? But those who are prepared to risk this possibility are willing to repudiate our NATO obligations with all the risks and potential for danger that lies in this course of action.

Now, Mr. President, let us consider the military risks involved. For this purpose, I call attention to the testimony of Gen. Andrew J. Goodpaster, U.S. Army, Commander in Chief, U.S. European Command, given during hearings held on H.R. 9910, by the House Committee on Foreign Affairs. Because of the brevity of the illustrative remarks, I will quote:

Both Greece and Turkey must depend upon allied help to enable them to finance even their minimum defense requirements; and without that assistance, their forces would deteriorate. The NATO community has been asked to help, and some assistance has been provided. However, Greece and Turkey remain primarily dependent upon the United States for what military assistance they require. . . .

The grant aid program for *Greece* will provide for priority force modernization and some essential training, as well as operating and maintenance support. Modernization items include helicopters, armored vehicles, ammunition, engineer and communications equipment, and modifications for MAP-provided aircraft. We believe that destroyer modernization can be accomplished by the application of retiring U.S. Navy ships and can be financed within the Greek defense budget.

To make it possible for the Greek Government to purchase other essential defense articles and services that will not otherwise be available within Greek resources—even if augmented by grant military assistance from the United States and other nations—we have forecast a modest amount of credit for Foreign Military Sales in FY 72.

But all of that would be wiped out by the section that is now sought to be eliminated.

A request for authorization of those funds is included in the legislation before the Committee.

The Greeks are making substantial—and successful—efforts to help themselves, but they cannot yet stand alone. In my opinion, Greece's firm commitment to NATO, plus the military facilities the Greek Government makes available to U.S. forces, fully justifies continuance of our aid in the modest amounts proposed.

Mr. President, with more specific reference to consequences of abandoning Greece, let me quote the following question posed by the distinguished chairman of the committee and the reply by General Goodpaster:

General, for several years it has been no secret that many members of this committee have been disturbed about the political situation in Greece. Would you spell out for the record what would be the military and political effect if the United States were to discontinue all military assistance to Greece?

General GOODPASTER. First, the direct military effects.

As I indicated in my statement, there would be a deterioration in the military effectiveness of the Greek forces, in my opinion. Much of their equipment came originally from the United States, and it is maintained with spare parts that are provided by the United States.

In addition, the situation does not remain static and it is necessary progressively to modernize those forces as equipment wears out, or to keep pace with the progress of technology on the other side as reflected in their materiel, equipment, tanks, planes, and so forth.

So what you would see on the military side would be a progressive deterioration of their armed forces.

Now beyond that, Greece and Turkey are in a geographical position to dominate the Bosporus and the Dardanelles, and thereby control access to the Mediterranean from the Black Sea.

The Greeks are members of NATO, and they participate in the NATO integrated military structure. They are allies, and a consequence of this would undoubtedly be the loss of the solidarity and cooperation which now provides a basis for joint action and a joint defensive posture.

I think that is enough to outline the principal consequences.

Let me just add the one further point, that the utilization on a joint or collective basis of naval and air bases that exist in Greece is very important to the maintenance of the American military capability in the eastern Mediterranean area.

When you put all of that together, I think you would see a major transformation in the strategic situation in the eastern Mediterranean, and this would be a transformation that would be seriously adverse, I believe, to the common security interest and to the security interest of the United States.

How far the process of deterioration and disintegration would proceed, no one can say, but I believe that the causes for a complete breaking apart of the collective security arrangement would have been introduced by an action of that kind, Mr. Chairman.

Mr. President, it would serve little purpose to repeat the documented history which led to the establishment of the present Greek Government. Proponents and opponents of aid to Greece alike understand that the present Government came into power because the Communists were about to take over. That point is well understood.

The issue is and must be, therefore, whether it is in the self-interest of the United States to assist Greece in protecting our sphere of influence in that part of the world. We must not be misled by charges concerning the nature of the current government. The overwhelming interests of the United States lie in maintaining Greece as a NATO ally and preventing the "breaking apart of the collective security arrangement" represented by NATO. On this issue let the facts speak for themselves.

With the possible exception of West Germany, the single most strategically located member of NATO is Greece. Jointly, Greece and Turkey stand athwart Soviet entrance into the Mediterranean. Since 1965, the Soviet Union has initiated a major effort to expand its influence in the Mediterranean area through its naval forces. The Soviets' largest naval force is their Mediterranean Fleet, composed of no less than 60 surface vessels, and 10 to 12 nuclear submarines. This compares to the U.S. 6th Fleet with only 45 surface vessels and six to eight nuclear submarines. Moreover, Soviets have secured major port facilities in Alexandria, Egypt, and Mersel-Kabir, Algeria, and are now using the former U.S. Air Force base—Wheelus Air Force Base—in Libya.

A major component in our ability to monitor the movements of the Soviet Fleet in the Mediterranean area rests upon our ability to operate from Greek bases a special air surveillance unit jointly with other NATO members. The Maritime Air Forces Mediterranean—MARAIRMED—operates from Greek bases. This potential for surveillance has assumed special importance because of the continuing Soviet buildup in the Middle East of Egyptian forces in their struggle against Israel. Nor should we minimize the importance of Greece and her port facilities from the point of view of our Navy in the Mediterranean.

It is in the Middle East that President Nixon has stated that there is the greatest possibility that world war III may break out. Effective operation by the United States in the eastern Mediterranean requires a strong and viable base of operations in Greece—there is simply no adequate substitute in the region.

The need to maintain a strong and viable Greek nation is based on factors of more importance than the support of U.S. foreign policy objectives in the Middle East. Greece is the key to security of Western Europe, because of the threat posed by the presence of Soviet naval forces in the Mediterranean. For example, the Soviet Union possesses about 160 fast surface patrol craft capable of launching "cruise missiles" at a distance of hundreds of miles.

These missiles are normally thought of as antiship missiles, but their reported range and megaton class warheads on some versions indicate that these inexpensive Soviet naval patrol craft could be a major threat to the entire Southern flank of NATO and thus a threat to all of Western Europe.

With the probable loss of Malta as a base in the Mediterranean, because of a change of government there, the importance of Greece assumes even greater strategic significance in NATO affairs as well as with respect to specific U.S. foreign policy objectives in the region.

Therefore, Mr. President, the record is clear. We must continue military aid to Greece, because it is in the best interest of the United States to do so.

When opponents of military aid to Greece argue that the United States must insist on internal changes in the nation before aid should be continued, they use that issue as a smokescreen to obscure what is truly at stake. The United States must have the vital strategic assistance Greece provides as an ally and a member of NATO.

Mr. President, of the literally scores of nations that obtain foreign aid from the United States, I daresay that not 15 percent of them are democracies in the sense of the word that the United States is a republic or a democracy. For us to insist that Greece shall maintain a democratic form of government to our liking before we will assist them, and they will thereby assist us, seems to the junior Senator from Alabama to be the worst sort of folly.

For the record, I, too, hope that the time will soon come when the Greek Government can implement the new constitution. I hope that all political factions in Greece will see fit to support that document.

However, I repeat, this matter must be determined on the basis of our primary interests. The brief record I have cited today is proof enough, Mr. President, that continued assistance to Greece is not only warranted but essential.

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

The PRESIDING OFFICER. Who yields time?

Mr. FULBRIGHT. Mr. President, the Senator from Arkansas (Mr. MCCLELLAN) wishes to speak. He has a brief statement on the bill. I yield 15 minutes on the bill to the Senator.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. McCLELLAN. Mr. President, the pending foreign aid authorization bill would continue a costly folly that our Nation can ill afford, and in which we should not any longer indulge. I shall vote against it, just as I have consistently voted against this kind of foreign aid ever since 1955. I supported the Marshall plan, which was well conceived and which served a noble and worthwhile purpose. However, when I realized the Marshall program was merging into an ill-conceived and wasteful worldwide giveaway program, I stopped voting for it.

This hour of our history tolls too late for such a wasteful frivolity. It is time for action based upon fact and not on fantasy. It is time to cease pursuing illusionary policies of make believe and come back to earth and face reality. It is time to take stock of and to discontinue misconceived aid commitments. It is, in short, time for our great Nation to stop engaging in practices that result in unreal and misplaced altruism.

It is ironic that America's lavish giveaway programs since the Marshall plan have succeeded in achieving the very opposite results intended. They have not brought about peace. They have not brought about international monetary stability. They have not strengthened our economy here or our trading posture overseas. We have not won the friendship or the gratitude of many of the countries we have so generously assisted. Just the reverse has occurred. Such extravaganzas—typified by this Foreign Assistance Act of 1971—have disrupted the fragile balance of power and caused fiscal chaos and uncertainty in markets everywhere. They have adversely affected this country's economy and left the dollar, our gold reserves and balance of payments in their weakest, most precarious position of the century. They have antagonized our allies and created ill will and antagonism. They have been abused and misused. In a word, they have been for the most part a dismal failure.

The damage wrought by this absurd persistence to save the rest of the world

from itself and buy it a new way of life has been so extensively severe, countless generations yet unborn will have to suffer much of the consequences. It would seem that reason and responsibility have been dethroned.

Partly because of this indiscriminate international giveaway program, America is now facing its most serious economic crisis since the great depression. Our Government is in deep financial trouble. For too long it has spent recklessly and without regard to repayment. For too long it has fanned the ravaging flames of inflation and allowed the concomitant evils of recession to endanger our well-being. For too long it has attempted to export democracy abroad to unwilling and unready recipients, while neglecting the obvious needs of our people and democratic institutions at home.

And today over 5 million Americans are out of work. Our rate of productivity has slipped lower than any major industrial country in the world. Our corporate profits are at their lowest level as a percentage of the Gross National Product since the 1940's. Our international payments account has been running deficits every year since 1949 with but one exception. And our gold reserves are now faced with foreign claims five times their amount.

Meanwhile our Federal budget continues to soar—it now stands at $229.2 billion—and our Federal debt continues to mount—it is now a staggering $414 billion. For the past fiscal year and the current one, there will be a total deficit of nearly $60 billion. This is the first time in two and a half decades that we have incurred such gigantic Federal deficits over any 2-year period. Only once in the past 11 years has the United States chalked up a budget surplus. And only seven times in the past 40 years have we balanced our budget. The interest on our national debt alone now costs $22 billion annually. That is nearly $1 of every $10 of Government expense. This certainly is not a record we can be proud of.

In an effort to revitalize our economy the President has called upon every American to make sacrifices—to exercise self-restraint. I strongly support the objectives of the administration's stabilization program and its plea that each individual voluntarily do his share and comply. But all of the prodigious efforts necessary to restore our economic system to better health will be in vain unless the Federal Government also imposes checks upon its own extravagance. We cannot ask for personal sacrifices from the American people and not expect a similar commitment from the Federal Government. Fiscal prudence should begin right here—in Washington.

The measure before us would continue the same gross squandering of public funds which has characterized this foreign aid program for many years.

It would add still another $3 billion plus to the $138.4 billion in American assistance already greening one end of this earth to the other since 1946. It would add many millions more to the $74.4 billion interest cost we are already saddled with to pay for the foreign aid funds we have borrowed just to give them away. It would not provide more than token reductions in the fat payroll of more than 26½ thousand persons who operate our foreign aid programs; nor would it sizably decrease the more than 4,000 projects and subprojects currently being funded.

In my judgment, this bill contains only one item of foreign aid deserving of support. That is the $250 million provided for the relief of East Pakistani refugees. This is the type of aid which best exemplifies the American spirit of humanitarianism, and the kind of bilateral aid relationship which works best for us and the recipient nation concerned. Not only do such funds rescue the destitute and alleviate human suffering, but at the same time they also benefit American industry and the farmer who supply life-sustaining commodities. Although it may not be necessary to spend $250 million at this time—considering the dire nature of our present economic situation—this humanitarian relief—and our food for peace programs—should be given spending priority over other less productive and less effective foreign assistance programs.

Since the end of World War II our national debt has risen 62 percent, while the purchasing power of our dollar has shriveled to half of what it was in 1946.

These intolerable shortcomings that have long been apparent should have caused us to realize and to terminate the flagrant liabilities inherent in this program. And now—all those warnings having been ignored—America is languishing in the throes of a major economic slump as a result of the Federal Government's misguided and unsound international pursuits. I wonder, Mr. President, just how much more must this great Nation of ours endure before the egregious errors of our foreign aid entanglements will be recognized and rectified?

As if to highlight the futility and folly of our foreign aid program, virtually on the eve of our present deliberations on H.R. 9910, the United Nations took unprecedented action to expel the Nationalist Chinese and seat the Communists in their stead. The United States has not suffered so severe—so stunning and far-reaching a diplomatic defeat in years. That this blow was dealt to us by our "friends"—allies to whom we have granted billions through our financial commitment to the United Nations and through our direct military and economic assistance—is a telling measure of what our foreign aid has accomplished for America.

During the current year, the U.S. payment totals $56.3 million—or almost 30 percent of the U.N.'s entire $192 million operating budget. This excludes other large payments made by the United States into voluntary funds that conduct assorted technical, medical, and similar aid work in underdeveloped nations—many of whom voted against us on this critical issue.

And, this insult to America's good will and unparalleled beneficence was compounded significantly by the disclosure that $2.3 billion of the $3.2 billion of appropriations authorized in this legislation before us—more than two-thirds of the entire foreign aid authorization for fiscal 1972—is to be lavished upon 58 nations who either abstained or voted in favor of Albania's resolution to expel Taiwan from the U.N. and allow membership for the Peking regime. It seems to me that this is a shocking and contemptuous refutation of our foreign aid program, as presently constituted.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a list prepared by the Agency for International Development showing the total amount of American foreign aid which was provided in the period July 1, 1945, through June 30, 1970, to those countries voting against the United States and on the two United Nations resolutions concerning the expulsion of Nationalist China from its membership and the seating of Communist China. Separate figures are indicated for the U.S. assistance rendered by the Export-Import Bank.

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

(See Exhibit 1.)

Mr. McCLELLAN. Mr. President, when the very governments which this program has so bountifully assisted so emphatically and scornfully turn their back on our concern—when they so viciously bite the very hand which has sustained them—it is time to stop giving them our taxpayers' money.

I was heartened by a statement in the committee report accompanying H.R. 9910 which stated that few members have any real enthusiasm for the continuation of the foreign aid program and recognize that the United States is overcommitted around the world. Such candor about the program is admirable. But good sounding rhetoric is not enough. It is time to act—to once and for all eliminate the international boondoggling of public funds which has boomeranged so catastrophically against America's best interests.

However, even if these were some justification for maintaining the status quo in foreign aid—which has not been demonstrated—there can be absolutely no reason for raising its appropriations from prior levels of funding. Yet, it is estimated that H.R. 9910's costs will exceed last year's appropriation by more than $1 billion. Instead of getting rid of it, we are increasing it. This increase is preposterous, particularly in light of the bleak economic state of our economy.

In conclusion, Mr. President, I submit that the crucial day of reckoning has arrived for us to end our Government's foreign aid folly. We can no longer put off this duty if America's tomorrows are to bring renewed economic stability and a better life for all of our people. Self-interest—not self-denigration—should be our guiding light and our benchmark in foreign affairs. This bill should be unanimously rejected by the Congress.

Foreign aid as an instrument of international diplomacy is a flop and we should stop it. We have an urgent need here at home for all of the money that this bill proposes to give away to foreign countries.

EXHIBIT 1

[In millions of dollars]

Country	Financial assistance less repayment and interest	Import-Export bank assistance less repayment and interest	Voted against United States on—
Afghanistan	360.3	−6.1	Both resolutions.
Albania	20.4	None	Do.
Algeria	176.1	None	Do.
Australia	456.3	138.1	Do.
Belgium	1,742.2	−4.6	Do.
Britain	7,057.5	151.6	Do.
Botswana	17.4	None	Expulsion resolution.
Burma	80.8	None	Both resolutions.
Burundi	7.5	None	Do.
Cameroon	29.9	3.0	Do.
Canada	11.8	34.7	Do.
Ceylon	155.8	3.4	Do.
Chile	1,021.6	250.4	Do.
Congo (Brazza)	2.0	−.1	Do.
Cuba	14.6	29.1	Do.
Czechoslovakia	189.5	None	Do.
Denmark	873.3	−6.1	Do.
Ecuador	265.1	11.2	Do.
Egypt	745.3	14.6	Do.
Ethiopia	360.5	6.2	Do.
Finland	−10.3	−29.8	Do.
France	7,059.7	−369.0	Do.
Ghana	206.0	37.7	Expulsion resolution.
Guinea	81.9	25.3	Both resolutions.
Guyana	62.1	None	Do.
Hungary	13.3	None	Do.
Iceland	54.9	3.6	Do.
India	(1)	191.5	Do.
Iran	1,784.3	143.3	Expulsion resolution.
Iraq	82.9	7.5	Both resolutions.
Ireland	60.1	45.6	Do.
Israel	(1)	39.1	Expulsion resolution.
Italy	5,224.1	304.4	Do.
Kenya	72.3	None	Both resolutions.
Kuwait	None	29.5	Do.
Laos	(1)	None	Expulsion resolution.
Libya	221.6	None	Both resolutions.
Malaysia	53.6	15.3	Do.
Mali	26.7	None	Do.
Mauritania	3.3	None	Do.
Mexico	260.6	190.9	Expulsion resolution.
Morocco	660.4	25.0	Do.
Nepal	(1)	None	Both resolutions.
Netherlands	2,028.3	5.0	Expulsion resolution.
Nigeria	340.1	6.8	Both resolutions.
Norway	1,127.1	−12.1	Do.
Pakistan	(1)	88.3	Do.
Peru	435.3	9.9	Do.
Poland	437.3	−13.9	Do.
Portugal	407.0	23.9	Expulsion resolution.
Rumania	2.4	None	Both resolutions.
Senegal	35.9	1.6	Expulsion resolution.
Sierra Leone	33.8	7.8	Both resolutions.
Singapore	15.9	15.3	Do.
Somalia	78.8	None	Do.
Soviet Union	186.4	None	Do.
Sudan	90.9	None	Do.
Sweden	82.0	53.3	Do.
Syria	56.6	None	Do.
Tanzania	68.4	None	Do.
Trinidad-Tobago	40.1	9.5	Do.
Tunisia	660.4	.3	Expulsion resolution.
Turkey	5,427.2	6.8	Do.
Uganda	30.9	None	Both resolutions.
Yemen	42.9	None	Do.
Yugoslavia	2,483.1	32.5	Do.
Zambia	.7	5.4	Do.
Rwanda	7.5	None	Expulsion resolution.
Togo	16.2	None	Do.
Total	43,640.6	1,525.7	

[1] Data classified.

The PRESIDING OFFICER. Who yields time?

Mr. FULBRIGHT. Mr. President, I yield 5 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 5 minutes.

Mr. PELL. Mr. President, those of us who know Greece and have visited Greece love the Greek people. Greece is steeped in history and traditions which we share.

We are very torn on this whole question of aid to Greece. On the surface, it might seem that we should extend a helping hand to that nation. Yet, when we look at the conditions in Greece and realize the retrogression that has taken place in that country, when we see the total cessation of the development of ideas and freedom in that nation, then, I think we realize that the best way to help the Greek people is to help move their country back toward the democracy she had before the present junta took over that nation.

We must also consider the role of Greece in NATO. She is very valuable to us as a member on NATO's southern perimeter, and is one of the southern anchors of the alliance.

But we ought to bear in mind what NATO is all about. I think the purpose of NATO is best summarized in the NATO preamble which says that—

> The NATO nations are determined to safeguard the freedom, common heritage, and civilization of their people, founded on the principles of democracy, individual liberty, and the rule of law.

The Lord knows they have the rule of law, military law in Greece. However, the principles of democracy and individual liberty, have gone by the board.

I have had the privilege of being on the United States delegation to the North Atlantic Assembly several times. I was chairman once.

The NATO Assembly has adopted resolutions condemning the course of events in Greece. They debated the question of expelling Greece. The Council of Europe was about to expel Greece from membership, when Greece decided to pull out before it was thrown out. If the nations who are most under the Russian guns, who are closer geographically to Russia than we are, have the views they do about the merits of leaving Greece alone and withholding aid, surely we should be willing to back them up.

Withholding aid is not a question of interference. We have adopted an Alice in Wonderland approach in which we believe that we stop interfering by giving them arms. I would like to think that the proper way to stop interfering is to stop giving them arms. However, that is a logical theory that has long since gone by the board.

We have also the question of what is going on in Greece and what the conditions are there now. Speaking again as one who has followed the matter closely and has been there, I believe that when the junta came into power, torture was used as an administrative procedure so as to terrify the opposition and thereby tighten control over the people. This statement of fact was attested to by the Council of Europe and by most objective observers.

These objective reports are one reason why the junta changed its policy a bit. The Government agreed to admit observers of the International Red Cross. However, in the early days of torture, the abuses suffered by many men—men who believe in democracy, who think as we do in this Chamber—were pretty horrible.

Mr. President, I had the privilege of writing a preface to a book by James Beckett, called "Barbarism in Greece." I would commend that book to my colleagues in the Senate.

As a result of the Council of Europe's action and perhaps because of the words of some of us in the Senate and in other democratic bodies around the world, the pressure which the junta was putting on the Greek people was reduced. They reduced the use of torture as an administrative practice. However, once the hue and cry had died down, they then threw out the observers of the International Red Cross a year and a half ago, and terror is starting to rear its head again.

About a year ago I placed in the RECORD a description received from a young man in a Greek prison concerning the torture in Greece. There were nine names of torturers mentioned in this document, and listed in a New York Times article in July 1971, and three of those names were names that I had had printed in the CONGRESSIONAL RECORD 3 years earlier, in 1968. So, I am saying that while the practice of torture has decreased, the same men are engaged in it, but to a lesser degree than before.

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

Mr. FULBRIGHT. Mr. President, I yield an additional 3 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER (Mr. MCCLELLAN). The Senator from Rhode Island is recognized for an additional 3 minutes.

Mr. PELL. Mr. President, the question

is what we should do now. We recall that the chief of state of that nation, King Constantine himself, was concerned over what the junta had done and sought to overturn the junta. He did not succeed in that effort. However, he had considerable support.

I know that I personally was very distressed when he failed. I remember that on that same evening I had asked for reservations on Olympic Airways to fly to Greece to stand by him as I admire him and his objective of a free, democratic Greece. But State Department officials prevailed upon me not to go. Perhaps I was lucky. By the next morning the uprising was over and King Constantine was in Italy. But the important point is that the legitimate government, the head of state, does not agree with the practice of the junta.

By our policies toward Greece, we are creating a vacuum that could be filled. Many of those who oppose the junta are more conservative than most of us in this body. And many of the opponents of the junta are more liberal than many of us.

The question is, Where will those who live in that country and oppose the present junta turn for aid if they see the United States embracing the junta? The pending amendment would stop additional aid, but it would not stop that aid already in the pipeline and consequently, under the bill, assistance to Greece could go on for a couple of years.

Agreement to the provisions already in the bill will tell the Greek people something that they have not been told before, that the Congress and the American people disapprove of the junta. Up to the present moment, the people of Greece have observed that our Vice President has gone there and visited, and has shown friendship to the Greek junta. The Secretary of Commerce has done the same.

If the bill is allowed to remain as it is, it will be a demonstration to the Greek people that Congress and the American people think the junta is not all it should be, and that it should be replaced in the course of time, by the internal processes of that country.

I ask unanimous consent to have printed in the RECORD a very good article by General Orestis Vidalis, a gallant, brilliant Greek army officer who believes that Greece deserves more than the junta, pointing out that what we are doing now in supporting the junta is turning the people of Greece from a middle-of-the-road course, to the Communist side.

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

FREE GREEK VOICES

In the struggle between the Free World and Communism, nuclear power or any other form of military power, serves primarily in maintaining peace through the "balance of terror." Once this "Cold Peace" is established, the war of ideals continues endlessly. The Free World is penetrating the Communist domain and is creating conditions of gradual disintegration of Communism only through these ideals. It is not an exaggeration to maintain that today the "absolute weapon" of the West is not a tangible military or technological superiority, it is the intangible ideal of "True Democracy under the rule of Law." If the Free World loses for a moment its face as the honest bearer of these ideals, the struggle with Communism could become meaningless and in the long run, lost.

The Communists believe in their thesis and their aim is to destroy democracy, the foundation of Western Civilization. They are assisted in their efforts by those non-Communist dictators who manage to abolish democracy in their own lands.

All these anti-communist dictators are pessimists. They are afraid of both Communism and Democracy. They believe, in all sincerity, that a democracy is something between a disaster and a luxury for their countries. And, they achieve, in the name of anti-communism the objective of destroying, in all respects, freedom of their societies and dignity of their fellow citizens. They thus unwittingly assist Communism in its main objective, the destruction of democracy, in the most inexpensive way for the Communist World. Once democracy is destroyed, then all the forces of frustration and apprehension start working for the opposite extreme, i.e., Communism.

They also assist Communism by creating an ideological vacuum for the younger generations, which becomes a very lucrative environment for the Communist long-term objectives.

Last but not least, they assist Communism by practically destroying the cohesion and efficiency of the Armed Forces, the institution which the dictators commonly use to seize power. Usually this is effected in three stages. The first stage is the phase of preparation for the dictatorship. During this stage deviation from purely military activities is encouraged by subversive action and mistrust of Democracy is taught to younger members of the Armed Forces. This is accompanied by accusations against all leadership and mistrust of the people. The second stage is the actual dictatorship. This takes the military definitely away from their barracks, creates a climate of division of the Armed Forces in factions, brings the Armed Forces in direct opposition with all the leading non-military elements of the population, replaces experience and talents with inefficiency and introduces expediency instead of sophistication in the solution of the problems of governing a country. The Armed Forces are thus transformed from a National institution, the servant of all the people, to a political instrument serving the dictator in enslaving the people by force. This all leads to an unbearable burden that the Armed Forces cannot carry without sacrificing their military competency, cohesion and efficiency. At the same time, they lose the support of all political shades of a frustrated population and as a result, the reserve potential of the Nation becomes worthless. The third stage is a most difficult phase of reconstructing in the military efficiency, proper thinking, loyalty to the will of the people, respect for the ideas of our world and reshaping the confidence of the people in the Military, after the dictatorship is gone.

During all this time the captive people develops a feeling of a deep rooted disrespect and often hate towards the Free World, which tolerates or even supports its enslavement by the armed minority. This disrespect leads often to an apparent apathy, which is nothing more than a demonstration of lack of confidence and lack of faith of the population in the West. And the people who lost their faith in our world and their freedom and responsibility from these dictators, have nothing else to lose from Communism.

Mr. PELL. Mr. President, I urge Senators to reject this amendment and accept the bill as presently written.

Mr. ALLEN. Mr. President, I yield 3 minutes to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I thank the Senator from Alabama for yielding.

Mr. President, I do not wish to become involved in extensive debate on these matters in this bill, but this is a vital point. We could argue a long time about the philosophy of the Greek Government and the kind of regime they have now. Most of us would disapprove the practical side of that regime. But that is not the question here. We are dealing here in connection with military aid with our own possible defenses and the defenses of Western Europe. We have had votes on the floor of the Senate this year that affirmed our present position and we have refused to cut down on NATO.

We will have other proposals and perhaps we can work out something whereby it will be reduced some, but I think it is unanimous here that we must have the NATO Alliance for years to come for our protection, as well as the protection of others.

Geographically speaking, there is not a more important spot over there than Greece. Like it or not, they are there; they have been outstanding and they were outstanding even before NATO. At the end of World War II it was a trouble spot and Harry Truman will be remembered for his courage in moving in there and those Greek people will always be remembered for their fine response.

Like it or not, we cannot just pull the plug and expose ourselves and all of Western Europe. So I hope this will go on unimpaired without any kind of restriction except the natural discretion of the President and, of course, he will have to use his judgment, and he will. In the course of time this matter in Greece will be resolved and worked out, not on the floor of the Senate, but in Greece itself.

We cannot use any threat methods or anything of that kind in this delicate situation we are in in connection with NATO and the European defenses.

I hope the language in the bill imposing the restriction will be taken out, that nothing will be added, and that this matter can go on and serve the practical purpose that it is. I submit the problem can be worked out better in that way on the whole than to put those people in double jeopardy. Because of where they are located geographically, it would make them more at the mercy of the arbitrary rule of the Soviets and what the Soviets might want to do.

I support strongly the Allen amendment and I commend him for the fine arguments he has made in support thereof.

The PRESIDING OFFICER. Who yields time?

Mr. HARTKE. Mr. President, will the Senator from Arkansas yield to me for 10 minutes?

Mr. FULBRIGHT. I yield 10 minutes to the Senator from Indiana.

Mr. HARTKE. Mr. President, let me point out that it has been 4 years since the constitutional government of Greece was overthrown. Yet the agony of the Greek people continues today.

Those who predicted in 1967 that the present Greek regime would quickly move to restore democracy have been

proven wrong. The military dictatorship there continues to rule—as it has since April 21, 1967—by brute force and without the support of any significant percentage of the Greek people.

At best, the amendment in the bill, which the amendment of the Senator from Alabama would strike, gives mere lip service to those freedom-loving people who oppose the Greek regime.

Maybe it is better to take the aid out and make no pretense that we have any real interest in restoration of democracy there. In my floor remarks last year I said that I viewed the present Greek regime as a highly objectionable dictatorship with all the earmarks of a totalitarian government.

So a pertinent question at this time is, has there been any move on the part of the regime since then to restore those constitutional guarantees which have been suspended since 1967. I believe the answer to that question is best answered by the Prime Minister of Greece, himself, Mr. Papadopolous, who declared in a December 1970 speech that there would be no move back to constitutional government during 1971.

And I must say that Mr. Papadopolous has kept his word. There has been no effort this year to restore any of those rights which have been so long suspended. The unreasonable arrests, the tortures, the censorship of the press and all the other trappings of dictatorship remain in evidence in Greece today.

And what of Greece tomorrow? Once again the words of Mr. Papadopolous are instructive when considering Greece's future. In a speech delivered in Salonika in August of this year, the Prime Minister made the following statement:

> We are not yet ready for responsible citizenship. When this has been achieved and only then will we be able to proceed to a broader application of the constitution. And until those conditions have been achieved, however long it may take, let those who clamor for elections not hope that we will endanger all we have achieved in order to satisfy them.

An argument which one often hears in favor of continued cooperation and support for the regime is that the strategic position of Greece in the Mediterranean and its membership in the North Atlantic Treaty Organization necessitate our support.

That view was just aired again by the distinguished Senator from Mississippi (Mr. STENNIS).

On October 6, the State Department advanced this argument in a report it filed with the Foreign Relations Committee on my amendment. I believe the State Department argument against this amendment is very enlightening, and would like to quote from it at some length:

> We do not believe that cutting off military aid to Greece will serve either our best interests or the best interests of the Greek people. Military aid to Greece is clearly granted in the context of the important part Greece plays in the NATO alliance and our obligations as leader of the alliance. At a time when the United States and the other members of the alliance are facing serious challenges to our interests in the eastern Mediterranean and when we represent for the countries of the eastern Mediterranean the only relief from the pressures on them arising from the increased presence of the Soviet Union's military forces, it is vital that the North Atlantic Alliance continue to present a solid front. By stopping or reducing military aid to Greece we would be making a serious breach in that front, we would be making clear to our adversaries that political considerations within NATO override our determination and cohesion and we would be well on the way to destroying the credibility of the Deterrence the Alliance represents.

I would draw the particular attention of my colleagues to the last sentence of this report where the State Department concludes that "political considerations within NATO" should not be allowed to affect the deterrent objectives of the alliance. If this sentence has any meaning, it is that political considerations should not be allowed to supercede military ones. This is a conclusion, Mr. President, which runs counter not only to our basic democratic philosophy but also to the preamble of the NATO Treaty which states:

> The parties to the treaty. . . . Are determined to safeguard the freedom, common heritage, and civilization of their peoples, founded on the principles of democracy, individual liberty, and the rule of law.

This inherent contradiction between the preamble of the alliance and the actions of the Greek regime was dramatically illustrated when the NATO assembly concluded on October 20, 1969, that "Greece is to all intents and purposes a police state."

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

Mr. HARTKE. I am glad to yield to the chairman of the Foreign Relations Committee.

Mr. FULBRIGHT. If I understood the Senator correctly, he cited the North Atlantic Assembly resolution adopted in 1969. Did he cite the September 1971 resolution of the North Atlantic Assembly?

Mr. HARTKE. No, I did not. I would be delighted to have that in the RECORD.

Mr. FULBRIGHT. This was in September of this year, last month. The resolution was approved by the full Assembly on September 27.

I ask unanimous consent that the entire resolution be printed in the RECORD at this point.

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

NORTH ATLANTIC ASSEMBLY

RESOLUTION ON GREECE PRESENTED BY THE POLITICAL COMMITTEE

The Assembly,

Recalling that in the past international organizations, including the European Communities and the Council of Europe, have expressed unequivocally the view that human rights and political freedoms in Greece have been drastically restricted;

Noting that the House of Representatives of the United States Congress has called for the right to suspend arms deliveries to Greece;

Considering that, in the NATO context, the continuing political efforts of the democratic representatives from the other member states of the Alliance have not been able to convince the Greek Government of the urgency and gravity of the situation;

Recognizing that Greece's membership of the North Atlantic Alliance gives Greece not only rights but also responsibilities, one of the most important being to end the political injustice which characterizes Greece's internal situation;

Affirming that for parliamentarians of the countries of the Atlantic Alliance, Greece not only represents a problem with respect to the moral credibility of our Alliance but also poses a question concerning the political posture of NATO;

Expresses its renewed condemnation of any repression of democratic freedoms in Greece as dangerous to the internal cohesion of the North Atlantic Alliance bearing in mind the text of the Preamble to and Article 2 of the North Atlantic Treaty;

Urges the Government in Athens to undertake immediately, serious steps leading to the restoration of democratic freedoms;

Urges the other Governments and Parliaments of the North Atlantic Alliance use their political influence upon the Government in Athens to realize this goal.

APPROVED BY THE FULL ASSEMBLY.
September 27, 1971.

The PRESIDING OFFICER. The Chair announces that the limitation of 10 minutes has expired.

Mr. FULBRIGHT. I yield 5 more minutes.

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

Mr. FULBRIGHT. The resolution calls attention to the action taken by House of Representatives, as follows:

> Noting that the House of Representatives of the United States Congress has called for the right to suspend arms deliveries to Greece . . .

This was subsequent to the action of the House. The provision which the pending amendment seeks to strike is the same provision adopted in the House bill.

The resolution continues:

> Expresses its renewed condemnation of any repression of democratic freedoms in Greece as dangerous to the internal cohesion of the North Atlantic Alliance bearing in mind the text of the Preamble to and Article 2 of the North Atlantic Treaty.

This is very relevant to the argument made by the Senator from Mississippi. He says he wants to maintain the cohesion of the North Atlantic Alliance. Here the Assembly of the Alliance expresses the view that the continued repression in Greece threatens the cohesion of the Alliance.

So we get down to the question, Which approach is more likely to strengthen the North Atlantic Alliance? The approach of the House, which the committee approved, is to express disapproval of the regime in Greece.

As a very practical matter, if one is interested in the strength of NATO, he will leave the provision in the bill as it is now, in accordance with the expression of the Assembly of the North Atlantic Alliance.

Mr. HARTKE. That certainly is true. There is nothing whatsoever in the present regime which would add anything to the military power or the future of NATO.

Mr. FULBRIGHT. The Assembly of the Alliance believes it weakens it.

Mr. HARTKE. I was in Sweden this summer and talked with the Prime Minister of Sweden, Mr. Palme. He said:

> Quite frankly, if the purpose of NATO is to preserve democracy, we in Sweden could

do without the regime in Greece. We would like to preserve NATO. But the Greek military forces are not being used to defend Greece from outside aggression but to protect the junta from any attempts at a coup by the Greek people:

Mr. FULBRIGHT. Here is the question before us: Which policy is better designed to preserve the strength of NATO alliance? Does a policy which encourages the Greek regime do this? Or does the policy expressed in the bill do this? I think it is the latter, which merely says that unless the President thinks it is to our overriding interest, he will not provide military aid to Greece. Of course, he will probably find it is vital to our interest, but it gives him a lever or some power to use on Greece, if he is disposed to do so.

Mr. HARTKE. The Senator has stated it correctly. If one believes in NATO, the amendment offered by the Senator from Alabama should be defeated.

Mr. FULBRIGHT. That is true. This amendment weakens the cohesion of NATO, in the words of the Assembly of the North Atlantic Alliance on September 27, 1971.

Mr. HARTKE. I quite agree with the distinguished chairman of the Foreign Relations Committee. Equally disturbing were events in the Jordanian crisis of last September and early October last year. At that time, the regime rejected the request of the United States to fly U–2 planes from bases in Greece. As the direct result of this refusal, the implacement of SAM missile sites along the Suez Canal went unnoticed for several weeks by United States and Israeli intelligence sources.

In addition, I would like to bring some interesting economic facts to the attention of the Senate. These are facts that have taken place in Greece since the military took over. This information can be verified through international agencies and from the Bank of Greece itself.

Totalitarian governments sometimes seek to justify the denial of freedom by pointing to their material accomplishments. The Greek junta has tried this too, but its chief accomplishment has been to bring Greece to the verge of bankruptcy.

In the first 4 years of the junta's rule, Greece's balance of payments deficit on current account came to about $1⅓ billion; for 1970 alone it came to over $410 million. And, in the first 6 months of this year it came to over $275 million—$31 million more than last year's deficit for the same period. Each year the junta has achieved new record deficits. This year's will be the biggest yet; it may reach $700 million.

To meet this deficit, the junta has borrowed huge sums in supplies' credits and other forms of short-term loans at high rates of interest. Annual interest payments on the Greek foreign debt tripled between 1966, the last full year before the coup, and 1970.

Mr. PELL. Mr. President, will the Senator yield at that point?

Mr. HARTKE. I yield.

Mr. PELL. I agree with the Senator's point and objective, but our own democratic United States has just as deplorable a record of mounting deficits as does Greece.

Mr. HARTKE. But the point is that it is not due to the fact that we have suspended freedom in the United States, although we may well be on the way to doing that, too.

The junta has also dissipated about a half a billion dollars in reserves, so that the country's free reserves today are probably not enough to meet a few weeks' bills. At the time of the coup the country had approximately half a billion dollars in reserves. About $270 million of this formed the official reserves; the rest was in the gold sovereign fund used for the interval stabilization of the drachma.

The PRESIDING OFFICER. The additional 5 minutes granted the Senator has expired.

Mr. FULBRIGHT. Mr. President, I have only 7 minutes left. How much time does the Senator want on the bill?

Mr. HARTKE. An additional 2 minutes on the bill.

Mr. FULBRIGHT. I yield the Senator 2 minutes on the bill.

Mr. HARTKE. The gold hoard was the first to go; by the end of 1968, it had been almost entirely spent. The official reserves were spent next, but bookkeeping gimmicks hid their decline. Thus, as early as 1967, the junta borrowed $25 million in New York at 7 percent on condition that the money be left on deposit with the lending banks at 5 percent. Although the junta could not touch a cent of this money, it counted it as part of its reserves. Similar loans were negotiated in London.

The junta has also negotiated loans from commercial sources in Germany and Switzerland, using the gold reserve as security. It has used the proceeds of these loans to meet its current deficit, while still counting the pawned gold as part of its reserves. In the first 6 months of this year, the country's central bank, the Bank of Greece, reported that it borrowed $134.4 million abroad—more than in a 10-year period before the junta seized power. This seems to have represented the pawning of the official gold reserves. At the end of June only $33 million of the proceeds of these loans was left. The rest had gone to meet desperately pressing debts, such as one loan from a New York bank on which the junta was forced into temporary default early this year. Indeed, the only reason the junta is not bankrupt is that its creditors prefer to renew their loans instead of having them defaulted.

At the same time, the economic growth of Greece has slowed down significantly. According to the junta's own figures, the rates of Greek economic growth in the 4 years after the junta's coup was only about 70 percent of the rate in the 4 years before the coup. And most of even that growth has resulted from the completion of projects, initiated well before the military takeover. Despite the desperate efforts of the junta to attract foreign capital by all sorts of concessions, there has been little significant new investment in Greece since 1967. Litton Industries set out to secure $850 million in investments for the junta; after 2 years, the contract was cancelled because Litton had succeeded in finding less than one-tenth of that. Similarly the $600 million contract between the junta and Aristotle Onassis has broken down because Onassis was unable to find foreign financing for the investments involved.

Now the junta is faced with the likelihood of a further deterioration in its economic position. Its principal sources of foreign exchange have been emigrant remittances, in particular from the quarter of the Greek labor force that now works in northern Europe, tourism, and shipping. But shipping is at present depressed, and will be even more so if the Suez Canal is reopened. The sharp increase in Greek income from shipping since 1967 was caused almost entirely by the closing of the canal. And the recession which appears to be developing in northern Europe seriously threatens the income Greece gets both from workers' remittances and from tourism. Even a very mild recession in Germany would bring mass unemployment among foreign workers, who would be the first ones laid off. And there would be an almost inevitable drop in tourism.

Under these circumstances, it is obvious that the junta desperately needs the arms aid it is receiving from the United States; when it talks of buying arms elsewhere if we stop supplying them, it is bluffing, since it simply does not have the money. Nor is there any likelihood that it would seek revenge by denying the United States the use of the facilities our military now have in Greece. The income it receives from U.S. investments in infrastructure and from the expenditures of U.S. personnel in Greece is not something it will willingly give up.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, I yield 5 minutes to the Senator from Colorado (Mr. ALLOTT).

Mr. ALLOTT. Mr. President, I wish to speak very briefly in support of this amendment. I believe one of the fundamental difficulties and mistakes the United States has made over the period of the last few years is to try to use its power in support of or against the various countries in the world.

Here we are, with the special limitation against the country of Greece, which is not the southernmost anchor, but one of the southernmost anchors of the NATO alliance. I think it is a mistake to put this proscription against Greece in this bill. It is a mistake because we followed Great Britain with respect to her proscriptions against Rhodesia; we have attempted to do the same thing against South Africa; and no matter how much we may regret the lack of democratic government in both countries and how much we may deplore the policy of apartheid, it is a fact that what we have done or attempted to do by way of social, political, and other pressures has not changed the situation at all.

Why do we not put something in for each of the countries around the world? I have before me, for example, a statement on Yugoslavia. The Premier of Yugoslavia is here, and we are happy to have him as a guest in this country; but I see that the total, in the period 1946 to 1970, to Yugoslavia is $2.896 billion. In the case of Romania, last year, the total to date is $2.4 million, which is not large, but it is money.

Why do we pick out Greece for a special proscription, when it is very difficult to pick out a truly democratic representative government in all of South Africa? Why do we do it, when it is so difficult in South America?

I joined in sponsoring this amendment and I urge its passage simply because I think we are pursuing a futile policy around the world. I recall specifically when many Senators who are in the Senate now made great speeches against Batista. They wanted us to shut off all assistance or aid to Batista in Cuba. We did; we clamped down on Batista. But what do we have now? No one can possibly contend that the government in Cuba today is any better than the government of Batista, as reprehensible and disgusting as that was to anyone who loved representative government.

Mr. President, we are simply going about this in the wrong way.

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

Mr. ALLOTT. One minute.

Mr. FULBRIGHT. I yield the Senator 1 additional minute.

Mr. ALLOTT. We are going about it in the wrong way. I sincerely hope we do not put any special proscriptions in here. What we are really doing, by the language of the bill, is passing the buck again, while we hear great and glorious speeches on the floor of the Senate about resuming the authority, the responsibility, and the constitutional rights of the Senate. We simply, in this instance, by the language of the bill, pass the buck to the President again. I do not think we should do it.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. I yield 3 minutes to the Senator from New York (Mr. BUCKLEY).

The PRESIDING OFFICER. The Senator has only 1 minute remaining on the amendment. Is time yielded on the bill?

Mr. ALLEN. I understood 15 additional minutes had been allowed.

Mr. FULBRIGHT. I yielded the Senator 15 additional minutes on the bill.

Mr. ALLEN. Mr. President, I yield 3 minutes, from whatever source.

Mr. BUCKLEY. I thank the Senator.

I would also like to say a few words in support of the amendment of the Senator from Alabama. It seems to me we are indulging in some rather selective punitiveness in the language now in the bill. We have selected one country, whose government none of us approves, but nevertheless it has the sovereignty over people who are in need. It is the peoples and not the NATO treaty on which we must place reliance.

If we are to start tailoring our foreign aid to the internal politics of the recipient countries, and if we are to use as our standard New England variety town hall democracy, then we ought to extend the restrictive language in the bill to include such countries as Argentina, Brazil, Haiti, Nicaragua, Iran, Iraq, Syria, Turkey, Burma, Ethiopia, Ghana, Sudan, and Tunisia, to name just a few.

But I think we should extend our aid to those peoples who are in need—and Lord knows the Greek people are in need—and also to nations where it serves our defense interest to aid those nations.

I know, as the Senator from Indiana has mentioned, that we were denied the use of bases in Greece recently for the use of certain aircraft, but certainly the French and the Italians have denied us the use of their bases at a time when Israel was in critical need, while Greece did not deny us.

I feel that we should be consistent in our policies and that we should not be punitive in the application of our policies. I feel that in this particular instance, the amounts involved are not great, but the need is great, and I think that should be the determining factor.

I therefore hope that the Senate as a whole will agree to the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. FULBRIGHT. Mr. President, I yield myself 5 minutes.

I must say that I agreed with the sentiments expressed by the Senator from Colorado that we have meddled too much and interfered too much in the internal affairs of other countries. The fact is that, by the existing policy, we are already interfering in the internal affairs of Greece by allying ourselves with the existing regime. It is commonly believed inside and outside Greece that the primary support for the existing military dictatorship comes from the U.S. Government.

The Senator from New York says that the Greek people are in need. They need money. That may be, but the military government certainly does not need more arms. We are not talking about economic assistance. We are discussing military aid and credit sales for arms. The last thing the people in Greece need is more arms—arms which will serve only to enhance the regime's repressive nature.

What the Greek people need, and what the North Atlantic Alliance wants from it, is a degree of civilized self-government. We have stated that our objective of the war in Vietnam, and in other places, is to give people self-government. Certainly, there is no evidence of self-government in Greece. It is not that I want to interfere and give them self-government. I simply do not want to interfere, as we have been doing, in making it impossible practically for them to achieve self-government. We are the principal obstacle, by our assistance, to the achievement of self-government by the Greek people.

I again refer to the Assembly of the North Atlantic Alliance expressing its condemnation of the repressive regime and its belief that this regime threatens the cohesion of the North Atlantic Alliance.

I cannot think of any better argument than to cite the opinion of the members of the North Atlantic alliance.

All we are trying to do is to follow the best opinion of the leaders of the North Atlantic alliance that it is in the interest of the North Atlantic alliance not to support, as we have been supporting, the Greek regime. All this amendment does, in effect, is express our disapproval and say that unless the President finds that it is vital to our overall national interest that we give this money to Greece, it will be cut off. It does put on a limit of $118.8 million, the amount of military aid and sales provided in fiscal 1971; this is a very substantial sum, indeed. The difference between that and the request this year is approximately $1 million.

I think that in the interest of stability and strength of the NATO alliance, this amendment should be rejected.

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

Mr. ALLEN. I yield 3 minutes to the distinguished Senator from Rhode Island.

Mr. PASTORE. Mr. President, I regret very much that I have to differ with my distinguished friend, the Senator from Arkansas, the chairman of the Foreign Relations Committee. I shall vote for the Allen amendment, and my reason is predicated upon my reliance on the integrity and judgment of three Rhode Islanders who are of Greek ancestry for whom I have the highest respect and regard. One of them was a candidate for the office of Governor on the Republican ticket. One was a candidate, at another time, for the office of State treasurer in the State of Rhode Island. The third is a very distinguished businessman from the city of Newport. These are the letters I have received; they are addressed to me:

DEAR SENATOR PASTORE: It is my understanding that the entire U.S. Senate will be voting on the measure pertaining to continued military aid for Greece sometime next week.

My wife and I and others of my family and friends have visited Greece on several occasions in the past few years. We feel that the Country is moving forward both in terms of gross national product as well as per capita income. I have relatives and friends who have been stationed there in the service as well as others who have done business there, and I find the reports repeatedly favorable.

It is my firm conviction that we Americans cannot afford to let Greece down at this stage of development, and I feel that the consensus of opinion among Americans is that Greece has proven herself as a steady, dependable ally.

In making this plea for your support of this measure, I realize that you are well-briefed on this subject, but I also know that the majority of concerned Rhode Islanders, if tested, would align themselves in support of this bill for military aid. I appreciate your courtesy and consideration in this matter.

Very truly yours,

MR. CHRIS W. CARAGIANIS,
President, Newport Music Co., Inc.

This letter is from Mr. Dean J. Lewis, an attorney-at-law, who at one time was a candidate for the office of governor of Rhode Island, on the Republican ticket, which of course is not my party. On October 20, he wrote to me as follows:

MY DEAR SENATOR PASTORE: As an American citizen of Grecian parentage and as a former Mayor of Newport, Rhode Island, I am interested in seeking your support for the bill concerning "military aid to Greece" which is expected to reach the Senate floor for a vote on Tuesday, next, October 26, 1971.

This matter has been a subject of much concern to many of my contemporaries who were born in the U.S.A. of parents who came from Greece in the early decades of this century. Our parents loved this land of ours, and always intended to remain here. Many have now passed away, but there still re-

mains with their offspring a spark of that old heritage when a momentous issue presents itself.

Believe me, Senator, we do not become wildly enthusiastic or excited about ordinary events or problems which arise in Greece or pertain to Greece. We have, however, observed developments in the eastern Mediterranean during the post-World-War II period, and we are convinced that little Greece has been an immensely loyal and reliable ally for the U.S.A.; she is unquestionably Western-oriented, and she is a worthy stalwart ally as a smaller maritime nation.

As a lifetime resident of this attractive seaside City of Newport, I have learned to appreciate the importance of our Navy and of the need of a strong common defense as a pillar of collective security. Therein lies the bond for the future, and I cannot believe that the presence in power in Greece of any so-called non-representative administration or regime should deter us from continuing to provide ample support as has been provided in the recent past. After all, almost one-half of the organized nations are non-representative (dictatorial, oligarchic, or otherwise) in form and susbtance. I am confident that Greece will hold free elections in the future, and that she will have parliamentary (representative) government with a constitutional monarchy.

The need at the moment is no for political philosophy or ideology. It is obvious that economic democracy and a growing middle class have come forth in Greece only in the last generation. I urge you sincerely to keep this momentum going forward with your vote next Tuesday in support of military aid for Greece. With my kind personal regards and high esteem, I remain

Respectfully and cordially yours,

DEAN J. LEWIS.

This is the third letter:

DEAR SENATOR PASTORE: On Tuesday, October 26, 1971 in the United States Senate, there is as I understand, a bill to come forth relative to Military Aid to Greece.

Please be advised that I and many of my Greek American friends are in favor of the passage of this bill and urge you to vote in favor of it.

Sincerely,

HAROLD W. DEMOPULOS.

Mr. President, I know that many things have been said pro and con, but I am confronted with letters that come to me from three young, fine Americans of Greek ancestry who have held high positions in my State, and they tell me that it would be a calamity to us at this moment to vote against military aid to Greece. For that reason, I shall support the Allen amendment.

I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. FULBRIGHT. Mr. President, I am prepared to yield back the remainder of my time. There is nobody here prepared to listen to the debate, anyway.

Mr. ALLEN. Mr. President, I yield myself 5 minutes.

I thank the distinguished Senator from Rhode Island (Mr. PASTORE) for his eloquent remarks and for the fine testimony given by his constituents of Greek ancestry.

It certainly illustrates the very point in this amendment—that military aid, economic assistance for Greece, is not assistance to the Government of Greece. It is assistance to the Greek people and here we are being called upon to give a gratuitous slap in the face to the people of Greece by providing that no economic or military assistance should be given by the United States to Greece. Certainly it would seem to me that if, as has been stated, the desire of those who would prohibit aid to Greece is to serve notice on the people of Greece that the people of the United States and those who are Members of the Senate and House of Representatives do not favor the junta in Greece, why do we not level an attack against other nations who do not have what we would consider to be a democratic government?

Mr. President, there are four pages of names of countries who are to be the recipients of military and economic assistance under the bill. I daresay we could not find a dozen governments in the whole list on the four pages of the names of the countries that have a democracy as we would define or term it here in the United States.

What about the Government of Portugal, which is the recipient of aid?

What about the Government of Spain? When did they last have an election in Spain?

I should like to inquire, what about Jordan, which is a large recipient of our aid?

What about Saudi Arabia, that immensely wealthy country with all the oil wells that it has?

What about Syria, a recipient listed here?

What about Turkey, a beneficiary to the extent of $328 million last year? When did they last have an election in Turkey?

Yet we single out Greece.

There is another country, Pakistan, which is near civil war between East and West Pakistan. There is a little item in here of a quarter of a billion dollars for relief of refugees in Pakistan. So it is only Greece that is singled out for a slap at the hands of the U.S. Congress.

Mr. PELL. Mr. President, will the Senator from Alabama yield?

Mr. ALLEN. I yield.

Mr. PELL. In the first place, this present provision is not a slap in the face of the Greek people. The provision in the bill reflects our love for the Greek people but not for the government, the junta which is not representative of the people. Those of us who disagree with the Senator from Alabama in this regard do so, out of affection and respect for the people of Greece and because of our distaste for the junta which presently rules the fine Greek people.

Greece is unique in that it is the only member of NATO which when it comes to the progress of democratic institutions, has gone in reverse. Greece had a democracy, which is the goal recognized in the NATO preamble, and they threw that democracy into the ashcan.

Mr. ALLEN. And they were about to lose to the Communists at the time of this takeover.

Mr. PELL. The what?

Mr. ALLEN. The Senator said that Greece had democracy——

Mr. PELL. Right. The fact is they had a parliamentary system which was replaced by the junta. Greece is the only NATO nation where democracy has been thrown in the ashcan, the only NATO nation we are helping which has gone away from democracy.

Mr. ALLEN. I thank the distinguished Senator for his remarks. I would like to finish my remarks, since my time is limited, so I will go ahead.

Mr. President, one of the unusual arguments made is that if we believe in NATO, if we are for NATO, if we support it, the way to strengthen NATO is to deny military and economic assistance to Greece. Then the argument is made that Greece is on the verge of bankruptcy.

It is passing strange to me that we should help an ally by allowing it to go broke. That does not seem to me to be strengthening the NATO organization by allowing one of its members to go broke.

The PRESIDING OFFICER (Mr. PASTORE). The Chair is informed that the time of the Senator from Alabama has expired. The Senator has 3 minutes remaining.

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

Mr. PELL. Mr. President, will the Senator yield me 1 minute?

Mr. BYRD of West Virginia. Mr. President, I yield 1 minute to the Senator from Rhode Island (Mr. PELL) on behalf of the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 1 minute.

Mr. PELL. Mr. President, the distinguished Senator from Alabama made the point about NATO's wishes in this matter. The Senator from Arkansas, the chairman of the Committee on Foreign Relations, inserted in the RECORD earlier——

Mr. ALLEN. I beg the Senator's pardon, but this Senator made no reference to NATO's wishes whatsoever.

Mr. PELL. In NATO, the parliamentary body is the NATO assembly which is the spokesman for the governments of each member of NATO. It adopted a resolution, which was placed in the RECORD earlier, maintaining this position. I do not see any difference between those governments in NATO and those governments in the NATO assembly. The only difference is that parliamentarians, like ourselves, are the representatives in the NATO assembly, while in NATO itself foreign ministers and generals are representatives.

Mr. HARTKE. Mr. President, will the Senator from West Virginia yield me 1 minute?

Mr. BYRD of West Virginia. I yield 1 minute to the Senator from Indiana on behalf of the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Indiana is recognized for 1 minute.

Mr. HARTKE. The Senator from Alabama referred to the bankruptcy of Greece in remarks which I made previously. The same argument can be made that the military junta has made substantial progress in material things, even though it has denied its people the humanitarian things which go to the basic rights of freedom.

I want to say to the Senator from Alabama that while he alleges that, under the junta, there has been material gain

for the people of Greece, that is belied by the facts I presented. The way to reverse that trend is not to feed more money to the junta for the exclusive use of their military establishment.

Mr. ALLEN. Mr. President, I am prepared to yield back my time.

The PRESIDING OFFICER (Mr. TUNNEY). The Senator from Arkansas has 1 minute remaining.

Mr. BYRD of West Virginia. Mr. President, does the Senator from Alabama wish to ask for the yeas and nays?

Mr. ALLEN. When all time has been yielded back.

Mr. BYRD of West Virginia. I have 1 minute remaining.

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

The yeas and nays were ordered.

Mr. BYRD of West Virginia. Mr. President, I yield back the remainder of the time of the Senator from Arkansas.

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

The PRESIDING OFFICER (Mr. TUNNEY). All time on the amendment has now been yielded back.

The question is on agreeing to the amendment of the Senator from Alabama (Mr. ALLEN).

On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. MATHIAS (when his name was called). I have a live pair with the senior Senator from South Carolina (Mr. THURMOND). If I were voting, I would vote "nay." If he were present and voting, he would vote "yea." I therefore withhold my vote.

Mr. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Louisiana (Mr. ELLENDER), the Senator from Georgia (Mr. GAMBRELL), the Senator from Alaska (Mr. GRAVEL), the Senator from Oklahoma (Mr. HARRIS), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. JACKSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Wyoming (Mr. MCGEE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Maine (Mr. MUSKIE), are necessarily absent.

I further announce that if present and voting, the Senator from Washington (Mr. JACKSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from South Dakota (Mr. MCGOVERN), would each vote "nay."

On this vote, the Senator from Louisiana (Mr. ELLENDER) is paired with the Senator from Alaska (Mr. GRAVEL).

If present and voting, the Senator from Louisiana would vote "yea" and the Senator from Alaska would vote "nay."

Mr. GRIFFIN. I announce that the Senators from Nebraska (Mr. CURTIS and Mr. HRUSKA), the Senator from Idaho (Mr. JORDAN), the Senator from Iowa (Mr. MILLER), the Senator from Ohio (Mr. TAFT), and the Senator from Texas (Mr. TOWER), are necessarily absent.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from South Carolina (Mr. THURMOND) is absent on official business.

If present and voting, the Senators from Nebraska (Mr. CURTIS and Mr. HRUSKA), the Senator from Ohio (Mr. TAFT), and the Senator from Texas (Mr. TOWER), would each vote "yea."

The pair of the Senator from South Carolina (Mr. THURMOND) has been previously announced.

The result was announced—yeas 49, nays 31, as follows:

[No. 278 Leg.]

YEAS—49

Allen	Cotton	Pastore
Allott	Dole	Percy
Anderson	Dominick	Randolph
Baker	Eastland	Roth
Beall	Ervin	Saxbe
Bellmon	Fannin	Schweiker
Bennett	Fong	Scott
Bentsen	Goldwater	Smith
Bible	Griffin	Sparkman
Boggs	Gurney	Stafford
Brock	Hansen	Stennis
Buckley	Hollings	Stevens
Byrd, Va.	Jordan, N.C.	Talmadge
Byrd, W. Va.	Long	Weicker
Cannon	McClellan	Young
Chiles	Montoya	
Cooper	Packwood	

NAYS—31

Aiken	Hatfield	Pearson
Brooke	Hughes	Pell
Burdick	Humphrey	Proxmire
Case	Javits	Ribicoff
Church	Magnuson	Spong
Cook	Mansfield	Stevenson
Cranston	McIntyre	Symington
Eagleton	Metcalf	Tunney
Fulbright	Mondale	Williams
Hart	Moss	
Hartke	Nelson	

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

Mathias, against.

NOT VOTING—19

Bayh	Inouye	Mundt
Curtis	Jackson	Muskie
Ellender	Jordan, Idaho	Taft
Gambrell	Kennedy	Thurmond
Gravel	McGee	Tower
Harris	McGovern	
Hruska	Miller	

So Mr. ALLEN's amendment was agreed to.

Mr. ERVIN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Several Senators addressed the chair.

Mr. HANSEN. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from West Virginia is recognized.

Mr. RANDOLPH. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read, as follows:

On page 27, after line 24, insert the following:

"(7) The President shall, within ninety days after the determinations made by him pursuant to paragraph (1) of this subsection, report to the Congress such determinations, together with a full explanation of the reasons therefor. The President shall also report to the Congress any action taken pursuant to paragraph (3) of this subsection."

ORDER OF BUSINESS

Mr. RANDOLPH. Mr. President, I yield to the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

REFERRAL OF CONCURRENT RESOLUTION 47

Mr. JORDAN of North Carolina. Mr. President, Senate Concurrent Resolution 47, referring to the parking of vehicles on Capitol grounds was referred to the Committee on Rules and Administration. I ask unanimous consent that the Committee on Rules and Administration be discharged from the further consideration of the concurrent resolution and that it be referred to the Committee on Public Works where it properly belongs. The Subcommittee on Public Buildings and Grounds of that committee should handle the concurrent resolution.

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

FOREIGN ASSISTANCE ACT OF 1971

The Senate continued with the consideration of the bill (H.R. 9910) to amend the Foreign Assistance Act of 1961, and for other purposes.

Mr. MANSFIELD. Mr. President, will the Senator yield me 1 minute?

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

Mr. MANSFIELD. Mr. President, because of circumstances which have developed, it is my understanding that, following the disposition of the Randolph amendment, the Church-Allott amendment will be called up, and following that, the Brock amendment.

I ask unanimous consent that at 3 o'clock, or approximately 3 o'clock, the distinguished Senator from Idaho (Mr. CHURCH) may be recognized to make some remarks which he would otherwise make during the course of the consideration of the amendment which will be the pending business shortly.

Mr. DOMINICK. Mr. President, reserving the right to object, I have two amendments that I want to propose for myself. There are many others. If Senators are going to make speeches, we will never have a chance to bring those amendments up.

Mr. STENNIS. Mr. President, reserving the right to object——

The PRESIDING OFFICER. Who yields time?

Mr. RANDOLPH. Mr. President, I yield 2 minutes to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I just want to make an inquiry. I do not want to delay this bill for 1 minute, but, as I had understood, a Senator was preparing an amendment with reference to section 513. I learn now, at the last minute, that he is not going to do that. It is my opinion that section 513 is a contradiction of what we have already done in the

military procurement bill, and I shall be compelled to offer an amendment to it. It might involve a little time, but we need to deal with it.

Mr. MANSFIELD. That is all right.

Mr. STENNIS. I have another matter that I think the Senator from Arkansas and I can agree on without an amendment. It has to do with the fiscal years.

Mr. FULBRIGHT. I think we can agree on that.

Mr. STENNIS. Mr. President, I thank the Senator for yielding to me. I thought I would mention that.

Mr. RANDOLPH. Mr. President, I yield to the Senator from Michigan (Mr. GRIFFIN).

Mr. GRIFFIN. Mr. President, I certainly am not going to object, but I think it might be for the benefit of the Senate to know that there is a reception scheduled for 3 o'clock for the head of a foreign government. Most Senators are invited to go, so it would not be a convenient time for Senators to be present.

Mr. CHURCH. That is why I am going to give my speech at that time.

Mr. MANSFIELD. I think we could hold up the amendments at that time.

The PRESIDING OFFICER. Is there objection to the unanimous consent request? Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, if the Senator will yield further, it is my understanding that after this amendment is disposed of, the Symington amendment will be called up, and following that, the Brock amendment.

Mr. BYRD of West Virginia. Mr. President, may we have order? Will the Chair ask Senators to take their seats?

The PRESIDING OFFICER. Senators will please take their seats so we can listen to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President I am gratified that the Committee on Foreign Relations under the able leadership of its chairman, the Senator from Arkansas (Mr. FULBRIGHT), has incorporated in the foreign assistance bill, H.R. 9910, many of the provisions contained in a measure I introduced in July, S. 2344 in which I was joined by the Senator from Idaho (Mr. CHURCH).

I introduced S. 2344 with the cosponsorship of the Senator from Idaho (Mr. CHURCH), in an attempt to establish sanctions with respect to any country which does not do its best to eliminate international traffic in narcotics and other dangerous drugs, and to encourage, through foreign assistance, positive efforts by countries who assist in ridding the world of this insidious menace. As my colleagues know, not 1 ounce of heroin used in the United States is either grown or processed here.

The bill we now consider, H.R. 9910, takes a number of important steps toward combating international drug traffic. It requires the President to terminate any and all aid to countries which he determines are not cooperating in this effort. It authorizes the President to provide financial assistance, with a minimum expenditure of $25 million for this purpose.

The amendment I now propose is a provision which is contained in S. 2344, but which is not incorporated in the pending legislation. I believe it is a desirable addition to H.R. 9910. It would impose on the President a requirement to report to the Congress within 90 days after the annual determination made pursuant to paragraph 1 of new subsection 620(v) of the Foreign Assistance Act of 1961. Under that paragraph the President must assess, on a country-by-country basis, whether each such country "has taken appropriate measures to prevent drugs, partially or completely processed or produced in or transported through such country, from unlawfully entering the United States or from being unlawfully supplied to citizens of the United States."

Within 90 days after this country-by-country determination, the President would, under my amendment, be required to provide a detailed assessment of the effort made by each country so that Congress might have some means by which to know the President's rationale for continuing or cutting off aid to a country, and also to facilitate an independent appraisal of the President's actions by Congress.

My amendment would also require the President to report any action taken pursuant to paragraph (3) of subsection 620 (v). That provision allows the President to continue or resume aid to countries which either first, take appropriate measures to halt drug trafficking after an earlier determination by the President that such measures have not been taken by such countries, or second, require assistance from the United States because of "overriding national interest," even though appropriate steps to combat drug trafficking have not been taken.

In my opinion the overriding national interest must be grave indeed to excuse a country from taking steps to eliminate drug traffic to the United States or its citizens, and I would expect the fullest justification for any presidential determination to continue aid which is based on overriding national interest.

Except for the absence of a Presidential reporting requirement, I am, I repeat, pleased with the international drug control provisions included in H.R. 9910 by the Committee on Foreign Relations. I hope that the chairman and members of that committee support this amendment, and that the Senate accept it.

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

Mr. RANDOLPH. I yield.

Mr. FULBRIGHT. I have discussed this matter with the Senator from West Virginia. The substantive provision relating to drug traffic, as he rightly says, is in the bill. As far as I know, it is noncontroversial and no one is against it. I think he is thoughtful and wise in providing that the President report to the Congress. I certainly would accept the amendment. I think the President certainly would have no objection, and probably would welcome this opportunity to report to Congress.

I accept the amendment.

Mr. RANDOLPH. I am grateful to the chairman of the commitee.

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

Mr. RANDOLPH. I yield.

Mr. JAVITS. Mr. President, New York is having probably the biggest problem in the country in this area—not only that, but drug traffic is probably the greatest problem New York has ever had—I am very anxious to work at this end to try to damp the flow. There are three elements to damping the flow: First, the illegality of the crime in pushing and wholesaling drugs; second, rehabilitating drug addicts and trying to eliminate the problem; and third, keeping the addict from engaging in crime.

I am glad the chairman of the committee has accepted the amendment. I think the Senator has rendered us all a service in keeping the administration's feet to the fire in a proposition as critical as this one.

Mr. RANDOLPH. I appreciate the comments of the Senator from New York. I know he has given much attention to the problem and has intense interest in stopping the illegal traffic in drugs.

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

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

The PRESIDING OFFICER. All time on the amendment having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

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

Mr. FULBRIGHT. I understood the Senator from Idaho (Mr. CHURCH) to say he expected the Senator from Missouri to proceed. Or am I in error about that?

Mr. MANSFIELD. Go ahead.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. SYMINGTON. Mr. President, my perfecting amendment, as printed and as it appears in the RECORD, contains a printing error which I would correct at this time.

The amount to be inserted in lieu of $250 million in lines 14 and 20 of page 44 should be $341 million in each instance.

I send a corrected copy of the amendment to the desk, and ask that it be read.

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The assistant legislative clerk read as follows:

On page 44, line 14, strike out "$250,000,000" and insert in lieu thereof "$341,000,000".

On page 44, line 20, strike out "$250,000,000" and insert in lieu thereof $341,000,000".

The PRESIDING OFFICER. The Chair will state that there are 9 minutes remaining to each side on this amendment. Who yields time?

Mr. SYMINGTON. Mr. President, I ask for the yeas and nays on my perfecting amendment.

The yeas and nays were ordered.

Mr. FULBRIGHT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FULBRIGHT. How much time remains on the perfecting amendment of the Senator from Missouri?

The PRESIDING OFFICER. Nine minutes on each side. Who yields time?

Mr. GRIFFIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GRIFFIN. To whom is the time allotted?

The PRESIDING OFFICER. To the Senator from Missouri and the Senator from Arkansas. Who yields time?

Mr. MANSFIELD. Time is running on both sides.

The PRESIDING OFFICER. If no one yields time, time will run against both sides.

Mr. FULBRIGHT. Mr. President, I yield myself 3 minutes for the purpose of an inquiry. The Senator from Missouri is now offering a perfecting amendment to increase the amount of the ceiling for money to Cambodia from $250 million to what figure?

Mr. SYMINGTON. The sum of $341 million is the amount requested by the administration.

Mr. FULBRIGHT. That is correct. I have already stated that I think this is much too much money, and there is no point in my reiterating it.

It was my understanding—and the only excuse I can offer why the Senator from Alaska is not here is that there has been a change of signals—that the Allott-Church amendment was coming up. Now the Senator from Alaska wishes to present a substitute, I believe, or an amendment to the amendment of the Senator from Missouri, and I understand it would be in order. He wishes, I believe, to strike it out—to strike out aid to Cambodia. I believe it has been at the desk. I think he ought to have an opportunity to present it, but there is a change of signals here at the last minute. I did not know it was going to come up just now, because I thought the Church-Allott amendment would be next in line.

But I wonder if the Senator from Missouri would be willing, if he has any further remarks to make, to make those remarks now. If not, I am perfectly willing, after a reasonable opportunity to reach the Senator from Alaska, to proceed to a vote.

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

Mr. SYMINGTON. I am glad to yield to the able Senator.

Mr. AIKEN. I support the move of the Senator from Missouri for increasing the available amount for Cambodia, because I feel that we have a very great responsibility for the pathetic condition of that country today. And while I would not want to see this money spent for raising an army and putting men to war against their neighbors, I feel that if this amount of $341 million is agreed to at this time, it undoubtedly will not survive the conference at that full amount, though it might, but I doubt in any case if it would survive in the Appropriations Committee; so we are not spending this $341 million, we are simply making it available to repair much of the damage which we have in part caused over there.

Mr. SYMINGTON. May I say to the Senator from Vermont that the reason for my amendment has much to do with the McGee amendment which yesterday was defeated. The McGee amendment would have taken away any ceiling on the amount of money that was being requested by the administration for use in Cambodia. My amendment agrees with all the money that was requested by the administration, but says that before they spend additional money, they should come to Congress for authorization. That is the amendment that we are discussing now.

Mr. President, I am prepared to yield back the remainder of my time.

Mr. STENNIS. Mr. President, first will the Senator yield to me for a question?

Mr. SYMINGTON. I am glad to yield to the Senator from Mississippi on my time.

Mr. STENNIS. Mr. President, this is largely a matter of legislative history, and I wish to ask the Senator some questions after I make a very brief statement.

This pertains, now, to the money that can be spent in Cambodia. When we had the procurement bill up, we had a similar amendment with reference to how much could be spent in Laos. We excepted the bombing in both areas, and agreed on a $350 million figure, which was the budget request, and I agreed to the amendment on that basis.

The amendment would actually, though, put that as an annual ceiling, a legislative ceiling, which I thought was all right; you can hardly argue against it.

I said to the Senator from Missouri, as he related yesterday in my absence, that I would support a similar situation as to Cambodia, to take the budget figure, as we did before.

He has now amended his amendment, as I understand it, to $341 million, which is the amount of the budget request.

We do carry the idea in the bill, though, that this is a legislative ceiling for one year.

Mr. SYMINGTON. That is correct.

Mr. STENNIS. All right. I think that is sound.

Now, there is some language in the bill that uses the word "expenditures." This is technical language that I think ought to be cleared up. It could be cleared up in conference. The question about expenditures or authorizations or commitments—I do not know what all the terms are, but what I wanted to make clear is that this amendment will have no limitations on the spending, if they see fit, of up to some $341 million; is that correct?

Mr. SYMINGTON. That is my understanding.

Mr. STENNIS. Yes. And the Senator does not intend to limit, after agreeing to this $341 million, in any way the expenditure of it for purposes in Cambodia?

Mr. SYMINGTON. The Senator is correct.

Mr. STENNIS. If the Senator will yield further, what is an expenditure in this field sometimes requires a definition or an understanding, and I will illustrate.

Some of these goods are used jeeps, we will say, that we would send over into Cambodia. I am just illustrating.

That is a used item, and there has to be some ground rule on how it is going to be evaluated in money figures. It is not an expenditure of new money; it is just the sending over of war material.

Does the Senator understand it that way, and would he be amenable, in conference, if this amendment passes, to having ground rules established, the ones that are used now?

Mr. SYMINGTON. Mr. President, I want to be careful not to say something at variance with the language of the bill.

The bill provides:

> For the purpose of this subsection, "value" means the fair market value of any goods, supplies, materials, or equipment provided to, for, or on behalf of Cambodia but in no case less than 33⅓ per centum of the amount the United States paid at the time such goods, supplies, materials, or equipment were acquired by the United States.

That sounds fair and proper to me.

Mr. STENNIS. That language indicates the principle that I am maintaining for. I am not certain about that 33⅓ percent. I understand that is a reasonable ground rule.

Mr. SYMINGTON. There is no use in passing any legislation limiting the amount of money but then having the Defense Department or one of the administration's adjacent departments first declare something useless and then give it away to the Cambodians. We do not want to waste time in the Senate by in effect setting a ceiling which is the amount they request then have them go millions beyond the ceiling by declaring worthless a lot of equipment they later put to use in Cambodia. I believe this clause is constructive as written in the bill.

Mr. STENNIS. Mr. President, we are trying to make legislative history and are not particularly arguing the bill. I have tentatively agreed to this figure, but it was with the understanding that we were not going to be left in the dark as to interpretations. I think the 33⅓ percent figure is a reasonable amount, but I do not want any unknown restrictions in this language, and the Senator does not, either.

Mr. SYMINGTON. No. That is right.

Mr. STENNIS. Mr. President, with the understanding about this language and with what clarification may be necessary as to the word "expenditure" in conference, I can support the amendment.

Mr. SYMINGTON. I thank the Senator.

The PRESIDING OFFICER. All time of the Senator from Missouri has expired.

Mr. FULBRIGHT. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Six minutes.

Mr. FULBRIGHT. Mr. President, I think this is a very inconsistent policy; this amendment rapidly escalates our expenditures in Cambodia.

The Senator from Missouri, I know, was committed to amend his amendment from $25 million to $341 million, because he recognized the fact of life that the influence of the Armed Services Committee is dominant in this body. But he wanted an expression of a principle, that Congress still has a slight, remote function to play in the foreign policy field. If the Senator from Missouri had offered an amount $1 under what the Pentagon

wanted, it would have the opposition of the Armed Services Committee, and the amendment would fail.

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

Mr. FULBRIGHT. I will yield in a moment.

I will not trade on any such basis. It is not the money that is bothering me, although I think we are in bad shape and cannot afford it. It is the principle of now starting to construct an enormous military machine, using foreign bodies backed by American money and guns.

The Joint Chiefs have been very candid in the newspaper—I do not know whether they intended to be or not—but they are intending to build an army of more than 300,000 Cambodians.

I assume they are doing the same in Laos, because they have asked for a similar vast increase in Laos; and, of course, Thailand is our bastion country, into which we have poured billions of dollars and will continue to do so.

I do not know why it is not legitimate for the Senate to take the responsibility: Do we want to go down that road again? This is the same questions that came to us in the form of the Gulf of Tonkin resolution. At that time, we were misled by lies about what had happened, and our emotions were appealed to—we were told we had been attacked on the open seas in an unprovoked manner, and I and everybody else except two Members of the Senate fell for it.

There is no excuse now for a similar mistake. Our eyes are open. We know what is going on. We know the greatest tragedy and loss to this country since the civil war is going on in Asia. Why do we wish to go down this road again in Cambodia and in Laos?

We are headed in this direction because of the dominant influence of the military committee and the military establishment in this country. I know of no reason for it other than they want to do it. No good reason has been given to me as to why we want to organize and pay for an enormous army in Cambodia. I am against it.

I realize that the votes are here; and if I am the only one who votes against it, I will, because at issue is whether we are going to construct an enormous army of Cambodians. We have already approved one in Laos and, of course, Thailand has enormous amounts of money in here for the maintenance and construction of an enoromus army. When I say "enormous," I am referring to the fact that it is far beyond the capacity of these little countries to support the military establishments we encourage on them. Cambodia had approximately 35,000 in her army when Sihanouk left the country. We have already built that up to 185,000, and there are reports to the effect that by 1975 or 1976 they will have 300,000. We pay all the bills. Here is a limit of $341 million. Next year it will by $500 million, and the next year it probably will be $700 million. That is the road we are headed down.

If we had been attacked, or were about to be destroyed, nobody would hesitate to respond. There is that difference between Tonkin Gulf and this. There we had been told, erroneously, that we had been attacked, and we fell for it. There is no similar excuse in this case. We are deliberately undertaking obligations far beyond the needs and against the interests of Cambodia. The people of Cambodia are going to be the victims here, just as the people of Vietnam have been the victims of that situation. The people of Cambodia do not want this to happen to them. They would like us to go home and leave them alone.

Somebody said that we are not going in there. The newspapers said the other day that they have doubled the amount of military advisers in Phnompenh. The Senator from New Jersey has been trying to get a personnel limit. I support his efforts.

I just want to make my position clear. I am not arguing about $15 million or $20 million. I am arguing about the policy of this country in undertaking an endless operation in Southeast Asia to build up huge military forces there. I think it is against the President's announced policy of going to Peking, and I think it is against the interests of this country.

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

Mr. FULBRIGHT. I will yield for a question.

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

Mr. SYMINGTON. Mr. President, I do not know when this unanimous-consent agreement was entered into, and ask unanimous consent for an additional 10 minutes.

Mr. MANSFIELD. Mr. President, I must object, because the time was available this morning, and that is when part of the time was lost. But I would suggest that 10 minutes be taken out of the bill.

Mr. FULBRIGHT. I yield 5 minutes from the bill to the Senator from Missouri.

Does the Senator from New Jersey wish some time?

Mr. CASE. I would like 2 minutes.

Mr. FULBRIGHT. Mr. President, how much time do I have on the amendment?

The PRESIDING OFFICER. One minute.

Mr. FULBRIGHT. I yield that minute plus 5 minutes on the bill to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, I would not want the Senate to misunderstand the basic purpose of this perfecting amendment.

What we want to do is establish control of the vast amounts of money being spent in the Far East. I think it fair to say Congress has lost control of the expenditure of that money. This amendment would now give the administration all the money they say they needed in Cambodia for next year; but before they spend any additional money, it will be necessary for them to come back and obtain additional authorization.

If anyone believes this amount is too much, that can be brought up when the matter comes to the Senate for appropriation approval, or, prior to that, for same when it comes before the Appropriations Committee.

In my opinion the Chairman of the Committee on Armed Services has been quite fair with respect to this proposed legislation. It is probable that we would not be able to adopt this amendment if he had not agreed we should establish control if the administration wants additional money.

Therefore, and with the premise that we will have a chance to get into this matter at the time the Senate approves appropriations, I will vote for the perfecting amendment which I have sent to the desk.

Mr. CASE. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield 3 minutes to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 3 minutes.

Mr. CASE. Mr. President, although the Senator from Missouri and I are cosponsors of the amendment placing limitations on U.S. activities in Cambodia, and although I fully respect his honor in fulfilling his commitment on raising the financial ceiling. I am under no such obligation. I made no such commitment. I fully support the action of the Foreign Relations Committee in placing a $250 million ceiling on U.S. expenditures and a 200-man U.S. personnel limitation in Cambodia during this fiscal year.

The $250 million figure represents roughly the current level of American assistance. I urge that we maintain the present rate while we are considering the question of what should be our future obligation and commitment to Cambodia. Two years ago we had no aid programs at all in that country, and we spent our first $100 million without Congressional approval, wholly on the basis of discretionary funds used by the administration. It is true that we later approved, in the 1970 supplemental appropriations bill, what the administration described as a modest level of assistance for Cambodia. But last year's level was considerably lower than this year's request and I believe that we should go no further than we did last year without a firm commitment from the Congress and the American people that they desire a deeper involvement in Cambodia. Therefore, I urge the Senate to turn down this proposed increase of $91 million in the Cambodian aid ceiling.

The PRESIDING OFFICER (Mr. BYRD of Virginia). All time has now expired.

Mr. GRAVEL. Mr. President, I send an amendment to the desk in the nature of a substitute to the pending amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 44, lines 13 and 14, strike out the words "in excess of $150 million.".

On page 44, beginning with "In" on line 20, strike out everything down through and including "any" on line 23, and insert in lieu thereof "No".

On page 44, line 24, insert immediately after "equipment" the words "shall be".

On page 44, line 25, strike out "such" and insert immediately after "year" the date "1972".

On page 45, strike out everything on lines 1 through 6 and everything on lines 16 through 19.

On pages 45 and 46 redesignate paragraphs (e), (f), and (g) as paragraphs (d), (e), and (f), respectively.

The PRESIDING OFFICER (Mr. BYRD of Virginia). The Chair will say that the amendment offered by the Senator from Alaska is not in order, that it is not a valid substitute, and does not amend the same place in the bill as the amendment offered by the Senator from Missouri.

Mr. GRAVEL. Mr. President, I suggest the absence of a quorum for a brief moment—I withdraw that request, Mr. President.

Mr. FULBRIGHT. Mr. President, I yield myself 2 minutes on the bill to clarify the situation.

Mr. President, I was told by the Senator from Alaska that all he wished to do was to change the amount in the amendment of the Senator from Missouri from the $341 million to $150 million. It is as simple as that. So that I do not understand why it is not in order. It was sent to the desk. That is the way it was told to me, that the Senator from Alaska was intending to offer it, simply to change the amount in the amendment of the Senator from Missouri from $341 to $150 million. The Senator from Alaska has a right to do that, and, of course, from my point of view, I shall support it because I do not approve of an increase in the amount as offered in the amendment of the Senator from Missouri.

The Senator from Alaska told me what he wanted to do, that he wanted to change the amount to $150 million. I do not understand why it is not in order.

The PRESIDING OFFICER (Mr. BYRD of Virginia). The Chair will say that the amendment offered by the Senator from Missouri affects two places in the bill. The amendment offered by the Senator from Alaska affects five different places, including a different page of the bill.

Mr. GRAVEL. Mr. President, I have sent another copy of a perfecting amendment to the desk which I would ask the Parliamentarian to rule on its acceptability to the amendment of the Senator from Missouri.

The PRESIDING OFFICER. The clerk will report the perfecting amendment.

The legislative clerk read as follows:

On page 44, lines 13 and 14, strike out the words "in excess of $250 million" and insert "$150 million."

The PRESIDING OFFICER. The amendment is in order.

Who yields time?

Mr. GRAVEL. Mr. President——

The PRESIDING OFFICER. How much times does the Senator require?

Mr. GRAVEL. As much time as I may need to make my introductory remarks, and then I will be happy to yield to other Senators who may wish to address themselves to this same issue.

The PRESIDING OFFICER. The Senator from Alaska may proceed.

Mr. GRAVEL. Mr. President, my original amendment was to eliminate all money for Cambodia. This is not new. I offered a similar one last year, along with several of my colleagues; but we were not successful last year.

I am totally distressed over the fact that this body chooses to escalate our involvement—and I use the word "escalate" because I have heard it mentioned here that we are treading water and keeping the same commitment we had last year. That is not the case. Members should be on notice that we are escalating, that we are not treading water.

It seems unlikely that we could garner enough support from the membership to secure passage of my original amendment, so at the request of the Senator from Arkansas I am happy to modify my amendment to leave out the bombing provision and to permit a modicum amount for cleanup operations. We could try at least to rehabilitate the country and leave it in a semblance of the state in which we found it. That is the reason I have gone along with the $150 million. The $150 million is still treading water, but not the $250 million.

As I recall the incidents last year, we went into Cambodia on a unilateral decision, without the permission of Congress, and spent money to the tune of $100 million, taking that money from aid that would have gone to other countries.

What came before this body last December was a piece of legislation to put back the money the President had spent unilaterally, robbing various aid programs to do so. The amount was first $100 million. Then the request was for $150 million; so, thus far, what has been spent in Cambodia, in excess of 1 year, has been $250 million.

What was agreed to, before the fact, was $150 million. Now we are asked to agree, before the fact, to $250 million.

If that is not escalation, then obviously——

Mr. FULBRIGHT. Mr. President, if the Senator from Alaska will yield on that point, the Senator from Missouri's perfecting amendment makes it $341 million. Actually, the $250 million is what the committee bill provides and then yesterday the McGee amendment was suggested and voted down, which would have lifted any ceiling at all. The Senator from Missouri, as he has stated, had the understanding of the Senator from Mississippi (Mr. STENNIS) that we would change this amount today to $341 million. The Senator from Alaska would be cutting the $341 million back to $150 million.

Mr. GRAVEL. That is right.

Mr. FULBRIGHT. The issue is simple: Do we want to increase the amount of money to Cambodia to build up a large army, which we will have to support, or do we wish to stabilize at a lower level?

These amounts are simply a symbol of a policy. I would hope the Senate would not go on record as saying it is in favor of, in effect, of letting the administration do whatever it deems proper in Cambodia and in Laos. I do not understand how this can be interpreted as a restraint. It is for 1 year. Next year they will say, "We want $550 million." And the year after they will want $800 million, and we will have to have a ceiling of $800 million.

The Senator from Alaska is trying to cut back by about $200 million, when judged against the $341 million being offered by the Senator from Missouri. I think that is a very simple proposition. The substitute amendment of the Senator from Alaska draws attention not only to money, but also to policy.

Mr. GRAVEL. Mr. President, I ask that the amendment be modified as identified by the Parliamentarian.

The PRESIDING OFFICER. The amendment is accordingly modified.

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

Mr. GRAVEL. I yield.

Mr. SYMINGTON. Mr. President, again I hope that the Senate does not get the wrong impression about the basic thrust of the position some of us are taking on this measure. It did not make any real difference what the figure is that was approved by the Foreign Relations Committee or passed by the Senate in the past, the administration has spent the money the way they wanted and to the amount they desired. Let me repeat, the basic thrust of this amendment is to get some control.

One time a man told his attorney, "When I die, I will leave my wife $1 million."

His lawyer said "You haven't $1 million."

The man said, "I know, but it will look great in the papers."

That is the type and character of operation we have been conducting around here. It has been going on for years. It ought to stop. Our limitations of money may have looked great in the papers, but at times they have no practical meaning.

Whatever the Congress authorizes is all of the money that should be spent by the administration.

For those who think that this is too much money—and I am one of them—there will be a full chance to analyze the matter in coming days and weeks as to how much should be reduced.

Mr. GRAVEL. Mr. President, I would hope that the Senator would join me in my amendment. If he feels that the money being spent is too much, let us say that it is too much and not go any further.

Mr. SYMINGTON. Mr. President, the Senator and I have discussed this matter. He has come in with a heavy reduction. If we get control, later we can determine the amount of money. Without control, we are talking to the winds.

Mr. GRAVEL. How would that give us control? If we say $500 million, what will stop them from spending $500 million?

Mr. SYMINGTON. The Senator apparently has not read the amendment, or the bill as it came from the Foreign Relations Committee.

Mr. STENNIS. Mr. President, would the Senator yield me 5 minutes of his time so that I might discuss the matter?

Mr. MANSFIELD. Mr. President, I had asked the distinguished ranking minority member of the committee to yield me 3 minutes for the same purpose.

Mr. AIKEN. Mr. President, I would be glad to yield time to the Senator from Montana. However, first I would like to clear up any misunderstanding that may

exist. The State Department is in favor of the Symington proposal to increase funds to $341 million. I am sure of that.

Mr. STENNIS. Mr. President, would the Senator from Vermont yield me 5 minutes after he has yielded time to the Senator from Montana?

Mr. AIKEN. Yes. Mr. President, I yield 3 minutes to the Senator from Montana.

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

Mr. MANSFIELD. Mr. President, when President Nixon recognized the government of Prince Norodom Sihanouk, he dispatched two men to the embassy—it was not a legation at the time—to represent us. In the interim, when Sihanouk was overthrown, there were nine members of our military—I do not believe they were attached to the military mission in Phnom Penh. Today there are in excess of 150 civilian and military personnel, with the military in the preponderance.

Not so many days ago, there appeared in the public prints an outline of a 5-year aid plan for Cambodia, I think estimating in 1975 or 1976 an increase in the military from $35,000 at the time of the overthrow of Sihanouk to, I believe $700,000, which is a higher figure than mentioned by the chairman of the Foreign Relations Committee, and at the same time increasing the cost of the participation to us.

I did not vote for the Case-Symington amendment in committee. I have not voted for an amendment on the floor, that I recall. And the reason I have not voted, and will not vote, for either the Gravel amendment, the substitute, or the Symington amendment, is because to do so in my opinion would be to place a stamp of approval on our participation in what we are doing in Cambodia not only now, but also in the years ahead if the programed outline bears any semblance to the truth. That I will not join in doing.

So, I want the RECORD to be clear. If it were a clearcut, outright doing away with all funds, I would vote for it. However, to me $150 million is just the same as $341 million.

The PRESIDING OFFICER. Who yields time?

Mr. AIKEN. Mr. President, I yield 5 minutes to the Senator from Mississippi.

Mr. STENNIS. Mr. President, the Senator and I have discussed this problem. This is the problem we had also in the Laotian amendment. We settled that, and I think we will get it sustained in conference.

This is almost identical. Let us move back a little. About 15 months ago we were fighting in Cambodia. Our men were fighting there and were getting killed. The President of the United States ordered them in there. No one except a foolish man—and he is certainly not a foolish man—would have sent our men there if he thought it was not necessary in order to maintain our position and protect our men.

This is altogether a different policy. Our men are out of there now. Whoever the men are that are fighting there, they are not our boys. However, this country is in jeopardy. They are having to fight for their lives. It is still a question of whether they will be able to survive.

So, what is this aid? Here it is broken down. We have a breakdown of these other countries.

This will be an absolute control. They cannot spend more.

Of the $341 million, $240 million is for military assistance. About two-thirds of it goes for ammunition and spare parts and about one-third of it goes for various other equipment.

My guess is that about half of that equipment, at least, is secondhand equipment, something that we have already used. It is valued according to the formula to which the Senator referred.

The next item is economic aid, $110 million. That is an item in this amendment. That is big AID, $10 million, economic aid. There is no military and no Department of Defense. The Senator from Arkansas gets excited about that sometimes.

This is a program that comes from the Foreign Relations Committee. Public Law 480, food for peace, $20 million.

Excess defense articles, that is some extra articles, $11 million.

The total is $341 million. That is the estimate of about what would be needed.

I have already explained about the ammunition and the spare parts. I think at this stage we have no valid choice except to affirm these figures, as the Senator from Missouri who is well versed in this matter has proposed, and we will let this matter ride on with an actual ceiling on it. They cannot spend any more than that and in that way we have established legislative control on how much will be spent in this country for all purposes, including this used military equipment. So it is on that basis we are trying to get this as a practical matter. I commend the Senator for his willingness to settle this on a reasonable, practical basis. We follow next year from this starting point and we will have control on it.

Mr. President, I hope the amendment of the Senator from Alaska is rejected and that the amendment of the Senator from Missouri is agreed to.

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

The yeas and nays were ordered.

Mr. GRAVEL. Mr. President, how much time remains on each side?

The PRESIDING OFFICER. The Senator from Alaska has 3 minutes remaining.

Mr. GRAVEL. How much time is remaining to the Senator from Arkansas?

The PRESIDING OFFICER. The Senator from Arkansas has 5 minutes remaining.

Who yields time?

Mr. GRIFFIN. Mr. President, the distinguished chairman of the Armed Services Committee has made the case very well. However, I cannot allow the record to stand without answering a remark made by the distinguished chairman of the Committee on Foreign Relations to the effect that assistance for Cambodia in line with the budget request would actually go against the policy of the administration or the President.

The President's policy is to withdraw American troops as rapidly as practicable from that part of the world. His policy is that U.S. troops should not be used to defend every threatened country; his policy is to encourage such other countries to bear the primary responsibility for defending themselves.

But the Nixon doctrine does not mean that we have abandoned all our friends in the world or that we have abandoned all non-Communist nations that want to resist aggression. There are two main parts of the doctrine. One important part is that we will help our friends defend themselves.

There is no question that what is going on in Cambodia is not a civil war. There has been some argument about whether the war in South Vietnam is a civil war. In Cambodia it is out and out aggression by North Vietnam. In Cambodia the Cambodians want to defend themselves and they are defending themselves Our policy is to help them, but without providing any of our troops to do the fighting.

The distinguished chairman of the Committee on Foreign Relations has pointed to the fact that there may be some relaxation of tensions, attributable in part to the President's forthcoming visit to Moscow and Peking, and he has referred to the fact that the situation is better in South Vietnam. The situation is better in South Vietnam, but the situation is better because we helped the South Vietnamese build up an army capable of defending itself while we have been withdrawing. The situation has not improved because of any chance in attitude on the part of the North Vietnamese.

If we help the Cambodians defend themselves, we are acting in our own interest, particularly if we recall that we have some treaty obligations to such countries as Thailand.

The distinguished majority leader spoke in terms of Sihanouk being "overthrown." I do not know what he means by the word "overthrown," but I am sure he did not mean to leave the impression that Sihanouk was not replaced in the regular manner. In fact, Lon Nol was put in power in the same way that Sihanouk came to power, and as I understand it, the very people Sihanouk appointed replaced Sihanouk and put Lon Nol in. That does not mean that I necessarily agree with the form or composition of the government there as now constituted. But that is really not the question.

Mr. President, I urge that the Gravel amendment be rejected and that the Symington amendment be approved.

Mr. BROOKE. Mr. President, will the Senator from Alaska yield for a question?

Mr. GRAVEL. I have only a few minutes remaining. Will the Senator from Arkansas yield?

The PRESIDING OFFICER. The Senator from Vermont is yielding time on the bill.

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

The PRESIDING OFFICER. There are 2 minutes remaining to the Senator from Arkansas who has the opposition time on the amendment, and 3 minutes remaining to the Senator from Alaska.

Mr. FULBRIGHT. Does the Senator from Massachusetts wish me to yield 2 minutes?

Mr. BROOKE. Yes.

Mr. FULBRIGHT. Mr. President, I yield 2 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. BROOKE. I wish to ask if the Senator from Alaska broke down the amount of money into items he would recover by the $150 million he proposes to reduce it to?

Mr. GRAVEL. No, I have no breakdown.

Mr. BROOKE. The Senator cut the total sum and it is not broken down, as the Senator from Mississippi indicated.

Mr. GRAVEL. No.

Mr. BROOKE. It puts a ceiling on the total amount and reduces it to $150 million without regard to how it shall be spent.

Mr. GRAVEL. That is correct. I want to emphasize that the word "ceiling" in my opinion is a misnomer.

Mr. BROOKE. I am sorry. I did not understand the Senator.

Mr. GRAVEL. It is a misnomer. I do not think it will work. I have not seen any ceiling in this body work.

If this body had some of the sharing of responsibility we talk about we could end this cottonpicking war. The inference was made that the invasion was by North Vietnam. The invasion of Cambodia took place by this country. I hope that would be made clear.

When we hear a government that talks of sterile democracy which it is going to put aside, and we see a program by this administration to escalate, let us go over the arithmetic again.

Last year the President, when we unilaterally invaded Cambodia, submitted a figure of $100 million and all we did was approve it. Along with that request, to pay back Peter who had been robbed by Paul, was another $150 million that was approved by this body. Now, we are asked by the administration, by the committee, for $250 million, which is an escalation of $100 million more than we approved last year, and we are asked to go to $300 million carte blanche.

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

Mr. GRAVEL. I yield.

Mr. CASE. Mr. President, I intend to support the Senator on this amendment, but I protest against the suggestion that what we are doing here is an exercise in futility. For the first time this will put an absolute ceiling, not on appropriations but on spending. For all purposes it overrides all provisions for discretionary authority, transfers, or anything else; and I do not want any legislative history to be on the books which would give the chance for any executive agency to say this was not intended to be an absolute ceiling on spending of all kinds.

Mr. GRAVEL. My colleague has been here much longer than I, and I would defer to his judgment, but I have been disillusioned in my tenure here.

Mr. CASE. Of course, but we have done this before and in supporting the Senator's amendment I want to be very clear that we are not intending in any way to leave any of those loopholes which have existed still in effect.

Mr. GRAVEL. I realize that is the good faith of my colleague.

Mr. CASE. Not only good faith, but action by this body. We are not intending to leave any discretionary authority to transfer from one fund to another or anything of that sort, and I hope the Senator will not leave the suggestion that he intends it.

Mr. GRAVEL. No, not the slightest. I endorse my colleague's statement 110 percent.

I have found as we close loopholes, down the street they open them just as fast. They prosecute the war regardless of what we say, regardless of demonstrated facts on our part.

I hope this will be a firm reduction and that my amendment will be agreed to, because it would do what Members of the Senate have said they want done: Tread water. But to increase beyond $150 million is not treading water, and every one should understand it is an escalation of our activity in Cambodia.

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

Mr. GRAVEL. I yield.

Mr. CASE. The point of my protest before about use of the suggestion that this is just an idle gesture, is given special support by this newspaper report which said that the Joint Chiefs of Staff had proposed four ways to get around any ceiling over spending—or any limitation, rather, not a ceiling on spending—which is what we are doing—but to get around any limitation on authorization in this bill. It is for that reason that it is terribly important that we not only have a limitation on authorizations, which we have, but this ceiling, which would be on the spending.

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

Mr. GRAVEL. I yield.

The PRESIDING OFFICER. All time has expired on the amendment.

Mr. MANSFIELD. Mr. President, I yield 1 minute on the bill.

Mr. STENNIS. Mr. President, I have no doubt about it. This is an actual ceiling. This is a limitation on expenditures. It was our committee which dug in and dug out to get the figures and required the report. We know what the expenditures are going to be. We know what the program is. We know what are the used goods and the evaluations put on them. Have no doubt about it—this is an actual ceiling and an actual limitation.

The PRESIDING OFFICER. The question is on agreeing to the perfecting amendment of the Senator from Alaska to the amendment of the Senator from Missouri. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD (after having voted in the negative). Mr. President, on this vote I have a pair with the Senator from Louisiana (Mr. ELLENDER). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. BYRD of West Virginia. I announce that the Senator from Louisiana (Mr. ELLENDER), the Senator from Georgia (Mr. GAMBRELL), the Senator from Oklahoma (Mr. HARRIS), the Senator from Indiana (Mr. HARTKE), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. JACKSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Wyoming (Mr. MCGEE), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from Maine (Mr. MUSKIE) are necessarily absent.

I further announce that if present and voting, the Senator from Washington (Mr. JACKSON) would vote "nay."

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KENNEDY) and the Senator from South Dakota (Mr. MCGOVERN) would vote "yea."

Mr. GRIFFIN. I announce that the Senators from Nebraska (Mr. CURTIS and Mr. HRUSKA), the Senator from Idaho (Mr. JORDAN), the Senator from Iowa (Mr. MILLER), the Senator from Ohio (Mr. TAFT), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from South Carolina (Mr. THURMOND) is absent on official business.

The Senator from Vermont (Mr. STAFFORD), and the Senator from Connecticut (Mr. WEICKER) are detained on official business.

If present and voting, the Senators from Nebraska (Mr. CURTIS and Mr. HRUSKA), the Senator from Vermont (Mr. STAFFORD), the Senator from Ohio (Mr. TAFT), the Senator from South Carolina (Mr. THURMOND), and the Senator from Texas (Mr. TOWER) would each vote "nay."

The result was announced—yeas 26, nays 53, as follows:

[No. 279 Leg.]

YEAS—26

Bayh	Gravel	Nelson
Brooke	Hart	Pell
Burdick	Hatfield	Proxmire
Byrd, W. Va.	Hughes	Randolph
Case	Mathias	Ribicoff
Church	Metcalf	Schweiker
Cotton	Mondale	Tunney
Cranston	Montoya	Williams
Fulbright	Moss	

NAYS—53

Aiken	Dole	McIntyre
Allen	Dominick	Packwood
Allott	Eagleton	Pastore
Anderson	Eastland	Pearson
Baker	Ervin	Percy
Beall	Fannin	Roth
Bellmon	Fong	Saxbe
Bennett	Goldwater	Scott
Bentsen	Griffin	Smith
Bible	Gurney	Sparkman
Boggs	Hansen	Spong
Brock	Hollings	Stennis
Buckley	Humphrey	Stevens
Byrd, Va.	Javits	Stevenson
Cannon	Jordan, N.C.	Symington
Chiles	Long	Talmadge
Cook	Magnuson	Young
Cooper	McClellan	

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

Mansfield, against.

NOT VOTING—20

Curtis	Jackson	Muskie
Ellender	Jordan, Idaho	Stafford
Gambrell	Kennedy	Taft
Harris	McGee	Thurmond
Hartke	McGovern	Tower
Hruska	Miller	Weicker
Inouye	Mundt	

So Mr. GRAVEL's amendment was rejected.

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

The legislative clerk called the roll.

Mr. PASTORE (after having voted in the affirmative). On this vote I have a live pair with the Senator from Louisiana (Mr. ELLENDER). If he were present and voting, he would vote "nay." I have already voted "yea." I therefore withdraw my vote, as an accommodation to the Senator from Louisiana.

Mr. BYRD of West Virginia. I announce that the Senator from Louisiana (Mr. ELLENDER), the Senator from Georgia (Mr. GAMBRELL), the Senator from Oklahoma (Mr. HARRIS), the Senator from Indiana (Mr. HARTKE), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. JACKSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Wyoming (Mr. MCGEE), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from Maine (Mr. MUSKIE) are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. JACKSON) would vote "yea."

I further announce that if present and voting, the Senator from Massachusetts (Mr. KENNEDY) would vote "nay."

Mr. GRIFFIN. I announce that the Senators from Nebraska (Mr. CURTIS and Mr. HRUSKA), the Senator from Idaho (Mr. JORDAN), the Senator from Iowa (Mr. MILLER), the Senator from Ohio (Mr. TAFT), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from South Carolina (Mr. THURMOND) is absent on official business.

If present and voting, the Senators from Nebraska (Mr. CURTIS and Mr. HRUSKA), the Senator from Ohio. (Mr. TAFT), the Senator from South Carolina (Mr. THURMOND), and the Senator from Texas (Mr. TOWER) would each vote "yea."

The result was announced—yeas 45, nays 36, as follows:

[No. 280 Leg.]

YEAS—45

Aiken	Dole	Percy
Allott	Dominick	Randolph
Baker	Eastland	Roth
Beall	Fannin	Saxbe
Bellmon	Fong	Scott
Bennett	Goldwater	Smith
Bentsen	Griffin	Sparkman
Bible	Gurney	Spong
Boggs	Hansen	Stafford
Brock	Hollings	Stennis
Buckley	Long	Stevens
Byrd, Va.	Magnuson	Symington
Byrd, W. Va.	McIntyre	Talmadge
Cannon	Packwood	Tunney
Cook	Pearson	Young

NAYS—36

Allen	Ervin	Metcalf
Anderson	Fulbright	Mondale
Bayh	Gravel	Montoya
Brooke	Hart	Moss
Burdick	Hatfield	Nelson
Case	Hughes	Pell
Chiles	Humphrey	Proxmire
Church	Javits	Ribicoff
Cooper	Jordan, N.C.	Schweiker
Cotton	Mansfield	Stevenson
Cranston	Mathias	Weicker
Eagleton	McClellan	Williams

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

Pastore, for.

NOT VOTING—18

Curtis	Inouye	Miller
Ellender	Jackson	Mundt
Gambrell	Jordan, Idaho	Muskie
Harris	Kennedy	Taft
Hartke	McGee	Thurmond
Hruska	McGovern	Tower

So Mr. SYMINGTON's amendment was agreed to.

Mr. STENNIS. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. PASTORE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE—ENROLLED BILL AND JOINT RESOLUTION 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 following enrolled bill and joint resolution:

S. 137. An act to provide for the conveyance of certain public lands in Wyoming to the occupants of the land; and

S. J. Res. 167. Joint resolution to extend authority conferred by the Export Administration Act of 1969.

Subsequently the Acting President pro tempore (Mr. BYRD of West Virginia) signed the enrolled bill and joint resolution.

FOREIGN ASSISTANCE ACT OF 1971

The Senate continued with the consideration of the bill (H.R. 9910) to amend the Foreign Assistance Act of 1971, and for other purposes.

Mr. CHURCH. Mr. President, on behalf of the distinguished Senator from Colorado (Mr. ALLOTT) and myself I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER (Mr. BEALL). The amendment will be stated.

The assistant legislative clerk read as follows:

On page 20, lines 19 and 20, strike out the amount $425,000,000 and insert in lieu thereof $285,000,000.

Mr. SCOTT. Mr. President, will the Senator from Idaho yield to me so that I may discuss a proposed unanimous-consent request?

Mr. CHURCH. I am happy to yield to the Senator for that purpose.

TEMPORARY AMENDMENT OF THE 20-MINUTE RULE ON ROLLCALL VOTES

Mr. SCOTT. Mr. President, to expedite the work of the Senate, I proposed to the assistant majority leader that we consider at this time making a unanimous-consent request for the duration of the pending bill only, and through final passage, that the rule regarding rollcall votes be amended so as to permit the reduction of the time allotted from 20 minutes to 15 minutes, with the usual 5-minute warning being allowed at the end of the first 10 minutes.

If that is satisfactory, the assistant majority leader or I could propose the amendment.

Mr. BYRD of West Virginia. Mr. President, the matter has been discussed with and approved by the distinguished majority leader. I therefore speak in his stead. At this moment there are no committees meeting this afternoon. Under the previous order, the final vote is to occur at not later than 7 o'clock. We have amendments that remain to be acted upon by rollcall votes.

If all Senators are on notice—and we will ask the cloakrooms to put out the notice over the telephone—the leadership on this side of the aisle would concur with the suggestion and make the request.

Mr. President, I ask unanimous consent that on all remaining rollcall votes on the pending bill, including final passage, there be 15 minutes allotted, with the warning bell to be sounded 5 minutes prior to the announcement of the vote by the Chair.

Mr. GRIFFIN. Mr. President, so that the members of the Finance Committee will be given appropriate credit, I point out that a meeting is now being held. However, the committee is meeting close by and we can get here in a short time.

Mr. SCOTT. Mr. President, it is meeting so quietly that we did not know about it.

Mr. BYRD of West Virginia. I thank the able assistant minority leader.

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

Mr. SCOTT. Mr. President, if the distinguished Senator would yield further, I would like to make a comment. I know that there are a number of Senators who are anxious to keep speaking engagements tonight and tomorrow. We have done our best to accommodate them. I would solicit and encourage all Senators who have amendments to, if possible, restrain an oratorical urge beyond the point of persuasion and to ask themselves whether or not loquacity is counterproductive after a certain point. If they would be good enough to accommodate each to the other, we might enable some of our colleagues, including the speaker, to make a speaking engagement tonight.

Mr. BYRD of West Virginia. I thank the distinguished minority leader.

Mr. CHURCH. Mr. President, in line with the exhortation of the distinguished assistant majority leader for Senators to be brief, I do not intend to speak at any length on this amendment.

The purpose of the Church-Allott amendment is to reduce from $425 million to $285 million the amount authorized in the bill for the Development Loan Fund. Although at first glance this

looks like a hefty cut, the amendment's adoption would actually impose only a very modest reduction in the Development Loan Fund, as it is likely to emerge from the Senate-House conference, where past practice has been to split the difference between the Senate and House figures.

The House authorization for the D.L.F. is $400 million. If this amendment were adopted, the difference between the House and Senate figures would be $115 million. And if, as I have every reason to anticipate, the general practice is followed and the difference is split, that would mean that the end result of the adoption of this amendment would be to effect a modest reduction of $57.5 million in the Development Loan Fund. The program could easily survive so modest a reduction.

I know that the Development Loan Fund carries with it certain favorable connotations. For example, one thinks of the funds as improving living standards abroad; some have said that this feature of the aid program is the one most directly related to long-term economic gains.

At close examination, however, the program has really become a public subsidy for financing the export of American goods and services. Approximately 93 percent of the money is spent here in the United States. As such, it is more accurate to look upon the program as but another of the Federal subsidy programs. We must ask ourselves, then, whether our priorities allow us to continue to subsidize so much spending for export, in the light of the dire need for more spending here in our own country.

The Development Loan Fund is, in effect, a soft loan window for our Export-Import Bank. Through the DLF, it is possible for foreign countries to obtain loans with which to purchase American produced goods and services on terms more favorable than otherwise available, better than any commercial terms, better than any terms directly available through the Export-Import Bank. Through the DLF soft window, foreign countries can secure long-term loans, with a grace period of 10 years during which no repayment of capital is required, and at subsidized interest rates far below the cost of money to the U.S. Government.

With these subsidized loans, purchases are made from American firms. Last year, for example, some 4,000 American firms in 50 States received $1.3 billion in AID funds for products supplied as part of the foreign aid program.

Mr. President, the oft asserted lament that our foreign aid program lacks a constituency in the United States is another one of those myths we hold so dear. In fact, aid has a large and lively constituency which asserts intense pressure on the Government to keep these subsidies alive. The real question we face, then, is whether we are to continue so large a public subsidy to finance the sale of American goods and services in foreign lands, or whether we are going to begin to cut back on foreign spending, in order to free more money to apply here at home on problems that continue to plague our own people.

I recall all the pious assurances given the American people about changing priorities, about shifting more of our resources to the solution of our own problems in the slums of our cities, in our emptying countryside, and in the ghettos. Think of the money so desperately needed to deal with drug addiction, and actually to come to grips with reducing the pollution that so blights our own environment. Yet, in the face of all that talk, the truth is that Congress is in the process of adopting a larger aid program this year than we have had in the past. We are not cutting back on foreign spending. In fact, this bill represents nothing more than the tip of the iceberg, less than 40 percent of the total foreign aid package this year; the program actually exceeds $9 billion.

At the same time, we are increasing, rather than reducing, the size of the military budget. We will soon approve military appropriations that will exceed those at the height of our involvement in Vietnam. It is incredible, but it is true.

So I see the Church-Allott amendment as a very modest step, cutting back on the authorization of the Development Loan Fund from $445 million to $285 million which, as I have explained, would represent a reduction of even less, in the neighborhood of between $50 million and $60 million, once the conflicting figures in the House and Senate bills have been reconciled in conference.

I hope that the Senate will see fit to adopt the amendment.

Mr. President, I am happy to be joined in this amendment by the distinguished senior Senator from Colorado (Mr. ALLOTT). I should like to yield him the balance of the time remaining on behalf of the amendment.

Mr. ALLOTT. Mr. President, I am very happy to join with the distinguished Senator from Idaho on this particular amendment.

Mr. President, our amendment will accomplish the following. The Economic Development Loan Fund activities level, excluding Latin America, is contemplated at $605 million for each of fiscal years 1972 and 1973. The committee authorized $320 million to be contributed toward this activity in each of those years. The moneys currently uncommitted in the revolving fund plus the newly authorized amount add up to the $605 million figure. My amendment reduces the loan level by $160 million each year for fiscal years 1972 and 1973. This will have the effect of cutting back this "soft loan" activity by one-fourth during the next 2 years. In reiteration, out of a total "soft loan" activity of $605 million, my amendment will reduce the activity by one-fourth or $160 million.

Senator TAFT's previously agreed to amendment which increases this fund by $125 million will not be affected by my amendment because of the earmarking language contained on page 29 of the bill as amended and because my amendment only reduces the new total contained in the bill, which is $445 million, by $160 million down to $285 million.

Why is it time to cut assistance programs?

First, the unvarnished truth is that the Federal budget is suffering an uncontrolled case of elephantiasis. Today the Department of the Treasury will release deficit figures for the first quarter of fiscal year 1972. They will show a deficit of $7.75 billion for the first quarter. And this in spite of the fact that defense spending in the first quarter was at a rate lower than at any time in the last 4 years. If this rate of deficit is annualized, we arrive at the staggering figure of a $31 billion deficit. This is a good day on which to redouble our efforts to economize. And this loan program is just the sort of matter of marginal importance on which to begin such a redoubling of our efforts.

Second, it is time to re-reorder our priorities. Spending for domestic and foreign welfare programs has caused a serious shortage of funds for defense. Defense dollars are getting more scarce just as weapons systems are becoming more expensive and just as the U.S.S.R. is making an ominous push to expand its military supremacy.

Third, the taxpayer will not—and would not have to—put up with any more casual disbursement of his tax dollars.

Fourth, the taxpayer is especially entitled to equal treatment. High interest rates are a special burden to all Americans. The taxpayer has lost all patience with a system which uses his tax dollars to make 2-percent loans available to other nations—while he must pay interest rates four times that high.

Mr. President, I have some figures available here, which I ask unanimous consent to have printed in the RECORD at this point.

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

AS OF JUNE 30, 1971—OUTSTANDING BALANCE

[In billions of dollars]

	1968	1971
Alliance for Progress (sec. 251)	1.5	2.4
Economic Development Loan Fund (total) (sec. 201)	4.8	6.3
DLF (new)	3.5	5.3
DLF (old in liquidation)	1.3	1.0

	Billions
Total funds disbursed	$18.5
Total funds paid back	2.4
Funds lost because of exchange rate differential	1.0
Collected in interest	2.8
Money outstanding	15.0

Note: Out of the $15,000,000,000 in loans outstanding, $1,900,000,000 are delinquent; this is a 13 percent delinquency rate. The $1,900,000,000 figure was arrived at in the following method:

I. Delinquency [1]	$1,218,056,583.29
II. Rescheduled loans	467,130,501.43
III. Loans in the process of rescheduling	205,267,945.05
IV. Loans written off	5,552,589.14
Total	1,896,007,618.91

[1] 166 loans out of 1900.

Mr. ALLOTT. Mr. President, they show the funds allotted for the Alliance for Progress—which this amendment does not touch—and the Economic Development Loan Fund. Everyone will recall, of

course, that in 1958 the Congress passed the Development Loan Fund Act, and it was passed for the express purpose of trying to get away from the free grants which had been given to foreign nations prior to that time.

With respect to the totals on the Economic Development Loan Fund, the amount has risen from $4.8 billion in 1968 to $6.3 billion in 1971.

The total funds disbursed from the time it started until now is $18.5 billion.

Of that total, the only funds that have been paid back are $2.4 billion since it started. So out of the $18.5 billion of these soft loan funds, only $2.4 billion have been returned.

The funds which have been lost because of the exchange rate differential equal $1 billion. So that also represents a loss.

The total moneys outstanding now, after 13 years, constitute $15 billion. Of the $15 billion in loans outstanding, $1.9 billion are delinquent, which is a a 13-percent delinquency rate. The $1.9 billion figure was arrived at in the following method.

The table sets out the method which was used, which will be included in the table which I have put in the RECORD.

There are many examples of this, and I am happy to find that the GAO is interested in this matter.

One of the outstanding examples of what we have done in this area can be found in its report as of June 30, 1971, under the Agency for International Development, which has a reference to the Bataan Pulp and Paper Mills, Inc., in the Philippines. A loan was made in 1959. In 1959 the original loan was $5.3 million principal. All that has been collected on that is $373,000 in interest. We have, in addition, forgotten interest of $2,119,558.15. Out of the total of $3.1 million paid back, about $2.3 million was paid back in cumulative preferred stock.

So on this one loan of $5.3 million, we received $373,000 in interest. We received no payments in cash upon the principal. We have forgotten in interest $2.1195 million. In addition, we have taken a payment in preferred stock from this company of $2.3 million.

This is known as a soft loan. The question is, How soft are we going to get? I look at these loan funds, on which there will be low interest for a long time, and I think about the many people in America and how they struggle to pay their taxes. I have had innumerable contacts with foreign people, representatives of foreign governments, representatives of parliaments, ambassadors, and so forth, but I must confess that I cannot understand, in this day of big deficits in this country, when the deficits are contributing every day to inflation, how we can justify any more the particular program we are discussing here.

How can we say to a man in Colorado or Indiana or Florida, or any place else, "My friend, you may have to pay 9 or 9.5 percent on the mortgage on your home, if you want to buy one, if you can, but we are lending the money to foreign countries under soft loans and they get it at 2 percent. They get 10 years of forgiveness on any payment before they have to make any payment at all, and the loan will run for 40 years. After 10 years it comes up to 3 percent, which is one-third of what you are paying." How can we stand on the floor and contend that, with our changed financial and fiscal situation in this country, this is justified any longer?

There are many more factors involved. We have lost 3 million families of young people trying to get started on the farms with the assistance of the Farmers Home Loan Board. They have to pay 8.6 percent on operating loans, which is three times what we are lending the money to foreign people for under the foreign loan program, while loans to farmers in this country must be paid at a cost of 7.5 to 8 percent. Is it not about time that we started taking a look at the needs and problem of these people?

Interest rates on home loans are down to 7.5 to 8 percent, but there are hundreds of thousands of people who in the last 3, 4, or 5 years have paid as high as 9.5 percent for first mortgage loans in order to build homes or purchase them.

I think this pretty well tells my story, Mr. President. This proposal does not butcher the DLF loan fund, but, while it cuts the present appropriation and the appropriation for next year in half, the net effect of it is to actually reduce the operations of last year by 25 percent, in round figures.

I reserve the remainder of my time.

Mr. CHURCH. Mr. President, will the Senator yield to me so that I may ask for a correction? It has been called to my attention that the amendment now reads, "Strike out the amount of $425,000,000."

Mr. ALLOTT. That should be $445 million.

Mr. CHURCH. Yes. The proper figure should be $445,000,000. I ask that the amendment be modified.

The PRESIDING OFFICER. The amendment will be so modified. Who yields time?

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Who has the time in opposition?

The PRESIDING OFFICER. The Senator from Arkansas has the time in opposition.

Mr. JAVITS. Mr. President, I yield myself 5 minutes from the time in opposition.

It is absolutely amazing to me that the United States has now come to the point where an attempt is made literally to dismember the Development Loan program of our foreign aid program, which has gone on since 1948, to my knowledge, because I have personally participated since then; and there is not a soul on the floor of the Senate to defend it—not the manager of the bill, not the ranking minority member. I am a member of the Committee on Foreign Relations, and I am going to defend it, but it is unbelievable to me that we have gotten to this pass.

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

Mr. JAVITS. Not yet. When I have finished my thought, I shall be happy to yield.

The vote is going to be juxtaposed to the vote just taken by which, just like that, we punched in $90 million for military operations in Cambodia, and we lay this cut of 60 percent—that is what they are cutting; they are cutting the heart completely out of the Development Loan Fund, and we will find out in a minute who is getting it. Some of these bloated rich are getting it; we will find out who they are.

I have sat for 22 years and heard about Greek drivers of hearses in tuxedos as a reason why we should not engage in a foreign aid program, and lots of other things of the same size—the sewage problems in Arkansas or some other place, and the narcotics problem and other unbelievably towering problems in New York.

Yet, when the votes are counted for foreign aid, they come through every time. Why? Because the American people have more sense than to believe that they can live in a world where they are relatively well off—that is all you can say—and most of the rest of the world is on its knees. Yet we are going to be the great moralists; we are not going to add to the burdens of the taxpayers of the United States by an additional $160 million here, when we are already spending a budget of over $220 billion, and spending, of that, over $70 billion for war. It is absolutely unbelievable. This $70 billion represents the bloated rich and if we allow the gap between the have and have-not nations to widen, this gross figure may double.

I yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I thank the Senator from New York. I just wanted him to know that my presence in the Chamber at this particular moment was to let this body know and the Senator from New York know that he is not alone. I believe that the development loan fund is necessary. I think it is a distinct contribution to all we say we aspire to in this country, namely, peace. I am reminded of what Pope Paul had to say a few years ago, when he said the new name for peace is development. Or, to put it conversely, development is the new name for peace.

I do not believe we have overextended ourselves in this area. As a matter of fact, the Pearson report on world development and the amount of assistance given by respective countries indicates that our percentage of gross national product and our percentage of budget going to development purposes on the international scene is smaller now than it has ever been, far below what it was in more difficult days, and surely far below what is needed.

So I commend the Senator from New York. I think that his position is sound and his vision on this matter, as well as many others, is just what this country needs. I support his argument, and shall surely vote against the amendment.

Mr. JAVITS. I thank the Senator. I appreciate his support.

Mr. President, just to demonstrate what I mean about the 60-percent cut, the request of the administration was

for $400 million. Let us lay aside this population control proposition, which was added on. Our Committee on Foreign Relations reported it out at $320 million, which is a 20-percent cut, because we recognized that in this day and age and given the President's remarks recutting foreign aid by 10 percent we had better make some kind of decent cut, or we would be hit with much worse on the floor.

Now here we are, hit with the worst, to wit, the cut down to $160 million, which is 50 percent of what the committee allowed after cutting it 20 percent. So overall, it is a 60-percent reduction from what the administration asked for—it is also a $240 million cut from the House approved figure.

A good share of it goes to India. We just gave India $250 million for Pakistani relief, because we are so worried about her economic condition as the democratic linchpin of the East against Communist China. They are the people who are going to be hit the hardest by this cut and will any one deny that the economic condition of India is a most important factor in determining whether there will be war between India and Pakistan. And a war is threatening.

After that, let us see what other bloated aristocrats are going to share in this money. After India comes Pakistan, which is a very poor nation, after having terrible trouble, which we are not anxious to see driven to the wall, lest we have an even more barbaric foreign situation.

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

Mr. JAVITS. I yield myself 2 additional minutes. An even more barbaric foreign situation regarding East Pakistan.

The next one after that is Turkey, where we have, again, a very delicate situation for the free world, probably the toughest nation on the borders of the Soviet Union, which we have always depended on very strongly for the security of the Mediterranean and for the security of the southern flank of NATO. Yet many who support the military assistance programs for Greece and other nations as being vital to NATO, will help undermine the economic foundations of Turkey—another vital NATO ally.

Then follows Indonesia, then Africa.

In all of these places, Mr. President, the situation is all relative, in this light: Surely, our people have their troubles, we all know that; I do and everyone else here does. But when you compare our per capita income per year of $2,300, $2,400, or $2,700, whatever the particular figure is now, with the $90 in India, the $110 in Pakistan, or the $112 in Indonesia, you get some concept of why you cannot occupy a good house on an extremely poor street and exercise this kind of parsimony.

We have cut and cut and cut this development loan figure, which is the only malleable fund that AID really has, that AID can work with in order to stimulate action, interest, and initiative in the recipient countries. We have cut it and cut it, like the Scotchman his horse, and now we are about to kill it. Mr. President, it just does not make any sense, considering what is at stake in the world, considering what we spend on the other side of the equation for war and military armament, and considering the world's needs.

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

Mr. JAVITS. I yield myself 2 more minutes.

One further point: The United States is now 11th on the list of nations of the world which are givers of aid, and 12th in terms of the aid which it gives. We are not at all leading the parade. We are not the big, rich, profligate Uncle Samuel, scattering our dollars all over the landscape. Mr. President, with all respect to my colleagues, who sponsor this proposal in the utmost good faith, and the arguments they make, it is demeaning for the United States, at this stage in our national life and in the life of all mankind, two-thirds of which is literally beggared, to cut not to the bone but just completely into the bone. You can forget about the development loan fund on this basis; you simply cannot stretch it to mean anything to anyone.

The committee, it seems to me, by a heavy majority, has already gone the route that needs to be gone in cutting it 20 percent, down to $320 million; and, considering the recipients, it would be a grave disservice to our country if we made this really meat-ax cut of 60 percent, Mr. President, in this development loan fund.

The PRESIDING OFFICER. Who yields time?

CONTINGENT ORDER FOR ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that if the Senate does not complete the pending business tonight, it come in at 9 o'clock tomorrow morning.

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

FOREIGN ASSISTANCE ACT OF 1971

The Senate continued with the consideration of the bill (H.R. 9910) to amend the Foreign Assistance Act of 1961, and for other purposes.

The PRESIDING OFFICER. Who yields time?

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

The PRESIDING OFFICER. Four minutes to the proponents, and 21 minutes to the opponents.

Mr. ALLOTT. Mr. President, if the opponents are ready to yield back the remainder of their time, we will yield back the remainder of ours.

Mr. JAVITS. Mr. President, I know of no other Senator who desires recognition. If there be none, I yield back the remainder of my time.

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

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. STAFFORD). The question is on agreeing to the amendment of the Senator from Colorado (Mr. ALLOTT) and the Senator from Idaho (Mr. CHURCH). 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 Missouri (Mr. EAGLETON), the Senator from Louisiana (Mr. ELLENDER), the Senator from Georgia (Mr. GAMBRELL), the Senator from Indiana (Mr. HARTKE), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. JACKSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Wyoming (Mr. McGEE), the Senator from South Dakota (Mr. McGOVERN), and the Senator from Maine (Mr. MUSKIE) are necessarily absent.

I further announce that, if present and voting, the Senator from South Dakota (Mr. McGOVERN) would vote "yea."

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KENNEDY), would vote "nay".

On this vote, the Senator from Louisiana (Mr. ELLENDER) is paired with the Senator from Washington (Mr. JACKSON).

If present and voting the Senator from Louisiana would vote "yea" and the Senator from Washington would vote "nay."

Mr. GRIFFIN. I announce that the Senator from New Hampshire (Mr. COTTON), the Senators from Nebraska (Mr. CURTIS and Mr. HRUSKA), the Senator from Arizona (Mr. GOLDWATER), the Senator from Idaho (Mr. JORDAN), the Senator from Iowa (Mr. MILLER), the Senator from Ohio (Mr. TAFT), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from South Carolina (Mr. THURMOND) is absent on official business.

If present and voting, the Senators from Nebraska (Mr. CURTIS and Mr. HRUSKA), and the Senator from Texas (Mr. TOWER) would each vote "yea."

On this vote, the Senator from South Carolina (Mr. THURMOND) is paired with the Senator from Ohio (Mr. TAFT). If present and voting, the Senator from South Carolina would vote "yea," and the Senator from Ohio would vote "nay."

The result was announced—yeas 44, nays 35, as follows:

[No. 281 Leg.]

YEAS—44

Allen	Eastland	Packwood
Allott	Ervin	Pastore
Anderson	Fannin	Proxmire
Bentsen	Fulbright	Randolph
Bible	Gravel	Roth
Brock	Gurney	Saxbe
Buckley	Hansen	Smith
Burdick	Hollings	Stafford
Byrd, Va.	Jordan, N.C.	Stennis
Byrd, W. Va.	Long	Stevens
Cannon	Magnuson	Symington
Church	McClellan	Talmadge
Cook	McIntyre	Weicker
Dole	Metcalf	Young
Dominick	Montoya	

NAYS—35

Aiken	Griffin	Pearson
Baker	Harris	Pell
Beall	Hart	Percy
Bellmon	Hatfield	Ribicoff
Bennett	Hughes	Schweiker
Boggs	Humphrey	Scott
Brooke	Javits	Sparkman
Case	Mansfield	Spong
Chiles	Mathias	Stevenson
Cooper	Mondale	Tunney
Cranston	Moss	Williams
Fong	Nelson	

NOT VOTING—21

Bayh	Hartke	McGovern
Cotton	Hruska	Miller
Curtis	Inouye	Mundt
Eagleton	Jackson	Muskie
Ellender	Jordan, Idaho	Taft
Gambrell	Kennedy	Thurmond
Goldwater	McGee	Tower

So the Church-Allott amendment was agreed to.

Mr. CHURCH. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 555

Mr. BROCK. Mr. President, I call up my amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 51, strike out line 9 and insert in lieu thereof the following:

"LIMITATIONS ON USES OF FUNDS"

On page 51, line 13, strike out "section" and insert in lieu thereof "sections".

On page 52, line 4, strike out the quotation marks.

On page 52, between lines 4 and 5, insert the following:

"SEC. 659. LIMITATIONS ON AVAILABILITY OF FUNDS TO CERTAIN FOREIGN COUNTRIES.—None of the funds appropriated to carry out the provisions of this Act shall be made available to any foreign country which the President determines has failed to support actively the provisions of the 1949 Geneva Convention relative to the treatment of prisoners of war."

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

Mr. BROCK. I am happy to yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, the purpose of the distinguished Senator from Tennessee in laying down his amendment is to have some pending business available at about the hour of 4 o'clock.

To repeat the unanimous-consent agreement, the distinguished Senator from Idaho (Mr. CHURCH) has permission of the Senate to proceed now for not to exceed 1 hour, with the time to come out of the time on the bill.

The PRESIDING OFFICER (Mr. BEALL). Under the previous order, the distinguished Senator from Idaho (Mr. CHURCH) is now recognized for 1 hour.

FAREWELL TO FOREIGN AID: A LIBERAL TAKES LEAVE

Mr. CHURCH. Mr. President, we stand in this year 1971 at the end of one decade of disillusion, with no good reason to believe that we are not now embarked upon another. Ten years ago, the leaders of the United States—and to a lesser degree the American people—were filled with zeal about their global goals. With supreme confidence both in our power and capacity to make wise and effective use of it, we proclaimed the dawning of a new era in which America would preserve world peace, stem communism and lead the impoverished masses of mankind through the magic point of "takeoff" into a "decade of development." To bring these glories to pass—so we allowed ourselves to believe—we had only to recognize the simple, central fact which Prof. Walt Rostow assured us would bring victory in Vietnam and success in all our other foreign enterprises, "the simple fact that we are the greatest power in the world—if we behave like it."

Looking back on the sixties, no one can deny that we were indeed "the greatest power in the world" and that we surely did "behave like it"—if throwing our might and money around is the correct measure of "behaving like it." Nonetheless, we not only failed to accomplish what we set out to accomplish 10 years ago; we have been thrown for losses across the board: In the name of preserving peace, we have waged an endless war; in the guise of serving as sentinel for the "free world," we have stood watch while free governments gave way to military dictatorship in country after country, from one end of our vast hegemony to the other. Today, confidence in American leadership abroad is as gravely shaken as is confidence in the American dollar. As for the "decade of development," 10 years of America foreign aid spread far and wide, not only has failed to narrow the gap between rich nations and poor; the gap between the small, wealthy elites and the impoverished masses in most underdeveloped lands has also widened.

Against this backdrop of general failure, the Senate is again being asked to authorize yet another year of foreign aid, as usual. For fiscal year 1972, President Nixon has asked for a foreign aid authorization of more than $3.5 billion, as compared with $3.1 billion appropriated last year, which included $500 million added on for Israel. Clearly, the administration seeks not just to sustain, but to increase, the level of spending.

The annual foreign aid authorization bill, however, is no more than the visible tip of the iceberg. It constitutes only about two-fifths of a total foreign aid program of over $9 billion proposed for this fiscal year by the executive branch.

The magnitude of the foreign aid program can be better grasped by projecting its costs over the period of the next 5 years. Calculating these costs on a conservative basis, estimating on a projection of existing, not hypothetical, spending levels, the staff of the Senate Foreign Relations Committee forecasts that foreign assistance for the 5-year period, fiscal years 1973–77, will exceed $50 billion. Less than half of the 5-year total will result from programs authorized in the regular foreign assistance and military credit sales bills. Thirteen billion dollars will be attributable to programs now funded through the defense appropriation bill, and the Public Law 480 program will account for an additional $7 billion.

Staggering as these totals seem, it is probable that they fall short of the mark. In calculating the estimates, the committee staff used only the most reliable and restrictive of available guidelines. For example:

First. Regional and country economic aid estimates were based on the projection of the average of the programs for fiscal years 1970, 1971, and the amount requested for fiscal year 1972.

Second. Regional and country military aid and credit sales estimates were based on the average of the program for fiscal year 1971 and that planned for fiscal year 1972, except in the case of countries such as Korea and Cambodia, where special circumstances apply, or in the cases of Africa and Latin America where higher ceilings are now being proposed.

Third. An inflation factor of only 3.5 percent was used to calculate projections for all programs except those for ship loans and excess defense articles, which were calculated at one-third of acquisition cost.

Fourth. It was assumed that programs related to the Vietnam war will continue at the fiscal year 1972 level on the theory that if the shooting war stops, there is likely to be a corresponding increase in economic aid for reconstruction purposes and the total U.S. assistance will not decline.

Fifth. Contributions to international lending organizations were based on a continuation of present levels or scheduled contributions without accounting for the impact of inflation.

Sixth. No costs were included for a possible residual military assistance advisory group in Vietnam.

The 5-year projection probably falls short in still other ways. It is impossible to estimate with any precision the future size of certain programs, such as that for the distribution of excess defense articles. As the war in Vietnam continues to wind down, and our Armed Forces are restructured, the quantity of excess weapons and war materials is bound to increase way above the $660 million planned for distribution outside Vietnam this year. The prodigious turnover of military equipment to the Vietnamese just does not show up on the books, nor does the value of American bases being transferred to them. Furthermore, the number of ships available for giving or lending to foreign countries is also likely to increase substantially as our Navy's participation in the Vietnam war diminishes and its modernization program expands.

For all of these reasons, the staff projection of the cost of foreign aid to the United States for the next 5 years, which totals $51,024,050,000, is probably too low. That, in itself, should give us pause. No Senator should vote to approve this year's authorization bill, without looking ahead. Perpetuating foreign aid through this annual ritual is a salami-slicing tactic. Only by studying the projections over the next 5 years, is it possible to appreciate what a tremendous outlay of this country's financial resources is actually entailed. Accordingly, I ask unanimous consent that the committee staff charts, showing requested totals of foreign aid for fiscal year 1972, and estimated levels for the next 5 years, be printed at this point in the RECORD.

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

OTHER FOREIGN ASSISTANCE PROGRAMS—NOT INCLUDED ON REGIONAL CHART[1]

[In thousands of dollars]

	Estimate fiscal year 1972	Estimate fiscal year 1973–77
Economic:		
1. U.S. contributions to international financial institutions:[2]		
(a) International Development Association	320,000	1,600,000
(b) Inter-American Development Bank	575,000	2,300,000
(c) Asian Development Bank	60,000	240,000
(d) African Development Bank	15,000	15,000
Total U.S. contributions	970,000	4,155,000
2. Export-Import Bank—long-term loans to developing countries	[3] 501,100	[3] 3,060,600
Total economic	1,471,100	7,215,600
Military:		
1. Public Law 480 grants for defense purposes	116,600	699,600
2. MAAG's, Milgroups—expenses paid out of DOD budget (excluding Vietnam, Thailand, and Laos)	[4] 46,400	278,400
3. International military headquarters	31,400	188,400
4. NATO infrastucture	20,000	120,000
Tota' military	214,400	1,286,400
Total—other foreign assistance programs	1,685,400	8,502,000
Estimates from regional chart	7,590,845	42,522,050
Grand total—foreign assistance	9,276,245	51,024,050

[1] Except where noted programs are projected on the basis of the fiscal year 1972 estimate, plus an inflation factor of approximately 3.5 percent.
[2] Represents a continuation forward of present levels or scheduled contributions; does not include an inflation factor.
[3] 1968–70 average.
[4] Fiscal year 1971.

ESTIMATED LEVELS OF FOREIGN ASSISTANCE, FISCAL YEARS 1973–77[1]

[In thousands of dollars]

	Military programs						Economic programs	
		Grant military assistance					AID programs	
	Foreign military credit sales	MAP	Excess defense articles	Military Aid-now Ship loans	funded by DOD	Total military	Development assistance	Supporting assistance
East Asia and Pacific—Regional	$423,000	$3,096,000	$525,000	$15,250	$13,380,000	$17,439,250	$2,358,000	$4,188,000
Selected countries:								
Korea	90,000	1,400,000	250,000		488,000	2,228,000	216,000	
Cambodia		1,200,000	55,000			1,255,000		660,000
Indonesia		150,000	50,000			200,000	456,000	
Thailand	42,000		50,000		264,000	356,000		240,000
Republic of China	246,000	126,000	264,000			636,000		
Vietnam					10,698,000	10,698,000		3,390,000
Near East and South Asia—Regional	1,800,000	978,000	452,000	25,000		3,255,000	2,340,000	
Selected countries:								
India	30,000					30,000	1,276,200	
Greece	315,000	120,000	210,000	5,200		650,200		
Turkey		583,800	292,000	10,000		885,800	310,800	
Europe—Regional		50,000	18,000	10,000		78,000		
Africa—Regional	195,000	92,500	12,500			300,000	861,600	99,600
Selected countries:								
Ethiopia		60,100	4,000			64,100	91,800	
Nigeria							152,800	
Latin America—Regional	671,000	50,000	25,000	4,000		750,000	2,311,200	21,000
Selected countries:								
Argentina	150,000	4,000				154,000		
Brazil	195,000	4,500				200,700	443,600	
Columbia		5,000				5,000	465,000	
Summary—All programs	3,089,000	4,266,500	1,032,500	54,250	13,380,000	21,822,250	7,870,800	4,308,600

[1] Inflation factor of 3.5 percent used to calculate projections for all programs except those for ship loans and excess defense articles.

Note: Average program for fiscal years 1970–72 used to project economic programs; fiscal year 1971–72 used as base for projecting military programs in most cases. It is assumed that Vietnam war related programs will continue at fiscal year 1972 rate. Does not include U.S. contributions to international financial institutions.

ESTIMATED LEVELS OF FOREIGN ASSISTANCE, FISCAL YEARS 1973–77[1]

[In thousands of dollars]

	Economic programs						Total		
	AID programs			Other economic programs					
	Administrative expenses	Contingency fund	Total AID programs	Peace Corps	Public Law 480	Total economic	Foreign Assistance Act, Military credit Sales, DOD Military Aid	Military and economic, fiscal year 1973–77	Military and economic, requested, fiscal year 1972
East Asia and Pacific—Regional			$6,546,000	$78,000	$2,610,000	$9,234,000	$23,970,000	$26,673,250	$4,379,599
Selected countries:									
Korea			216,000	10,000	684,000	910,000	2,444,000	3,138,000	771,834
Cambodia			660,000		120,000	780,000	1,915,000	2,035,000	341,009
Indonesia			456,000		870,000	1,326,000	656,000	1,526,000	267,665
Thailand			240,000	8,000	126,000	374,000	596,000	730,000	139,423
Republic of China					48,600	48,600	636,000	684,600	117,000
Vietnam			3,390,000		495,600	3,885,600	14,088,000	14,583,600	2,436,750
Near East and South Asia—Regional		$200,000	2,540,000	45,000	2,930,000	5,515,000	5,770,000	8,770,000	1,574,508
Selected countries:									
India			1,276,200	21,000	1,248,000	2,545,200	1,306,200	2,575,200	419,752
Greece							645,000	645,000	117,875
Turkey			310,800		224,400	535,200	1,186,300	1,421,000	242,571
Europe—Regional					66,000	66,000	68,000	144,000	86,650
Africa—Regional			961,200	108,000	592,200	1,661,400	1,261,200	1,961,400	325,237
Selected countries:									
Ethiopia			91,800	8,400	4,800	105,000	155,900	169,100	31,871
Nigeria			152,800		35,400	188,200	152,800	188,200	34,380
Latin America—Regional			2,332,200	114,000	817,200	3,263,400	3,082,200	4,013,400	661,824
Selected countries:									
Argentina							154,000	154,000	15,897
Brazil			443,600	17,400	326,400	787,400	644,300	988,100	153,509
Columbia			465,000	7,800	136,000	608,800	470,000	613,800	110,293
Summary—All programs	$360,000	800,000	13,339,400	345,000	7,015,400	20,699,800	35,107,400	42,522,050	7,590,845

[1] Inflation factor of 3.5 percent used to calculate projections for all programs except those for ship loans and excess defense articles.

Note: Average program for fiscal years 1970–72 used to project economic programs; fiscal year 1971–72 used as base for projecting military programs in most cases. It is assumed that Vietnam war related programs will continue at fiscal year 1972 rate. Does not include U.S. contributions to international financial institutions.

Mr. CHURCH. Mr. President, a perusal of these charts will reveal that foreign aid, in all its forms, is costing the United States approximately $10 billion a year. This country simply cannot afford to sustain such an outlay out of habit, especially when in terms of its stated objectives—the containment of communism, the promotion of economic development, and the advancement of freedom—the program is on the whole a proven failure, whose termination is warranted on these empirical grounds alone.

It seems important, however, if we are to learn something from the experience, to consider why our aid programs have failed to achieve their objectives and whether, indeed, these objectives were sound to begin with. The technicalities have been examined and reexamined; every few years a new commission conducts a new study resulting in a new report and a new recommendation for a new reorganization—and nothing else. Never yet have we considered in full measure the possibility that the failure of aid is not technical and administrative but conceptual and political, and that it can only be understood as an aspect of the larger failure of American foreign policy over the last decade. If that is the case, as I have come to believe, it is futile to continue reevaluating and reorganizing the aid program. Even the most efficient organization and the most competent management must fail if the program itself is rooted in obsolete conceptions of the national interest and if the objectives meant to be achieved are unsound or unattainable, or both.

On the basis of our experience over the last decade in dealing with the third world—unquestionably the "disaster area of our foreign policy"—John Kenneth Galbraith suggests four lessons that we should have learned:

First, it now seems clear that the "Marshall plan syndrome"—the belief that American capital, energy, and know-how could not fail to work economic wonders in any country on whom these blessings might be conferred—has turned out to be largely irrelevant and unworkable in the poor countries which lack Europe's preexisting organizational, administrative, and technical capacities.

Second, it is evident now, if it was not before, that in the poor rural societies of the third world the concepts of "communism" and capitalism are of little more than "terminological" significance. The fact that these countries are poor and rural has vastly greater meaning than the fact that such little enterprise as they have may be "socialist" or "free."

Third, in the course of discovering that the inner life and development of the third world lie beyond the reach of external control, we have also discovered that the futile effort to shape another country's development calls into being an enormous, intrusive civilian and military bureaucracy. Whereas colonial power was exercised directly, Professor Galbraith observes, through a simple line of command, our campaign to win the hearts and minds of foreign populations requires "a much more massive table of organization." Indeed, in the course of recent hearings on Brazil in the Western Hemisphere Subcommittee of the Senate Foreign Relations Committee, the fact came out that, relative to population, we have twice as many American officials administering our aid program in Brazil today as the British had in India governing that country before independence.

Finally, Professor Galbraith notes, we have seen how an overseas bureaucracy acquires a life and purpose of its own, only tenuously controlled by the Executive in Washington and effectively beyond the reach of Congress and the American people. Like any bureaucracy—especially a colonial service far removed from its home base—the American aid and Military Establishment abroad are motivated by one simple unshakable ambition: To survive and perpetuate their species.[1]

Finally, I would suggest a fifth lesson to be drawn from the experience of the sixties: that, even with enormous power and the best of intentions, there are some things we cannot do, things which are beyond our moral and intellectual resources. If we learn nothing else from the experience of the sixties, it will profit us immeasurably to have learned that being richer and stronger than everybody else has not made us wiser. When it comes to wisdom, we are part of the pack; just knowing that will be wisdom enough.

I. THE PHANTOM OF IDEOLOGY

It is astonishing in retrospect how little we questioned the seeming verities of the cold war during the fifties and sixties. Conservatives railed against "international communism" and prescribed military aid; liberals, believing themselves more sophisticated, spoke of the "Sino-Soviet bloc" and the greater usefulness of economic aid. Neither questioned the premises of the cold war or the purposes of aid. China and Russia alike were perceived as implacable enemies of the "free world"; if they differed, it was only on the most efficient means of "burying" us. Aid—both military and economic—was conceived primarily as an instrument of containment, a weapon in the cold war, and if some Americans favored military assistance and others economic, that too was a matter of tactics, if not of how to "bury" the Communists, then at least of how to contain them.

Like most shibboleths, the trouble with containment is not that it was illusory in its original formulation but that it was subsequently elevated to the status of a universal truth, which it is not, and applied in areas where it had no bearing. Vietnam is the principal case in point: we supported the French, then supplanted them, and finally plunged into a war in which we are now still engaged because we had persuaded ourselves that Ho Chi Minh was the puppet of the Chinese, who in turn, at least until the mid-fifties, we regarded as puppets of the Soviet Union.

When the cold war philosophy developed, back in the late forties and early fifties, the Soviet Union had indeed represented a military threat to Western Europe. Extrapolating from that quite plausible threat, we came to suppose that we were confronted with a ruthless, coordinated global force to which we gave the name of "international communism." By the time of the Johnson administration, the cold war outlook had been refined to take account of the Sino-Soviet split, so that Mr. Rusk raised the specter not of "international communism" but of a "world cut in two by Asian communism." Still this outlook was the direct descendent of the Acheson view of 1949 when the then Secretary of State proclaimed the Chinese Communists to be "a party in the interest of a foreign imperialism," led by men who "have foresworn their Chinese heritage and have publicly announced their subservience to a foreign power, Russia. . . ."[2]

Foreign aid, which had worked so well in Western Europe through the Marshall plan, was conceived thereafter as one of the arsenal of weapons to be employed in the grand, global strategy of containment. Military assistance, starting with the Truman doctrine, was designed to bolster the armed forces of the arc of nations along the periphery of the "Sino-Soviet bloc"; it was soon extended to support shaky regimes beyond the periphery of the "bloc," in Asia and Latin America, against the danger of foreign sponsored subversion. Economic assistance, it was thought, would serve the same purpose by promoting development and prosperity, by robbing subversion of its appeal to the masses. Liberals and conservatives within the United States debated the proper mix of economic and military support; neither questioned their purpose nor underlying premise.

The premise, however, was open to question from the outset. As early as January 1945—so the Foreign Relations Committee was recently told by one of our leading China experts—Mao Tse-tung and Chou En-lai secretly informed President Roosevelt that they were willing to meet with him in Washington for exploratory talks as leaders of a Chinese political party.[3] Soon thereafter—so reported an American Foreign Service officer named John Stewart Service—Mao outlined a plan for postwar Chinese-American economic cooperation.

Mao told Service:

> America is not only the most suitable country to assist the economic development of China: she is also the only country fully able to participate. For all these reasons there must not and cannot be any conflict estrangement or misunderstanding between the Chinese people and America . . ."[4]

Again, in 1946, Chou En-lai made it clear to President Truman's special Ambassador, General Marshall, that the Chinese Communists had no wish to be totally dependent on Stalin.

He said:

> Of course we will lean to one side, but how far we lean depends upon you.[5]

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[1] John Kenneth Galbraith, *Economics, Peace and Laughter* (Boston: Houghton Mifflin Co., 1971), pp. 170–175.

[2] *United States Relations with China*, Department of State, August 1949.

[3] Allen Whiting, on June 28, 1971.

[4] *Foreign Relations of the United States, Diplomatic Papers, 1945, Vol. VII, The Far East, China*, Washington, 1969, p. 274.

[5] Whiting, *ibid.*

It has also become apparent that the notion of "Asian communism with its headquarters in Peking" has been more myth than reality. China had little or nothing to do with North Korea's attack on South Korea in 1950, and entered the war reluctantly only to counter General MacArthur's reckless thrust to the border of Manchuria. China also had little to do with the Vietminh insurrection in Vietnam; indeed, the first Indochina war began 3 years before the Chinese communists won their own civil war in China.

Just as China had no wish to rely exclusively on the Soviet Union, Ho Chi Minh had no wish to be a satellite of China. According to an article of last June 30 in the Christian Science Monitor drawn from previously unpublished Pentagon papers, the United States "ignored eight direct appeals for aid from North Vietnamese Communist leader Ho Chi Minh in the first 5 winter months following the end of World War II." Even more astonishing, according to this account:

> Ho also sent several messages through secret channels even earlier, in August and September of 1945, proposing that Vietnam be accorded the "same status as the Philippines"—an undetermined period of tutelage preliminary to independence.

If there is any truth in this version of events—and the evidence of much truth in it is overwhelming—we are forced to the conclusion that American foreign policy since World War II has been based in large part on a false premise: the myth of the Communist monolith. This is not to say that either of the great Communist powers has been benign and friendly but only that they have not been consistent in their hostility, which in part has been provoked by our own; that they have seldom acted in concert; that both have influenced but neither has ever really dominated the Communist movements of Southeast Asia; and that both of the large Communist states and certain of the small ones—including North Vietnam—have on certain occasions been willing and even eager to come to terms with the United States.

For reasons ranging from our dismay with Stalin's Russia after World War II to the intimidating effects of the ensuing anti-Communist hysteria at home, American policymakers clung tenaciously through the fifties and sixties to the myth of the Communist monolith. It was in that frozen frame of reference that our foreign aid programs were designed, along with an unprecedented array of alliances and a massive buildup of American military power, as part of a grand strategy for the containment of "international communism." Well over a half of our aid to the so-called developing countries has been military and paramilitary assistance. Foreign aid, economic as well as military, was sold to Congress as a national security measure. The developing countries were portrayed as cold war battlegrounds which would become vulnerable to communism if we did not sustain them. The undeveloped ccuntries, John J. McCloy wrote in 1960, promise to be "the principal battleground in which the forces of freedom and communism compete—a battleground in which the future shape of society may finally be tested and determined." [6]

Even if the premise of a unified aggressive "international communism" had been sound, the strategy for countering it with foreign aid was not. Experience has shown that, although military assistance can be a potent factor in counterinsurgency, it is by no means a reliable one, while American economic support has almost no influence whatever on whether a country "goes Communist," as Cuba and Chile have shown. This is not for lack of skill or technical know-how on the part of those who administer the AID program, but it is because of the irrelevance of the instrument to the objective. The countries of Asia and Africa—I must here exclude Latin America—which have remained non-Communist have done so not because the United States has succeeded in buying their allegiance or in launching them toward "takeoff" and self-sustaining economic growth, but because they have not wished to become Communist, regarding communism as an alien ideology, or because their populations have been too poor and illiterate to be interested in such sophistications as ideology or revolution.

Revealingly, the Russians have had no greater success in buying ideological converts with aid than we have had in trying to head them off. In one or two instances, small African countries have unceremoniously packed off their Russian aid technicians when their presence became too intrusive. Egypt, which has been the largest single recipient of Soviet foreign aid for the last 15 years, has rigorously suppressed its internal Communists and repeatedly warned the Russians against meddling in internal Arab affairs. In July of this year, President Sadat responded to a Soviet appeal for Egyptian pressure against the crackdown on Communists in the Sudan, with an angry address before the Arab Socialist Union in which he declared that Egypt would never become Communist or recognize an Arab Communist government—although, President Sadat added, Egypt would remain friendly to the Soviet Union, even after a possible settlement with Israel.[7] Occurrences such as this suggest the advisability of giving credit where it is due: when it comes to using aid for political purposes, the Russians have a greater talent for alienating people from communism that we do.

Nonetheless, our administration persists in the delusion that it can buy influence with aid. So President Nixon seems to believe in his insistence on letting military and economic aid filter through to the Government of West Pakistan, even though American arms may be used to carry out the savage suppression of the people of East Pakistan. When the House of Representatives voted in early August to suspend aid to the West Pakistani regime, except for relief assistance in East Pakistan and for East Pakistani refugees in India, President Nixon expressed his disapproval on the ground that an aid cutoff would jeopardize the Pakistani Government's ability to create "stability" and would undermine our own ability to "influence the course of events * * *." [8] In terms of the realpolitik of which this administration seems so fond, our continuation of aid "already in the pipeline" to Pakistan is supposed to buy us influence with the ruling generals in Islamabad and help offset the influence of Communist China. The cost of this "influence"—such as it may be—is the loss of our influence with India, which has now concluded a friendship treaty with the Soviet Union. Worse still, as the New York Times put it in a recent editorial, our continuing support of the Pakistani Government "has put the United States in the position of subsidizing, and thus seeming to condone, crimes against humanity unequaled since Hitler's time." [9]

While experience has shown that our aid programs have little if any relevance either to the deterrence of communism or the encouragement of democracy, they have been effective in certain instances in keeping unpopular regimes in power. They have certainly contributed to that end in the cases of the Greek colonels, the Pakistani generals, and the Brazilian junta. All of these regimes are dictatorships, but they are anti-Communist and therefore pass our eligibility test for membership in the "free world." A government may torture and terrorize its own population but—from the standpoint of our policymakers—as long as it remains anti-Communist, provides "stability," generally supports American foreign policy, and is hospitable to American investment, it qualifies, for purposes of aid, as a "free country."

"Stability" is an antiseptic word; it reveals nothing about how individual people live and die. "Stability," as Richard Barnet points out, "is an antidevelopment goal in countries where the established institutions perpetuate poverty and the ruling elites show no serious commitment to change." [10]

As the czars of Russia and the sultans of Turkey understood very well, there is no better defense against radical revolution, no greater assurance of "stability," than an ignorant and inert population. Traveling in Latin America several years ago, a staff member of the Committee on Foreign Relations noted repeatedly in his diary the gentleness, submissiveness, and conservatism of the campesinos in one country after another. He noted:

> Like the peasants of northeastern Brazil the Indians in the barriadas of Lima are not revolutionary; they are too humble and ignorant and are therefore subrevolutionary or prerevolutionary. That, however, is not necessarily going to be the case with their prodigal offspring, many of whom are getting a little schooling and a little view of the world beyond the sierra and the bar-

[6] Quoted in Richard J. Barnet, *Intervention and Revolution* (1968, p. 27).

[7] *New York Times*, August 6, 1971.

[8] Press Conference of August 4, 1971.

[9] " 'Stability' in Pakistan," New York Times, August 6, 1971, p. 30.

[10] Richard J. Barnet, "Can the United States Promote Foreign Development?" unpublished paper, p. 17.

riada. Some of them are going to get ideas and it only takes a few who are smart and tough to make a revolution.[11]

II. AN OBJECTIVELY IMPERIALIST SYSTEM

When revolution comes—as it likely will in many of the still "stable" countries of the third world—it will bear no resemblance to the kind of benign, gradual "takeoff" into self-sustaining growth envisioned by American aid officials and private investors. The notion that a stable, nonrevolutionary social structure is the essential condition of economic development is a self-serving rationalization. It enables American policymakers to believe that the interests of the United States, as they conceive them, are identical with the social and economic interests of the poor countries. "Stability," they insist, is not only essential for the exclusion of communism and the preservation of American influence; it is also in the best interests of the developing countries themselves, because—so the argument runs—revolution means violence, disruption, inefficient management, and the loss of investment capital as well. In this way, we rationalize our support for regimes whose very existence is the principal barrier in their countries to real economic development and social justice.

The conditions essential for development are not so much economic and technological as they are psychological and political. No infusion of capital and know-how from without can galvanize a society in which the rewards of development are grabbed up by a small privileged caste while the majority of people are left hopeless, debilitated, and demoralized. As the Brazilian Bishop Dom Antonio Batista Fragoso put it:

> We do not need paternalistic redemption. We need conditions so that those who are now abandoned may free themselves from their own underdevelopment with their own united force . . . the poor have no hope in those who still have economic power. And the poor are those who struggle for justice. If those who fight for justice are called subversive, then subversion is their hope.[12]

In countries long under the domination of corrupt oligarchies nothing less than a radical redistribution of political power may be the essential precondition for economic development. If the bulk of the people are to make the concerted effort and accept the enormous sacrifices required for lifting a society out of chronic poverty, they have got to have some belief in the integrity of their leaders, in the commitment of those leaders to social justice, and in the equality of sacrifice required of the people. Reactionary regimes have neither the ability nor the interest to foster such a conception of social justice. They value aid from the United States as a means of maintaining, not of abolishing, inequalities of wealth and power. The lipservice paid to reform is a crumb for their benefactors; it helps to make the Americans feel good and it costs them nothing. In fact, American economic aid is commonly used to promote industrialization programs which generate a high level of consumption for the privileged, with little, if any, trickledown benefit for the dispossessed. At the same time, American military assistance, and such para-military programs as the training and equipping of a country's police force, help such regimes as those of Brazil, Greece, and Pakistan to suppress reformist movements. In this way, American aid is being used not to promote development but for the quite opposite purpose of supporting the rule of corrupt and stagnant—but vociferously anticommunist—dictatorships.

Even if we should succeed in purging our minds of the anti-Communist obsession which has driven us into league with military dictatorships and oppressive oligarchies all over the globe, it would still be all but impossible for us to promote radical reform in the countries of the third world. Even indeed if we were a revolutionary society ourselves and were committed to a revolutionary conception of development—as most assuredly we are not—there is still very little we could do to foster social revolution in alien societies. The catalyst of radical change in any society must be an indigenous nationalism giving rise to a sense of community, commitment and shared sacrifice. Can anyone seriously believe, for example, that the United States, through massive infusions of aid, could ever have persuaded, inspired or cajoled the demoralized Chiang Kai-shek regime of the late forties into generating the kind of collective spirit which the Chinese communists have generated? Here is how James Reston describes it from Peking in August 1971:

> Whatever you think of their political system, they are consciously engaged these days in the common life of rebuilding the nation and even in reconstructing themselves. This country is engaged in one vast cooperative barn-raising. They work at it night and day with a pride and persistence that are astonishing. . . ."[13]

I do not suggest that the United States prefers or admires the dictatorial regimes it subsidizes, but only that there is little we can do with our aid to change them, all the more since these regimes can blackmail us so easily with the threat of communism if they should fail. The Kennedy administration did make an effort to encourage democratic and progressive policies in countries to which it extended aid, especially in Latin America, but that effort was a failure and the reasons for that failure are instructive. We failed because we had neither the ability to impose reform from outside nor the will to pursue it from within. The one was simply impossible; the other went against the priority of our own interests as we conceived them. However much we may have wanted reform and development, we wanted "stability," anticommunism and a favorable climate for investment more. The experience of 20 years of aid shows that we can neither bring about fundamental reform in tradition-encrusted societies nor prevent revolution in those countries where the tide of change runs deep and strong; all we can really do is to service the status quo in countries where it is not strongly challenged anyhow.

U.S. foreign aid certainly was unable to win us support at the time of the recent two votes at the United Nations relating to the admission of the People's Republic of China.

As you recall, the first vote was an important procedural one, as a result of which member-states defeated the United States resolution declaring that expulsion of Nationalist China was an "important matter" and, consequently, required a two-thirds vote rather than a simple majority for passage. Fifty-nine nations voted against our resolution and 15 abstained.

The foreign assistance bill, now before us, contains authorizations totaling approximately $1.5 billion in military and economic aid for 42 of the 74 member-states that either opposed our position or abstained on this key vote.

Correspondingly, the bill contains aggregate authorizations of approximately $2.4 billion for 55 member-states that either voted against our position, or abstained, on the second question that admitted the People's Republic to the United Nations and expelled Nationalist China.

If our long-term loans, made in the name of nourishing development abroad, serve neither to deter communism nor strengthen democratic government, and if they do so little to furnish the destitute with a broader measure of social justice wherever they may live, why do we persist in making them? To find the answer to that question, one must begin the search here at home, in the land of the lender.

There is abundant evidence that our foreign aid program is much less philanthropic than we have cared to portray. Indeed, the figures suggest that it is patently self-serving. Former AID Director William Gaud discloses that, as a result of tied loans—

> Ninety-three percent of AID funds are spent directly in the United States * * * Just last year some 4,000 American firms in fifty states received $1.3 billion in AID funds for products supplied as part of the foreign aid program.

Similarly, George D. Woods, former President of the World Bank, has observed that—

> Bilateral programs of assistance have had as one of their primary objectives helping the high-income countries themselves; they have looked toward financing export sales, toward tactical support of diplomacy, toward holding military positions thought to be strategic.[14]

The oft-asserted lament that our foreign aid program lacks a constituency in the United States is just another of those myths we hold dear. Actually, our bilateral aid program is, in effect, the soft-loan window of the Export-Import Bank; it is the source from which foreign governments borrow money on easy terms with which to buy goods and services from within the United States. As such, it enjoys a lively constituency which exerts steady pressure on the Government to keep the program going.

In addition to financing American exports, our foreign aid, both economic and

[11] Seth Tillman, *Diary of a Trip and Visits to the Peace Corps in Latin America*, Senate Foreign Relations Committee, March 16, 1967, pp. 16, 24, 33.

[12] Quoted by Barnet, ibid., p. 12.

[13] "Letters from China, V," *New York Times*, August 18, 1971, p. 37.

[14] Quoted by Barnet, ibid, p. 7.

military, has encouraged relationships of sustained dependency on the United States. In many underdeveloped countries, repressive governments draw reassurance from the arms we furnish and the military training we supply. As the source of money and weapons for their armies and police forces, the U.S. Government acquires a certain leverage over these regimes, while they last. Enticed by attractive credit terms, by growing familiarity with American equipment, reliance on American replacement parts, by bargain prices on obsolete equipment, training programs for their soldiers and police, and the sales promotion techniques of our military advisory missions, these governments soon enough learn to think American.

No less than military aid, our economic assistance creates and perpetuates relationships of dependency. The law requires, for example, that aid shipments be carried only in American ships and that purchases be made only in the United States. Because of these and other requirements, the Peterson report estimates that U.S. aid costs recipients about 15 percent more than world market prices.[15]

Surplus food shipments under Public Law 480, on its face the most philanthropic of aid programs, in fact have served to unload costly surpluses, at virtually no economic cost to the United States, according to Economist Michael Hudson, a former balance-of-payments analyst for the Chase-Manhattan Bank. At the same time, Hudson points out, the Public Law 480 program has put the aid-receiving countries in debt to us to the extent of some $22 billion, thereby tying them to the pursestrings of the State Department and the U.S. Treasury for nearly 20 years to come.[16]

Dependency on the United States grows steadily, too, with the mounting burden of servicing past debts. The Peterson report acknowledges that mounting debts, which must be continually refinanced on an emergency basis, keep the poor countries on a "short leash." [17] As grace periods end on loans falling due in the 1970's the poor countries find themselves paying out ever greater amounts to finance past debts, new loans will be effectively neutralized and the poor countries will be threatened with economic paralysis.

The upshot may well someday be a general default on debt payments to the United States reminiscent of the defaults on war debts which complicated and disrupted our relations with European countries in the thirties and helped to drive us deeper into the isolationism of that era.

Nowhere have we seen more clearly the ineffectiveness of aid as a deterrent to revolutionary pressures and as an instrument for the reconstruction of traditional societies than in Latin America. The Alliance for Progress represents the high water mark of our innocence in supposing that we could liberate traditional societies from their centuries-long legacy of tyranny and stagnation with a little bit of seed capital and some stirring rhetoric. It is the conclusion of one recent author on Latin America, who spent 3 months last year in search of "Latin American reality," that, despite the Alliance for Progress, "things are getting worse, not better, that each year more people are poorer, hungrier, less clothed, less sheltered than the year before, and that all the indexes project a continuation of this negative trend for the foreseeable future. Life is barely tolerable for 80 percent of Latin America's 275 million people, and it will be unspeakably worse for the 600 million projected for the year 2000." [18]

It is true that the per capita income of Latin American countries has risen during the years of the Alliance for Progress, but it has risen in so unbalanced and inequitable a way that the gains have gone almost entirely to the 20 percent of the population who live within the modern economy. The benefits accruing to the lower 80 percent have not even kept up with population growth, so that they have become both relatively and absolutely poorer. Progress, though visible, is illusory. Shining modern cities have arisen and the Alliance for Progress has brought roads, transistor radios, and Coca-Cola to the Latin American countryside, but their social impact is negative and disruptive. Labor-saving devices make life more comfortable for the affluent few, but they do not add to per capita output and they add to unemployment where there were labor surpluses to begin with. Indeed, the effect of this distorted and inequitable development, which widens the gap between rich and poor, is deeply demoralizing to the poor and therefore detrimental to genuine development. As Erich Fromm and Michael Maccoby have shown in their study of a Mexican village, the impact of the "developed" ideology of "consumerism" and waste on a traditional society is to destroy social cohesiveness, undermine personal psychological strength, and rob the people of joy in their lives.[19]

The distortions of public aid to Latin America are heightened by the impact of private investment. Although U.S. direct investment in Latin America grew from $8 billion to $15 billion during the 1960's and continues to grow at the rate of $1 billion a year, according to Gary MacEoin, the author of "Revolution Next Door," U.S. companies withdraw $2 in dividends, royalties, and other payments for every new dollar they invest. U.S. private companies exercise a "double negative impact": at the same time that they decapitalize Latin America by the withdrawal of profits, they plow back a part of their profits to gain increasing control of the mineral assets, industry, and production of Latin American countries.[20]

Under this devastating North American onslaught, resentment of the United States has grown apace and increasing numbers of Latin Americans have become convinced that they are the victims of a virulent new imperialism. As one Chilean political scientist commented on the experience of the 1960's, "If that is what one decade of development does for us, spare us from another. Foreign aid has been used, not to develop us, but to achieve the political purposes of the donors, to smother us in debt, to buy up our most dynamic productive assets." [21]

In both Latin America and the rest of the third world the conviction is taking increasing hold that the poverty of the poor countries is not the result of imperfections in the old "models" of development but rather the inevitable result of the policies and practices of the rich countries. In his recent book, "The Challenge of World Poverty," Gunnar Myrdal describes how the reforms promised in the Alliance for Progress were "rapidly emasculated by interaction between the holders of power in Latin America, including the American corporations working there, and the U.S. Government and Congress." The resulting economic and social relationship, not only between the United States and Latin America but generally between the rich and poor countries of the world, may not be one of deliberate, malicious exploitation, but we can hardly deny the name given to it by the Brazilian economist Helio Jaguaribe. It is, he says, "an objectively imperialist system."

III. TOWARD A CONSTRUCTIVE AID PROGRAM

I can no longer cast my vote to prolong the bilateral aid program, as it is now administered. I could understand—though perhaps not condone—a foreign aid program that is essentially self-serving. We live, after all, in a selfish world. But the present program is designed primarily to serve private business interests at the expense of the American people. In far too many countries, as in the case of Brazil, we poured in our aid money for one overriding purpose, to furnish American capital with a "favorable climate for investment." The search for foreign investment opportunities by the largest American corporations is relentless and irrespressible, as the biggest profits are to be found abroad, where the tax bite can frequently be reduced or averted.

Moreover, the risk of loss due to political instability, riot, revolution or expropriation, has been largely lifted from the investor and shifted to the U.S. Government. OPIC, the Overseas Private Investment Corporation, backed by the Federal Government, readily insures American companies against risks abroad for which no comparable insurance is available at home. The multimillion-dollar losses incurred by American copper companies, resulting from the nationalization of their holdings by Allende's Marxist regime in Chile, are likely

[15] *United States Foreign Assistance in the 1970's: A New Approach*, Washington, D.C., March 4, 1970, p. 32.

[16] Denis Goulet and Michael Hudson, *The Myth of Aid.*

[17] *United States Foreign Assistance in the 1970's*, p. 33.

[18] Gary MacEoin, author of *Revolution Next Door: Latin America in the 1970's*, in "Latin America: Who Is to Blame?" *Commonweal*, June 25, 1971, p. 331.

[19] *Social Character in a Mexican Village* (1970).

[20] MacEoin, "Latin America: Who Is to Blame?", p. 332.

[21] Quoted by MacEoin, *Ibid.*, p. 334.

to be borne—not by the companies that eagerly invested there—but by the American taxpayer. Our foreign aid program has become a spreading money tree under which the biggest American businesses find shelter when they invest abroad. Small wonder that the crumbling ghettos in our cities, along with our declining rural communities, have to beg and scrounge for new capital.

As my service in the Senate amply demonstrates, I am not a foe of a genuine foreign aid program, having long since acknowledged that any country as advantaged as ours should do what it can to help other people improve their lot. But no longer will I endorse with my vote a foreign aid program which has been twisted into a parody and a farce.

The major preoccupation of the present foreign aid program is the massive disbursement of munitions, which we either give away or make available at bargain basement prices. We ply half a hundred foreign governments with our weaponry. Most of the world has become a dumping ground for ships, tanks, and planes, which we label as excess to our needs. Easy credit is available at interest rates well below the cost of money to the U.S. Government. The military assistance program has become a preposterous scandal. It should be drastically curtailed, not enlarged.

As for our long-term bilateral loans made in the name of promoting economic development, it is long past time that this function were passed over entirely to the World Bank, the Asian Bank, the Inter-American Development Bank, and other multilateral lending agencies, which were set up for this purpose. I am prepared, now and in the future, to support substantial U.S. contributions to these agencies. In this manner, we could set a worthy example of international responsibility and beckon other rich nations to share the load with us.

I would confine our bilateral aid in the future to technical assistance grants, administered, where feasible, by the Peace Corps. It was through technical assistance—the successor to Harry Truman's original point 4—that the "green revolution" was achieved in Asia and the hand of famine stayed. This aspect of our foreign aid, involving outright grants, not loans, has constituted the worthiest part of the program. On account of it—and in hopes that the objectionable parts would be whittled down and ultimately displaced—I have tarried too long as a suporter and indulged in too much wishful thinking.

Events of the past few weeks on Capitol Hill have finally dispelled my illusions. Instead of cutting back on the foreign aid package, Congress is about to enlarge on it. We are in the process of doing the same with the gigantic military budget, approving more money for the Pentagon this year than we spent at the height of our involvement in Vietnam in 1967–68. Incredible, but true.

The acquiescence of Congress to these money demands of the Nixon administration make it clear that we have no disposition, despite all the pious talk, of changing our spending habits. The "new priorities" promised the American people will not and cannot be realized, as long as we refuse to cut our huge foreign and military spending. The long-neglected problems of crime, drugs, poverty and pollution, which afflict so many of our people here at home, will continue to fester and grow.

Shifting the necessary resources back to the solution of these problems does mean we must chuck all foreign aid or turn our backs upon calamity elsewhere. We can still afford to make generous donations when disaster strikes in other lands.

Finally, I would advocate, as an alternative to the palliative of aid, that we lend positive support to developing countries by entering into commercial arangements that redress the terms of trade which are now rigged against them.

As with so many of the difficult questions that divide and agitate our society, the answer to the dilemma of aid lies not abroad, not in the slums of Calcutta or in the rural backlands of Brazil, but within ourselves. Essentially, the question is whether we are prepared to recognize the limits of our own capacity—the moral and political as well as the technical and economic limits—and allow nature to take what may well be an uncongenial course in many countries of the third world. The question, to put it another way, is whether we can recognize that there are some things we simply cannot do—such as restructuring another country through our own efforts—and other things that we cannot permanently prevent—such as social revolution, where and when its time has come.

The dilemma of aid is not fundamentally different from the dilemma of Vietnam. It is a problem of power—our own power, the uses to which we wish to put it, and the moral and intellectual limitations which have resulted in such wide discrepancies between our intentions and our accomplishments. The dominant political attitude of the sixties was one of extravagant self-confidence. We were filled up and infatuated with the "simple fact"—again to quote Professor Rostow—"that we are the greatest power in the world—if we behave like it." Now, in the wake of sobering tragedy, a new outlook begins to take shape, and one may hope that it will affect our thinking in matters ranging far beyond Vietnam. As Gary MacEoin writes with reference to our excessive meddling in Latin America:

> As with the pacification programs in Indochina, the more total the penetration, the more negative the result. Political scientists must, in the future, cite this experience as no less significant than that of the Vietnam war when they discuss the limits of power of the great.[22]

Having concentrated for a decade and more on the growth and uses of power, we may now perhaps be willing to cultivate other national attributes—such as prudence and commonsense. If so, we may be prepared to come to terms with such conditions of our time as the following: That our social engineering, as applied to the poor countries of the world, has shown itself to be irrelevant and disruptive; that the threat of communism in the third world is exaggerated and, in any case, beyond the lasting reach of our aid programs; that for many countries radical revolution is the only real hope for development and the single most helpful thing we can do is to leave them alone.

Contrary to the development "models" worked out in the sixties by our Agency for International Development, it now appears that thoroughgoing social revolution is the necessary prerequisite for the development of much of the third world. There is nothing the United States can or should do to promote revolution—to do so indeed would violate the United Nations Charter and sound traditional standards of diplomacy. What we can and should do is to stop promoting counterrevolution. Or, as Richard Barnet has succinctly put it,

> As long as the United States views the successes of revolutionary governments as foreign policy defeats, we will continue to be an enemy of development.[23]

Our aid policy is not only an aspect of our total foreign policy, it is also a reflection of the life and values of our society. As long as power and the application of power are our dominant preoccupations, as to a great extent they have been in the years since World War II, our impact upon the third world will be exploitative and damaging. But if, as a result of the sobering experience of Vietnam, we are disposed to revive more traditional American values, we may devise a constructive foreign aid program designed to really help the struggling poor of the world. After all, one of the most deeply rooted of all American political attitudes is the mistrust of power. Can a people who have found it wise and necessary to check and balance the powers of their own Government as applied to themselves find it any less wise and necessary in their dealings with others?

Several years ago, Alan Moorhead wrote a book called "The Fatal Impact," in which he recounted the disastrous and largely unintended effects upon the Tahitians and Australian aborigines of the diseases, alcohol, firearms, laws, and concepts of morality brought to the South Pacific by the early European explorers and colonists. Reflecting on his own voyages to Polynesia, Captain Cook, himself, later wrote:

> It would have been better for these people never to have known us.[24]

It would represent a noteworthy advance in the standards of international relations if the United States, profiting from its own experience as well as that of others, could lift its well-intentioned but no less fatal impact from the face of the third world, so that in time it may appear that it was not so bad after all for them to have known us.

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

Mr. CHURCH. I am happy to yield to the Senator from Virginia.

Mr. BYRD of Virginia. Mr. President,

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[22] *Revolution Next Door*, p. 12.

[23] "Can the United States Promote Foreign Development?", p. 37.

[24] Alan Moorehead, *The Fatal Impact* (1966), pp. 61, 80–81.

I was very much impressed with the speech by the distinguished Senator from Idaho. I know how conscientious and sincere he is, and that was reflected throughout his address.

I think the Senator from Idaho has made many strong points in his speech in the Senate today as to why the foreign aid program should be terminated. He pointed out that not only is the proposal before the Senate today not a termination of the program but, indeed, is an expansion dollarwise as to what had been spent in the last few years.

I do not think this country can continue indefinitely so many of these new and expanded programs. The program to which the able Senator from Idaho addressed himself is a very old one. It goes back many, many years. The United States has already put into foreign aid through the years some $130 billion, since World War II.

I was interested in the figures on the first page of the speech by the Senator from Idaho, in which he brought out that the staff of the Foreign Relations Committee forecasts that foreign assistance for the 5-year period fiscal years 1973 through 1977 will exceed $50 billion.

As the Senator from Idaho pointed out in his address today, no Senator should vote to approve this year's authorization bill without looking ahead. That is what the Senator from Idaho has urged be done, that we look ahead and consider not just what the bill is going to cost this year—it is going to cost plenty this year, approximately $3.5 billion for this particular phase of foreign aid—but that we need as well to look ahead, if we continue this program, as to what the costs will be next year and the year after that and the year after that. The figures submitted by the able Senator from Idaho show that over the next 5 years the American taxpayers will be called upon to put up some $50 billion.

Is the Senator from Virginia correct in that figure?

Mr. CHURCH. The Senator is correct. The cost to date has been averaging close to $10 billion a year over the past decade. The projections of the Foreign Relations Committee staff are conservative, intentionally so. The likelihood is, if Congress continues to endorse this program, that the cost will grow well above $50 billion. The probability is that it will run closer to $60 billion, in the coming 5 years. But the staff intentionally made its projection on a most conservative basis. For example, they figured an inflation factor of only 3.5 percent. The Senator knows that is a pretty conservative figure in the light of our recent experience.

Mr. BYRD of Virginia. I think it is conservative.

Mr. CHURCH. So I do not mislead the Senate in any way when I ask Senators to look ahead. It will cost us at least $50 billion, but more likely $60 billion, in the next 5 years, if we go on giving our support to this program.

Mr. BYRD of Virginia. Now is the time, it seems to me, for the Senate—and Congress as a whole—to make a decision as to whether this is not the time to terminate this program. As the Senator from Idaho pointed out, if we do not terminate it now, we must be prepared for many additional billions of dollars, estimated by the committee at $50 billion over the next 5 years.

I submit, Mr. President, that the financial condition of the United States today is such that this seems a logical time to terminate our foreign aid program. The Senator from Idaho, in his address to the Senate today, made many compelling arguments as to why it should be terminated. I feel that the arguments made by the Senator from Idaho are just reasons for terminating the program now.

There is another reason, which the Senator from Idaho did not go into, and that is the overall financial condition of the United States. That is an additional reason, as I see it, why this program should be terminated.

During the last fiscal year, the Federal funds deficit was $30 billion. In this fiscal year, it is estimated that the Federal funds deficit will be $35 billion. So we have back-to-back deficits in 2 years of $65 billion. That is a gigantic sum.

Mr. CHURCH. In addition to that, may I suggest to the Senator that this massive foreign spending through the years, in all its forms, has resulted in such enormous balance-of-payments deficits for the United States that the dollar has cracked under the pressure and is, even now, in the process of being devalued vis-a-vis foreign currencies. So the Senator is quite right, our fiscal condition is precarious, yet we go on supporting this lavish program.

I should like to stress, if I may, that if the program were accomplishing its purposes, if it were deterring communism, if it were closing the gap between the destitute and the privileged elite in the underdeveloped lands, if it were advancing and strengthening free government in the world, if it were accomplishing any of these things, I would be willing to spend the money, even if it is a great deal of money, and even if our own financial condition is precarious. It would be worth it.

But, as I have tried to point out in this address, the foreign aid program has not proved to be an effective deterrent to communism anywhere. It has not helped to restructure or reform of traditional societies in the underdeveloped world. It has not promoted the cause of freedom in that great area. In other words, the objectives for which we appropriate and spend this money are not being achieved by this program, not at all.

We must recognize its failure, a failure written large in our experience during the past 10 years.

Mr. BYRD of Virginia. Mr. President, I thank the distinguished Senator from Idaho. He is completely correct in that assertion and it is well documented throughout his speech today.

He has been a friend of the program in the past. He wanted to accomplish the goals which Members of Congress and the American people sought. He, along with Congress and the American people, wants to help other nations

We want to play our part in helping our neighbors, so to speak; but, as he points out, the mere expenditure of tax money and distributing it all over the world has not accomplished the purpose for which it was appropriated.

It is for that reason the distinguished Senator from Idaho—who has, through the years, been a friend of the program—has now reached the conclusion, because it has not accomplished its purposes, that it should be brought to a conclusion.

I believe that the distinguished Senator from Idaho has made a powerful argument in opposition to continuance of the program.

Looking at some of the figures while we have been discussing this matter, I note that for fiscal 1970, only a year and a half ago, Congress appropriated $1,885 million, but this bill, as requested by the administration, is $3.552 billion—almost double. The bill actually before the Senate today as approved by the committee is $3.2 billion. There again, almost double the amount of money appropriated just under 2 years ago.

I do not see how we can justify that. I do not see how we can justify it to the taxpayers of this Nation when we are running a smashing deficit and when we have a debt of $409 billion.

The PRESIDING OFFICER (Mr. BEALL). The time of the Senator from Idaho has expired.

Mr. BYRD of Virginia. I want again to commend the distinguished Senator from Idaho for the position he has taken today.

Mr. CHURCH. I thank the Senator from Virginia very much.

Mr. MANSFIELD. Mr. President, I do wish to commend the distinguished Senator from Idaho, and welcome him to the club, which was in existence before the vote in the United Nations on Monday evening last.

I know that this has been the result of a good deal of troubled thought on his part. I happen to sit next to him in the Committee on Foreign Relations so I know what he has gone through, and I know what a difficult decision it was for him to make.

But, in view of the fact that we have spent $143 billion, which is what the President indicated in his speech to the Nation in mid-August, on foreign aid during the postwar period, and in view of the fact that this bill before us is now being increased and being ridden through with gifts and grabs, I think the only solution is to bring an end to a program which has outlived its usefulness, and keep the good parts and get away from the discrepancies which have come into existence, and the kind of aid which has been so prevalent and so profligate.

Again, I commend the distinguished Senator from Idaho for a magnificent speech.

Mr. BROCK. Mr. President——

Mr. MANSFIELD. May I say, before the distinguished Senator from Tennessee starts, if he will allow me to yield myself 1 minute, that as of now, we have 10 amendments still to be considered if they are all called up.

Mr. BROCK. Mr. President, I shall not take much time. I have an amendment which is not difficult to understand. It is

not complex, but to me it is very important. Knowing that the clerk read it some time ago, I should like to repeat it now—just the two key sentences:

None of the funds appropriated to carry out the provisions of this Act shall be made available to any foreign country which the President determines has failed to support actively the provisions of the 1949 Geneva Convention relative to the treatment of prisoners of war.

Mr. President, I have proposed this amendment for a very simple reason; namely, this Nation does not like indecision. It does not like a situation that cannot be resolved by a specific act.

I know of no greater frustration in my entire life than the feeling I have over my inability—and the inability of this body—to effect, in some positive manner, the release of our American prisoners of war in prison camps in Cambodia, Laos, and North Vietnam.

The fact that North Vietnam and its people have no regard for human life is amply evidenced by the fact that they refuse to recognize the fact that their own people are being held prisoners in South Vietnam.

As I go about this country, having the opportunity, time and again, to meet the brothers, sisters, wives, mothers, fathers, and children of the American men who have been imprisoned, for 4 or 5 years in prison camps in North Vietnam, I cannot help marveling at their integrity, their courage, their strength, the abundant love they have for their relatives in those camps—or for this country, for that matter. They have shown a courage that should be an example to all of us, a nobility that it would be well for the world to behold.

Mr. President, in that spirit and in that sense I ask the Senate to evidence its continuing commitment to those men by the passage of the pending amendment, just as one further illustration of the desire and the commitment of the Members of the assistance to stand with those men until they receive not only humane treatment, but also return home to this country and their families.

The PRESIDING OFFICER. Would the Senator from Tennessee ask unanimous consent that the amendments be considered en bloc?

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

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

Mr. MANSFIELD. Mr. President, I have had a chance to look over the pending amendment offered by the distinguished Senator from Tennessee. I think it is a very interesting amendment. The committee would be willing to accept the amendment and take it to conference.

Mr. BROCK. I am very grateful to the distinguished majority leader.

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

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

The PRESIDING OFFICER. All time having expired, the question is on agreeing to the amendment of the Senator from Tennessee.

The amendment was agreed to.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, October 29, 1971, he presented to the President of the United States the following enrolled bill and joint resolution:

S. 137. An act to provide for the conveyance of certain public lands in Wyoming to the occupants of the land; and

S.J. Res. 167. Joint resolution to extend the authority by the Export Administration Act of 1969.

FOREIGN ASSISTANCE ACT OF 1971

The Senate continued with the consideration of the bill (H.R. 9910) to amend the Foreign Assistance Act of 1961, and for other purposes.

AMENDMENT NO. 556

Mr. STEVENS. Mr. President, I call up my amendment No. 556.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 20, between lines 14 and 15, insert the following:

(1) Section 201(d), which relates to general authority, is amended to read as follows:

"(d) Funds made available for this title shall not be loaned or reloaned at rates of interest excessive or unreasonable for the borrower and in no event shall such funds (except funds loaned under section 205 and funds which prior to the date of enactment of the Foreign Assistance Act of 1971 were committed to be loaned upon terms which do not meet the minimum terms set forth herein) be loaned at a rate of interest of less than the rate which the Secretary of the Treasury determines to be equal to the current available interest rate, as of the last day of the month preceding the making of such loan, that the United States paid on its outstanding marketable obligations of comparable maturities."

On page 20, line 15, strike out "(1)" and insert "(2)".

On page 21, line 3, strike out "(2)" and insert "(3)".

On page 21, line 6, strike out "(3)" and insert "(4)".

Mr. STEVENS. Mr. President, I yield myself 5 minutes.

The PRESIDING OFICER. The Senator from Alaska is recognized for 5 minutes.

Mr. STEVENS. Mr. President, the other day when we were discussing the amendment that would prohibit the use of development loan assistance funds for loans to Korea for the use of building fishing vessels or fish processing facilities, the Senator from Arizona raised a question concerning our policy with respect to the interest charged on loans from the Development Assistance Loan Fund.

At that time, I agreed to offer—and the Senator from Arizona agreed that he thought it was a fairly good idea—an amendment to require that the loans made on a unilateral basis by this country out of funds made available under this act would be made on the basis of the interest rates that we are paying to borrow money, since we are obviously in a deficit situation at the present time.

Mr. President, we checked with the Treasury Department this morning, and on 15-year obligations, we have just issued one series of notes that bear 6.157 percent interest.

In August we issued 10-year obligations at 7.11 percent.

The Treasury note obligations with maturity on February 15, 1975, were issued at 5.58 percent.

Notwithstanding that, the money under the pending bill would be—unless the amendment were agreed to—loaned to recipient governments on a 40-year term, including a 10-year grace period at 2 percent interest charged during the grace period and 3 per cent during the remainder of the 40 years.

The amendment that the Senator from Arizona and I have offered is very simple. It provides that the moneys will not be loaned at excessive or unreasonable rates of interest for the borrower but will be loaned at a rate of interest of not less than the rate which the United States has paid on its outstanding marketable obligations of comparable maturities.

Mr. President, I believe the amendment consists of more than one amendment. I therefore ask unanimous consent that they be considered en bloc.

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

Mr. STEVENS. Mr. President, unless the majority leader has some comment, I have no further comment to make. I think it is a very simple proposition. At a time when we have an economy that is overheated by inflation, we have wage and price controls and people talking about restraint. I cannot understand why we should lend money to the other countries to finance schools, clinics, roads, dams, and irrigation facilities and factories and the import of a wide range of products such as fertilizer, farm equipment, chemical products, iron and steel products, motor vehicles, industrial and electrical machinery, petroleum, and other products at such low rates of interest when we ourselves are borrowing this money at a considerably higher rate.

Mr. MANSFIELD. Mr. President, I yield myself 2 minutes.

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

Mr. MANSFIELD. Mr. President, I recall the colloquy on the floor of the Senate the day before yesterday, I believe, when this matter was discussed, at which time the distinguished Senator from Alaska, the author of the amendment, along with the distingushed Senator from Arizona (Mr. GOLDWATER), the cosponsor, went into some detail.

At that time, the distinguished chairman of the Foreign Relations Committee indicated that he was interested and he thought that the Senators who were making remarks at that time had a point.

So, on that basis, the committee would be prepared to accept the amendment and to take it to conference and see what it can do on its behalf.

I am prepared to yield back the remainder of my time.

Mr. STEVENS. Mr. President, I am happy to do so with one reservation, and that is that if I have my way, the bill will not get to conference. However, in case it does, I would like to have the amendment in the bill.

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

The PRESIDING OFFICER. All time having expired, the question is on agreeing to the amendment of the Senator from Alaska.

The amendment was agreed to.

AMENDMENT NO. 548

Mr. DOMINICK. Mr. President, I call up my amendment No. 548.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 57, after line 24, add the following new subsection:

(e) Section 8 of the United Nations Participation Act of 1945 is amended—

(1) by inserting immediately after "SEC. 8." the subsection designation "(a)";

(2) by striking out "for the payment by the United States of its share of the United Nations as apportioned by the General Assembly in accordance with article 17 of the charter, and" and

(3) by adding at the end thereof the following new subsection:

"(b) Notwithstanding any other provision of law, no appropriation shall be made for the payment by the United States of its share of the expenses of the United Nations, as apportioned by the General Assembly in accordance with article 17 of the charter, or for the payment of any amount to any organization, program, fund, or activity of the United Nations, unless such payment has been previously authorized by legislation hereafter enacted by the Congress. Any such authorization shall not be given for a period exceeding one fiscal year."

Mr. DOMINICK. Mr. President, I yield myself 10 minutes which I may not even need.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 10 minutes.

Mr. DOMINICK. Mr. President, for a long period of time now we have been having more or less annual authorizations to voluntary U.N. programs that have been looked at in some detail by the Foreign Relations Committee.

Some of them have been on more than a 1-year authorization, but in general the Foreign Relations Committee has been able to keep up with them.

Insofar as our mandatory assessments are concerned, however, the authorization was a continuing one under the United Nations Participation Act. The committee in order to try to do something about this included section 701 which said that there have to be prior authorizations to appropriations to the State Department, the theory of this being that all of these funds would run through the State Department and, therefore, they would have a chance to take a look at them.

However, since the committee bill was reported, there have been two things adopted here on the floor. One was the Buckley amendment this morning by voice vote, which urged the President and the executive department to try to get our mandatory assessments down. Also, we have a resolution which is a separate one from that of the distinguished Senator from California (Mr. CRANSTON), that is designed to make charter changes. This is the only way really that we could do anything about mandatory assessments.

Why is this important? Over a period of time—in fact, almost from the very beginning of the United Nations itself—we have been paying in mandatory assessments about one-third of the fixed charges of the United Nations organizations, the specific agencies which are mentioned in the charter. We have come down now to about 31.57 percent, I beleve. However, it is still pretty high.

The effort of the Senator from New York (Mr. BUCKLEY) was to try to get the Executive to move it down to 25 percent. The fact of the matter is that under section 17 of the charter, all mandatory assessments are determined by the General Assembly. There are no guidelines set out, no laws set out, and no regulations set out in the charter itself as to how those assessments will be made.

Mr. President, a committee has worked on this in the United Nations and they have set up some guidelines more or less based on the per capita income of the various countries, and that has been the result of our having a 31.57-percent share in the mandatory expenses at this time.

It seemed to me that in order to make sure we are following this and that the United States is not being asked to be more of a Santa Claus than it has been over the last 25 years, we should have the right in Congress to take a look at what our mandatory assessments will be on a year-to-year basis. I have discussed this with the distinguished chairman of the Committee on Foreign Relations (Mr. FULBRIGHT), and it is my understanding that he thinks this would be a pretty good idea.

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

Mr. DOMINICK. I am happy to yield to the distinguished Senator from Montana.

Mr. MANSFIELD. If the Senator will look at page 56 of the bill he will find section 405 having to do with annual authorization for the State Department and USIA, so far as this bill is concerned. As I gather what the distinguished Senator has in mind, it is his intention to do away with the open-ended appropriation approach and substitute a yearly "look-see" approach, so to speak. The committee thinks that is a pretty good idea and would be prepared to accept the amendment.

Mr. DOMINICK. I thank the distinguished Senator and on that basis I am ready to yield back the remainder of my time.

Mr. COOPER. Mr. President, I just came into the Chamber. What is the matter that is pending before the Senate?

Mr. DOMINICK. I have proposed an amendment that would provide that we should have a right in the Committee on Foreign Relations to be able to look over the annual appropriations for mandatory expenses for the United Nations. In other words, we would have to have authorizing legislation before there would be an open-ended appropriation.

Mr. MANSFIELD. We have something of that nature under section 405 of the bill, as it affects the State Department and the USIA.

Mr. COOPER. This would not reduce the funds for the United Nations?

Mr. DOMINICK. This would not do a thing in that regard.

Mr. COOPER. The amendment provides only for review?

Mr. DOMINICK. The Senator is correct.

Mr. MANSFIELD. I want it understood that this is not an anti-United Nations amendment. It is not based on the vote taken in the United Nations on Monday evening last. This is something that was faced up to by the committee and complements what the committee unanimously agreed to.

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

Mr. DOMINICK. I yield.

Mr. COOPER. I understand the proposal of the Senator and I would like to say I know how everyone feels about the recent vote in the United Nations.

Mr. MANSFIELD. This has no connection with it.

Mr. COOPER. I know, but I think all of these amendments will be so considered, whether they do or not. In one respect, it is a good principle, but at this time all these amendments are affected by that recent vote. I want to be recorded as opposing it.

Mr. MANSFIELD. This would restore the authorizing authority to the Committee on Foreign Relations.

Mr. SCOTT. I would like it understood that I agree with the acceptance of the amendment. It is not in any sense an anti-United Nations amendment.

The PRESIDING OFFICER. Do Senators yield back the remainder of their time?

Mr. DOMINICK. I yield back the remainder of my time.

Mr. MANSFIELD. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Colorado—putting the question.

The amendment was agreed to.

AMENDMENT NO. 549

Mr. DOMINICK. Mr. President, I call up my amendment No. 549.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read as follows:

On page 40, line 17, strike out the quotation marks.

On page 40, between lines 17 and 18, insert the following new subsection:

"(y) Notwithstanding any other provision of law, the monetary contributions (other than assessed costs) of the United States to the United Nations, and to each organization, program, fund, and activity of the United Nations for each year shall not exceed an amount which is in the same ratio to all such contributions to be made to the United Nations, or to each such organization, program, fund, or activity for that year, as the case may be, as the total amount of all assessed costs to be paid by the United States to the United Nations for that year is to the total amount of all assessed costs to be paid by all members of the United Nations to the United Nations for such year."

Mr. DOMINICK. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 10 minutes.

Mr. DOMINICK. Mr. President, this is

a different type amendment than the last one. Some Senators may think this has been generated out of anger at the United Nations for what it did last Monday evening. In fact, it is not. If this bill had come up 3 weeks ago. I would have offered the same proposal.

What would the amendment do? We are now paying, as I just announced in connection with my previous amendment, approximately 31.57 percent of the fixed cost of the United Nations under the mandatory assessment. In figures, it looks as though the percentage is a little less than that, because our budget for the United Nations is approximately—and these figures are not totally accurate—but we will pay $100 million in all mandatory assessments and they are expecting $400 million from the total membership, which would indicate that we are paying only 25 percent.

The fact of the matter is, however, that the $400 million never comes in, because these are anticipated receipts and the other countries do not pay their mandatory dues in full. They pay just enough so that they will not be in arrears for 2 years. They do not get the whole amount in, so in round figures we pay about one-third of the fixed cost of the United Nations.

The voluntary programs are different and this amendment deals only with the voluntary programs. It does not in any way affect mandatory assessments. There is no effort made to cut back on those mandatory assessments and there is no effort made to cut back, except the effect of the amendment will have.

Now, what would the amendment do? The amendment simply states that we will not pay a larger ratio of any one of these programs than we are paying toward fixed costs of the United Nations. In other words, if we are paying 33 percent this year we will pay 33 percent maximum in any one of these voluntary programs. If we are paying 40 percent of the fixed costs, because of the change in the assessment rate, we would go to 40 percent. It would put the mandatory and voluntary costs in balance. To me it makes a lot of sense. Why does it make a lot of sense? It makes a lot of sense, because we find in some programs we have been paying as much as 97 percent of the total voluntary programs. In some of them we have been paying less than 30 percent, and it seems to me that if we are going to do anything about this we should put these on a par and have other nations participate, because the more we can get other nations actively involved in the volunteer programs the more support we will have on a worldwide basis and the more good it will do in each of the countries in which operates and the more effective the United Nations will become.

One of the things that disturbed me about the decision last Monday in connection with the United Nations vote was that it reduced the effectiveness of the United Nations and it reduced the effectiveness sharply and drastically. This would increase the effectiveness of the United Nations rather than decrease it by getting other countries to come into these programs on an active basis instead of expecting the United States to pick up the tab.

Let me give examples. We have a program on drug abuse control. This is an extremely important program and on a unilateral basis we are making steps all over the world. The program of the United Nations is very small. There is not much going on in it and we are paying 97.2 percent of that total fund.

It seems to me that when we look at this there is no need for it. What we are trying to do in drug abuse control is to get the cooperation of other nations. They are not going to cooperate as long as we are the only country picking up the tab and I do not think we should be doing it that way. I say this as a member of the Subcommittee on Alcoholism and Drug Abuse of the Committee on Labor and Public Welfare, and having worked actively and very hard on this for a long period of time. I am trying to find out exactly the amount of money that is involved in this and I will be able to give that to the Senate in just a moment. It is approximately $2 million, which comes to 97.85 percent of the total amount of the program.

So I think it can be seen that there is not much left to that program other than what we put in it. To the extent that the drug abuse control program is going to affect other nations, there is no reason in the world why they should not be participating in it.

On the other hand, we are only paying into the world health organization, which is extremely important around the world—and I refer to the World Health Organization International Agency on Cancer—11.1 percent. This would give that particular agency, which is of enormous significance, the opportunity to have us substantially increase our contribution to that program. But it does keep things in balance all the way around so that we are going to be paying no more than a fixed ratio into any one of these volunteer programs, and thereby get a large number of other nations actively involved in them.

Over the past few days we have had a considerable degree of discussion on the floor about the fact that we are trying to do something punitive. I must say, for the life of me, I cannot see anything punitive about this. What we are doing is working for a system which has nothing to do with changing the Charter of the United Nations, which has nothing to do with decreasing its effectiveness, but which has a great deal to do with how we are going to expand our own programs.

I do not think any Senator here who has worked in a community situation fails to recognize that the more people one can get financially involved in a community affair, the more likely it is to be effective, whereas if one person gets into it and picks up the tab, the other people are going to say, "Oh, well, you are going to do all this. Go ahead. We are not very interested in it." If we can get more nations into these programs—and there are many involved—and get them to contribute more to them, we are going to be way ahead.

For example, with respect to drug abuse control, there are just as many problems in England as there are in the United States. There are many problems throughout all of Europe. Yet the total that the 130 nations are putting into the drug abuse control program is 2.15 percent. It just does not make any sense to me at all. If the figure is $3 million, 2 percent of that is $60,000. I am not very good at mathematics, but I think it comes out to around that. It just seems to me that a bare amount of money should be contributed by those 130 countries to support this kind of program.

Insofar as the international world health program on cancer is concerned, I think we could put more money into that. It is certainly a very, very important program. If they want to increase the total amount of that program, we can increase our contribution. If they decide the figure of 11.6 percent we are putting up is sufficient, that is all right and we can leave it there, but it would give discretion, within the overall limitation, to make participations where they are needed.

I think this proposal establishes a precedent. I think one of the things we can do as a body is to try to show the American taxpayer that we are making more sense about the way the money is being used in this body than we have in the past. Having said that, I sincerely hope we can get agreement on this amendment from the distinguished members of the Foreign Relations Committee. If we cannot get it, I guess I am going to have to take it to a vote.

I reserve the remainder of my time.

Mr. SPARKMAN. Mr. President, I have a good bit of sympathy for the objective of the Senator from Colorado. I doubt very seriously, though, that this is the way it ought to be handled. An amendment has already been agreed to setting these special funds on an annual basis hereafter.

This year we did not have before us to be considered the different activities, because we were not working it in the same way that we will be with the amendment that has already been adopted. So next year we can easily take up these programs one by one and examine them.

I feel confident that there are volunteer programs to which we can reduce our portion of the contribution. On the other hand, I am quite certain there are programs to which we do not want to make such a drastic cut as this.

If we consider all the programs, according to the list I have, and it goes through 1970, there are widely varying amounts. I think we can certainly observe that there are widely varying interests so far as the different programs are concerned. For instance, we have one of these special volunteer programs which involves a contribution from us of 21 percent. I notice another one that goes as high as 80 percent. I do not know what damage we would do if we made it possible to increase the 21 to 31.2 percent, which is the amount of our contribution to the regular budget. I do not know what damage it would do or how badly it would hurt us if we cut the 80.3 to 31 percent.

I think we can do a better job—and I

am in sympathy with this being done—when we have the opportunity next year to take the different programs up one by one—something we have not done in the past—and study them and decide what our voluntary contribution ought to be.

I hope the Senator will not insist on his amendment, because I believe it would work havoc with some programs in which we are vitally interested and would not render aid in some of the others in which we have a very low percentage of contribution already.

Among some of the high percentages that we pay is included one called special contributions from Vietnam. We pay 83 percent of that. Not many other nations are going to be willing to participate in that. In fact, they were not willing. An effort was made to get a program in the U.N. of that kind, and not many nations were willing to contribute to it. We pay 83 percent of that. Perhaps next year that can be greatly reduced.

In the World Health Organization special program we pay 80 percent. We pay some that are that high and then we pay some that are low. The average for all the special programs comes to under 40 percent, even though we have the Vietnam program, which is a sizable program, of 83 percent.

I think we ought to let this proposal go over until next year, when we can go to work on an individual program basis.

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

Mr. SPARKMAN. I yield.

Mr. AIKEN. As I look at the amendment offered by the Senator from Colorado, there are some remarkable possibilities in it which will perhaps solve all our problems. For example, if we wipe out the FAO, we can let famines take over the countries of Asia and let them go over the hill into the camp of the Communist philosophy.

If we wipe out or wreck the World Health Organization, we can let malaria and other diseases, which have been largely conquered by the efforts of this world organization, take over again. Think how that would reduce the population of the world. We would not even need the $125 million for population control, if we could let starvation and disease again take over. I do not think that Russia or any other Communist countries would contribute as we have to these organizations.

We can let the International Labor Organization go to pieces, and of course then people can go back to working for 10 or 12 cents a day in other countries. That would enable the wealthy people of this country to live more cheaply on imports, but it would not help our industrial concerns one little bit.

We can let the Children's Fund go down, though I do not know what we would do then with the milk we send to those countries. We could let the millions of children who have been saved through this combined effort die. That would help control the population of the world, too.

But let us not be stupid. Let us not be cruel. We can cut the amount we pay to the United Nations itself, the main organization, to 25 percent without hurting it at all; and that is what the President's United Nations commission appointed last year has recommended. But let us not take it out on sick people, on hungry people, on children, and on the laboring people of other countries. I do not want to live on even 50-cents-a-day labor. I think people are entitled to more than that. And I am amazed that we are even considering doing these things.

Cut the U.N. itself back to 25 percent from 31.7 percent, which I believe is our present dues.

Mr. SPARKMAN. It is 30.2 percent.

Mr. AIKEN. But let us not say to the world, "We don't care about poor people or hungry people, or people who work for a few cents a day."

Mr. SPARKMAN. Our present rate is 30.2 percent.

Mr. AIKEN. Yes. I think this is a shocking proposition, and we are getting this bill into shape where we will, in all decency, have to kill it on the floor of the Senate, if we go on any farther with this stuff.

Mr. SPARKMAN. I am glad the Senator from Vermont brought in the matter of population control. With reference to population control, our Nation took the lead in that, in getting it going, and we now contribute 50 percent to that. This amendment would cut it down to 31 percent.

Mr. AIKEN. Speaking of population control, do Senators know that when they approved the Allott amendment a short time ago, they cut that development loan funds 50 percent, and not 25 percent, as they might have been led to believe? Because by earmarking $125 million of that total for population control, the result was that out of all of the money left for the development loans, the Allott amendment cut out 50 percent.

How are we going to look in the eyes of the world? How are we going to look in the eyes of our own people? They will be ashamed of us.

Mr. SPARKMAN. The Senator mentioned the Children's Fund.

Mr. AIKEN. I cannot vote for this bill if it carries these provisions.

Mr. SPARKMAN. We contribute 40 percent to the Children's Fund. The amendment would cut it to 30 percent.

Mr. AIKEN. Mr. President, are we going to neglect the kids of other countries? Are we going to say we do not care about them?

Mr. SPARKMAN. Let me check that percentage again. It would cut it down to 30.2 percent from 40 percent.

We contribute to all of these agencies in varying amounts. There is one, for instance, as low as 11 percent, one 21 percent, another 26 percent.

Mr. AIKEN. In every previous session of this Congress, we have increased our contribution to the Children's Fund, until it is what?

Mr. SPARKMAN. It is $13 million.

Mr. AIKEN. It is $13 million, now?

Mr. SPARKMAN. We did not increase it this year. It is the same as last year.

Mr. AIKEN. I have never had one complaint from the people of this country because we cared for the children of the world.

Mr. JAVITS. Mr. President, will the Senator yield to me, in opposition to the amendment?

Mr. SPARKMAN. I yield.

Mr. JAVITS. Mr. President, no one could improve on the quality of indignation of so revered a Member of this body as Senator AIKEN. Everything he has said should stand uncontradicted and unimproved by anyone. His words were spoken from the heart of a very decent man.

That is what this is all about: Common decency Mr. President, I rise for only two purposes: First, to reiterate again what I said last night about the great inadvisability, in the interest of our country, of taking on the world. The world may be willing to be taken on, much to our detriment, if we act out of petulance and resentment because of a vote in the United Nations which we did not like, and which we properly did not like. This is the wrong way to seek redress

Second, Mr. President, I point out two factual considerations. Let us understand that the long knives are out here. We have now adopted an amendment that it is the sense of the Senate that the support of the United Nations organization should come down to the 25-percent figure, allegedly as recommended by the Commission which made this report which has been so very, very much spoken about, the Lodge Commission. Let me say that those Senators who are trying to use the Lodge report against the U.N. are seriously misrepresenting its basic thrust.

Mr. SPARKMAN. If I may interject right at that point, the Senator from Vermont if I recall correctly, the chairman of our committee (Mr. FULBRIGHT), I believe there were one or two other Senators, and I were members of that Commission that made this report.

Mr. AIKEN. We were; and we recommended a cut to 25 percent. That is for the United Nations itself.

Mr. JAVITS. Exactly right. And the commission reported also exactly the corollary to the 25 percent it wanted—namely an increase in the U.S. voluntary contributions.

The exact words of the Commission were:

> With respect to multilateral instrumentalities for international assistance, the commission recommends that the United States increase its contribution . . .

For example, to the biggest one, the U.N. development program, the administration asked for $100 million. The Commission recommended $200 million, and so on down the line.

Now, Mr. President, to use a piece of the report for one purpose and then not to invoke the other part of the report is certainly not giving to the Senate everything the Senate is entitled to know. When you invoke the single authority that the Commission recommended that we try to get down to the 25 percent level, they did that provided we materially—and I have given one example, the largest of all—increased our contributions to exactly the policy organizations which this amendment would affect.

Finally, Mr. President, I heard with great interest what the Senator from

Colorado said about the U.N. fund for drug abuse control. By the way, we contribute not 98 percent, but 78 percent to that. But be that as it may, he said there are lots of other nations that are heavily impacted by drugs.

Nonsense. We are the Nation most heavily impacted by drugs in this world. I wish and pray there were other nations so heavily impacted. Great Britain, with 55 million people, has 3,000 addicts. The United States, with 200 million people, has an estimated 300,000 addicts. And where are they? Half of them, at least, are in the greatest city in the country, which is being strangled and brought to its knees by narcotics. What would we not pay, above the $2 million recommended? We would gladly pay $200 million, or $2 billion, if we could thereby eliminate the drug traffic.

I understand my friends. I have no quarrel with their intentions or their purposes. I know how they feel about foreign aid and have for years. But I hope there is a residual of what Senator AIKEN so aptly and feelingly called decency left among us, and that in our contributions to these voluntary organizations we will not tie them to the standard of participation in U.N. administration, but that we will tie them to the decent, humanitarian instincts in ourselves and the rest of the world, and that we will resist the temptation, as we did last night, to legislate out of resentment, petulence, or anger.

I hope the Senate rejects the amendment.

Mr. DOMINICK. I yield myself an additional 10 minutes.

Mr. President, I have sat here in total amazement listening to the Senator from Vermont, the Senator from New York, and the Senator from Alabama start talking as though I was trying to kill all the children, murder all the people, ruin the U.N., and do it in petulance. I never heard so much perfect baloney in my life—and I hope that goes in the RECORD just that way.

What I have said here is that we are trying to get our participation in these voluntary programs in line with our mandatory assessments. All you have to do is look at the figures, and you will find that there is no more than a $20 or $25 million cut, if any, in the programs at the present level. But if the other nations put more money in, our money is going to go up, and we will not save anything. What you have is a total budget reorientation, but you do not necessarily have any savings in money at all. It depends upon what the size of the program is going to be.

I do not like to be accused of being a child murderer any more than anybody else does, and I will say so very frankly. So let us put some figures out here in the open.

We are paying approximately 37.19 percent of the IAEA operational program. We are paying 34.67 percent of the children's fund. So if the other nations will not put up any more money, we will probably cut down our contribution by 2 percent, which, according to the figures I have here, is going to amount to approximately $260,000. That is not going to be murdering all the people of India or Pakistan or any other place. It is simply going to be trying to get things in line so that we know what we are doing.

The Senator from Alabama said we are paying 80 percent of the special program of the World Health Organization. For 1971, we are paying 28.36 percent, not 80 percent. We paid 80 percent in 1970. In 1971, we paid 28.36 percent, and they can increase the amount of that fund if they want to do so.

In the research on cancer, I already pointed out that we are paying 11.11 percent. If they want to bring it up to 30 percent and pour a lot more in to try to do something about cancer, they can do so.

In answer to the Senator from New York (Mr. JAVITS), who talks about the problems of his city, he has problems, and I know it. I know it full well. We have them in my own town of Denver in drug abuse. We have them all over this country. But the U.N. agency does not put up any programs to operate in this country. What we need to do is to achieve some progress by operating in other countries, if we are going to contribute to it, and get those countries to contribute, and not have us put up 98.58 percent for the drug abuse program someplace else. So we will have a community organization working. That is what the United Nations is supposed to be—to work together—not have Uncle Sam pick up every nickel there is in each one of these programs. This may cost us a great deal more money before we are through. I do not know. It could result in getting more countries in and getting larger financial support for those programs. Our percentage there would then rise, and in terms of total dollars we would be putting in more, but we would not ask to be the major participant in every one of these programs.

I could go on down the line. The U.N. Institute for Training and Research—we are paying 33.33 percent. It is going to be a cut of approximately 1 percent. We are contributing to 17 different programs, and in nine of them we are putting in a million dollars or more. The total we are putting into voluntary programs this year, including the special force fund on Cyprus—our share of that—is $223 million, and we are only paying a little more than $100 million in terms of mandatory assessments.

Why can we not bring these proportionately in line? Why can we not do something about this? Why can we not bring a flat proportion across the board?

I must say that to try to get this into an emotional context, so that someone who offers an amendment to try to rebudget what we are doing in this is accused of trying to murder everybody, is a little more than my stomach can stand.

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

Mr. DOMINICK. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Colorado has 15 minutes remaining.

Mr. DOMINICK. I yield 5 minutes to the Senator from New York.

Mr. BUCKLEY. I thank the Senator from Colorado.

Mr. President, I, too, could not help share the Senator's feeling of indignation at some of the casual remarks that were thrown around a little while ago.

In the past, this country has been extraordinarily generous, and I do not resent a nickel of that. We have done more than any other nation in the history of the world to contribute to the needs of our fellowmen around the world, but there is nothing magic about doing this through the instrumentality of the United Nations.

Frankly, in some of these programs there is evidence that they are not handled as well as we might like to see, that they are not as effectively handled. Just the other day, Jack Anderson pointed out in his column that the drug control operation under the United Nations sponsorship was scandalous in its inefficiency.

I do not think anyone is suggesting that any needed help from the United States in terms of food or money should be withdrawn and pocketed and saved if that need for help exists around the globe. But what we are trying to do—and I am a cosponsor of this amendment—is to bring some sort of balance in American participation in the world body which, in terms of philosophy of the report issued by the Lodge commission, is designed to spread the burden more equitably around the globe, to bring more nations into active participation, so that these agencies will work more effectively. This is all we are trying to do, and I think it makes good sense.

So far as this business of petulance is concerned, there is no element of that in my motivation; there is none in the motivation of Senator DOMINICK. We certainly were disappointed with the action taken last Monday, but that has nothing to do with these programs. It is just that the time has come for a more thoughtful consideration of how the United Nations functions, of whether these agencies are acting as effectively as they can, and whether or not the United States should take action which would induce others to shoulder a larger portion of the global burden.

In deciding what action is appropriate, I do not think this body should be paying attention to what the newspaper headlines will be telling us is world opinion. We need to act responsibly, as we see our responsibilities, to act thoughtfully in accordance with our own realities. Certainly, the Soviet Union has never been bothered by the sensitivities of world opinion when she has acted in her self-interest—not that I am suggesting that anything either Senator DOMINICK or I have suggested in any way remotely represents the kind of thinking that the Soviet Union has indulged in time and time again.

But I will say that the nations of this world will respect another nation, a large nation which acts like a large nation, which assesses its responsibilities and lives up to its responsibilities in the light of its own experience and its own needs. I, frankly, will not tailor my vote to satisfy the so-called world opinion, because the reaction of world opinion will blow

over tomorrow. I think that if the United States continues to exercise leadership, continues to act morally, continues to be responsive to the needs of others through its own generosity, we will retain that respect. What we need is respect, not love.

I submit, Mr. President, that the amendment offered by Senator DOMINICK is one which is not callous; it is one which is not punitive; it is one which is not designed to starve the young. It is one which is, if anything, going to have the effect of inducing other nations in the world to contribute more of their own aid through the channels of the United Nations and, therefore, involve them in a more active way in the administration of the agencies.

I urge my colleagues to support the amendment.

Mr. DOMINICK. Mr. President, I want to thank my colleague from New York very much. Since we seem to be having substantial argument on this point, I ask for the yeas and nays.

The yeas and nays were ordered.

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

Mr. SPARKMAN. Mr. President, I yield 5 minutes to the distinguished Senator from Maryland (Mr. MATHIAS).

The PRESIDING OFFICER (Mr. BEALL). The Senator from Maryland is recognized for 5 minutes.

Mr. MATHIAS. Mr. President, the amendment of the Senator from Colorado commends itself to a sense of neatness and a sense of balance in bookkeeping, that the ratio of the voluntary contribution should be the same as that of the mandatory assessment; but I do not know that it commends itself in any other way.

What I hope the Senator from Colorado will bring out in this discussion is, what is the magic relationship between the amounts which may be assessed for the institutional operation of the United Nations and the works the United Nations does.

I do not see that there is any rationale which ties these two together, any more than there is any rationale to what is contributed by the States of this Union to the running of Congress and the other branches of the Government and the actual substantive work which the Federal Government does for people.

We are paying on the one hand for an institution and, on the other hand, we are paying for the end product of that institution, which is the work of government, in schools, public health programs, and the various other activities of government.

Mr. President, I think that we have to take a conservative, hard headed, businesslike look at what we would be doing here. Even if we accepted the figures of the Senator from Colorado, that there will be only a minute difference in current appropriations, it may make more difference in the future, if the Lodge Commission's report is accepted and if, in fact, we do reduce our mandatory assessment to about 25 percent of the total United Nations budget. It could have a greater impact.

Personally, I hope that we can achieve that, but if we do that, then we go deeply into a program which the Lodge Commission found, on the basis of testimony, was highly rewarding to the United States.

Let me quote from the commission report in this respect which states:

> Every dollar of input by the United States to the UN Development Program helps to generate more than six dollars of actual development work by other nations. Aid through multilateral institutions has the added advantage of neutralizing the political aspects of economic assistance and reducing the resentment of some developing nations to bilateral programs.

It seems to me, in light of that finding, it is extremely unwise, from an old Yankee hardheaded business point of view, to say that we are putting a halter on an investment which has been found to be one of the most productive investments made in the field of international assistance. I think it is wrong in principle and I think it would be wrong in practice.

I think, of course, that this is an unhappy time to do it. The United Nations has taken an action which I do not believe makes any Member of the Senate happy. We are all shocked and disappointed.

However, an interesting letter published in the Washington Post today from former Secretary of State Dean Rusk states in part:

> On the immediate horizon are important tasks which the U.N. has undertaken, which could make an important contribution to the possibilities of peace and, perhaps, to human survival. I have in mind the 1972 Conference in Stockholm on the Human Environment, a 1973 Conference on the Law of the Sea and the dedication of 1974 as U.N. Population Year.

Mr. President, these are matters in which every one in the world has an interest. These are matters to which this amendment addresses itself, I think, in a prejudicial way. This is where we are getting the best return for the money we spend outside our country by all accounts.

The ratio of 6 to 1, I suppose, is a subject of disagreement, but even with a ratio of 3 to 1, 4 to 1, 5 to 1, or 6 to 1, it is a valuable investment, and I hope that the Senate will not see it cut down.

Mr. SPARKMAN. Mr. President, I yield 3 minutes to the distinguished Senator from Kentucky (Mr. COOPER).

The PRESIDING OFFICER (Mr. ALLEN). The Senator from Kentucky is recognized for 3 minutes.

Mr. COOPER. Mr. President, I want to commend the Senator from Vermont (Mr. AIKEN) for his wise and humane views, and I wish to associate myself with his remarks.

I shall vote against the amendment. I do not doubt the motive of its sponsors. They have explained their position quite well but I think it is an amendment which should be rejected.

I had the opportunity to serve on the Lodge Commission, along with the distinguished Senator from Vermont (Mr. AIKEN), the distinguished Senator from Alabama (Mr. SPARKMAN), and other Senators.

The distinguished Senator from New York (Mr. JAVITS) is absolutely right, that while the commission recommended that we should reduce our mandatory contribution to the United Nations proper, in doing that the commission recommended that we should raise our voluntary contributions to support its humane activities all over the world. I think that is a duty and an obligation the United States should continue to undertake. These are agencies that have done much to help people throughout the world.

I must say this—and again I make my own judgment—I voted against all amendments to reduce contributions to the United Nations at this time, because I think, no matter what we say—they will be considered, I think inevitably, as a reaction to the vote in the United Nations last Monday.

I am one of those who felt badly about the vote. I think it was a mistake. The U.N. should have voted to sustain the membership of Nationalist China in the U.N.; but, nonetheless, I think a great nation should not show itself as wanting to take any retaliatory action because of that vote.

Mr. President, unfortunately, I will not be able to be here at the time of the final vote on the bill. I have always voted for foreign aid bills. If I were here, I would vote for it again, even though I think it has been badly damaged on the floor of the Senate. Some of the votes on amendments were by voice vote, with few Senators in the Chamber at the time.

But, be that as it may, perhaps we can work out something in conference.

I also note that the Mansfield amendment to end the war is in the bill. That is worth supporting.

Although I will not be here, Mr. President, I want to be recorded as being in favor of the bill.

Mr. SPARKMAN. Mr. President, I now yield to the Senator from Pennsylvania.

Mr. SCOTT. Mr. President, I have delivered a copy of my remarks to the distinguished Senator from Idaho (Mr. CHURCH), which is a commentary on the speech he just recently delivered today. My remarks are not critical. There is a good deal of philosophy implied in them.

I have entitled my remarks "How To Make Isolationism Respectable."

HOW TO MAKE ISOLATIONISM RESPECTABLE

The distinguished Senator from Idaho has told us, after the poet, that "the world is too much with us." How comforting is the thought. How nice it would be to be able to declare, unilaterally, a generation of peace simply by telling the world to stop because we want to get off.

His lengthy catalog of our past sins has not missed a single one so far as I can tell. He chastises us for having been too bold—and too timid; for having been too generous and too self-serving; for having exercised our power unwisely; and for not having exercised our power enough.

I sympathize with the Senator's dilemma. We all share it. It can be just as immoral to fail to exercise power as it can be to exercise it with too much abandon.

The moral trappings of isolationism, so often voiced by another great Senator from Idaho, head of the Foreign Relations Committee in his time, did not help

to prevent World War II. The moral pretensions of the 1960's did not prevent war in Vietnam.

Where I cannot agree with the Senator is when he implies that our past failures were moral failures, rather than rational failures. We may have sinned against reason, but I do not think we have sinned against God.

President Nixon, of course, is committed to a very different foreign policy in the 1970's than that which prevailed in the 1960's. Now, changing foreign policy is not like changing a suit of clothes; the President has to start with the way he found things, not where he wanted to end up.

One of the instruments he is using to change our foreign policy is this foreign aid legislation.

In the first place, instead of pretending to decide for other countries what they should spend on defense, security assistance is now going only to countries that have made that decision themselves.

That nations, poor nations like Cambodia or Korea, are willing to take up arms in a cause that involves our vital interests as well as their own should be a sign of hope. We ought to be grateful, for our security is involved, too. Surely, in these cases it is far more immoral to deny help than to give it. For to deny help is to deny hope in these countries.

As with security assistance under the Nixon doctrine, so with development assistance. We are not trying to program the development of other countries as happened in the 1960's. We are responding to requests for help from people and governments anxious to do something about their dire problems.

And why should not we? These people are now, and are going to be, somebody's customers if they are not ours. What kind of a policy is it that says we do not want them as customers or cannot afford to treat them that way?

Either more and more people in this world become good customers, or there will be more and more wars and killings. We have serious development problems here at home that are of exactly the same kind as exist the world over. To deny one set of problems in the name of the other is to leave the fate of the world for others to decide.

If the Senate defeats this bill, as the Senator from Idaho evidently wishes, it will serve only one objective: that of making isolationism respectable again in the United States.

The Senate will be listening, not to the voices of the future, but to the voices of the past. We will bring back the high moral tones of our isolationist days—and isolationism was a moral matter with Senator Borah and others—because the hard tasks of participation will have been too much for us.

The new isolationists remind me of Britannicus in Shaw's "Caesar and Cleopatra." You will remember that he painted his body blue so that when all else was gone he would still have his respectability. Are we to become a nation of blue-bodies?

No. It is not the world that is too much with us; it is the recent past. Living down that past is apparently just too much for some people.

I say we should give aid—that is, aid toward peace—a chance, and not hamstring the implements of its execution.

I say we should have done with feckless moralizing about our past mistakes and get on with the very reasonable changes that the President wants to make.

I say that we should not apologize for strengthening foreign policy by stressing more our rational, national interests than was true in the past. And I say we should continue to hold out a helping hand to those who come to us for help in causes, like development, that we now know are our causes as much as theirs.

The world is not really divided into rich nations and poor nations. It is people who are so divided. We can expect revolution upon revolution in the years ahead in many nations simply over the division of the wealth available. We cannot conduct those revolutions. We can either offer the insult of lectures from afar or participate modestly in the hope that they will turn out in ways compatible with our own interests and ideals.

The ways in which we can participate effectively are limited. It is quite true that there are times and places where we have done too much and with too little wisdom. President Nixon is well aware that we need to improve our methods of operation in administering security assistance and development assistance. But there cannot be improvement if we continually have to rake over the coals of the past and debate anew the virtues of isolationism versus internationalism.

The Nixon Doctrine is something new. To deprive it now of one of its major instruments of implementation is simply to deliver a vote of no confidence at the doorstep of the White House. I do not think the Senate wants to do that. We have not so treated the foreign policies of other recent Presidents.

Why start now?

Why indeed?

Mr. SPARKMAN. Mr. President, I yield 1 minute to the Senator from New York.

Mr. JAVITS Mr. President, I rise to deal with the term petulance which I used, and I used it advisedly, and it has been challenged.

The thing that affected me very deeply concerning this is that 20 or 21 Senators gave notice to the UN members that if they did not behave the way we wanted them to behave, we would cut the funds. We are now doing that within 2 days.

I remind Senators that in law, we say that the facts are what the judge thinks they are. What are the nations who think they are so threatened to think other than that we are now trying to carry out our threat? It seems to me that this is so clear.

If for no other reason, including that of decency of which the Senator from Vermont has spoken, we should turn down this kind of approach in favor of a humanitarian approach.

Mr. SPARKMAN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Alabama has 4 additional minutes remaining.

Mr. HUMPHREY. Mr. President, will the Senator from Alabama yield me 1 minute?

Mr. SPARKMAN. Mr. President, I yield 1 minute to the Senator from Minnesota.

The PRESIDING OFFICER (Mr. ALLEN). The Senator from Minnesota is recognized for 1 minute.

Mr. HUMPHREY. Mr. President, I shall oppose this particular amendment. I think it is untimely. I think it is unwise. I think it would be most unfortunate if the Senate were to adopt it.

The particular contributions to which the Senator referred in his amendment perform a very vital service. It would strike at the very heart of the purpose of the United Nations if the amendment were to pass.

I would like to remark once again that the new name for peace is development, and many of these services outside of the United Nations are directed toward development.

The United Nations is an imperfect instrument in an imperfect world. Our task is to improve it and not to weaken it. There is a great deal that can be done to improve it.

Some days ago I had printed in the RECORD what I thought might be done, as the views of one Senator. Since I might not be here for the final vote, I want to make it clear that I support the bill. I want to be on record as supporting the bill and opposing this particular amendment.

The PRESIDING OFFICER. Who yields time?

Mr. DOMINICK. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Colorado has 10 minutes remaining.

Mr. DOMINICK. Mr. President, I yield myself 5 minutes.

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

Mr. DOMINICK. Mr. President, I want to comment again, perhaps in a somewhat quieter way, on the comments made by the Senator from Minnesota and the senior Senator from Maryland.

I doubt if either one of them heard my total argument. I think it is worthwhile to repeat it again.

I am trying to get some balance here between what our mandatory assessments are and what our voluntary contributions are. This is not a dollar cut in any way whatsoever. I say to my friend, the Senator from Minnesota, that it is a ratio cut, if, as, and when we can get the other countries to follow these programs and to put their money into the programs.

We have to have a broad community of interest, which we do not have, when we are doing major financing. And to the extent that we can get a broader community of interest and a larger participation, the actual total amount of any one of these funds may go up so much that we will be, as the Lodge Commission said, putting more money into it instead of less. However, we would still be paying only our ratio, either 30 or 33 percent, whatever it might be. It seems to me that with the United States putting up one-

third of the cost of the program, the other nations could find it in their hearts to put up two-thirds or 66⅔ percent.

I do not think that is unreasonable. We have the whole European Common Market which, economically, is at least as strong as the United States. That is not talking about the other nations in the United Nations.

Whenever we try to cooperate in a community affair in our own locality—and the distinguished Senator from Minnesota used to be a mayor and knows full well—if we are going to get something done in that locality, we will have to get as many people interested in it as we can. To the extent that we can get more nations interested financially in it, to that extent we will improve the ability of the United Nations to perform successfully these very important programs.

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

Mr. ALLOTT. Mr. President, I am happy to yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I thank the Senator from Colorado. I am familiar with the sequence of his argument and what he believes to be the logic.

As I look at an audit of the U.S. contributions to the United Nations, I see here that in fiscal year 1965 our voluntary contributions, exclusive of the peacekeeping, ran about $141,450,000.

The total outside contributions—that is, the contributions of the other members—ran $235,700,000.

We were paying at that time well over 50 percent. The request for fiscal year 1972 is $141,135,000, which is about $215,000 less than in fiscal year 1965. That does not, of course, even relate to what has happened to the purchasing power of the dollar.

I do not object to what we call the assessed reductions on the assessments that are made for what we call the U.S. contributions. They relate to the regular dues and fees of the United Nations. The Lodge Commission hoped that they would come down to 25 percent in the years ahead. We presently pay about 31.5 percent.

What I do feel is important is to keep in mind what the Lodge Commission related, namely; that if their assessment came down, we increase or put into proper balance our voluntary contributions.

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

Mr. DOMINICK. Mr. President, I had not anticipated that the Senator from Minnesota was going to use up so much of my time.

Mr. HUMPHREY. Mr. President, may I ask a question of the Senator?

Mr. DOMINICK. Mr. President, I yield myself 1 additional minute.

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

Mr. HUMPHREY. Mr. President, does the Senator from Colorado believe the record shows that we are increasing the amount of our voluntary contributions as they relate to what other countries are doing, or does the record show that our contributions have been rather steady and that for several years have declined and right now are up to about the 1965 level and are strongly related to what other countries are doing?

Mr. DOMINICK. Mr. President, it is very difficult to answer that question. It varies so much. Earlier, mention was made that last year we paid 86.3 percent of the WHO special programs. This year we will pay 28.6 percent. So, I think we are putting in more money. This is a point I am making. We are putting more money into the program, but other nations are putting in a lot more money. So that our percentage, the total amount of money we put in, goes up.

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

Mr. DOMINICK. Mr. President, I would like to get an additional 5 minutes on the bill to take care of the time I extended to the Senator from Minnesota.

Mr. AIKEN. Mr. President, I yield 5 minutes on the bill to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado is recognized for an additional 5 minutes.

Mr. DOMINICK. Mr. President, I thank my friend, the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. DOMINICK. Mr. President, I want to repeat once again what I am trying to do. Some Senators seem to have the feeling that has been expressed here that somehow or other we are out to gut the United Nations. I am trying to do the opposite. I am trying to make it effective and have more participation in these programs and show the world that although we support the programs we will not be Santa Claus for the rest of the world.

It makes more sense to do it this way than to chop program after program because it does not make any difference which one is picked, someone will say that that program is the most dramatic program we have and it has to be maintained. So we would do it this way. It gives the opportunity for programs to be more effective and it gives the opportunity for other nations to come in. It says to the world that we are not going to be Santa Claus for each of these programs. It provides an opportunity for an increase in contributions in many of these programs beyond what we now have with the authorization system we have developed in this bill.

Hopefully the Committee on Foreign Relations will, as the Senator from Alabama said, have a chance to go into each one of these next year to determine if we should raise our amounts on a program-by-program basis or give the appropriation to the State Department to provide it in a way they think effective. Either way is all right as long as they do not have more than one-third for each of the programs.

It seems to me this makes for a far better approach than to try to do something else that other nations might think is direct retribution. This is not retribution.

I thank the Senator for yielding.

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

The PRESIDING OFFICER. The Senator has 2 minutes remaining on the amendment and 2 minutes remaining on the bill.

Mr. DOMINICK. I reserve that time in the event anyone wants to discuss the amendment.

Mr. SPARKMAN. Mr. President, I yield 2 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I hope this amendment is defeated this afternoon. I do not think this is the time or the place for us to try to establish these percentages in terms of the United Nations. Those matters should be handled in the appropriate committees. This matter was not given the attention it should have, as the Senator from New York pointed out. In the wave of recrimination that has taken place after the vote on Monday night in the United Nations, this cutback would have extreme implications on our commitment to the United Nations.

Finally, I have had intimate involvement in some of these programs in the United Nations, as other Senators have had. I have seen the effectiveness of the World Health Organization in attempting to meet problems of disease in many developing countries, including Southeast Asia. I have seen the work of the UNICEF program in India and Pakistan. I have seen the effect of the U.N. relief efforts, particularly the Biafran, East Pakistan, and Peruvian situation.

These are perhaps the most effective programs in meeting human needs.

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

Mr. SPARKMAN. Mr. President, I yield the Senator 1 additional minute.

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

Mr. KENNEDY. Mr. President, I think the record of these programs is a strong record. They benefit people in the most dramatic way we could possibly imagine.

I hope this amendment which would, in effect, cut the life and heart out of these specialized programs of the United Nations, will be defeated.

Mr. SPARKMAN. Mr. President, another agency that the Senator from Massachusetts did not include is Food and Agriculture, the FAO. He mentioned, I believe, UNICEF, the children's program. Mention has been made of the fact that with the adoption of an amendment to this bill giving us the right to make annual authorizations we will have the chance to examine these matters item by item next year and not take this haphazard way of making the cuts.

The PRESIDING OFFICER. Who yields time? The Senator from Colorado has 2 minutes remaining.

Mr. DOMINICK. Mr. President, I will take the remaining time to repeat once

again the purpose of the amendment. I will be brief. I think most Senators understand it.

If this amendment is agreed to, it is probable that the total amount of the cut—we cannot be sure what it will be—should not be more than $25 million out of $100 million. Certainly, that is not gutting the bill.

Second, it is possible we will have to have more money in a supplemental rather than less money because of the other countries coming into the program and thereby cutting the total dollar amount. That is a possibility in the future.

Third, I would say the main thing about the amendment which I think is helpful is that it will increase the effectiveness of the United Nations. This is so in every organization with which I have been associated. The broader sweep there is in an organization, the larger participation there is in it, the more likelihood there is of success in that organization.

This is what I am trying to do in the amendment.

The PRESIDING OFFICER. All time on the amendment has expired. The question is on agreeing to the amendment of the Senator from Colorado. 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 Missouri (Mr. EAGLETON), the Senator from Louisiana (Mr. ELLENDER), the Senator from Georgia (Mr. GAMBRELL), the Senator from Alaska (Mr. GRAVEL), the Senator from Iowa (Mr. HUGHES), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. JACKSON), the Senator from Wyoming (Mr. McGEE), the Senator from South Dakota (Mr. McGOVERN), the Senator from Maine (Mr. MUSKIE), the Senator from California (Mr. TUNNEY), and the Senator from Indiana (Mr. HARTKE) are necessarily absent.

On this vote, the Senator from Louisiana (Mr. ELLENDER) is paired with the Senator from Wyoming (Mr. McGEE).

If present and voting, the Senator from Louisiana would vote "yea" and the Senator from Wyoming would vote "nay."

I further announce that, if present and voting, the Senator from Alaska (Mr. GRAVEL), the Senator from Washington (Mr. JACKSON), and the Senator from South Dakota (Mr. McGOVERN) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from New Hampshire (Mr. COTTON), the Senators from Nebraska (Mr. CURTIS and Mr. HRUSKA), the Senator from Arizona (Mr. GOLDWATER), the Senator from Iowa (Mr. MILLER), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from South Carolina (Mr. THURMOND) is absent on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

If present and voting, the Senators from Nebraska (Mr. CURTIS and Mr. HRUSKA), the Senator from South Carolina (Mr. THURMOND), and the Senator from Texas (Mr. TOWER) would each vote "yea."

The result was announced—yeas 28, nays 52, as follows:

[No. 282 Leg.]

YEAS—28

Allen	Cook	Jordan, N.C.
Allott	Dole	Jordan, Idaho
Baker	Dominick	McClellan
Bennett	Eastland	Smith
Bible	Ervin	Stennis
Brock	Fannin	Stevens
Buckley	Fong	Talmadge
Byrd, Va.	Gurney	Young
Byrd, W. Va.	Hansen	
Cannon	Hollings	

NAYS—52

Aiken	Hatfield	Percy
Anderson	Humphrey	Proxmire
Bayh	Javits	Randolph
Beall	Kennedy	Ribicoff
Bellmon	Long	Roth
Bentsen	Magnuson	Saxbe
Boggs	Mansfield	Schweiker
Brooke	Mathias	Scott
Burdick	McIntyre	Sparkman
Case	Metcalf	Spong
Chiles	Mondale	Stafford
Church	Montoya	Stevenson
Cooper	Moss	Symington
Cranston	Nelson	Taft
Fulbright	Packwood	Weicker
Griffin	Pastore	Williams
Harris	Pearson	
Hart	Pell	

NOT VOTING—20

Cotton	Hartke	Miller
Curtis	Hruska	Mundt
Eagleton	Hughes	Muskie
Ellender	Inouye	Thurmond
Gambrell	Jackson	Tower
Goldwater	McGee	Tunney
Gravel	McGovern	

So Mr. DOMINICK's amendment was rejected.

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

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

The motion to lay on the table was agreed to.

Mr. CHURCH. 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 read as follows:

On page 32, line 11, strike out "$565,000,000" and insert in lieu thereof "$452,000,000".

Mr. BYRD of West Virginia. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

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

Mr. CHURCH. Mr. President, in order to accommodate three Senators, the Senator from New Jersey (Mr. CASE), the Senator from Arkansas (Mr. FULBRIGHT), and the Senator from Mississippi (Mr. STENNIS), I have agreed to yield briefly, with the consent of the Senate, provided I do not lose my right to the floor.

[Disturbance in the galleries.]

The PRESIDING OFFICER. The galleries will be in order. The Sergeant at Arms will see that order in the galleries is restored.

The Chair recognizes the Senator from New Jersey.

Mr. FULBRIGHT. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from New Jersey may proceed.

Mr. CASE. Mr. President, I call up an amendment affecting page 34 of the bill, which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. CASE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with, and that the amendment be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered. And, without objection, even though the amendment of the Senator from Idaho is the pending business, the Senate will proceed to consider the amendment of the Senator from New Jersey.

Mr. CASE's amendment is as follows:

On page 34, lines 13 and 14, strike out "South Vietnam, North Vietnam, Thailand, Cambodia, or Burma" and insert in lieu thereof "North Vietnam, or Thailand".

Mr. CASE. I thank the Senator from Idaho for his consideration, and, pursuant to my assurance, I shall delay him only slightly, I am sure there will be no difficulty about this amendment.

Mr. President, on page 34 of the bill, the committee added a provision to the effect that no funds authorized or appropriated under any provision of law should be made available by means of any officer, employee, or agency of the United States to finance military operations by foreign forces in six countries—Laos, South Vietnam, North Vietnam, Thailand, Cambodia, or Burma— unless Congress specifically authorizes the use of such funds for that purpose, and designates the area where they will be used.

I have received from the chairman of the Armed Services Committee an expression of concern about the breadth of this amendment, and after discussions with him, we have arrived at the understanding that——

Mr. STENNIS. Mr. President, will the Chair maintain order? I think this is an important matter, and the Senator ought to be heard, in view of a possible agreement on the floor.

The PRESIDING OFFICER. The Senate will be in order. The Senator will suspend his remarks until order has been restored.

The Senator may proceed.

Mr. CASE. Mr. President, the chairman of the Armed Services Committee, the distinguished Senator from Mississippi (Mr. STENNIS) and I have discussed this matter. His concern about the number of countries affected by the amendment as reported by our committee was one that I recognized with respect. Pursuant to an understanding that we have arrived at, I now offer this amendment to eliminate from the effect of the bill three of the six countries, leaving in Laos, North Vietnam, and Thailand. That is the whole amendment.

The Senator from Mississippi has been gracious enough to say that while he wants to consider this matter further at a later stage in the legislation, for the purposes of the consideration of the bill in the Senate at this time, such an amendment is satisfactory.

Mr. STENNIS. Mr. President, will the Senator yield to me?

Mr. CASE. I am happy to yield.

Mr. STENNIS. Mr. President, as I have understood, now, the Senator proposes that in section 513 on page 34 of the bill, the words "South Vietnam, Cambodia, and Burma" be stricken out of lines 13 and 14, as they appear.

Mr. CASE. That is right.

Mr. STENNIS. That would leave, of course, then, the words "Laos, North Vietnam, and Thailand," as they appear now in the bill.

Mr. President, the Senator from New Jersey has correctly stated the understanding that we have had about this legislation, and we have agreed, for the purpose of this legislative step, that this modification of section 513 will put the section where it may stay in the bill in that form, and we can move forward with the bill without any further amendment being filed or brought up by the Senator from Mississippi.

I do make the point, as the Senator has implied, that this is done without prejudice to a full consideration of the matter in conference, based on the facts as they may exist at that time.

Is that the Senator's understanding?

Mr. CASE. The Senator has stated correctly what his position is, and the basis on which his agreement not to oppose this amendment or to offer another amendment to this section is based.

Mr. STENNIS. I thank the Senator, and I wish to make this further explanation: I think leaving the word "Laos" in here——

Mr. CASE. That is another section.

Mr. STENNIS. I beg the Senator's pardon?

Mr. CASE. I thought the Senator was talking about another section.

Mr. STENNIS. No, I am talking about the same section. I think that leaving the word "Laos" in the bill as now written is perhaps a contradiction of a provision on the same subject in the military procurement bill we passed 2½ weeks ago. However, I think that to get all the real facts on this matter before the Senate now would require a closed session. There is hardly time for that now, and I do not think there is any mood for it, either. So, as an original proposition, and without prejudice, we agreed to let this matter go as has already been outlined, and then in conference there will be a chance to really consider and discuss any facts that might be relevant; and I would rest on the decision that is made by the conferees.

Under those circumstances, I hope that the modification will be acceptable to the Senate. I have talked with some Senators about supporting my position in this matter, and I now withdraw the request because I believe this meets the situation.

Mr. CASE. Mr. President, I yield to the chairman, if he wishes to make comment.

Mr. FULBRIGHT. I am in full agreement with that.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, will the Senator yield me 1 minute?

Mr. FULBRIGHT. I yield.

Mr. STENNIS. I want the record to show that I consider this an important matter and that I am free to follow it up, as is the Senator from New Jersey, of course, or anyone else—the chairman of the committee or anyone else—and get the facts together and get it before the conference.

Mr. CASE. The situation is that the matter will be in conference, because the House bill does not contain any provision on this subject.

Mr. FULBRIGHT. 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 New Jersey.

The amendment was agreed to.

Mr. CHURCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho, by unanimous consent, yielded to three Senators in order, the first of those Senators being the Senator from New Jersey.

Mr. FULBRIGHT. Mr. President, under the agreement, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 34, line 4, strike out the words ", Laos, or South Vietnam."

The PRESIDING OFFICER. Without objection, the amendment will be in order.

Who yields time?

Mr. FULBRIGHT. I yield myself 2 minutes.

Mr. President, this is exactly the same circumstance as the previous one, by agreement with the Senator from Mississippi. We have discussed this matter. This involves the return to the Committee on Foreign Relations of jurisdiction over military assistance to Laos, South Vietnam and Thailand.

We have agreed to strike out South Vietnam and Laos but to retain Thailand. The Senator from Mississippi does not disagree, I may say, with the return ultimately of the jurisdiction over Laos and South Vietnam, but he thinks it is premature to put it in this bill at this time. Therefore, by mutual agreement, I have agreed to this modification.

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

Mr. FULBRIGHT. I yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, the Senator from Arkansas has correctly stated the matter. Thailand is left in the bill; and military assistance hereafter, if this becomes law, will be handled by the Committee on Foreign Relations. I am willing that, in the future, jurisdiction with respect to Southeast Asia be returned to the Committee on Foreign Relations. I think that while we are there and our men are there and the activities are going on, we ought to keep it where it is, because they have to be considered together. I appreciate the Senator's position.

With that, I am satisfied with the section as modified.

The PRESIDING OFFICER. Who yields time?

Mr. FULBRIGHT. I yield back the remainder of my time.

The PRESIDING OFFICER. Who is acting for the minority leader? Does the minority leader yield back the remainder of his time on this amendment?

Mr. GRIFFIN. I yield back the remainder of the 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 Arkansas.

The amendment was agreed to.

Mr. FULBRIGHT. Mr. President, I have a technical amendment that does not affect the bill at all, except to clear up a typographical error.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 20, line 18, after "1969,", insert the following: "$350,000,000 for the fiscal year 1970, and".

The PRESIDING OFFICER. Without objection, the amendment is in order. Who yields time?

Mr. FULBRIGHT. I yield myself 1 minute.

Mr. President, this has no effect upon the bill at all. It is a mistake, a typographical error, on the part of the staff in preparing the bill. They did not make many errors, but this is a hard bill to keep straight. This amendment has no effect on anything substantive in the bill.

I yield back the remainder of my time.

Mr. GRIFFIN. I yield back the 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 Arkansas.

The amendment was agreed to.

AMENDMENT NO. 546

Mr. STENNIS. Mr. President, I send to the desk an amendment on which we have agreed. I do not think it will take more than a minute or minute and a half.

Mr. CHURCH. Mr. President, I have no objection, on the basis of the same qualification.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

On page 57, line 7, after the word "responsibilities" insert the following words: "within the jurisdiction of these committees", and on line 11, after the word "information" insert the following words: "within the jurisdiction of these committees".

The PRESIDING OFFICER. Without objection, the amendment is in order. Who yields time?

Mr. STENNIS. I yield myself 1 minute.

Mr. President, this is another amendment on which we worked out an agreement with the Senator from Arkansas. It relates to reports being made by the Department of State to the Committee on Foreign Relations, and we are in favor of that. The language was so broad, however, that we thought it would include some items over which the Committee on Armed Services has primary jurisdiction. These words merely correct and clarify that point, and I hope the amendment will be adopted.

Mr. FULBRIGHT. Mr. President, I wish the RECORD to show that that is exactly what we agreed. There was no

intention of the committee to usurp any jurisdiction of the Armed Services Committee. This amendment clarifies the intention of the committee.

I yield back the remainder of my time.

Mr. STENNIS. 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 Mississippi.

The amendment was agreed to.

The PRESIDING OFFICER. In accordance with the previous order, the Chair recognizes the Senator from Utah (Mr. Moss).

ESTABLISHMENT OF ARCHES NATIONAL PARK, UTAH

Mr. MOSS. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 30.

The PRESIDING OFFICER (Mr. ALLEN) laid before the Senate the amendment of the House of Representatives to the bill (S. 30) to establish the Arches National Park in the State of Utah, which was to strike out all after the enacting clause, and insert:

That (a) subject to valid existing rights, the lands, waters, and interests therein within the boundary generally depicted on the map entitled "'Boundary Map, Proposed Arches National Park, Utah," numbered RPSSC–138–20, 001E and dated September 1969, are hereby established as the Arches National Park (hereinafter referred to as the "park"). Such map shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior.

(b) The Arches National Monument is hereby abolished, and any funds available for purposes of the monument shall be available for purposes of the park. Federal lands, waters, and interests therein excluded from the monument by this Act shall be administered by the Secretary of the Interior (hereinafter referred to as the "Secretary") in accordance with the laws applicable to the public lands of the United States.

SEC. 2. The Secretary is authorized to acquire by donation, purchase with donated or appropriated funds, transfer from any Federal agency, exchange or otherwise, the lands and interests in lands described in the first section of this Act, except that lands or interests therein owned by the State of Utah, or any political subdivision thereof, may be acquired only with the approval of such State or political subdivision.

SEC. 3. Where any Federal lands included within the park are legally occupied or utilized on the date of approval of this Act for grazing purposes, pursuant to a lease, permit, or license for a fixed term of years issued or authorized by any department, establishment, or agency of the United States, the Secretary of the Interior shall permit the persons holding such grazing privileges or their heirs to continue in the exercise thereof during the term of the lease, permit, or license, and one period of renewal thereafter.

SEC. 4. Nothing in this Act shall be construed as affecting in any way any rights of owners and operators of cattle and sheep herds, existing on the date immediately prior to the enactment of this Act, to trail their herds on traditional courses used by them prior to such date of enactment, and to water their stock, notwithstanding the fact that the lands involving such trails and watering are situated within the park: *Provided*, That the Secretary may designate driveways and promulgate reasonable regulations providing for the use of such driveways.

SEC. 5. (a) The National Park Service, under the direction of the Secretary, shall administer, protect, and develop the park, subject to the provisions of the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (39 Stat. 535).

(b) Within three years from the date of enactment of this Act, the Secretary of the Interior shall report to the President, in accordance with subsections 3(c) and 3(d) of the Wilderness Act (78 Stat. 890; 16 U.S.C. 1132 (c) and (d)), his recommendations as the suitability or nonsuitability of any area within the park for preservation as wilderness, and any designation of any such area as a wilderness shall be in accordance with said Wilderness Act.

SEC. 6. (a) The Secretary, in consultation with appropriate Federal departments and appropriate agencies of the State and its political subdivisions shall conduct a study of proposed road alinements within and adjacent to the park. Such study shall consider what roads are appropriate and necessary for full utilization of the area for the purpose of this Act as well as to connect with roads of ingress and egress to the area.

(b) A report of the findings and conclusions of the Secretary shall be submitted to the Congress within two years of the date of enactment of this Act, including recommendations for such further legislation as may be necessary to implement the findings and conclusions developed from the study.

SEC. 7. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act, not to exceed, however, $125,000 for the acquisition of lands and interests in lands and not to exceed $1,031,800 (April 1970 prices) for development, plus or minus such amounts, if any, as may be justified by reasons of ordinary fluctuations in construction costs as indicated by engineering cost indices applicable to the types of construction involved herein. The sums authorized in this section shall be available for acquisition and development undertaken subsequent to the approval of this Act.

Mr. MOSS. Mr. President, the purpose of this bill is to establish Arches National Park in the State of Utah, consisting of some 73,154 acres, the greater part of which are now in Federal ownership. Arches National Park is carved out of a larger area consisting of 82,952 acres which is presently being administered as Arches National Monument under Presidential proclamation.

The House amended the Senate bill in several particulars, and I would like to describe briefly the difference between the two bills.

The House deleted 160 acres from the Senate version to perfect the boundary in accordance with recommendations of the National Park Service, Department of the Interior.

Both bills recognize that abrupt termination of grazing rights within the area of the new park could work undue hardship on individuals who hold these grazing rights. The Senate bill provides that a grazing permit might be extended for 25 years from the date of enactment, or even beyond under certain conditions. The House version of the bill provides that persons holding such grazing privileges now, or their heirs, may hold the permit for the remainder of its term, and one period of renewal thereafter.

The Senate bill allows owners and operators of cattle and sheep herds to continue to trail these herds on traditional courses used by them prior to enactment of the bill. The House bill gives the Secretary of the Interior the right to designate these driveways and to promulgate reasonable regulations providing for the use of such driveways.

The Senate bill directs the Secretary of the Interior to study proposed wilderness areas within Arches National Park and to submit recommendations to Congress. The House bill provides that such a study must be made but requires that a report be submitted to Congress within 3 years.

The Senate bill provides for a study of road alinements within and adjacent to the national park, to be made by the Secretaries of Interior and Transportation, in consultation with the other Federal departments involved, and with the State of Utah. The House bill makes the Secretary of Interior mainly responsible for the study, eliminating the Department of Transportation, and provides that not only the State of Utah but its political subdivisions shall be consulted.

And, finally, the House wrote into the Senate-passed bill a limitation of $25,000 for future land acquisition costs and $1,031,000 for development of Arches National Park. This is the amount in each instance, estimated by the National Park Service.

Mr. President, although I preferred some parts of the Senate version of the bill, particularly with respect to the duration of grazing privileges and the trailing of herds in the park, I do not wish to delay any further this legislation which will establish a new national park for Utah. Moreover, I welcome the inclusion of the counties for consultation on roads.

Mr. President, I move that the Senate agree to the amendments of the House to S. 30.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Utah.

The motion was agreed to.

FOREIGN ASSISTANCE ACT OF 1971

The Senate continued with the consideration of the bill (H.R. 9910) to amend the Foreign Assistance Act of 1961, and for other purposes.

The PRESIDING OFFICER. The Chair recognizes the Senator from Idaho (Mr. CHURCH).

Mr. CHURCH. My amendment reads as follows:

On page 32, line 11, strike out "565,000,000" and insert in lieu thereof "$452,000,000".

I yield myself such time as I may require.

Mr. President, this amendment would reduce the authorization for military grant aid from $565 million to $452 million, a 20-percent reduction.

In the 1970 fiscal year, Congress appropriated only $350 million for military grant aid and the same amount was authorized for fiscal 1971. But late last year the administration submitted a supplemental request which doubled the

amount Congress originally authorized—making a total of $690 million for fiscal 1971. My amendment would authorize $102 million more than Congress provided in fiscal 1970 and also in fiscal 1971, before the supplemental was added on.

The amounts for military aid to be authorized by this bill is only a fraction of the total military aid proposed to be provided to some 50 countries this year. Actually, the grand total comes to some $5 billion—my amendment amounts to only one fiftieth of this and that does not include the total—the Defense Department's cash sales of arms or commercial sales.

The generosity with which we dispense arms around the world is illustrated by the fact that in the supplemental last year—in the House bill—the United States gave Lebanon $5 million which they did not even ask for.

How many Senators in this Chamber now would like to receive $5 million, without having asked for it, for public works or other projects in their States? But, apparently, military aid to foreign governments is conceived and administered on a different basis.

I believe that the times call for trimming our foreign aid sails—military and economic. This amendment would reduce the authorization for military grant aid by $113 million.

The House bill, as contrasted with the Senate bill, authorizes $705 million for military grant aid, so that even if the amendment is adopted, when the difference is split in conference, the reduction will be very modest within a total package of $5 billion.

It seems to me that so modest a reduction could easily be absorbed, and on that basis, I hope the Senate will adopt this Church amendment.

Mr. FULBRIGHT. Mr. President, we dealt with this matter in committee. I voted to cut the item. I am in favor of the Senator's amendment, and if there is someone opposed to it, I would be pleased to give them time if they require it.

Mr. JAVITS. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I am happy to yield. How much time does the Senator wish?

Mr. JAVITS. Five minutes.

Mr. FULBRIGHT. I yield 5 minutes to the Senator from New York.

The PRESIDING OFFICER (Mr. ALLEN). The Senator from New York is recognized for 5 minutes.

Mr. JAVITS. Mr. President, I understand that this amendment appears—if the author would advise me on what page?

Mr. CHURCH. If the clerk will read the amendment again.

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk read the amendment as follows:

On page 32, line 11, strike out "$565,000,000" and insert in lieu thereof "$452,000,000".

Mr. JAVITS. Mr. President, I believe—and I will stand corrected if I am wrong because I have got into this thing suddenly with the distinguished Senator from Vermont (Mr. AIKEN) leaving the Chamber—but I believe this also includes the figure for military sales, does it not?

Mr. CHURCH. Just military grant aid.

Mr. JAVITS. Just military grant aid. I thank the Senator.

Mr. President, the best argument with respect to this matter is that the committee, with full cognizance of the details and recognizing the responsibilities which the United States carries for its own security—which is often very much more intelligently and inexpensively dealt with through other countries—has provided for a figure which was 20 percent less than the figure chosen by the administration.

After extensive debate in committee, with all the facts and figures before us, including the recipient countries, we decided to cut 20 percent. There were views in committee, and the Senator from Idaho and the Senator from Arkansas have already made those views clear, relating to a cut which would be in excess of that. As I figure the difference, the cut which the Senator from Idaho wishes to make would make the total cut somewhat in excess of one-third.

There was a prospective cut in committee of 40 percent. With an opportunity to vote on it, we rejected it out of hand, because we thought it was unwise in the interest of the various tasks which we had to perform around the world.

I hope very much that the Senate will reject the cut endeavored to be made here on the floor. I say that for this reason: I am not a devotee of military aid programs. I am also deeply mortified and concerned that the economic aid programs which suffered so severely at the hands of those who would cut them—and it is interesting to me that the same Senator, in the utmost good faith, who cut specific aid, should now be also cutting military aid, because underlying this whole proposition on the drastic cuts is a serious question in the minds of the Senator from Idaho (Mr. CHURCH) and other Senators, I am sure, who support that position, that, really, the whole foreign aid program should be discontinued and we should work through multilateral organizations.

Mr. President, unfortunately for us, especially in the military field, the world situation does not allow us that latitude. We have, for, example, a nettling and deeply troubling problem of what we should do with regard to the Americas, what about the need to supply them with military material or whether we should, as some in committee would have us do, completely eliminate any military materiel support for the countries of the Americas. We have sharply limited it, anyhow, but most members of the committee felt that we would rather maintain a degree of coordination in relationship between military establishments which do and are bound to exist and which, if they did not buy from us would buy from European countries or other countries, including the Soviet Union, rather than relinquish that part of the relationship which is so, still—because of imperfections found all over the world—critically important with other nations, including those in Latin America.

For that complex of reasons, Mr. President, I hope very much that the Senate will not do what the committee refused to do by a majority of its Members, that is, to take the drastic cut in general in the military assistance provision which is here recommended; but will, rather, back the majority of the committee in limiting the cut to the 20 percent figure which the committee itself, in an honest desire to bring to the floor a bill which would have material reductions, felt it needed to bring to the floor.

Mr. FULBRIGHT. Mr. President, I yield myself 2 minutes to make this comment, the vote in the committee was not by a large majority. There were many votes trying to arrive at an amount for this item. There was, for example, a vote on $500 million and the vote was 7 to 8. Then a 15-percent cut was voted on and it was 6 to 6. It was a closely divided vote on the subject.

I want to make it clear that there was not any overwhelming vote in the committee for the amount in the bill. I do not want to have the impression that there was.

The other point I want to make is that this amount will be in conference. The House has authorized a much larger amount. Traditionally, whether we like it or not, we will split the difference with the House. In order to give the Senate conferees an opportunity to make some cuts, I think the amendment of the Senator from Idaho is in order. That was one of the reasons, of course, why I voted that way in committee. I believe the Senator will agree that this was a close matter in committee.

Mr. JAVITS. Mr. President, in the first place, I said, when I spoke, that when a majority had voted—I did not say a great majority——

Mr. FULBRIGHT. A bare majority.

Mr. JAVITS. Yes, but I do think—with all respect to my distinguished chairman whom I most always do my utmost to follow when I can humanly do so—the fact that there was a small majority on so many votes, and that after all there were conflicting opinions which were unraveled, we did come to what seemed to be the consensus conclusion. It seems to me rather sustained and does not invalidate the thesis which I espouse.

In other words, a hardened, total, finally compromised result deserves to be sustained by a deliberative body more than one which is swept through by a huge majority, the presumption being that no one thought about it too seriously or was motivated by the deep and extensive arguments made so thoroughly in our committee.

I agree that there were many votes. There were narrow majorities. However, I think that buttresses rather than destroys the thesis which I espouse.

Mr. CASE. Mr. President, will the Senator yield me 1 minute?

Mr. AIKEN. Mr. President, I yield time to the Senator from New Jersey.

Mr. CASE. Mr. President, I do not want to prolong the debate.

But I feel a certain responsibility in this matter, since mine was the swing vote in committee on whether or not an additional 20 percent cut should be made in military assistance. I voted against making such a cut, for I believed that

sufficient reductions had already been made in this program.

I wish only to add that the bill as reported out by the committee contains a good deal tighter system of controls on military spending than we have ever had before. Because we have made considerable progress in closing many of the loopholes in the Foreign Assistance Act, I feel that we should avoid any further cuts.

Mr. AIKEN. Mr. President, some members of the committee wanted no cuts at all. Others wanted a 40-percent cut. The majority felt that a 20-percent cut would be adequate, and that is what we agreed on.

I have talked with the State Department and found that they had no serious objection to a 20-percent cut. I thought that their cooperation was a lot better than opening any further controversy between us and the administration.

I hope we can hold the 20-percent cut in conference. However, we know how the House conferees are. So I think we should stick to that 20-percent cut.

I am not going to vote for the amendment offered by the Senator from Idaho, much as I admire him and much as I have so often chose to work with him.

Mr. CHURCH. Mr. President, this amendment is limited only to military grants in aid. It does not affect any credit sales program; it does not affect aid that is funded through other bills. In fact, this bill encompasses a small part of the total military assistance package, the total package approaching $5 billion.

Mr. JAVITS. Mr. President, will the Senator yield me 2 minutes?

Mr. FULBRIGHT. Mr. President, I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I think it is very important as we vote upon this proposition that we understand the matter very clearly.

In the first place, the amount authorized here has been cut 20 percent. The Senator from Idaho (Mr. CHURCH) wishes us to assume that, notwithstanding the nature of our cut, we are going to cave in in conference.

I hope that we will not make an across-the-board deal in conference to the effect that each item will be cut by so many percentage points.

The President requested for the military assistance program $705 million. The committee granted $565 million.

Here is the place where the burden of the cut will fall. It is very important that we know what we are doing. We have just, by a record vote, voted to increase the ceiling for Cambodia by $90 million. $200 million of the aggregate $565 million voted by the Foreign Relations Committee goes to Cambodia under that ceiling.

It seems strangely anomalous that we should on the other hand by divided vote raise the Cambodian ceiling, bearing in mind that the Foreign Relations Committee provided only $250 million in that ceiling, and I voted for that. However, now that the Senate has expressed its willingness to raise that ceiling, the Senator from Idaho has proposed his amendment.

The next largest amount is for Korea, $239 million. Again we have to ask ourselves whether we want to impose yet an additional cut in that particular situation at this time. And, incidentally, these three figures, $239 million, $200 million, and the figure for Turkey, which is $100 million, takes up the whole sum. Everything else is small. Turkey gets $100 million. These are the three principal recipients—Cambodia, where we ourselves set a higher ceiling, Korea, where we have a very serious situation in terms of security, and Turkey which is one of the bulwarks in the NATO.

I shall vote against the amendment.

We should consider seriously whether this represents a provident and consistent policy in view of what we have done about Cambodia, which is one of the principal recipients of the amount provided.

I have a real sense of fidelity to the degree of danger involved in this matter. I hope very much that the Senate will give it the respect and the weight which it deserves.

The Senator from Idaho certainly is acting within his right and duty if he feels that we should reverse the committee and accept the position which represented the minority rather than the majority position of the committee.

I hope very much that the Senator will not go along.

Mr. KENNEDY. Mr. President, I support the amendment of the Senator from Idaho because I believe that our military assistance program is the worst aspect of the bill now before us, contaminating what remains by its very presence.

First, it is the clearest example of how this Nation has overreached itself. The cut of $113 million from the $565 million now in the bill is really a most modest reduction in the role of the United States as the world's foremost Santa Claus of guns, planes, and tanks. Our image in other nations is dressed in khaki and carrying a rifle. The administration has requested more than $4 billion—I repeat $4 billion—for military assistance for fiscal 1972.

I ask unanimous consent for a table showing these requests to appear in the RECORD at this point.

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

Military assistance funding—comparative data

Fiscal year 1970 appropriation	$350,000,000
Fiscal year 1971 appropriation	[1] 690,000,000
Fiscal year 1972 authorization request	705,000,000
House action:	
Fiscal year 1972	705,000,000
Fiscal year 1973	705,000,000
Committee recommendation	565,000,000

[1] Plus $60,000,000 in funds transferred from supporting assistance.

Military assistance and related programs—proposed fiscal year 1972 levels

[In millions of dollars]

Military Assistance Service Funded	$2,230.8
Military Assistance Program	731.5
Foreign Military Credit Sales	582.0
Excess Defense Articles [1]	324.0
Ship loans [2]	90.1
Total	3,958.4

[1] Valued at approximately one-third of acquisition cost.

[2] Valued at acquisition cost.

PROPOSED MILITARY ASSISTANCE AND RELATED PROGRAMS FOR FISCAL YEAR 1972, BY REGIONS AND MAJOR RECIPIENTS

[In millions of dollars]

Region/country	Regular MAP	Other military programs	Total
East Asia and Pacific	$501.1	$2,523.0	$3,024.1
Cambodia	200.0	11.0	211.0
Indonesia	24.9	3.0	27.9
Korea	239.4	402.9	642.3
Laos		125.8	125.8
Taiwan	19.5	93.0	112.5
Thailand		77.2	77.2
Vietnam		1,789.1	1,789.1
Near East and South Asia	167.0	533.8	700.8
Greece	19.8	98.0	117.8
Turkey	99.7	71.8	171.5
Latin America	9.8	73.8	83.6
Africa	19.0	18.6	37.6
Europe	14.0	57.6	71.6
Other	20.4	20.0	40.4
Total	731.5	3,226.9	3,958.4

This bill simply deals with a small portion of the total military aid package. Is it not time to reduce this unwise expenditure of funds?

Second, while this program allegedly helps the recipient nations to defend against attack, in fact it is used all too often to bolster regimes against political opposition.

We find ourselves supporting counter-insurgency efforts that result in the preservation of authoritarian regimes. I would mention only Greece, Pakistan, Brazil, and Cambodia to indicate the kinds of regimes that we are supporting with military assistance. And I would call attention to testimony before the Subcommittee on Western Hemisphere Affairs which indicates quite clearly that our military assistance program frequently works against our own interest. When students at the University of Brazilia found themselves under attack by police they discovered the police were carrying equipment labeled U.S.A. These kinds of incidents convince me that our military assistance program can be reduced and reduced substantially without detriment to our interests.

And in terms of our priorities, the expenditure of more than $4 billion in military assistance abroad represents a gross distortion in the use of our national resources.

I therefore would urge that the Senate support the amendment to reduce the military assistance program by 20 percent.

The PRESIDING OFFICER. Who yields time?

Mr. CHURCH. Mr. President, let us not misunderstand the Cambodia situation. We did not raise the ceiling for military spending above the level the President planned all along. We set it at that level, and the President himself looked at the whole grant aid program and the whole foreign aid package and said he would reduce it 10 percent.

If we do not agree to this amendment, the likelihood is that in conference we will come out, after splitting the difference with the House, with a figure that exceeds the amount the President himself intends to spend.

Mr. President, that is the anomaly.

So I suggest if we want to affect any savings at all, however modest, it is necessary to agree to the amendment.

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

Mr. AIKEN. Mr. President, I do not think anything is to be gained by more discussion. If I have time remaining, I yield it back.

Mr. JAVITS. Mr. President, will the Senator yield to me briefly?

Mr. AIKEN. I yield.

Mr. JAVITS. Mr. President, in adopting an amendment with respect to American schools and hospitals, which cut the amount in half, I feel, and the Senator from Vermont (Mr. AIKEN) agrees—it was his amendment—that the intention was that there should be a fair distribution based on merit of whatever was ultimately appropriated among all the schools and hospitals listed in the Senate committee report and the House committee report, or others they might add, and all the money should not be used for the first chosen schools and hospitals of the State Department.

To carry out that intention, I have a letter from John A. Hannah, of the Agency for International Development of the State Department, dated October 29, 1971, which confirms that.

Mr. AIKEN. Mr. President, the Senator is correct. The bill as it stands now calls for a 50-percent increase in funds for American supported hospitals and schools.

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD the letter from Mr. John A. Hannah, Administrator of the Agency for International Development.

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

DEPARTMENT OF STATE,
Washington, D.C., October 29, 1971.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: We very much appreciate your continuing interest in our American Schools and Hospitals Program.

Within the funds ultimately appropriated by the Congress, if we are given discretionary authority in making fund allocations, it is our intention to weigh all qualified applications on the basis of merit and in accordance with A.I.D.'s criteria for such assistance.

All of the institutions listed on page 16 of the Report of the Foreign Affairs Committee of the House, and all of the institutions listed on page 23 of the Report of the Foreign Relations Committee of the Senate, will be given consideration on the same basis as the institutions listed by A.I.D. on page D 90 of the 1972 Program Request to the Congress.

Sincerely,

JOHN A. HANNAH.

Mr. AIKEN. Mr. President, I yield back whatever time I have remaining.

The PRESIDING OFFICER. All time is yielded.

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

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho (Mr. CHURCH). On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SPARKMAN. Mr. President, on this vote I have a live pair with the senior Senator from Louisiana (Mr. ELLENDER). If he were present and voting, he would vote, "yea." I have already voted, "nay." Therefore, I withdraw my vote.

Mr. BYRD of West Virginia. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Louisiana (Mr. ELLENDER), the Senator from Georgia (Mr. GAMBRELL), the Senator from Alaska (Mr. GRAVEL), the Senator from Iowa (Mr. HUGHES), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. JACKSON), the Senator from Wyoming (Mr. MCGEE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Maine (Mr. MUSKIE), the Senator from Indiana (Mr. HARTKE), the Senator from Louisiana (Mr. LONG), the Senator from Minnesota (Mr. MONDALE), the Senator from California (Mr. TUNNEY) and the Senator from South Carolina (Mr. HOLLINGS) are necessarily absent.

On this vote, the Senator from South Dakota (Mr. MCGOVERN) is paired with the Senator from Washington (Mr. JACKSON).

If present and voting, the Senator from South Dakota would vote "yea" and the Senator from Washington would vote "nay."

I further announce that, if present and voting, the Senator from California (Mr. TUNNEY), would vote "yea."

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY), the Senator from New Hampshire (Mr. COTTON), the Senator from Kentucky (Mr. COOPER), the Senators from Nebraska (Mr. CURTIS and Mr. HRUSKA), the Senator from Arizona (Mr. GOLDWATER), the Senator from Iowa (Mr. MILLER), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from South Carolina (Mr. THURMOND) is absent on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

If present and voting, the Senators from Nebraska (Mr. CURTIS and Mr. HRUSKA) and the Senator from Texas (Mr. TOWER) would each vote "nay."

On this vote, the Senator from New York (Mr. BUCKLEY) is paired with the Senator from South Carolina (Mr. THURMOND). If present and voting, the Senator from New York would vote "yea" and the Senator from South Carolina would vote "nay."

The result was announced—yeas 47, nays 27, as follows:

[No. 283 Leg.]

YEAS—47

Allen	Dominick	Moss
Anderson	Ervin	Nelson
Baker	Fannin	Pastore
Bayh	Fulbright	Pell
Bentsen	Harris	Proxmire
Bible	Hart	Randolph
Brock	Hatfield	Roth
Burdick	Jordan, N.C.	Saxbe
Byrd, Va.	Jordan, Idaho	Spong
Byrd, W. Va.	Kennedy	Stevens
Cannon	Magnuson	Stevenson
Chiles	Mansfield	Symington
Church	McClellan	Talmadge
Cook	McIntyre	Welcker
Cranston	Metcalf	Williams
Dole	Montoya	

NAYS—27

Aiken	Fong	Percy
Allott	Griffin	Ribicoff
Beall	Gurney	Schweiker
Bellmon	Hansen	Scott
Bennett	Humphrey	Smith
Boggs	Javits	Stafford
Brooke	Mathias	Stennis
Case	Packwood	Taft
Eastland	Pearson	Young

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

Sparkman, against.

NOT VOTING—25

Buckley	Hartke	Miller
Cooper	Hollings	Mondale
Cotton	Hruska	Mundt
Curtis	Hughes	Muskie
Eagleton	Inouye	Thurmond
Ellender	Jackson	Tower
Gambrell	Long	Tunney
Goldwater	McGee	
Gravel	McGovern	

So Mr. CHURCH'S amendment was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FULBRIGHT. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. GURNEY. Mr. President, I have an amendment at the desk, which I call up and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment offered by the Senator from Florida will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. GURNEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

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

Mr. GURNEY'S amendment is as follows:

On page 29, line 22, after "SEC. 108." insert the following: "(a)".

And on page 32, between lines 5 and 6, insert the following:

"(b) (1) There is established a Joint Committee on the United Nations to be composed of nine Members of the Senate to be appointed by the President of the Senate, and nine Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. In each instance not more than five Members shall be members of the same political party.

"(2) The Joint Committee on the United Nations shall make a study of the financial and political participation of the United States in the United Nations and of the effectiveness of that international organization as it is presently constituted, and shall make necessary recommendations as to the future participation by the United States of America in the United Nations. Furthermore, the Committee shall recommend necessary modifications to the existing structure of the United Nations, and, with the approval of the Congress, these recommendations shall be presented to the President of the United States. The Committee shall submit its report containing said recommendations to the Congress no later than July 1, 1972 and shall terminate thirty days thereafter.

"(3) Vacancies in the membership of the Joint Committee shall not affect the power of the remaining members to execute the functions of the Joint Committee, and shall be filled in the same manner as in the case

of the original selection. The Joint Committee shall select a chairman and a vice chairman from among its members. The vice chairman shall act in the place and stead of the chairman in the absence of the chairman.

"(4) In carrying out its duties under this chapter, the Joint Committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings or investigations, to sit and act at such places and time, to require, by subpena or otherwise, the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The Joint Committee may make such rules respecting its organization and procedures as it deems necessary; Provided, however, that no measure of recommendation shall be reported from the Joint Committee unless a majority of the committee assent. Subpenas may be issued over the signature of the chairman of the Joint Committee or by any member designated by him or by the Joint Committee, and may be served by such person or persons as may be designated by such chairman or member. The chairman of the Joint Committee or any member thereof may administer oaths to witnesses. The Joint Committee may use a committee seal. The provisions of sections 192–194 of Title 2, shall apply in case of any failure of any witness to comply with a subpena or to testify when summoned under authority of this section. The expenses of the Joint Committee shall be paid from the contingent fund of the Senate from funds appropriated for the Joint Committee upon vouchers by the chairman. The cost of stenographic service to report public hearings shall not be in excess of the amounts prescribed by law for reporting the hearings of standing committees of the Senate. The cost of stenographic service to report executive hearings shall be fixed at an equitable rate by the Joint Committee. Members of the Joint Committee, and its employees and consultants, while traveling on official business for the Joint Committee, may receive either the per diem allowance authorized to be paid to Members of Congress or its employees, or their actual and necessary expenses provided an itemized statement of such expenses is attached to the voucher.

"(5) The Joint Committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and staff employees as it deems necessary and advisable. The Joint Committee is authorized to utilize the services, information, facilities, and personnel of the departments and establishments of the Government.

"(6) The Joint Committee may classify information originating within the committee in accordance with standards used generally by the executive branch for classifying Restricted Data or defense information.

"(7) The Joint Committee shall keep a complete record of all committee actions, including a record of the votes on any question on which a record vote is demanded. All committees records, data, charts, and files shall be the property of the Joint Committee and shall be kept in the offices of the Joint Committee or other places as the Joint Committee may direct.

"(8) There is authorized to be appropriated to the Joint Committee on the United Nations a sum not to exceed $250,000, to carry out the purposes of this subsection."

Mr. GURNEY. Mr. President, the amendment establishes a joint committee of 9 members each from the Senate and the House and charges it to study the financial and political participation of the United States in the United Nations, make recommendations for our further participation politically and financially, and report back by July 1, 1972, with recommendations.

If one thing has been apparent in the debate which we have had there this week on the Senate floor, it has been that, regardless of what one feels about the United Nations, its usefulness, its effectiveness, and our participation in it, our financial commitment is too high—last year being $317 million—and that the charter itself needs substantial revision in order that larger nations with great populations, which make large contributions, have more weight in the voting and affairs of the United Nations than some of the smaller nations, many of them with less than 1 million in population. One nation has only 200,000. All of these factors were apparent and were outlined in the Lodge Commission report which was rendered this past year.

It seems to me the only way we are going to come to grips with this problem is for the Congress itself to go ahead with specific recommendations and enact legislation on the ways for us to participate in the United Nations.

That is the reason that I have offered this amendment, which would accomplish that purpose. I would hope the committee would look favorably upon it.

Mr. FULBRIGHT. Mr. President, I yield myself 2 minutes.

I have discussed this matter with the distinguished Senator from Florida. I am very sympathetic to the objectives of his proposal, but it has not been submitted prior to just a few moments ago. The committee has not had an opportunity to consider it. It involves not only the substantive question, but the question of jurisdiction of committees and the method of appointing the joint committee. It is the kind of subject, it seems to me, that ought to be presented in a separate resolution, so that the proper committees could consider it.

I say to the Senator that I am sympathetic with the objectives. The committee has often discussed the question of what to do with mini-states issue, and the difficulties of responsible legislation in the United Nations.

But I submit that at this late date, I just could not accept it. I will commit myself, at the proper time, as soon as the committee can hold a hearing on it, if the Senator will submit it as a resolution.

The Committee on Foreign Relations has specific jurisdiction over this subject, and while I will have the hearing, I cannot assure the Senator that we will approve it, or that I will approve it. But I just could not accept a matter of this consequence at this late date.

I shall make only one other point: It is true that Congress ought to express itself, but we cannot by law change the Charter of the United Nations. All we can do is recommend that our representatives in the United Nations seek to do certain things, and that is what I think we should do, in due time. I am for that, and I am certainly for improvements in the way the United Nations operates.

This is not new. There ought to be some committee system, in which there is jurisdiction given to certain committees for specific purposes, in order to make their procedures more effective. But I just could not take the Senator's amendment at this late date.

I will say the committee will have a hearing on whatever resolution involving this matter is presented, and we will give the Senator an opportunity to appear, if he wishes to, and to present some witnesses.

Mr. GURNEY. I thank the distinguished chairman of the Committee on Foreign Relations. It is a fact, as he has pointed out, that we did not discuss this matter prior to the submission of the amendment. I agree that it is a drastic approach to the problem of the United Nations and our participation in it, and I think it should receive the consideration of the committee.

So, with the assurance of the chairman that he will hold hearings, I will introduce the proposal as a separate resolution, and express the hope that he will hold hearings as conveniently as possible. With that statement, I withdraw the amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

Mr. FULBRIGHT. Mr. President, I yield one-half minute to the Senator from Nevada.

The PRESIDING OFFICER. Who yields time?

Mr. AIKEN. Mr. President, I yield 2 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I have a situation to present to the Senate, in which I will be very brief:

At approximately 4:15 p.m. today, an amendment proposed by the Senator from Alaska (Mr. STEVENS) for himself and the Senator from Arizona (Mr. GOLDWATER) was adopted, which stripped the power of the AID administration to make loans at rates of interest less than the Treasury of the United States had to pay for money. It is the so-called concessional terms amendment. This amendment had been briefly eluded to in an earlier days debate in rather eliptical terms in a brief colloquy between Senator GOLDWATER and Senator FULBRIGHT.

That is a very serious and damaging amendment to the bill, and had I been here, I would have violently opposed it. But at that particular time, many Senators were hearing President Tito.

The matter does fall between two stools. We were assured that there would be no votes on amendments until 4 p.m. by the distinguished majority leader. President Tito stayed later. This was 4:15; he was still there, and we could not leave. It would have been very discourteous to a respected and honored visiting head of state to leave. However, during this very time interval a sweeping amendment was passed by voice vote by a nearly empty Senate Chamber.

Mr. President, I would move to reconsider the vote on the amendment, since

it was adopted on a voice vote accepted by the temporary manager of the bill. Therefore, I could move to reconsider.

However, I understand the condition and mood of the Senate, so I simply say this, that I hope—and I know the conferees are men of conscience—that they will take into consideration the conditions under which this amendment was adopted, as it will be in conference in connection with what is to be its disposition in our arrangement with the House of Representatives, bearing in mind that had it not fallen in this rather unfortunate vacuum it would have been strongly opposed on the floor.

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

Mr. JAVITS. I yield.

Mr. STEVENS. I would like to make certain that the Senator understands I had no notice that he had raised any objection to this amendment. It is an amendment which was discussed on the floor at some length 2 days ago, and I had no notice that the Senator had any objection to it.

I still strenuously believe it is a good amendment, and I hope the record will stand for itself.

Mr. JAVITS. The record will stand for itself. That is why I made the statement that I did. I ask unanimous consent that statements prepared to show how seriously harmful this amendment is be printed in the RECORD as a part of my remarks.

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

INCREASE IN INTEREST RATES

A.I.D. strongly opposes any amendment to increase the minimum interest rates on A.I.D. loans.

The less developed countries cannot afford to meet their development needs without loans on truly concessional terms. If they could afford to borrow money at commercial or near-commercial terms, there would be no need for foreign assistance.

An increase in interest rates would reduce the value of American aid, cut down the amount of foreign exchange available to less developed countries to procure U.S. products and services, and encourage other developed nations to reverse their recent trend toward lower interest rates.

Most aid to the less developed countries in Asia, Africa and Latin America has been financed by loans that must be repaid in hard currency with interest. Instead of reinvesting their gains in activities to support further growth the less developed countries have had to divert a considerable share of these gains into payments on foreign debts. The result of high cost aid is a staggering debt burden for the world's poorest nations.

The total public external debt of less developed countries reached about $59.3 billion at the end of 1969 compared with about $10 billion at the end of 1955.

The annual cost of servicing these debts has climbed from less than $1 billion in 1955 to $5.1 billion in 1968.

In 1969 49% of total aid from the rich to the poor countries of the free world is offset by reverse payments from the poor to the rich countries in service of past debts. In some countries the net transfer is approaching zero.

An increase in A.I.D. loan interest would add to that burden and tend to reverse the whole thrust of U.S. aid policy.

Since 1960, the U.S. has pressed other aid donors to improve the terms of their aid.

The United States set the example with its Development Loan program. Large-scale U.S. capital aid was financed by dollar-repayable loans to insure financial discipline but nominal interest rates and very long maturities in view of the limited ability of the poorer countries to service debt.

Other aid donors have responded to U.S. leadership. Between 1964 and 1969:

Canada dropped its average loan interest rate from 4.7% to 0.3%.

The United Kingdom dropped rates from 4.1% to 1.2%.

Japan dropped from 5.8% to 3.7%.

Denmark moved from 4% to interest free loans.

In contrast the terms of U.S. aid have hardened steadily since 1961.

Today nine other DAC countries provide aid on better terms than the United States—Australia, Denmark, Norway, Sweden, Belgium, The Netherlands, Canada, France and the United Kingdom. So does the Soviet Union.

Interest rates on A.I.D. loans have been raised four times since 1961 when A.I.D. Development Loans were made repayable in dollars at a minimum interest of ¾ of 1%.

In 1964 the minimum interest rate was raised to 2% following the 10-grace period.

In 1965 it was raised to 1% during the grace period and 2½% thereafter.

In 1967 the rate during the grace period was raised from 1% to 2%.

In 1968 the rate was raised from 2½% to 3% following the grace period.

The higher interest rate would apply not only to Development loans and Alliance loans, but also to convertible currency credit sales of American agricultural products under P.L. 480. Under P.L. 480 all credit sales must be for dollars or convertible currency by the end of 1971. Higher interest rates may raise the cost of American food above the level hungry countries can afford.

Any interest rate increase would make U.S. economic assistance more costly than the DAC average. It would encourage other DAC members to reverse the progress of the past five years and harden their aid terms.

The goal of the A.I.D. program is to deliver the maximum in American equipment, training and technical skill for every appropriated dollar. Higher interest rates divert more into debt service at the cost of actual delivered assistance, diluting the value of our aid and producing less real growth per dollar.

THE 1970 REVIEW—DEVELOPMENT ASSISTANCE

(Report by Edwin M. Martin, chairman of the development assistance committee)

III.—TERMS AND CONDITIONS OF ASSISTANCE

1. Recent trends in financial terms policies

(a) The overall position in 1969

For DAC Members as a group, commitments of official development assistance in 1969 amounted to $7.75 billion, a decline of $350 million from 1968. Loan commitments fell by $730 million while grant commitments increased by $380 million. As a result the share of grant commitments rose from 58 per cent to 66 per cent.

On the other hand, the terms of official development loans hardened a little for DAC Member countries combined. The average interest rate rose from 2.7 to 2.9 per cent, and maturities and grace periods fell slightly, from 31 and 7.2 years, respectively, in 1968 to 28 and 6.7 years in 1969. This was mainly due to a lower volume of commitments by the most concessional lenders and increased commitments by countries having harder programmes, notwithstanding the improved terms of the latter.

However, despite these slightly harder terms, the increase in the grant share of commitments was enough to increase the overall concessional element of official development assistance[1] from 80 to 85 per cent.

(b) Individual country positions in 1969

As in the past, the *Australian* official development assistance commitments in 1969 consisted entirely of grants the multilateral portion of which increased significantly.

The *Austrian* programme was notable for a general softening of terms. The grant share rose from 51 to 69 per cent and the grant element of loans from 25 to 33 per cent. The combined effect was an increase in the total grant element from 64 per cent in 1968 to 79 per cent in 1969.

For *Belgium* the grant share in official development commitments remained almost unchanged at around 94 per cent, but the average terms of official development assistance loans improved markedly and reached almost the new "DAC average" terms of 61 per cent grant element, as set out in the 1969 Supplementary Recommendation.

The *Canadian* programme showed a marked increase in the volume of both grants and loan commitments but the grant share in total official development assistance dropped from 83 to 60 per cent. The grant element of loans decreased slightly from 91 to 88 per cent although virtually all loans were extended at the Canadian standard terms of zero interest, 50 years maturity and 10 years grace period. Given this extremely soft loan programme, the drop in the grant share did not significantly affect the overall grant element of official development assistance which decreased only slightly from 97 to 95 per cent.

The structure of *Denmark's* aid programme was characterised by an increase in the grant share from 57 per cent in 1968 to 78 per cent in 1969. A significant rise in both bilateral and multilateral grants more that offset the decline in development loans, the financial terms of which remained unchanged. This led to an increase in the total grant element of development assistance from 90 per cent to 95 per cent.

In the *French* programme, the grant share increased from 72 in 1968 to 75 per cent in 1969. Since the relatively hard loan terms remained unchanged with a grant element of only 35 per cent, the grant element of total official development assistance rose from 81 to 84 per cent.

For *Germany*, the average terms of official development lending showed a slight improvement due to the lengthening of both maturities and grace periods. The grant share remained unchanged at 51 per cent so that the overall grant element rose from 74 to 77 per cent.

The overall grant element of the *Italian* programme declined from 50 per cent in 1968 to 43 per cent in 1969 due to the combined effect of a decrease in the grant share and a hardening of loan terms which remained at the harder end of the terms spectrum.

Japan's aid programme in 1969 saw a sharp rise in total official development assistance commitment, resulting from a significant increase in both loans and multilateral grants including capital subscriptions to multilateral agencies. This increase in volume, however, no more than put the Japanese programme back on the trend of recent years. The most notable feature in 1969 was the extension of two large rice loans at soft terms to Korea and Pakistan. The resulting increase in loan commitments, how-

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[1] The "concessional element" is found by subtracting the present value of scheduled future debt service payments (using a discount rate of 10 per cent) from the face value of a commitment; for a grant, the concessional element is 100 per cent, for a loan at 10 per cent it is zero.

ever, led to a marked drop in the grant share from 62 to 42 per cent. As a result, despite a slight improvement in loan maturities and grace periods, the overall grant element fell from 80 to 68 per cent.

The *Netherlands* average official development loan terms showed some improvement in 1969. At the same time, however, the volume of loan commitments decreased sharply. The grant volume also fell, but less markedly so that the grant share in the total programme increased from 52 to 70 percent. The combined effect was an increase in the overall grant element from 74 to 87 percent.

For *Norway*, the terms of official development loans, which account for less than 10 percent of the total programme, showed some significant softening, but the total grant element remained at 97 percent.

The terms of *Portugal's* official development assistance remained virtually unchanged as compared with 1968. A slight increase in the grant share led to an increase in the overall element from 73 to 74 percent.

The *Swedish* official development assistance programme in 1969 was characterised by a decrease in the volume of loan commitments only partially offset by an increase in grants. Average loan terms improved with respect to both interest rates and maturities resulting in an increase of their grant element from 73 to 82 percent. Since the share of grants rose from 75 to 85 percent, there was an increase in the total grant element from 93 to 97 percent.

For *Switzerland*, neither the size structure nor terms of official development assistance commitments changed appreciably in 1969. The overall grant element rose slightly to 93 per cent.

Terms and structure of the *United Kingdom's* official development assistance commitments, whose volume continued to decline in 1969, remained unchanged as compared with 1968. The grant share amounted to 47 per cent, the grant element of loans to 66 per cent and the overall grant element to 82 per cent.

The *United States* official development assistance commitments declined by some 16 per cent, but this is mainly the chance result of the different recording basis used (fiscal year in the US against calendar year in DAC statistics). Loans dropped by almost 50 per cent, but there was a marked increase in the volume of grants, in particular multilateral contributions. The result was an increase in the grant share from 54 to 70 per cent. The overall grant element rose from 84 to 89 per cent, despite a slight hardening in loan terms.

(c) Performance under the 1969 supplement

The 1969 Terms Supplement was adopted only in February 1969 and the resulting policy changes, if any, could not have become effective in most countries until later in the year or in 1970. Nevertheless, DAC countries' terms performance in 1969 is now for the first time being evaluated under the new norm.

It is recalled that the 1969 Supplement covers official development assistance commitments only, i.e. that part of the official flow which is under the direct control of donors' aid administrations and is intended to promote development and to be concessional in character. Furthermore, a condition of the 1969 Supplement is that the volume at qualifying terms as a percentage of GNP is not significantly below the DAC average.

Under the *grant test* which requires that a minimum of 70 per cent of total official development assistance be in the form of grants, Australia, Belgium, Denmark, France, the Netherlands, Norway, Sweden, Switzerland and the United States qualified in 1969. However, because of the low volume of official development assistance committed, Switzerland cannot be considered as having complied with the 1969 new norms.

Under the *minimum concessional element test* ("A-route") which provides for transactions having *each* a minimum grant element of 61 per cent to reach at least 85 per cent of total official development assistance, Canada and the United Kingdom have qualified with a sufficiently large volume. Switzerland would have qualified if the corresponding volume had been large enough. Moreover, of the countries which qualified under the grant test, all, except France and the Netherlands, also qualified under the "A-route".

Under the *average concessional element test* ("B-route"), which provides for an average grant element of at least 85 per cent for the softest 85 per cent of official development assistance, Austria would have qualified if the corresponding volume had been sufficiently large. In addition, all the countries which qualified either under the grant test or under the "A-route" also qualified under the "B-route".

Six countries did not qualify at all under the 1969 Supplement: Germany, Italy, Japan and Portugal because their terms did not meet any for the three routes available, and Austria and Switzerland because, although having met the terms standards, they failed to commit a large enough volume.

As far as Germany is concerned, its terms performance shows up most favourably under the "B-route." While the norm requires that the softest 85 percent of official development assistance have an average grant element of at least 85 percent, in the case of Germany a grant element of only 84 percent was reached. Hence, only a minor further effort is needed to qualify fully under the 1969 terms standards. It now seems likely that this will be possible in 1970.

In contrast, Italy, Japan and Portugal must make further progress to come within striking distance of the terms provisions as well as, with the exception of Portugal, of the required volume at qualifying terms.

(d) Performance under the 1965 terms recommendation

Although attention now focuses on the 1969 Supplementary Recommendation, this Recommendation itself urges those Members who "are still far from the standards of the original 1965 Recommendation . . ., while keeping the new objectives in mind, to concentrate their efforts on first meeting the original objectives."

In 1969 nine DAC countries were in full compliance with the 1965 Terms Recommendation. Australia, Belgium, Denmark, France, Norway, Sweden and Switzerland complied with the grant test, i.e. they provided more than 70 per cent of their total official commitments in the form of grants. Canada and the Netherlands complied with the three alternative provisions: *i*) at least 81 per cent of total commitments as grants and loans at 3 per cent interest or less, *and ii*) 82 per cent as grants and loans with a maturity of 25 years or more, *and iii*) a weighted average grace period of at least 6.4 years.[2]

Among the other countries, two fell short of compliance only by a very small margin: The United Kingdom failed to comply under the grace period provision, and the United States under the maturity provision.

The remaining five countries—Germany, Austria, Italy, Japan, and Portugal—were not in compliance with any of the provisions of the 1965 Recommendation. While the German performance indicates some progress towards meeting this goal, the latter four countries were not yet within striking distance of it.

In 1965 eight countries were in compliance with the grant test in contrast to seven in 1969. However, two qualified under the alternative test in 1969, but none in 1965. Thus, eight countries were not in compliance with any of the 1965 provisions against seven in 1969. However, since 1965 six countries have improved their grant element in official flows appreciably against only 3 countries for which it has worsened. It would not appear that the pressure exercised by the 1965 Recommendation on the terms policies of donors has caused major improvements, although it is not possible to know how much worsening of terms it may have prevented.

2. Financial terms and problems of indebtedness

Donors' terms policies can only be fully evaluated in the context of the growing debt difficulties of developing countries. The paragraphs which follow are designed to throw some light on recent trends of the indebtedness position of the developing countries and the increasing burden of service payments for at least a number of them. In Annex II of this report some of the statistical relationships between the developing countries' debt servicing capacity and the donors' terms response are examined.

The data collected by the IBRD on indebtedness show that for the 81 developing countries for which such information is available, public and publicly-guaranteed debt outstanding amounted to some $47.9 billion at January 1st 1968 and to about $53.4 billion at January 1st 1969. Comparing these figures with earlier IBRD estimates—$42.7 billion at January 1st 1967, $37.8 billion at January 1st 1966 and $22.0 billion at January 1st 1962—one arrives at annual rates of increase of 13 per cent between 1966 and 1967, 12.2 per cent between 1967 and 1968 and 11.5 per cent between 1968 and 1969; between 1962 and 1968, the developing countries' indebtedness rose at a compound rate of 13.8 per cent per year (and 13.5 per cent per year between 1962 and 1969). A provisional estimate reveals an increase of over $6 billion in the external public debt in 1969, which would bring total indebtedness at January 1st 1970 to a level of almost $60 billion. All these figures include roughly one-quarter of debt undisbursed.

Eight countries account for half of the total debt, as well as for half of the total GNP of the developing countries: India, Brazil, Pakistan, Mexico, Indonesia, Argentina, Turkey and Iran. Debt service payments by the 81 reporting countries have been estimated at roughly $4.7 billion for 1968—$3.3 billion as amortisation and $1.4 billion as interest. The following table illustrates the trend of indebtedness and debt serving between 1962 and 1969.

During the period 1962–1968, the debt service burden for the developing countries has risen by 10.4 per cent per annum, i.e. at a slower pace than the volume of total debt outstanding. In fact, terms softened during the years 1962–1964 whereas in the latter part of the period they became again somewhat harder. Furthermore, the debt relief operations which have taken place in a number of large debtor countries during this period, led to a slower growth of service payment than would otherwise have been the case.

Moreover, the average annual growth rate of 10.4 per cent is considerably higher than that of the export earnings of those countries for the same period. From 1962 to 1968, their export earnings rose at an average annual rate of 7.2 per cent. More recently, however, there was a more vigorous increase: 10 per cent from 1967 to 1968 and 9 per cent from 1968 to 1969. The total figures conceal a wide disparity among individual countries.

[2] The initial 7 years grace period as defined in 1965 is now equal to 6.4 years under the revised DAC statistical definition.

For example, the figure of 10 per cent is reduced to 6.5 per cent if the oil-exporting countries are excluded, though it must be noted that much of the increase in export credits has gone to these countries.

An important factor in aggravating the total debt service burden of developing countries has been the very substantial rise in export credits in recent years. While the net amount of official bilateral development loans was more or less stationary between 1967 and 1969 and net multilateral loan disbursements increased only modestly, export credits doubled during the same period. This is shown in the table below. To a large extent it is the responsibility of recipients to limit the volume of their export credit obligations to their debt servicing capacity. But it is also true that pressures to accept export credits become almost inevitable when donors cannot offer sufficient volumes of grants or loans at concession terms to finance capital goods imports believed to be needed to maintain planned rates of growth.

It is important to keep in mind that aggregate data on debt and debt service conceal the great variety of different situations in the individual developing countries. This is shown in the following table, in which the amounts of debt and of debt service payments in 1968 are compared for a number of countries. The ratio of debt service payments to debt itself is used in this context as an indicator of overall hardness of the composite flow of borrowing received by each country.

For all the developing countries as a group, their total debt service in 1968 was equivalent to 13.3 per cent of their debt outstanding, of which 9.4 per cent was accounted for by amortisation (corresponding to an average maturity period of 10.6 years) and 3.9 per cent by interest payments. As is shown in the table, these indicators differ considerably from country to country. For example, the indicators for India and Pakistan are significantly below the average, which suggests that the terms of debt outstanding for these two countries are relatively soft. However, if compared with the relevant indicator of debt servicing capacity, i.e. export earnings, the true burden becomes apparent.

Since 1956, eight developing countries—India, Brazil, Indonesia, Argentina, Chile, Turkey, Peru and Ghana—have negotiated 18 multilateral debt relief operations involving the consolidation of some $5 billion. Five other countries—Liberia, Yugoslavia, the United Arab Republic, Uruguay and Mali—had to negotiate similar bilateral agreements. While up to 1965 debt renegotiation arrangements concerned almost exclusively supplier credits, thereafter it has been necessary to include also government loans in these agreements for such countries as Turkey, India and Indonesia. This points to both the increasing seriousness and variety of debt problems.

On the donors' side, there has been a growing awareness of the debt problems of developing countries. Some DAC Members have made a deliberate effort to meet this situation by easier terms on new lending or by a higher grant share in their programmes. Where, in spite of these measures, balance-of-payments crises could not be headed off, the donors concerned have used other formulae to help the developing country out of its payments difficulties and to re-establish its credit-worthiness.

Notwithstanding the goodwill shown by both developed and developing countries, the basic problem persists: for the developing countries to acquire as much foreign capital as possible to accelerate their growth process without creating a viciously-cumulative indebtedness situation; for the donor countries to adjust the composition and the terms of their official assistance to the requirements of the individual recipients, taking full account of the need for terms harmonisation among them.

TABLE III-1.—THE STRUCTURE OF OFFICIAL COMMITMENTS—1969 COMPARED WITH 1968

[In million of U.S. dollars]

Country	Total ODA			Grants						ODA Loans			OOF Loans		
				Multilateral			Bilateral								
	1968	1969	Percent change	1968	1969	Percent change	1968	1969	Percent change	1968	1969	Percent change	1968	1969	Percent change
Australia	219	217	−0.9	18	27	50.0	201	190	−5.5	0	0	0.0			
Austria	22	21	−4.5	9	11	22.2	3	3	0	11	6	−45.5	6	7	16.7
Belgium	116	121	4.3	38	23	−39.5	72	87	20.8	6	10	66.7			
Canada	186	344	84.9	60	68	13.3	95	138	45.3	31	139	348.4	19	85	347.4
Denmark	81	89	9.9	32	47	46.9	14	21	50.0	34	21	−38.2			
France	1,305	1,285	−1.5	83	74	−10.8	851	887	4.2	370	323	−12.7		1	
Germany	607	642	5.8	144	138	−4.2	165	192	16.4	298	312	4.7	216	152	−29.6
Italy	193	244	26.4	25	33	32.0	37	33	−10.8	131	177	35.0	51	75	47.1
Japan	329	564	71.4	69	107	55.1	128	127	−.8	132	330	150.0		595	
Netherlands	[1] 250	173	−30.8	20	37	85.0	108	77	−28.7	121	59	−51.2		14	
Norway	27	30	11.1	15	14	−6.7	13	13	30.0	2	3	50.0			
Portugal	33	33	0				10	10	0	23	24	4.3	15	25	66.7
Sweden	105	99	−5.7	48	58	20.8	31	27	−12.9	26	15	−42.3			
Switzerland	35	33	−5.7	7	8	14.3	18	18	0	10	7	−30.0			
United Kingdom	560	487	−13.0	81	66	−18.5	176	162	−8.0	303	255	−15.8		1	
United States	4,032	3,371	−16.4	447	608	36.0	1,676	1,763	5.2	1,909	1,000	−47.6	797	592	−25.7
Total DAC	8,100	7,753	−4.3	1,096	1,320	20.4	3,595	3,748	6.9	3,407	2,680	−21.5	1,104	1,548	40.2

[1] Including multi-year commitments to Surinam and Antilles totalling $100,000,000.

TABLE III-2.—THE FINANCIAL TERMS OF OFFICIAL DEVELOPMENT ASSISTANCE COMMITMENTS IN 1968 AND 1969

Country	Grants as percent of total ODA commitments		Loans								Total	
			Weighted average						Grant element as percent of ODA loan commitments		Total grant element as percent of total ODA commitments	
			Maturity (years)		Interest rate percent		Grace period (years)					
	1968	1969	1968	1969	1968	1969	1968	1969	1968	1969	1968	1969
Australia	100	100	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	100	100
Austria	51	69	11.9	15.2	5.1	4.4	1.9	4.2	25	33	64	79
Belgium	95	92	21.9	27.2	3.2	2.6	6.1	8.3	49	60	98	98
Canada	83	60	50.0	48.5	.0	.3	10.0	9.8	91	88	97	95
Denmark	57	78	24.9	25.0	.0	.0	7.0	7.0	77	77	90	95
France	72	75	17.6	17.0	3.7	3.7	1.7	1.9	34	35	81	84
Germany	51	51	23.4	26.0	3.0	3.2	7.1	7.6	50	53	74	77
Italy	30	27	12.3	10.9	4.7	5.3	2.3	2.2	28	22	50	43
Japan	62	42	17.9	19.5	3.7	3.7	5.6	6.1	42	45	80	68
Netherlands	52	[2]70	27.9	28.6	3.8	3.1	6.4	8.1	45	56	74	87
Norway	92	91	23.0	36.0	2.2	1.7	5.5	7.9	56	68	97	97
Portugal	30	31	31.7	30.1	2.4	2.3	8.4	8.0	63	63	73	74
Sweden	75	85	34.0	47.2	1.5	0.9	9.6	10.0	73	82	93	97
Switzerland	75	78	32.9	34.9	2.2	2.1	7.7	7.4	64	65	90	93
United Kingdom	46	48	24.0	24.1	1.0	1.2	5.6	5.6	67	66	82	82
United States	54	70	38.0	37.1	2.6	3.0	9.0	8.7	66	64	84	89
Total DAC	58	66	30.7	28.4	2.7	2.9	7.2	6.7	58	56	80	85

[1] No loans.
[2] For terms purposes $5,500,000 of budgetary appropriations for the FMO are treated as a grant.

TABLE III-3.—PUBLIC AND PUBLICLY GUARANTEED DEBT OUTSTANDING AND DEBT SERVICE PAYMENTS FOR 81 DEVELOPING COUNTRIES

[In billions of U.S. dollars]

Year	Debt outstanding (beginning of the year)		Debt service payments		
	Including undisbursed	Excluding undisbursed	Total payments	Amortization	Interest
1962	22.0	----------	2.6	----------	----------
1966	37.8	28.4	3.9	----------	----------
1967	42.7	32.0	4.2	2.9	1.3
1968	47.9	36.0	4.7	3.3	1.4
1969	53.4	40.0	(5.3)	----------	----------
1970	(60.0)	----------	----------	----------	----------

TABLE III-4.—OFFICIAL BILATERAL DEVELOPMENT ASSISTANCE LOANS, MULTILATERAL LOANS AND EXPORT CREDITS BY DAC MEMBERS, 1962-69—NET DISBURSEMENTS

[Million U.S. dollars]

Year	Bilateral development assistance loans	Loans by multilateral agencies [1]	Private export credits [2] (net changes in amounts outstanding)
1962	910	194	571
1963	1,473	383	660
1964	1,761	469	860
1965	1,802	583	750
1966	1,994	537	1,106
1967	2,291	706	988
1968	2,302	474	1,579
1969	2,343	(850)	2,040

[1] Gross loans less capital repayments, capital subscriptions and multilateral portfolio transactions.

[2] Mainly officially guaranteed credits, but also including estimates for nonguaranteed credits and the nonguaranteed portion of guaranteed credits. Reporting coverage of this category of transaction is, however, far from complete.

TABLE III-5.—SOME INDICATORS OF DEBT STRUCTURE FOR SELECTED DEVELOPING COUNTRIES

Country	Debt outstanding as of Jan. 1, 1968 (disbursed only) (millions)	Debt service payments in 1968			
		Amount (millions)	As a percentage of total debt outstanding	Of which— Amortisation (percent)	Of which— Interest (percent)
Mexico	$2,162	$626	28.9	22.3	6.6
Argentina	1,781	478	26.9	20.8	6.1
India	[1] 5,604	357	6.4	3.7	2.7
Yugoslavia	1,157	256	22.2	17.0	5.2
Chile	1,117	171	15.4	11.5	3.9
Pakistan	1,893	153	8.4	5.2	3.2
Colombia	796	102	12.7	9.2	3.5
Spain	$408	$72	17.5	10.5	7.0
Tunisia	416	50	14.5	11.1	3.4
Morocco	[2] 481	48	10.8	6.6	4.2
Nigeria	[2] 403	41	10.2	6.5	3.7
81 countries	36,000	4,700	13.3	9.4	3.9

[1] As of Jan. 4, 1968.

[2] As of Jan. 7, 1968.

Source: IBRD.

Mr. FULBRIGHT. Mr. President, I yield 2 minutes to the Senator from Florida (Mr. CHILES).

Mr. CHILES. Mr. President, I have approached this vote on the Foreign Assistance Act of 1971 with a great deal of concern. I believe in foreign aid. I do not think that the United States can allow itself the luxury of living in a world in which a majority of mankind is poor without making some financial commitment to help meet this growing problem. But it makes a great difference how we lend financial air, what our policies are toward the poorer parts of the world, and how we organize ourselves for such an effort.

There are many aspects about the present bill that I am against, others that I have reservations about, and yet others that I favor. I could vote for this bill hoping that the much-needed change and redirection will evolve over a period of time, but the history of the foreign assistance program impresses upon me the fact that such change is unlikely.

I see no evidence in this bill, nor do I find any effort on the part of the administration, to provide the substance, understanding, and direction to our foreign assistance program. But for us to even attempt this we must understand a few things first.

First, we must know what we mean by aid. We cannot confuse economic and military security assistance as does the current legislation. Economic and military aid serve dramatically different purposes, and a clean separation between them in conception, in legislation, and in organization must be made.

Second, aid policy must be flexible. With the great changes occuring in Latin America and elsewhere in the world, we cannot assume a uniform policy can be applied across the board in all situations regarding such complex matters as expropriation. The Peruvian expropriation of IPC and the Chilean copper expropriation are quite different. We have to be in a position to respond creatively not rigidly to such circumstances. Neither do I think that Congress should allow the President unlimited authority in foreign policy matters nor do I think that the President's hands should be unduly tied. We have to seek some middle ground which the present legislation has failed to formulate.

Third, my feeling is that there is something of a vacuum in our foreign policy toward poor countries. In this vacuum old procedures and programs continue without the essential vitality provided by the continual definition and redefinition of basic policy guidance. Our foreign aid is now a program without a policy framework to give it purpose and relevance to our current understandings of national interests. We have no understanding of why or how much aid we give to other countries, it seems that we select random countries and amounts without determining the countries that need our aid. Until we have a better sense of where we are going in our relations with developing nations, I don't think we should keep the vestige of a worn-down program.

Fourth, the important matter of how we organize ourselves for a development program has been totally ignored by the present legislation. The institutional changes required to correct past deficiencies in our aid operations have been the subject of several high level study commissions. There has been general agreement among these studies as to what needs to be done and the President's message to the Congress last April reflected this consensus. Nevertheless, the present legislation would leave the old organizational structure untouched, and continuing the kinds of programs, technical assistance and others, that have built up vast bureaucratic structures that feed upon themselves without any evaluation of what needs to be accomplished and what is actually being accomplished. We cannot continue our foreign assistance program without addressing ourselves to the need for institutional change.

Fifth, this particular bill has become a shadow of what it was to have been. It has become a Christmas tree adorned with ornamental amendments representing the frustrations of individuals or groups. Furthermore, the focus of the debate has been on these amendments, on the peripheral problems, and not on the purpose, direction, and substance of foreign assistance. We literally cannot see the tree for the ornaments.

Finally, the scope of our foreign aid program must be viewed in consideration of domestic priorities. Without an understanding of the importance of pushing back the tide of inflation, securing the U.S. dollar and addressing the vital domestic needs we cannot but continue to increase the disenchantment and frustration here at home.

Significantly, I feel that these issues

have not been sufficiently discussed in the body of the Senate. There have been few if any substantive proposals that would redirect our foreign asistance program nor much toward understanding why we would even want to maintain our present program. The change that must come about in our complete approach toward foreign assistance will not come about if we maintain our present course, and pass this bill. Because I feel that we have to reach certain basic understandings about the policies, programs and procedures of our asistance before this country goes much further, and because I feel that the only way this can happen is to bring about an abrupt halt to the present undirected and unpurposeful bill that is now before us. I intend to cast my vote against this bill.

Mr. FULBRIGHT. Mr. President, I yield 1 minute to the Senator from Virginia.

Mr. BYRD of Virginia. Mr. President, the pending bill would authorize the expenditure of $3.2 billion in foreign aid. This figure compares with the 1970 appropriation for similar items of $1.885 billion. Thus, it is nearly double the amount that was appropriated in 1970.

Besides that, last week, the Senate approved the expenditure of $2 billion for international financial institutions.

Thus, if this bill is passed tonight, the Senate will have approved more than $5 billion in foreign aid during the course of just 1 week.

Mr. President, I shall vote against this bill.

Mr. NELSON. Mr. President, the foreign aid bill is now before us for final passage, and even though it contains a number of appropriations that I support, I am going to vote against the bill because it contains $341 million for military and economic aid to Cambodia.

Like the military authorization bill which I opposed because it contained $252.1 million for that ever-expanding, secret war in Laos, this bill also further deepens our military involvement in Southeast Asia, and it does this in spite of all the administration assurances we are given that we are ending our military involvement.

The Pentagon planners are now talking about expanding the Cambodian military and paramilitary units to such a point that by 1977, about 10 percent of the nation's 7 million population, nearly half of the adult male population, will be armed and the United States is bankrolling the operation.

It is superfluous, but necessary, to point out again that we have not learned from our military adventure in Vietnam. An adventure that has taken the lives of more than 50,000 Americans, seriously injured tens of thousands more, and cost over $100 billion, all to no avail.

And it was lives and money squandered to support military and political leaders who show no discernible interest in establishing a free society or a democratic form of government.

The recent elections in Vietnam and the recent public statements of Cambodian Prime Minister Lon Nol emphasizes that fact.

In an October 16 public address, Lon Nol effectively muted its opposition in the Cambodian National Assembly by turning it into a Constituent Assembly to rewrite the country's constitution.

Nol attacked his critics and those who wrote articles defaming the prestige of the Cambodian Army. And then in what must have been an embarrassing observation for administration apologists, he said:

> We now reach the turning point in the history of our fatherland as we have to choose between the following two paths: whether we keep on playing the game of fruitless democracy—freedom which will inevitably lead us towards a certain fall, or whether we curtail the anarchist democracy for the sake of victory.

We cannot in good conscience continue our massive financial involvement in Cambodia and the public would not support it either if the issue were understood. But, unfortunately, our involvement is mostly secret and, like Laos, not widely discussed or understood.

Mr. TUNNEY. The Saxbe-Church amendment in the bill is not only the first essential step we must take toward restoring some balance of justice, sanity, and peace to the turbulent region of East Pakistan, but can also mark the dawn of a new era of rationality and good sense in U.S. policy toward South Asia.

The misguided premises of the cold war, which gave birth to our post-1954 policy of providing guns instead of butter to Pakistan's impoverished population, on the assumption that such military assistance would bolster all of South Asia's northern perimeter against potential Communist assault was an appropriate policy. It was shattered in 1962, and again in 1965, and has by now surely lost the last shreds of whatever credibility it may once have possessed.

Pakistan has never used a single U.S. bullet, tank, or plane against any Communist invader, but instead has turned those weapons which we have so lavishly provided her against her neighbor India in 1965, and, since March of 1971, against her own people in East Bengal. The American people should no longer abide such brashly cynical, unconscionably destructive, and totally wasteful use of our national resources.

The United States must stop seeking to purchase the friendship of nations in Asia, and elsewhere, by military bribery. The failure and perversity of our Pakistan policy to date is most glaringly obvious when we consider how much damage it has done to our relations with India. We have forgotten that India is a truly democratic friend of our country; and that she has been deeply wounded by our military aid to Pakistan, both in 1965 and throughout the past 7 months. India now bears the burden of an estimated 9 million refugees on her soil, and daily confronts Pakistani troops, tanks, and guns on her borders, West as well as East. It is easy enough, from this distance, for our State Department to counsel restraint to New Delhi as well as to Islamabad. Let us rather first restrain ourselves, by ceasing all further shipments of arms of any kind of Pakistan. Let us exercise such vital restraint here and now.

Let us forthrightly admit that the era of Dulles diplomacy is dead, and that nations who are militarily with us may often be morally and practically against us; while others, like India, who prefer to walk an independent path, may indeed be moving in the same directions as ourselves, toward the same goals of peaceful development for all mankind, within political structures based on social equity as well as freedom, dedicated to the raising of living standards, and the lowering of human death rates.

The time has come to rethink our entire policy in Asia, to reject the false security of military alliances that prove inadequate when needed and of negative value the rest of the time, when they serve only to bolster their own dictatorial regimes. Let us rather return to the fundamental principles that made America man's best hope, and work with other great democracies such as India, our natural allies, who share our high ideals and aspirations for the achievement of world peace and prosperity.

Mr. KENNEDY. Mr. President, once more, we stand to express the opinion of the U.S. Senate as to whether this Nation should support a military government that has demonstrated disdain for both the institutions of democracy and the rights of individuals.

And let me say at the outset, the opinion of the Senate cannot be determined by the actions of the Vice President. His decision to embrace the military rulers of Greece and to laud their accomplishments violates the traditional respect of both the United States and Greece for freedom and democracy.

For the past 4 years, this regime of generals has ruled by fiat and turned so far from its ancient heritage that it has become a pariah in the councils of Western Europe.

The Council of Europe has condemned the Greek junta for the systematic use of torture as a part of its policy to prohibit political dissent.

The Common Market Commission has denounced the unending political arrests and has concluded that there has been no evidence in Greece of "a return to normal democratic life."

Only last month, the North Atlantic Assembly, representing the parliaments of the Western Alliance, urged Greece "to end the political injustice which characterizes Greece's internal situation."

The current repression in Greece is particularly tragic when we recall that nation's historic role as the originator of the democratic ideal and when we remember that Greece lost over 20 percent of its population in the struggle for freedom during World War II.

It was in recognition of that history that the Foreign Relations Committee decided to suspend military and economic assistance to Greece, over the administrations objections. However, the committee permitted the President to waive that restriction if he determines that security requirements demand it. I oppose even that discretion being given the President after the recent trip by

the Vice President. His actions demonstrate that this administration finds nothing to criticize in the behavior of the Greek Government. I find much to criticize in that behavior.

Now the Senator from Alabama has proposed that all restrictions on military or economic aid to Greece be removed. I find that amendment particularly inappropriate when we look at the authoritarian and repressive regime that now rules Greece.

We should not continue to send weapons to a military regime which uses those weapons principally against its own citizens.

Our indifference to the denial of political liberty to the people of Greece is neither in our national interest nor in the interest of freedom and justice throughout the world.

It is time for this Nation to turn away from the security of traditional habits and attitudes and accept the challenge of leadership by bringing our actions into accord with our ideas. I urge the Members of the Senate, as I urge the President of the United States, to use our influence for the cause of freedom in Greece. The clearest expression of that influence would be a refusal to send to Greece the weapons that the junta demands, weapons that could be used to deny political freedom to the people of Greece. Let us act because it is the right thing to do; let us act because it is in the interest of freedom, and let us act because it is unconsciousable to remain silent in the face of political repression.

Mr. HATFIELD. Mr. President, the bill contains funds for continuing the war in Indochina.

In its present form, it includes about $341 million dollars in aid to Cambodia, our latest client state in the war that we hear is winding down.

The bill contains funding for military aid programs in Laos, Thailand, and South Vietnam after July 1 of 1972.

Although it also contains the Mansfield amendment, there is no provision in the bill for cutting off the funds which support the war.

Furthermore, this bill contains at least $1.7 billion in military and military related aid.

The trend that this suggests disturbs me deeply. As the distinguished chairman of the Foreign Relations Committee has pointed out, in the past year, besides the mammoth aid program instituted in Cambodia, the executive branch has reversed a longstanding ban on arms to Indonesia, doubled our aid to Korea, and waived the congressional ceiling on arms to Africa and Latin America.

Furthermore, as a result of action on the floor, the regime in Greece now qualifies as a recipient of our military aid.

I trust that the "Nixon doctrine" means something other than supplying the American arms and the money, rather than the American lives, for the regimes we want to survive.

I am most deeply disturbed by the thought that we are relying more on military hardware given to other countries as a primary means for pursuing our foreign policy objectives and working for some kind of peace in the world. Further, it is the moral insensitivity of this approach that I cannot accept. It is suggested that our hardware, our ammunition, our planes, our bombs, and our ships can all be used as long as it is not our men—but rather theirs—that will have to sacrifice their lives. Thus, I question the increased degree that we are using military aid as an instrument of our policy, and cannot support the amount of funds in this bill that authorizes that military aid.

The Foreign Relations Committee has done a superb job in its efforts on the Foreign Assistance bill. Their hearings, and the measures they have written into the bill have been significant steps in beginning to reassert simple, reasonable congressional controls and checks on the executive branch's use of foreign aid funds.

But in its present form, authorizing massive amounts of military aid and not bringing a halt to the funds spent in Indochina, I cannot support the bill. Therefore, I shall vote against the Foreign Assistant Act.

Mrs. SMITH. Mr. President, in view of the vigorous complaints by some members of the Committee on Foreign Relations against the Committee on Appropriations during the past 2 years on the charge of invasion of committee jurisdiction, I note with interest the current invasion by the Committee on Foreign Relations into the jurisdiction of the Committee on Appropriations.

In this bill, the invading section is 514 (d) under which the foreign currency generated under section 514 would be available for expenditure without any further action by the Appropriations Committee of the Congress.

On its face, subsection (d) is an attempt to oust the Appropriations Committees of their jurisdiction and to bypass the appropriations process.

In effect, subsection (d) authorizes backdoor financing of the foreign currencies cost of all Government operations overseas, particularly, international educational and cultural exchange activities, without further review by the Congress of the need for such expenditures.

Apparently, Mr. President, it depends on who wears the shoe as to the discomforting fit.

Mr. TUNNEY. Mr. President, only the most drastic of circumstances would force me to vote against a foreign aid authorization bill. Yet that is exactly the situation we currently face.

In the past 3 days, the country has watched the tragic spectacle of the U.S. Senate emasculating the premises upon which every constructive development policy in this country has been founded.

The Senate Foreign Relations Committee after weeks of hearings and careful consideration, submitted to the Senate a comprehensive and constructive foreign aid bill. It no longer resembles anything which could be called constructive. It is now merely a vehicle for the most antiquated, unrealistic and untenable positions.

The Senate yesterday deleted a provision of the bill which would have repealed the 1955 Formosa resolution. That resolution allows the President to employ unilaterally the Armed Forces of the United States to protect Taiwan and the Pescadores and, in connection therewith, the offshore islands referred to in the Formosa resolution. The repeal of the Formosa resolution would not have affected the validity of the Mutual Defense Treaty of 1954 between the United States and the Republic of China.

Under that treaty, however, any action by the United States in the event of an armed attack directed against Taiwan or the Pescadores must be taken in accordance with our constitutional processes.

So, the Senate determined that our constitutional processes were insufficient. Even after Vietnam, the U.S. Senate yesterday determined that the President—on his own—can intervene again in the Far East. By 1971, we should know that that result is intolerable.

After the Senate told the President that he could ignore the Constitution in Taiwan, it then eliminated the Cooper-Church amendment and accordingly, refused to affirm the statement that "it is the sense of the Congress that it should be the policy of the United States to provide for the expeditious withdrawal from Indochina of all U.S. Armed Forces."

The Senate also refused to restrict to withdrawal purposes those funds which we have authorized for use by our Armed Forces in Indochina, except for actions necessary to protect these forces against eminent danger as they are withdrawn.

Just to be sure that no one had any doubts as to its mood, the Senate also: first, sliced by 50 percent for each of the fiscal years 1972 and 1973 the authorizations for American supported schools and hospitals abroad; second, urged the President to restrict the percentage contributions which the United States could make to the United Nations; third, refused to provide $200 million for the relief of East Pakistani refugees who are starving in India, while at the same time; fourth, raised the ceiling on funds to Cambodia by close to 40 percent; fifth, slashed $160 million in loans to developing nations, none of which was slated for military assistance; sixth, cut the loan development fund in half; and seventh, restored military assistance to Greece.

Mr. President, this body has taken the guts out of this bill. It has eliminated the policies of the 1970's and inserted instead outdated policies of the 1940's and 1950's

I cannot support the bill in this form. I wish that I could, Mr. President, because I believe in constructive foreign assistance.

I believe that developing countries deserve and require our assistance. I believe that free societies and societies that are struggling to become free should be assisted—economically and socially. I believe that our Nation must lend an economic hand in the quest for democracy and development.

But this bill does not do that. This bill continues to provide military aid where it should not be provided. It refuses to provide economic assistance where it is desperately needed. It reverses and misplaces our priorities.

Mr. President, some of the countries who are assisted in this bill must receive our aid. Israel, for example, and India,

and the developing countries of Africa and Latin America require economic and technical assistance. I believe that separate legislation must, therefore, be enacted in order to provide that assistance. I shall support that legislation.

But I cannot lend my support to this emasculated bill which passes itself off as foreign aid. I cannot ignore all of the lessons of our tragic experience in Indochina. And I cannot, in this week of frenzy because of a hasty and ill-considered United Nations decision, allow that mistake to overshadow all of the constructive purposes our aid program can serve.

Accordingly, Mr. President, I must vote "no" on the Foreign Assistance Act of 1971, as amended on the floor of the Senate.

As I state my position, Mr. President, I assume that if this bill is defeated, a continuing resolution will be passed to maintain ongoing foreign aid programs. This will give the Foreign Relations Committee a chance to rework and improve the foreign assistance bill.

Mr. COOK. Mr. President, the foreign assistance authorization bill now before this body is another episode in the continuing story of misguided American efforts to aid the peoples of the world. Although an increasing number of our colleagues has begun to recognize the futility of our efforts, the Congress seems determined to toss American resources to the wind.

Foreign assistance has always been viewed as the best means of fulfilling the obligations which a wealthy nation owes to its less fortunate neighbors. It is a humanitarian ideal, and certainly a commendable one. Too often, however, our aid is diverted, misappropriated, and otherwise disposed in manners contrary to its purpose. Sometimes this fate is unavoidable; but more often it is due to our failure to insure the proper applications of the aid, and the desire of foreign governments to convert this aid to their own malicious and deplorable activities. Until these abuses cease, our foreign assistance programs are doomed to be ineffective and wasteful.

Foreign aid is designed to promote the health and welfare of foreign peoples, whose countries do not possess adequate resources to provide a decent standard of living for those people. When that goal is also the goal of the government officials, our assistance can be most beneficial. When, however, the interests of those governments become separated from the interests of their people, our aid serves only to strengthen the tyrannies which our way of life holds so abhorrent. In East Pakistan, our efforts to feed a starving people served only to provide energy for an oppressive military regime. In many other areas of the world, our "aid for peace" has become "arms for war." If we do not desire a world in which governments control their people rather than serve them, we must drastically alter the course which our foreign assistance programs have taken. We must place the governments of the world on notice that the United States will not support the welfare of governments, for governments are merely threads in the fabric of a people. It is the welfare of man, not his institutions, that should be the object of our efforts.

Mr. President, the proposal before us does nothing to remedy this shameful situation; for that reason, I shall cast my vote in opposition to the measure.

Mr. SPONG. Mr. President, on October 21 I submitted to the Committee on Foreign Relations some supplemental views on the foreign aid authorization bill, and these were printed in the committee report. Since these views cover my principal concerns over the pending legislation, I ask unanimous consent that they be printed at this point in the RECORD:

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

SUPPLEMENTAL VIEWS OF SENATOR SPONG

I voted against reporting the Foreign Assistance Act of 1971 favorably. I believe it should have been reported without recommendation. My vote against reporting the bill favorably was cast with reluctance, because while there are authorizations and approaches to which I object, there is much in the bill I support.

These supplemental views are, therefore, filed as a protest, a general protest against the entire approach to foreign aid and a specific protest against three aspects of the foreign aid authorization process which have presented particular problems this year. First, I am opposed to the consideration of security assistance, i.e., military assistance, foreign military sales and economic supporting assistance, in the same legislation in which economic and development assistance is considered. These two general categories of foreign spending have different goals and objectives and should be separated. Furthermore, almost two-thirds of the Administration's request in this legislation was for military and security assistance rather than for economic and development assistance, a factor which should be more fully evident but which is obscured when the two are considered together. Secondly, I am opposed to increased authorizations at a time when the United States must combat inflation and make new moves to re-secure the dollar and when there are so many pressing domestic needs. I am aware that the previous authorization bill was one of the lowest in the history of the foreign aid program and that argument can be made for increases, but I believe our economic situation dictates that we restrict government spending at this time. Thirdly, I am opposed to trying to draft foreign aid legislation on the basis of the limited information which has been available to the Committee. This problem has been documented in a report prepared by the General Accounting Office and issued on September 20, and it has received widespread press coverage during recent months. It should be obvious that it borders on the impossible to draft good legislation without the pertinent background material and that it is unreasonable to expect a Congressional committee to authorize expenditure of the American taxpayers' money without adequate information.

Consequently, I am hopeful that these supplemental views will contribute in some small way to achieving a new approach to foreign aid.

Mr. SPONG. Mr. President, I believe it important to observe that the Senate Foreign Relations Committee completed action on H.R. 9910 prior to the vote Monday night at the United Nations. Consequently, my opposition to the bill does not derive from those activities, despite my belief that the United Nations acted unwisely on the China question.

Furthermore, my opposition to the bill does not relate to the elimination of a policy statement on Southeast Asia. I have always had great sympathy for the President on the difficult matters related to Southeast Asia and applaud his efforts at disengagement. At the same time, I believe that the war power is a shared power, that both the executive and legislative branches of Government have responsibilities in this area. That is why I support war powers legislation. That is why I have supported the Mansfield and Church-Cooper amendments. I view these amendments as an exercise of co-operative responsibility for ending American participation in the hostilities in Indochina while assuring protection of our troops during the period of disengagement.

The formation of war policies, from this period on, must, of necessity, involve mutual and cooperative efforts on the part of the legislative and executive branches. And, I perceive the Mansfield and Church-Cooper amendments as simply that.

Finally, in voting against this legislation, I am not advocating a move toward the dangerous policy of isolationism. I have consistently supported our commitment to NATO and sought to see that our Nation maintains the necessary defense posture. I voted recently for U.S. contributions to the multinational Asian Development Bank, Inter-American Development Bank and International Development Association. Even during consideration of this bill, I have opposed certain attempts to restrict development and nonmilitary aid. On the other hand, our Nation cannot and should not be the world's policeman or the world's sugar daddy. As a result we must seek a balance in which we shoulder our share of world responsibility without overcommitting and overextending ourselves. In view of our Nation's economic difficulties at home and abroad, however, I do not believe that the bill as it now stands should be passed, for I believe that it proposes to do more than we should and more than we need to in order to carry out our responsibilities.

FOREIGN ASSISTANCE ACT OF 1971 MUST BE BASED UPON WORLD REALITIES AS THEY EXIST

Mr. BYRD of West Virginia. Mr. President, the judgment which we are called upon to make with respect to the Foreign Assistance Act of 1971 must be based upon world realities as they exist, not upon any outmoded concepts, not upon any wishful thinking about the effectiveness of our foreign aid program in recent years.

I was struck by the candor in the committee report on this bill.

There is—general agreement among members of the committee that the aid program as constituted must be drastically altered and reshaped—For the last several years Congress has allowed it to continue more by sufferance—than through true support. In view of the dearth of enthusiasm for the existing program, the government's fiscal crisis, and the state of our economy and our society, it is remarkable that there is a foreign aid bill at all this year.

This disillusioned, but realistic, view certainly does nothing to win my support for the program, and I shall vote against the bill.

If there were any lingering misconceptions about the wisdom and value of much of our foreign aid efforts, the action of U.S. "friends" during the past week should dispell them once and for all.

I do not say that this bill should be opposed or defeated in any spirit of retribution for U.S. setbacks in the U.N., for I oppose our foreign aid mish-mash before these recent events occurred.

What I do say is that these diplomatic setbacks ought to open our eyes to the general failure of our foreign aid programs to attain objectives in recent years beneficial to our own best interests.

The American people have traditionally been generous to other peoples in times of distress and disaster. It is one thing to help suffering people such as the Pakistani refugees—and we should do that. But it is something else again to provide American resources to help nations which are not suffering such distress and which may, in fact, be well off economically and pursuing ends inimical to our own.

The first duty of the Congress is to the American people. There can be no question about what we have done for other nations in the period since the end of World War II. History has never recorded a greater concern on the part of one nation to see that other nations less fortunate were given a helping hand. The total of U.S. foreign aid since World War II is now near the $140 billion mark. But the altruistic aims which prompted this spending in behalf of others have not always had good results to us, and the time has long since passed for decisions affecting the future of the program to be based on what is best for our own country.

We simply cannot afford, with so many of our own people out of work and with our own economic future hanging in the balance, to continue to pour out more than $3 billion a year in a worldwide giveaway. It is time to quit temporizing and bring this illogical squandering of U.S. resources to a halt. Both the changing world situation and the uncertainty of our own domestic situation indicate to me the utter folly of continuing our foreign aid program on anything like the present basis.

I am constrained to say that our foreign-aid program has actually contributed to our own economic difficulties. We have lavishly poured funds into projects in foreign lands while withholding funds from urgently needed projects at home—funds which could have provided the stimulant to make our economy soar. And our largess has strengthened those abroad who now compete with us.

Seldom has one nation done so much for so many and received so little in return. Our tradition of generosity has clouded our vision, and now the day of reckoning has come.

I do not see a vote against this bill as in any way a vote for repudiation of American commitments, promised or implied. I see it instead, as recognition of the fact that we have reached a point of diminishing returns in what we have sought to do abroad. I see it as recognition of the fact that programs do outlive their usefulness. A vote against $3 billion more for foreign aid means to me a vote for a return to hard-headed Yankee realism where America's interests are concerned—a realism that has almost been lost in the fuzzy thinking which has, too long, kept this program alive.

Human nature operates in the foreign-aid program just as it operates in welfare programs. As long as the Government gives money away there will be those who will eagerly take it.

We have an obligation to help those who cannot help themselves, of course. We should be generous to those in real distress at home and abroad.

But the United States has no obligation that I know of to help any and all nations regardless of their attitude toward us. It is distressing to me to know that this bill proposes the authorization of more than two-thirds of its $3.2 billion total for 58 nations which abstained or voted to expel Tiawan from the United Nations and to bring Communist China in.

I repeat that my vote against this bill will not be in retaliation for any recent action of any nation. But I think it behooves us to act upon this measure with a clear knowledge of whom we propose to help and why.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the committee amendment as amended and the third reading of the bill.

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

The bill (H.R. 9910) was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall it pass?

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

The yeas and nays were ordered.

The PRESIDING OFFICER. Do Senators yield back their time on the bill?

Mr. FULBRIGHT. I yield back the remainder of my time.

Mr. GRIFFIN. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back.

The bill having been read the third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. KENNEDY (when his name was called). On this vote I have a live pair with the Senator from California (Mr. TUNNEY). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withhold my vote.

Mr. NELSON (when his name was called). On this vote I have a live pair with the Senator from Minnesota (Mr. HUMPHREY). If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withhold my vote.

Mr. SCOTT (when his name was called). On this vote I have a live pair with the distinguished Senator from New Hampshire (Mr. COTTON). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withhold my vote.

Mr. SPARKMAN (when his name was called). On this vote I have a live pair with the senior Senator from Louisiana (Mr. ELLENDER). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withhold my vote.

Mr. METCALF (after having voted in the affirmative). On this vote I have a live pair with the Senator from Georgia (Mr. GAMBRELL). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withdraw my vote.

Mr. BYRD of West Virginia. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Louisiana (Mr. ELLENDER), the Senator from Georgia (Mr. GAMBRELL), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Iowa (Mr. HUGHES), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. JACKSON), the Senator from Louisiana (Mr. LONG), the Senator from Wyoming (Mr. MCGEE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Minnesota (Mr. MONDALE), the Senator from Maine (Mr. MUSKIE), the Senator from California (Mr. TUNNEY), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

On this vote, the Senator from Minnesota (Mr. MONDALE), is paired with the Senator from South Carolina (Mr. HOLLINGS).

If present and voting, the Senator from Minnesota would vote "yea," and the Senator from South Carolina would vote "nay."

On this vote, the Senator from Wyoming (Mr. MCGEE) is paired with the Senator from South Dakota (Mr. MCGOVERN).

If present and voting, the Senator from Wyoming would vote "yea," and the Senator from South Dakota would vote "nay."

I further announce that, if present and voting, the Senator from Alaska (Mr. GRAVEL), and the Senator from Washington (Mr. JACKSON) would each vote "yea".

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY), the Senator from New Hampshire (Mr. COTTON), the Senator from Kentucky (Mr. COOPER), the Senators from Nebraska (Mr. CURTIS and Mr. HRUSKA), the Senator from Arizona (Mr. GOLDWATER), the Senator from Iowa (Mr. MILLER), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from South Carolina (Mr. THURMOND) is absent on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

If present and voting, the Senators from Nebraska (Mr. CURTIS and Mr. HRUSKA), and the Senator from Texas (Mr. TOWER) would each vote "nay."

If present and voting, the Senator from New York (Mr. BUCKLEY) would vote "yea."

The pair of the Senator from New Hampshire (Mr. COTTON) has been previously announced.

On this vote, the Senator from Kentucky (Mr. COOPER) is paired with the Senator from South Carolina (Mr. THURMOND). If present and voting, the Senator from Kentucky would vote "yea" and the Senator from South Carolina would vote "nay."

The yeas and nays resulted—yeas 27, nays 41, as follows:

[No. 284 Leg.]

YEAS—27

Aiken	Case	Packwood
Allott	Fong	Pearson
Anderson	Griffin	Percy
Baker	Harris	Proxmire
Beall	Hart	Ribicoff
Bellmon	Javits	Schweiker
Bennett	Mathias	Stafford
Boggs	McIntyre	Stevenson
Brooke	Moss	Taft

NAYS—41

Allen	Dominick	Pastore
Bayh	Eastland	Pell
Bentsen	Ervin	Randolph
Bible	Fannin	Roth
Brock	Fulbright	Saxbe
Burdick	Gurney	Smith
Byrd, Va.	Hansen	Spong
Byrd, W. Va.	Hatfield	Stennis
Cannon	Jordan, N.C.	Stevens
Chiles	Jordan, Idaho	Symington
Church	Magnuson	Talmadge
Cook	Mansfield	Weicker
Cranston	McClellan	Young
Dole	Montoya	

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—5

Kennedy, for.
Nelson, against.
Scott, for.
Sparkman, for.
Metcalf, for.

NOT VOTING—27

Buckley	Hartke	McGovern
Cooper	Hollings	Miller
Cotton	Hruska	Mondale
Curtis	Hughes	Mundt
Eagleton	Humphrey	Muskie
Ellender	Inouye	Thurmond
Gambrell	Jackson	Tower
Goldwater	Long	Tunney
Gravel	McGee	Williams

The ACTING PRESIDENT pro tempore. On this vote, the yeas are 27, and the nays are 41. The bill is not passed.

Mr. FULBRIGHT. Mr. President, I move that the vote by which the bill was rejected be reconsidered.

Mr. BYRD of Virginia. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, an event of unusual occurrence has just taken place in the Senate this evening.

What the Senate in its wisdom has done has been possibly, to mark the end of the foreign aid program as it has been enunciated since the period following the Second World War, beginning primarily with the Marshall plan in 1948 and extending down to the present.

During that period, in the President's own words as he addressed the Nation in mid-August on the economic situation which confronted this Nation, I believe he used the figure that we had spent, in the postwar period in the area of foreign aid, $143 billion.

Now we all know, of course, that there are a certain number of millions of dollars still in the foreign aid pipeline, so that the program itself will not die suddenly but very likely will die a lingering death.

That is the reality which confronts the Congress today because there is no bill to go to conference.

Senators have expressed their opinions as they saw fit and as they have done down through the years. Some have put in amendments of their own liking and got them accepted, and then voted against the bill. Others have done likewise.

So, the day of judgment is at hand.

I would hope, Mr. President, that there would be no continuing resolution seeking to continue the foreign aid program. As we all know, the continuing resolution now in effect covering appropriations expires on November 15.

What the Senate has done, I think, is to issue a clear signal, separate and apart from what occurred at the United Nations on Monday evening last, that it is time to put into operation—if there is going to be any foreign aid program—a new foreign aid concept which will take the burden off the shoulders of this Nation, which will distribute it more equally, which will do away with the grab bag and the gift gimmick which has become all too prevalent. This new program must stand on its own two feet and not be subject to the whims of various Senators and individual Senators or various groups or individual or various countries.

So, I say in all seriousness that after $143 billion, this may well mark the end of the foreign aid program which this Government has undertaken since the end of the Second World War, and perhaps it is part of the changing situation which is becoming so evident throughout the world.

In the early years of the 1970's, perhaps it is the time to develop new ideas, to get away from old ones, and get away from practices which no longer seem to serve the interest of this people, either domestically or in its relation with others.

So, may I say that this is a moment of consequence and that I would express the hope that if there is a continuing resolution on appropriations which has not yet been attended to, that the foreign aid appropriation will be an exception.

I would point out that if it is not an exception, it is subject to debate.

Several Senators addressed the Chair.

Mr. MANSFIELD. Mr. President, I point out that I have taken the time of the distinguished Senator from North Carolina.

Mr. SYMINGTON. Mr. President, will the Senator from North Carolina yield to me?

Mr. ERVIN. I yield to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, there is $4.7 billion in the foreign aid pipeline. I hope that will be considered when the continuing resolution comes up.

Mr. ERVIN. Mr. President, during the 25 fiscal years antedating June 30, 1971, the United States scattered $138.4 billion among 127 foreign nations in various foreign aid assistance programs.

Mr. BYRD of West Virginia. Mr. President, may we have order in the Senate?

The ACTING PRESIDENT pro tempore. Will the Senate please be in order?

Mr. MANSFIELD. Mr. President, may I say that the distinguished Senator from North Carolina has gone out of his way to accommodate himself to the Senate and the very least he deserves is our attention.

The ACTING PRESIDENT pro tempore. The Chair will attempt to keep order. The Senate will be in order. The Senator may proceed.

Mr. ERVIN. Mr. President, during the 25 fiscal year antedating June 30, 1971, the United States scattered $138.4 billion among 127 foreign nations in various foreign aid assistance programs.

Virtually the entire disbursement represented deficit spending and now requires additional expenditures for interest on the amount expended.

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

Mr. ERVIN. I yield.

Mr. TALMADGE. Mr. President, I received a statement from the distinguished chairman of the subcommittee that handles foreign aid in the House, Representative PASSMAN, who has worked diligently in this vineyard.

He pointed out that since the end of World War II, in principal and interest—and we had to first borrow money from our American people before we could disburse it—we have paid interest on the borrowed money in the amount of $212 billion according to Representative PASSMAN.

Mr. ERVIN. Mr. President, I thank the Senator from Georgia for his contribution.

Prior to the defeat of the bill, the policy makers of the Federal Government in the foreign area were demanding that Congress appropriate an additional $13.5 billion for foreign aid assistance for fiscal year 1972, notwithstanding the fact that unexpended balances of $24.5 billion from prior appropriations are still available for these purposes, and notwithstanding the fact that the national debt of the United States exceeds the combined national debt of all other nations on the earth by $109 billion.

If an individual were to borrow money for the purpose of giving it away, his family and friends would institute an inquisition in lunacy and procure the appointment of a guardian to govern his affairs.

The Senator from North Carolina, who has been opposing this very foolish and frustrating policy for many years, rejoices in the fact that at long last the Senate has stated that no longer, so far as foreign aid is concerned, should the United States imitate the example of a demented fool and borrow money for the purpose of giving it away.

I hope that some day the Federal Government will learn the truth which Polonius proclaimed in Hamlet: "Loan oft loses both itself and friend."

I think this is a very sane action which the Senate has taken, because the Federal Government is going to take the deepest dive into the sea of financial responsibility that it has ever taken.

The Senator from Georgia indicated a while ago that the distinguished Representative from Louisiana, Representative PASSMAN, has been a profound student of the fiscal policies of the United States in the field of foreign aid.

I hold in my hand a statement he made to the American taxpayers on July 1, 1971. I ask unanimous consent that it be printed at this point in the RECORD.

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

TO THE AMERICAN TAXPAYER

The attached fact sheets should have your close scrutiny. Our government is continuing to dissipate your resources and wealth in foreign nations all over the world. This unconscionable practice is destroying our world markets, destroying the value of the American dollar and placing an unbearable public debt upon the shoulders of unborn generations. This practice of giving away your wealth is creating inflation and reducing the purchasing power of your dollar which is the equivalent of confiscating your savings. I must speak out again and say forthrightly that the good claimed for this program is not supported by facts.

Our fiscal irresponsibility is so obvious that many foreign nations are again demanding our diminishing gold for the surplus dollars they hold, thus further depleting our limited gold stocks. In some countries, businesses will accept dollars only at a discount. This uncontrolled dissipation of our wealth is pricing us out of world markets. We may well finish this year with a true trade deficit of a billion dollars.

There are approximately Fifty Billion U.S. Dollars floating around in foreign countries. We do not have the gold to redeem these dollars, so they are surplus to the needs of foreign nations for commerce. Do not blame the present Administration for this unbelievable situation because it has been building up for 25 years. The habit of giving away our wealth is so ingrained in the minds of the bureaucrats who give away this money that they cannot overcome the addiction. So, those of us who know the facts must now spread this news throughout the nation and plead for support so as to bring this outlandish, wasteful, ever-growing addiction under control, or else someday surely regret our neglect.

The attached sheets establish beyond any doubt that this program could be termed frustrating, fanatical, frightening and foolish. I am going to expose the wastefulness of this program to the Nation even if it requires substantial use of my personal resources. This is an obligation I owe to the American people.

May I explain the attached fact sheets briefly before you read them:

(1) New budget requests for additional authorizations and/or appropriations for foreign assistance, fiscal year 1972, covering loans, grants and credits—thirteen billion, five hundred twenty-eight million, six hundred twenty-eight thousand dollars.

(2) Unexpended balances in pipeline from prior years—twenty-four billion, five hundred sixty-seven million, fifty-five thousand dollars, including appropriated funds and borrowing authority.

(3) If all new requests are approved by the Congress, the grand total funds available, new and from prior years, will amount to thirty-eight billion, nine hundred fifty-six million, eight hundred and thirty thousand dollars.

(4) Net cost of the foreign assistance program (1946–71) including interest on what we have borrowed to give away, amounts to two hundred twelve billion, eight hundred eighty million dollars. Many billions of the dollars we pay out in interest on what we have borrowed to give away go to foreign nations and foreign nationals.

(5) During this world-wide spending spree, our gold holdings have been reduced from twenty-two billion, eight hundred seventy-nine million dollars to ten billion, seven hundred thirty-two million dollars.

(6) Since the inception of the world-wide spending spree, short-term dollar claims against the United States (due now) have increased from eight billion, six hundred forty-five million dollars to forty-one billion, six hundred sixty-six million dollars, plus other United States indebtedness abroad which amounts to twelve billion dollars. If we should be called upon to pay off these short-term IOU's, we could not meet the demand.

(7) Our balance-of-payments situation, since this world-wide spending spree started, has placed our fiscal affairs in a grave position. We have paid to foreign nations forty-eight billion, eight hundred nineteen million dollars more than they have paid to us. This situation will continue to worsen until we bring the Aid program under control. As you know, this is what has created such a tremendous dollar surplus in the hands of foreign nations and nationals.

(8) The freewheeling spending program covering the face of the earth has helped push the U. S. Public debt to a figure eighty-seven billion dollars above the combined public debt of all the other nations of the world.

(9) Can it be denied that our country has substituted dollars for a sound foreign policy, aid for trade, appeasement for firmness? We have become so addicted to this formula that it is no longer even suggested that it be stopped. Only the American taxpayers have the power to stop it.

(10) Until this Administration came into power, we had been borrowing money from the American people to pay for commodities and services which were given free to foreign nations, and then borrowing dollars from foreign nations in order to make our balance-of-payments situation look better than it was.

(11) In the main, the foreign aid program is administered by patriotic Americans, but they are almost completely without banking and business experience. It has been established that it is the fourth and fifth echelon bureaucrats who are involving us in these foreign entanglements. During 1972 alone, some portion of the aid program will be operating in 98 nations of the world, with 54,599 individuals on the payroll. This includes U.S. personnel, foreign personnel and participants. There are now 4,416 projects and subprojects scattered all over the world. While many similar projects in America cannot go forward because of lack of funds, not a single foreign aid project has ever been stopped or slowed down for lack of funds.

Please analyze the attached sheets. They convey a significant message. A careful scrutiny may prompt the overburdened American taxpayer to take the necessary steps to bring this world-wide free spending program under control. Bureaucratic estimates are so unrealistic and unconvincing that the Congress has been able to reduce the budget requests by twelve billion, three hundred forty-three million dollars in sixteen years. The total reduction was limited to this amount because of the selfish interests of thousands of lobbyists and the scares peddled by bureaucratic personnel. Yet even after the reductions, the foreign aid program was still greatly overfunded.

Aid should be limited to agencies such as the Export-Import Bank with the disguised credit and grant portion being curtailed and eliminated at the quickest possible date. We should make sure that any aid extended is on a loan basis with reasonable maturity dates and at the same rate of interest we have to pay on the money we borrow to lend.

With my knowledge of this program, if I did not furnish the facts as I have in this report, I would be derelict in my obligation to the American people. I shall do my part to awaken the American people to this sad state of affairs. I hope that I may have the support of the Congress in my efforts.

Sincerely yours,

OTTO E. PASSMAN,
Chairman, Foreign Operations Subcommittee on Appropriations.

July 1, 1971, new requests for authorization and/or appropriation for foreign aid and assistance—Fiscal year 1972

[In thousands]

Foreign Assistance Act (including military assistance)	$3,313,000
Overseas Private Investment Corporation (OPIC)	25,000
Inter - American Development Bank	500,000
Inter - American Development Bank (supplemental)	486,760
International Bank for Reconstruction and Development (supplemental)	246,100
International Development Association	320,000
Asian Development Bank	40,000
Asian Development Bank (supplemental)	60,000
Expanded multilateral assistance	35,000
Receipts and recoveries from previous programs	370,310
Military assistance (in defense budget)	2,250,800
International military headquarters	74,400
Economic assistance (in defense budget)	90,900
MAAG's, missions and milgroups	262,600
Permanent military construction—Foreign nations	106,000
Export-Import Bank, long-term credits	2,445,000
Export-Import Bank, regular operations	1,195,639
Peace Corps	82,200
Ryukyu Islands	4,450
Migrants and refugees	8,650
Public Law 480 (agricultural commodities)	1,320,400
Contributions to international organizations	160,680
Education (Foreign and other students)	51,000
Trust Territories of the Pacific	59,739
Latin American Highway (Darien gap)	20,000
Total new requests, foreign aid and assistance, fiscal year 1972	13,528,628

July 1, 1971, unexpended balance for foreign aid and assistance in pipeline from prior years for appropriation and authorization

[In thousands]

Foreign Assistance Act (including military assistance)	$4,403,985
Export-Import Bank, uncommitted borrowing authority	5,230,600
Export-Import Bank, long-term credits	2,937,800

[in thousands]

Export-Import Bank, regular operations	$624,600
Export-Import Bank, export expansion program	295,000
Inter-American Development Bank	2,304,051
International Bank for Reconstruction and Development	5,715,000
International Development Association	460,000
Asian Development Bank	150,000
Foreign military credit sales program	290,000
MAAG's missions and milgroups	10,000
Military assistance (in Defense budget)	945,000
International military headquarters	18,000
Economic assistance (in Defense budget)	15,000
Permanent military construction overseas	210,000
Overseas Private Investment Corporation (OPIC)	203,538
Public Law 480 (agricultural commodities)	664,439
Peace Corps	24,077
Contributions to international organizations	5,808
Education exchange	28,397
Ryukyu Islands	1,740
Migrants and refugees	2,264
Inter-American Highway	6,100
Trust Territories of the Pacific Islands	21,656
Total	24,567,055

July 1, 1971, total net foreign assistance to 127 nations of the world, fiscal years 1946 through 1971, the five ƒ formula: frustrating, fanatical, frightening, foolish, and factual

[In thousands]

Afghanistan	$373,800
Albania	20,400
Algeria	176,100
Argentina	341,100
Australia	594,400
Austria	1,218,400
Barbados	700
Belgium-Luxembourg	1,742,200
Bolivia	532,000
Botswana	19,100
Brazil	2,738,200
Burundi	7,800
Burma	158,600
Cambodia	613,700
Cameroon	33,500
Canada	46,500
Central Africa Republic	5,600
Ceylon	176,600
Chad	9,800
Chile	1,281,800
China, Republic of	5,096,500
Colombia	1,119,400
Congo (B)	4,000
Congo (K)	456,000
Costa Rica	188,200
Cuba	43,700
Cyprus	22,400
Czechoslovakia	189,500
Dahomey	12,900
Denmark	873,300
Dominican Republic	483,400
East Germany	800
Ecuador	296,700
El Salvador	145,400
Equatorial Guinea	300
Ethiopia	394,100
Finland	10,300
France	7,059,700
Gabon	7,600
Gambia	3,300
Ghana	264,800
Germany and Berlin	3,652,400
Greece	3,681,900
Guatemala	355,300
Guinea	$113,000
Guyana	69,900
Haiti	117,200
Honduras	122,800
Hungary	13,300
Iceland	59,800
India	8,003,600
Indochina	1,535,200
Indonesia	1,343,800
Iran	1,945,700
Iraq	90,600
Ireland	105,700
Israel	992,000
Italy	5,528,500
Ivory Coast	80,000
Jamaica	92,400
Japan	3,419,900
Jordan	710,000
Kenya	77,100
Korea	10,059,500
Kuwait	29,500
Laos	1,449,500
Lebanon	98,000
Lesotho	12,100
Liberia	217,100
Libya	221,600
Malagasy Republic	14,100
Malawi	26,400
Malaysia	72,600
Mali	30,000
Malta	8,300
Mauritania	5,000
Mauritius	6,100
Mexico	451,600
Morocco	731,800
Nepal	157,600
Netherlands	2,033,300
New Zealand	58,800
Nicaragua	165,600
Niger	18,900
Nigeria	383,600
Norway	1,127,100
Pakistan	4,484,100
Panama	242,300
Paraguay	131,100
Peru	465,200
Philippines	1,938,600
Poland	437,300
Portugal	432,900
Rumania	10,000
Rwanda	8,000
Saudi Arabia	178,800
Senegal	40,000
Sierre Leone	44,100
Singapore	31,300
Somalia	79,300
South Africa, Republic	33,300
Southern Yemen	200
Spain	2,028,400
Sudan	91,000
Swaziland	4,900
Sweden	135,300
Switzerland	45,300
Syrian Arab Republic	56,700
Tanzania	73,400
Thailand	1,592,400
Togo	17,300
Trinidad and Tobago	49,700
Tunisia	699,400
Turkey	5,640,500
Uganda	42,500
United Arab Republic	759,900
United Kingdom	7,209,100
U.S.S.R.	186,400
Upper Volta	18,500
Uruguay	184,900
Venezuela	317,600
Vietnam	15,213,700
Western Samoa	2,500
Yemen	45,300
Yugoslavia	2,515,600
Zambia	6,100
Bahamas	31,800
British Honduras	5,900
Brunei	14,000
Southern Rhodesia	1,500
Surinam	9,200
West Indies	8,900
Hong Kong	44,700
Papua and New Guinea	$23,700
Ryukyu Islands	403,300
Trust Territory of the Pacific	284,200
CENTO	54,700
W/W Regional	15,907,600
Total net disbursements to foreign nations, 1946–71	138,446,200
Total net interest paid on what we have borrowed to give away, 1946–71	74,434,597
Grand total, cost of foreign assistance, 1946 through 1971	212,880,797

(Of the 3½ billion people of the world, all but 36 million have received aid from the United States.)

Gold holdings, July 1, 1971

[In thousands]

Gold holdings, United States, Dec. 31, 1950	$22,879,000
Gold holdings, United States, Dec. 31, 1970	10,732,000
Gold holdings, other countries of the world, Dec. 31, 1950	10,935,000
Gold holdings, other countries of the world Dec. 31, 1970	26,108,000

FOREIGN SHORT-TERM DOLLAR CLAIMS AGAINST UNITED STATES

Short-term dollar claims against United States, Dec. 31, 1950	8,645,000
Short-term dollar claims against United States, Dec. 31, 1970	41,666,000

U.S. BALANCE OF PAYMENT

1950 net deficit	−1,912,000
1951 net deficit	−578,000
1952 net deficit	−1,100,000
1953 net deficit	−2,100,000
1954 net deficit	−1,500,000
1955 net deficit	−1,100,000
1956 net deficit	−1,000,000
1957 net surplus	+500,000
1958 net deficit	−3,400,000
1959 net deficit	−3,700,000
1960 net deficit	−3,800,000
1961 net deficit	−2,400,000
1962 net deficit	−2,200,000
1963 net deficit	−2,660,000
1964 net deficit	−3,006,000
1965 net deficit	−1,306,000
1966 net deficit	−2,077,000
1967 net deficit	−3,650,000
1968 net surplus	+93,000
1969 net deficit	−7,208,000
1970 net deficit	−4,715,000
Net U.S. balance-of-payments deficit (21 yrs.) 1950 through 1970	−48,819,000

GROSS PUBLIC DEBTS

Public debt, United States, December 31, 1970	391,626,290
Public debt, all other nations of the world (est.), December 31, 1970	304,160,241
Public debt, United States exceeds combined public debt of all other nations of the world by	87,466,049

The above statistics cover (1) Gold Holdings, (2) Short-term Dollar Claims against United States, (3) United States Balance-of-Payments Positions, 21 years, (4) Public Debt of the United States, (5) Public Debt of all other nations of the world, and (6) Amount by which our public debt exceeds combined public debt of all other nations of the world. These statistics should be of interest to every American, conservative or liberal.

MUTUAL SECURITY PROGRAM (FOREIGN AID)—ANALYSIS ON CONGRESSIONAL ACTION, 16-YEAR PERIOD, 1956-71 INCLUSIVE

Fiscal year	Budget estimate	Appropriation	Reduction below estimate	Percentage below budget estimate
1956	$3,266,641,750	$2,703,341,750	−$563,300,000	17.24
1957	4,859,975,000	3,766,570,000	−1,093,405,000	22.50
1958	3,386,860,000	2,768,760,000	−618,100,000	18.25
1959	3,950,092,500	3,298,092,500	−652,000,000	16.51
1960	4,429,995,000	3,225,813,000	−1,204,182,000	27.18
1961	4,275,000,000	3,716,350,000	−558,650,000	13.07
1962	4,775,500,000	3,914,600,000	−860,900,000	18.03
1963	4,961,300,000	3,928,900,000	−1,032,400,000	20.81
1964	4,525,325,000	3,000,000,000	−1,525,325,000	33.70
1965	$3,516,700,000	$3,250,000,000	$−266,700,000	7.58
1966	3,459,470,000	3,218,000,000	−241,470,000	6.98
1967	3,385,962,000	2,936,490,500	−449,471,500	13.27
1968	3,250,520,000	2,295,635,000	−954,885,000	29.38
1969	2,920,000,000	1,755,600,000	−1,164,400,000	39.88
1970	2,710,020,000	1,812,380,000	−897,640,000	33.12
1971	2,200,500,000	1,940,185,000	−260,315,000	11.83
Total	59,873,861,250	47,530,717,750	−12,343,143,500	20.62

Mr. ERVIN. Mr. President, I would like to note that the foreign aid program which has just been defeated by the Senate proposed to make appropriations of $2.3 billion to 55 nations which have been receiving foreign aid from us and which either voted against us in the United Nations the other day on the Taiwan issue or refused to vote for us. That is an indication that gives me some hope that sooner or later those who manage the fiscal policies of the Federal Government will have sufficient intelligence to learn that Polonius told the truth when he said: "Loan oft loses both itself and friend."

I rejoice in the news that at long last the American taxpayer will be given some consideration in the Capital of this Nation.

THE MARSHALL SPACE FLIGHT CENTER

Mr. SPARKMAN. Mr. President, just recently a release from the Marshall Space Flight Center in Alabama told of some of the missions that had been assigned to that center. It is a very interesting release made by Dr. Eberhard Rees, Director of the Marshall Space Flight Center.

I want to point out that the Marshall Space Flight Center is one of the best, most effective, and most efficient operations in the entire space industry. It was there that the equipment was developed which launched the first free world flight. It was there that the various vehicles were built that put our various missions in orbit, including the mighty Saturn that put the men on the moon.

Mr. President, I ask unanimous consent that this release be printed at this point in the RECORD.

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

MARSHALL SPACE FLIGHT CENTER, ALA.

The NASA-Marshall Space Flight Center has been assigned the lead responsibility for the National Aeronautics and Space Administration's Space Tug activities.

Dr. Eberhard Rees, MSFC director, announced last week he had received a letter from Dale Myers, head of NASA's Office of Manned Space Flight, assigning this new role to Marshall.

"The Space Tug is vitally important to the NASA concept of the total Space Transportation System, and offers great potential for use in conjunction with the Shuttle," Dr. Rees said.

The Space Tug would operate in Earth orbit, transferring payloads between orbits of varying altitudes and planes, and performing other transportation functions.

Presently the tug is in a very early study phase (pre-Phase A). NASA, the Department of Defense and the European Launcher Development Organization (ELDO) have each conducted studies, resulting in a number of different concepts and projected performance capabilities.

Marshall will take the lead in NASA "in-house and contracted activities" as well as in providing liaison with the Defense Department and the European group which is interested in participating in the development and use of the vehicle, Dr. Rees said.

"In this role we intend to press forward with additional in-house studies to assure that in the near future the Tug concept is sufficiently well defined to support realistic Shuttle and payload planning."

Marshall was assigned the lead or integrating role in two other Earth orbital projects in July—the Space Station and the Research and Applications Module (RAM) project. All three of these, along with the Space Shuttle are elements of an integrated space program planned for the U.S. during this decade and the next.

Regarding the Tug assignment, Dr. Rees announced that a small Space Tug Project Group will be established within the Advanced Systems Analysis Office of Program Development. Bill Huber will head the Tug office in addition to his duties as director of the Advanced Systems Office.

Mr. SPARKMAN. Mr. President, I have today, for the first time in my life, voted against passage of the foreign assistance authorization bill. I have done so for several reasons.

The primary reason, however, is that I believe the final version of the bill, with the amendments adopted on the floor, is not a good bill. From the viewpoint of our national interest, the bill contains more bad provisions than good ones.

The bill has been stripped of most of the provisions which I supported in the Foreign Relations Committee, designed to end as quickly as possible our tragic military involvement in Southeast Asia. Instead the bill contains additional hundreds of millions of dollars for continued indirect involvement in the battles raging in Southeast Asian nations.

The bill places an undue and unwise emphasis on bilateral, nation-to-nation military and economic assistance—the kind of aid that has led our country in the past to deepening military involvement where our vital interests were not at stake. This kind of involvement and entanglement would be avoided if we channeled justified aid through multilateral programs.

Further, the bill is built on a premise that the United States will give military assistance to almost any nation as long as its government is not Communist. The total military assistance in the bill exceeds the total for economic assistance, and the military assistance is more than than five times the total for technical assistance to nations for economic development. It raises the question of whether we are trying to improve the world or arm the world.

There is provided in the bill some $85 million for little, beleaguered Israel. I believe we should provide that assistance, but let us provide in it a separate bill.

In summary, I disapprove or have deep doubts about the purposes for which two-thirds of the money provided in this bill would be used.

And in view of the very hard economic conditions which face our country today, and the already heavy burden on our taxpayers, I believe fully two-thirds of the money authorized in this bill would be better saved or spent here at home to help our own citizens.

I believe, rather than approving this bill, we would do far better to come up with a new measure, written either by the Congress or the administration, that would use the taxpayers' money more wisely, in ways more beneficial to the welfare of our country and the world.

ALASKA NATIVE CLAIMS SETTLEMENT ACT OF 1971—AMENDMENTS

AMENDMENT NO. 565

(Ordered to be printed and to lie on the table.)

Mr. STEVENS submitted amendments, intended to be proposed by him, to the bill (S. 35) to provide for the settlement of certain land claims of Alaska Natives, and for other purposes.

AMENDMENTS NOS. 506 THROUGH 569

(Ordered to be printed and to lie on the table.)

Mr. STEVENS (for himself and Mr. GRAVEL) submitted four amendments, intended to be proposed by them, jointly, to Senate bill 35, supra.

AMENDMENTS NOS. 570 AND 571

(Ordered to be printed and to lie on the table.)

Mr. GRAVEL (for himself and Mr. STEVENS) submitted two amendments, intended to be proposed by them, jointly, to Senate bill 35, supra.

RECISION OF ORDER FOR ADJOURNMENT TO 9 A.M. TOMORROW

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the Senate to adjourn until 9 a.m. tomorrow be rescinded.

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

ORDER OF BUSINESS—UNANIMOUS-CONSENT AGREEMENTS

Mr. BYRD of West Virginia. Mr. President, at the request of the distinguished

majority leader, and after having cleared the following matters with the minority leadership and with managers of the various bills and authors of various amendments thereto, I make the following unanimous-consent requests.

EXTENSION OF DUTY-FREE STATUS OF CERTAIN GIFTS BY MEMBERS OF THE ARMED FORCES—H.R. 8312

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that at such time as H.R. 8312 is called up and made the pending business there be a time limitation thereon of 1 hour on the bill, 1 hour on any amendment thereto in the first degree, and one-half hour on any amendment in the second degree and on any motion or appeal, except nondebatable motions; and that Senators in control of time on the bill may yield time therefrom to any Senator on any amendment, motion, or appeal, with the exception of nondebatable motions.

I ask unanimous consent that no amendment not germane be received.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. ALLEN. Reserving the right to object, what bill is the Senator getting the request on at this time? I was interested in the request as to nongermaneness.

Mr. BYRD of West Virginia. I am referring to H.R. 8312, an act extending for 2 additional years the duty-free status of certain gifts by members of the Armed Forces serving in combat zones.

Mr. ALLEN. I have no objection.

The ACTING PRESIDENT pro tempore. The unanimous consent is agreed to, no objection having been heard.

CONSUMER PRODUCT WARRANTY BILL—S. 986

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that following disposition of the water quality bill on Tuesday next, the Senate proceed to consider S. 986, the consumer product warranty bill.

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

MILITARY CONSTRUCTION APPROPRIATION BILL

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that when the Senate has disposed of the consumer product warranty bill the Senate then proceed to the consideration of the military construction appropriation bill and that time on that bill be limited to 4 hours, that time on any amendment in the first degree be limited to 1 hour, that time on any amendment in the second degree and any motion or appeal, except a nondebatable motion, be limited to one half-hour.

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

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent with further reference to that bill, that Senators in control of time on the bill may yield therefrom to any Senator on any amendment, motion or appeal, except nondebatable motions, and that no amendment not germane may be received.

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

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that time on the bill be equally divided and controlled by the manager of the bill and the minority leader, or his designee, and that time on any amendment, motion, or appeal may be divided between and controlled by the mover of such amendment, motion, or appeal, and the manager of the bill.

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

FEDERAL FINANCIAL ASSISTANCE FOR RECONSTRUCTION OF PRIVATE NONPROFIT MEDICAL FACILITIES—S. 1237

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that when the Senate has disposed of the military construction appropriation bill it take up S. 1237, which deals with the reconstruction or repair of private nonprofit medical care facilities which are damaged or destroyed by a major disaster.

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

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that there be a time limitation on that bill of 1 hour, with a time limitation on any amendment in the first degree of one-half hour and a time limitation on amendments in the second degree of 20 minutes, and that time on any motion or appeal, except a nondebatable motion, be limited to 20 minutes.

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

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that in connection therewith no amendment not germane may be received.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object—I have no objection.

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

MOTOR VEHICLE SAFETY BILL—S. 976

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that when the Senate has completed its action on S. 1237 it then proceed to take up S. 976, the motor vehicle safety bill.

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

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that time on that bill be limited to 2 hours, the time on any amendment in the first degree be limited to 1 hour, that time on any amendment in the second degree or any motion or appeal, with the exception of nondebatable motions, be limited to one-half hour.

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

Mr. BYRD of West Virginia. Mr. President, I ask that no amendment not germane be in order with respect to that bill, and that time on the bill be equally divided between the manager of the bill and the distinguished minority leader or his designee; that time on any amendment, motion, or appeal be equally divided between the mover of such amendment, motion, or appeal, and the manager of the bill; and that time on the bill may be yielded by Senators in control thereof to any Senator on any amendment, motion, or appeal, excepting a nondebatable motion.

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

VACATING OF ORDER RECOGNIZING SENATOR BYRD OF WEST VIRGINIA AND RECOGNIZING SENATOR GAMBRELL ON TUESDAY, NOVEMBER 2, 1971

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order previously entered for Tuesday next recognizing the junior Senator from West Virginia for 15 minutes be vacated and that in lieu thereof the distinguished junior Senator from Georgia (Mr. GAMBRELL) be recognized.

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

Mr. FULBRIGHT. Mr. President, will the Senator yield so I may ask a question?

Mr. BYRD of West Virginia. I yield.

Mr. FULBRIGHT. How far in advance were the unanimous-consent requests to cover? I did not hear that.

Mr. BYRD of West Virginia. Mr. President, in response to the inquiry by the very distinguished Senator from Arkansas, according to the program that has been outlined here and cleared with the minority leadership, the measures that have been agreed to here with respect to time limitations would carry us through next Wednesday and possibly into early Thursday.

Mr. FULBRIGHT. I appreciate that. I would like to request that in view of the very efficient efforts to move toward an early adjournment, if it is feasible, that we have, in advance, if we could, some outline, if the majority whip can give it, of what the program will be. I have in mind one or two things. For example, the Okinawa treaty which I expect to come out of the Committee on Foreign Relations in the very near future. I want to make sure we make provision for debate. If the Senate is going to go beyond 2 or 3 days I would have no objection. I did not want to let it go to the point where I would be negligent in providing time for legislation which may come out of the committee.

Mr. BYRD of West Virginia. Let me respond briefly to the distinguished Senator from Arkansas. Once the Senate has disposed of the measures which have been mentioned here this evening, the leadership proposes to attempt to complete business on certain "must" legislation which would include the Okinawa treaty to which the Senator just referred; the two Supreme Court nominations; the President's economic tax package—Phases 1 and 2; the fishing

inspection proposal; the Department of Defense, foreign aid, District of Columbia, and supplemental appropriation bills; conference reports; and the equal employment opportunity bill. I believe that is about it.

We hope we will be able to express thanks on Thanksgiving Day for having completed our work for this session.

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

Mr. BYRD of West Virginia. I yield to the Senator from Tennessee.

Mr. BAKER. I thank the Senator for yielding and for his consideration and that of the minority leadership, and for apprising me of their intention to make the unanimous-consent request on nongermane items and the limitation of germaneness.

As a result of that courtesy, a number of bills have been brought to my attention, and I have not objected to the inclusion of nongermane requirements in orders tonight. I also agree I would not object to certain other measures in that respect, including EEOC, which is a week from Monday. I point out I am not prepared to go beyond that and to serve notice that it is my intention to object to any request for a limitation of germaneness beyond that.

Mr. BYRD of West Virginia. The Senator is within his rights. He has stated the case correctly. He has been very cooperative and courteous in working with the leadership on both sides of the aisle in attempts to hammer out these agreements, and any further agreement will certainly be brought to his attention and he will have the opportunity to object or to agree as to germaneness.

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

Mr. BYRD of West Virginia. I yield.

Mr. SPARKMAN. We are starting hearings Monday on the President's economic package in the Senate Committee on Banking, Housing and Urban Affairs. I presume we ought to be able to report a bill within a week, or certainly not over 10 days. The Senator mentioned that as one of the "must" programs. The program will not be arranged in such a way as to preclude us from getting quick action on that measure, I am sure.

Mr. BYRD of West Virginia. I am sure it will not be. I had not realized the distinguished majority leader was again in the Chamber, and perhaps he would like to respond to the distinguished Senator from Alabama. May I say I am confident——

Mr. SPARKMAN. While the majority leader is engaged in another matter, may I ask one other thing? In order to get this legislation to the floor, our committee is going to have to sit very steadily. Would it be too much to ask at this time unanimous consent that the committee be allowed to sit during the sessions of the Senate next week?

Mr. BYRD of West Virginia. Why does not the Senator make that request at this time?

AUTHORIZATION FOR COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS TO MEET DURING SESSIONS OF THE SENATE NEXT WEEK

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Senate Committee on Banking, Housing and Urban Affairs be allowed to sit during the sessions of the Senate next week.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. ALLEN. Mr. President, reserving the right to object, I would like to ask the distinguished Senator from West Virginia a question on a point raised by the distinguished Senator from Tennessee (Mr. BAKER) as to his understanding that the EEOC bill had been set for Monday a week. The junior Senator from Alabama is not under the impression that any agreement had been made to set the bill for consideration.

Mr. BYRD of West Virginia. Would the Senator allow the request of the senior Senator from Alabama to be acted on?

The ACTING PRESIDENT pro tempore. May the Chair put the request of the senior Senator from Alabama that his committee be allowed to sit during the sessions of the Senate next week?

Mr. ALLEN. Mr. President, I have no objection. I did not understand that the Senator had made that request.

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

Mr. SPARKMAN. Now, with reference to the question the Senator asked, I am simply asking that no program be arranged within a week or more ahead——

Mr. ALLEN. Mr. President, I apologize. I thought that matter had been disposed of. I would not have broken into the colloquy otherwise.

Mr. BYRD of West Virginia. Mr. President, in response to the able junior Senator from Alabama, the equal employment opportunity bill has not yet been scheduled. The able senior Senator from Tennessee was under the impression that there were plans to schedule it, and so there were, but having discussed the matter earlier with the junior Senator from Alabama, I have not yet made such a request. I was just getting around to that——

Mr. ALLEN. I have not yet interposed an objection.

Mr. BYRD of West Virginia. No. As soon as I make the request, the Senator may wish to object or he may not wish to object.

Mr. SPARKMAN. Mr. President, before the Senator continues, I wonder if I may complete what I started with the majority leader.

If I may have the attention of the majority leader, I just propounded a query to the Senator from West Virginia (Mr. BYRD), assistant leader, that he asked be referred to the majority leader. I said that starting on Monday we are going to begin hearings on the President's economic program, and I think it will take us all week, and probably part of next week, before we have a bill. I believe that we could take that long. I was just asking if we could be assured that the program would not be arranged in such a way as to preclude very expeditious action on that bill, because it is urgent that we finish it. In fact, I believe the President counts on its going into effect on November 15.

Mr. MANSFIELD. Yes.

Mr. SPARKMAN. The House will act on it. I do not know whether we will have a conference on it.

Mr. MANSFIELD. Mr. President, may I say that I appreciate what the distinguished chairman of the Committee on Banking, Housing, and Urban Affairs has just said. All I can do is reiterate what the distinguished acting majority leader said when I recently came into the Chamber, when he said that bill was on the "must" legislation list, and that we will try to give it as expeditious consideration as possible. The Senator has the assurance on both sides of the joint leadership that that will be done.

Mr. SPARKMAN. I thank the Senator.

Mr. GRIFFIN. Mr. President, will the acting majority leader yield to me?

Mr. BYRD of West Virginia. I yield to the Senator.

Mr. GRIFFIN. I want to commend the distinguished Chairman of the Banking, Housing and Urban Affairs Committee for his statement and for the assurance the majority leader has given with respect to the President's economic package, because it is very important, and I am glad we will get to it in this session before we adjourn.

A point of clarification: The distinguished acting majority leader indicated that he announced a program up to Wednesday, but it is not true that with respect to the consumer product warranty bill, there has been no time limitation agreed to and that we would have to make some assumptions as to a probable timetable on that bill?

Mr. BYRD of West Virginia. The Senator is correct. It is hoped that the Senate will be able to complete action on that bill Tuesday afternoon. It is anticipated that the Senate will take up the bill on Tuesday afternoon. All indications are to the effect that action can be completed that afternoon. However, it may spill over into the next morning for final disposition.

Mr. GRIFFIN. That was my understanding—that there was no time agreement.

UNANIMOUS-CONSENT REQUEST FOR TIME LIMITATION ON EQUAL EMPLOYMENT OPPORTUNITY BILL

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that, circa 12 o'clock noon Monday, November 8, the Senate proceed to the consideration of S. 2515, the equal employment opportunity bill, with a time limitation of 10 hours on the bill, 3 hours on an amendment by Mr. DOMINICK, 5 hours on an amendment by Mr. GAM-

BRELL, 1 hour on any other amendment in the first degree, one-half hour on any amendment in the second degree, or motion, or appeal with the exception of nondebatable motions; that time on the bill be equally divided between and controlled by the manager of the bill and the minority leader or his designee; that time on any amendment, motion, or appeal with the exception of nondebatable motions be divided between the mover of such amendment, motion, or appeal, and the manager of the bill; provided further, that Senators in control of the time on the bill may yield therefrom to any Senator on any amendment, motion, or appeal, with the exception of nondebatable motions; provided further, that no amendment not germane be in order; and provided further and finally, that if the manager of the bill is in favor of any such amendment, motion, or appeal, time in opposition thereto may then be under the control of the minority leader or his designee.

Mr. ALLEN. Mr. President, reserving the right to object——

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. ALLEN. No; I am reserving the right to object.

The ACTING PRESIDENT pro tempore. The unanimous-consent request is now before the Senate.

Mr. ALLEN. I would like to state that I do not regard S. 2515 as, in any sense of the word, "must" legislation, and we do have so much "must" legislation that has already been scheduled, so much more standing in the wings ready to come to the arena for consideration, that with the President's new economic package in the offing, with two confirmations of nominees for Supreme Court Justices to be considered, with appropriation bills yet to be considered, it is the opinion of the junior Senator from Alabama that there is enough true "must" legislation before the Senate, and soon to come before the Senate, that there is no occasion at this time, by unanimous consent, for taking up that measure.

So the junior Senator from Alabama does feel constrained to interpose an objection to the unanimous-consent request.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. BYRD of West Virginia. Mr. President, the junior Senator from Alabama is acting clearly within his rights, and I respect him for the position he has taken. I appreciate his explanation for the objection.

I felt duty bound to make the request, in view of the fact that it had been discussed and cleared with various Senators, including the able Senator from New Jersey (Mr. WILLIAMS), the able Senator from Minnesota (Mr. MONDALE), and the various other Senators on both sides of the aisle.

I thank the Senator.

Mr. ALLEN. Could I make on further inquiry of the Senator from West Virginia?

Mr. BYRD of West Virginia. I yield for that purpose.

Mr. ALLEN. In view of the objection interposed at this time to bringing the bill up by unanimous consent, what is to be the policy of the leadership with respect to making subsequent requests in this connection? The junior Senator from Alabama would like to be present if at all possible when such request is made.

Mr. BYRD of West Virginia. I am sure I can state for the leadership on both sides of the aisle, and for the distinguished majority leader in particular, that no unanimous consent request with respect to this bill will be submitted without its having been first discussed with the able junior Senator from Alabama.

Mr. ALLEN. I am indeed grateful to the distinguished acting majority leader for his kindness and his courtesy, with which he always treats the junior Senator from Alabama.

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

Mr. BYRD of West Virginia. I yield.

Mr. BYRD of Virginia. May I ask the Senator from West Virginia if I might be put in the same category with the distinguished Senator from Tennessee, who would like to be notified before additional unanimous consent requests are made beyond next week?

Mr. BYRD of West Virginia. Yes.

Mr. BYRD of Virginia. There are several measures in the list enumerated by the Senator from West Virginia that the Senator from Virginia has an interest in, and I would like to be present, if possible, when that unanimous-consent request is made.

Mr. BYRD of West Virginia. The request of the distinguished senior Senator from Virginia (Mr. BYRD) will be honored.

Mr. BYRD of West Virginia subsequently said: Mr President, just to be certain that nothing has been overlooked in connection with the various unanimous consent agreements already entered into, I ask unanimous consent that time on all bills be equally divided between the manager of the bill and the minority leader or his designee; that time on all amendments, motions, or appeals, except nondebatable motions, be equally divided between and controlled by the mover of such amendment, motion, or appeal and the manager of the bill, or, if the manager of the bill is in favor of such amendment, motion, or appeal that the time in opposition thereto be under the control of the minority leader or his designee.

Provided further, That with respect to all bills, Senators in control of time on the bill may yield therefrom to any Senator on any amendment, motion, or appeal, with the exception of nondebatable motions.

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

QUORUM CALL

Mr. BYRD of West Virginia. Mr. President, I assume that the absence of a quorum, which I am about to request, will result in the final quorum call of the day.

I suggest the absence of a quorum.

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

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

ORDER FOR ADJOURNMENT UNTIL 9:30 A.M. ON MONDAY

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 9:30 a.m. on Monday next.

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

ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, may we have order in the Senate?

The ACTING PRESIDENT pro tempore. The Senate will be in order.

Mr. BYRD of West Virginia. May I inquire of the Acting President pro tempore as to whether or not there is an order previously entered for the recognition of the distinguished junior Senator from Alabama (Mr. ALLEN) on Monday, immediately following the recognition of the two leaders, and if so, is that to be followed by morning business not to extend beyond 10 o'clock?

The ACTING PRESIDENT pro tempore. I am so advised.

Mr. BYRD of West Virginia. I thank the Acting President pro tempore.

QUORUM CALL

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

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

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

ALASKA NATIVE CLAIMS SETTLEMENT ACT OF 1971

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of S. 35. I do this so that the bill will become the pending business.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 35) to provide for the settlement of certain land claims of Alaska Natives, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Alaska Native Claims Settlement Act of 1971".

DECLARATION OF POLICY

SEC. 2. (a) Congress hereby finds and declares that there is an immediate need for a fair, just, and final settlement of all land claims of Alaska Natives, Native Villages and groups; that the claims of Alaska Natives to the lands of Alaska, because they have not been judicially or legislatively determined, constitute a cloud on the title to lands in Alaska; that the best interests of the Alaska Native people, the State of Alaska, and the Federal Government are served by a prompt and final legislative settlement; and that the purpose of this Act is to effect such a settlement by providing—

(1) a grant to each Native Village which qualifies under the requirements and procedures set forth in this Act of title to the village site and additional lands adjacent thereto for community use and expansion;

(2) for the organization of Native corporations and, in order to promote economic self-sufficiency as well as enhance the Natives' present and future welfare, for a transfer of lands, rights, and revenues to such corporations;

(3) a payment of $500,000,000 over a period of twelve years as compensation for lands taken in the past for Federal purposes or conveyed by patent or otherwise to the State of Alaska or to other third parties and for the extinguishment by this Act of all remaining claims or aboriginal rights;

(4) a right to receive a portion of the revenues from the leasing and sale of minerals on certain lands in Alaska, subject to the limitations of this Act, as compensation for lands taken in the past and for the extinguishment by this Act of all remaining aboriginal rights;

(5) authority for individual Natives to acquire ownership of the lands which they use and occupy for homes, businesses, fishing, hunting and trapping camps, and for reindeer husbandry;

(6) a grant to the Alaska Native Services and Development Corporation of the right to select certain lands for their economic potential and to avoid cases of undue hardship;

(7) protection of Native subsistence hunting, fishing, trapping, and gathering rights and, where it is within the power of the Federal Government, measures for the conservation of subsistence biotic resources;

(8) for the establishment of a Joint Federal-State Land Use Planning Commission to undertake a process of statewide land use planning;

(9) a directive to the Secretary to conduct a detailed study of all public lands in Alaska for their suitability for inclusion in the national park system, the national forest system, or the national wildlife refuge system; and

(10) for the exercise of self-determination by the Alaska Native people in choosing which of the land-grant proposals provided for in this bill they want to apply.

(b) The Congress further finds and declares that the legal settlement provided in this Act constitutes compensation for the extinguishment of claims to land and does not and will not constitute a precedent for reopening, renegotiating or legislating upon any past settlement involving land claims or other matters with any Native organization or any tribe, band, or other identifiable group of American Indians.

(c) It is the intent of Congress to carry out the terms of this settlement promptly, with certainty, and in conformity to the real economic and social needs of Alaska Natives by avoiding litigation, by maximizing participation and self-determination by Natives in decisions affecting their rights and property and by vesting in them as rapidly as prudent and feasible control over the land set aside and the corporations organized pursuant to this Act, without: (1) establishing any permanent racially defined institutions, rights, privileges, or obligations; (2) creating a reservation system or lengthy trusteeship; or (3) ultimately adding to the categories of property and organizations enjoying special tax privileges or to the legislation establishing special relationships between the United States Government and the State of Alaska.

(d) No provision of this Act shall be construed to replace, diminsh or otherwise modify any right, privilege, or obligation of Alaska Natives as citizens of the United States and the State of Alaska, nor to relieve, replace, or diminish any obligation of the United States or the State to protect and promote the rights and welfare of Alaska Natives as citizens of the United States and of the State of Alaska. The payments and grants authorized under this Act constitute compensation for the extinguishment of claims to land, and shall not be deemed a substitute for any governmental programs otherwise available to the Native people of Alaska as citizens of the United States and the State of Alaska, nor to effect a change or changes in the petroleum reserve policy reflected in sections 7421 through 7438 of title 10 of the United States Code except as specifically provided in this Act.

(e) No provision of this Act shall be construed to constitute a jurisdictional act, to confer jurisdiction to sue, nor to grant implied consent to Natives to sue the United States or any of its officers with respect to the claims extinguished by the operation of this Act.

DEFINITIONS

SEC. 3. For the purposes of this Act, the term—

(a) "Commission" means the Alaska Native Commission established by this Act;

(b) "Fund" means the Alaska Native Compensation Fund in the Treasury of the United States established under the terms of this Act;

(c) "Investment Corporation" means the Alaska Native Investment Corporation authorized to be established pursuant to this Act under the laws of the United States;

(d) "Municipal Corporation" means any Native Village incorporated as a general unit of municipal government under the laws of the State of Alaska;

(e) "National Corporation" means the Alaska Native National Corporation established pursuant to this Act;

(f) "Native" means a citizen of the United States who is an Alaska Indian, Eskimo, or Aleut of one-fourth degree or more Alaska Indian, Eskimo, or Aleut blood, or a combination thereof, including any Native as so defined whose adoptive parent is not a Native, and, in the absence of proof of a minimum blood quantum, also any citizen of the United States who is regarded as an Alaska Native by the Native Village or Native group of which he claims to be a member and whose father or mother is (or, if deceased, was) regarded as Native by such village or any other Native Village eligible for land under this Act;

(g) "Native group" means any tribe, band, clan, village, community, or village association of Natives in Alaska;

(h) "Native Village" means any Native group which is composed of at least twenty-five or more Natives and which meets the requirements set forth in section 13 or 22 of this Act;

(i) "Planning Commission" means the Joint Federal-State Land Use Planning Commission established by this Act;

(j) "regional corporation" means a corporation organized to hold, invest, manage and/or distribute lands, property, funds and other rights and assets for and on behalf of the Natives of a specified region of Alaska in accordance with the terms of this Act:

(k) "public lands" means all Federal lands and interests therein situated in Alaska as of the effective date of this Act, except: (1) the smallest practicable tract (but not less than forty acres), as determined by the Secretary, enclosing improved land actually used in connection with the administration of any Federal installation, and (2) land selections of the State of Alaska which have been patented or tentatively approved under section 6(g) of the Alaska Statehood Act as amended (72 Stat. 341, 77 Stat. 223);

(l) "Secretary" means the Secretary of the Interior;

(m) "Services Corporation" means the Alaska Native Services and Development Corporation established pursuant to this Act under the laws of the United States;

(n) "State" means the State of Alaska;

(o) "Village Corporation" means an Alaska Native Village Corporation organized under the laws of the State of Alaska to hold, invest, manage and/or distribute lands, property, funds, and other rights and assets for and on behalf of a Native Village in accordance with the terms of this Act; and

(p) "Urban Corporation" means the Alaska Native Urban Corporation established pursuant to this Act.

DECLARATION OF SETTLEMENT

SEC. 4. (a) The provisions of this Act shall constitute a full and final settlement and extinguishment of any and all claims against the United States, the State and all other persons which are based upon aboriginal right, title, use, or occupancy of land in Alaska (including submerged land underneath all water areas, both inland and offshore, and including any aboriginal hunting or fishing rights that may exist) by any Native, Native Village, or Native group or claims arising under the Act of May 17, 1884 (23 Stat. 24), or the Act of June 6, 1900 (31 Stat. 321), or any other statute or treaty of the United States relating to Native use or occupancy of land, including all claims based upon aboriginal right, title, use or occupancy pending before any court or the Indian Claims Commission on the effective date of this Act. All prior conveyances of public land and water areas in Alaska, or any interests therein, pursuant to Federal law, including tentative approvals pursuant to section 6(g) of the Alaska Statehood Act, shall be regarded as an extinguishment of any and all Native claims thereto.

(b) The Secretary is authorized and directed, together with other appropriate agencies of the United States Government, to make a study of all Federal programs primarily designed to benefit Alaska Native people and to report back to the Congress with his recommendations for the future management and operation of these programs within three years of the date of enactment of this Act.

ALASKA NATIVE COMPENSATION FUND

SEC. 5. (a) There is hereby authorized to be appropriated $500,000,000 as compensation to the Natives for lands and interests in lands taken in the past or to which their rights and claims are extinguished by this Act, such compensation to be paid to the Alaska Native Compensation Fund in accordance with the following twelve-year payout schedule:

(1) $20,000,000 during the fiscal year in which this Act becomes effective, of which $2,500,000 shall be set aside in the Fund for the purpose of paying attorneys' fees pursuant to section 26 of this Act, and $350,000 shall be set aside in the Fund for the purposes set out in subsection 5(g) hereof;

(2) $50,000,000 during the second fiscal year;

(3) $70,000,000 during the third, fourth, and fifth fiscal years;

(4) $40,000,000 during the sixth fiscal year; and

(5) $30,000,000 during each of the next six fiscal years.

(b) As additional compensation to the Natives for lands and interests in lands taken in the past or to which their rights and claims are extinguished by this Act, there shall be paid into the Fund all revenues derived from revenue sharing pursuant to section 18 of this Act and the limitations therein.

(c) No interest shall be paid on the unappropriated or unaccrued balance of the compensation under subsections 5 (a) and (b) of this section: *Provided*, That annual payments or portions of annual payments which are due under the schedule set out in subsection 5(a), but which have not been appropriated within six months after the end of the fiscal year in which payable, shall draw interest at the then current rate on short term treasury obligations.

(d) All moneys paid into the Fund shall bear interest from the date of deposit at the rate of 4 per centum per annum until paid to the Services Corporation or its successor and the Investment Corporation or its successor. Until incorporation and formal organization of the corporations pursuant to sections 8 and 10 of this Act, the Secretary may temporarily withdraw moneys from the Fund for investment in short-term obligations of the United States or for deposit with financial institutions qualified to receive and hold public funds of the United States: *Provided*, That any such investment or deposit made by the Secretary shall be at the highest current rate obtainable.

(e) (1) Moneys paid or deposited into the Fund shall be paid or distributed for the benefit of the Natives in accordance with the provisions of this Act. The Secretary of the Treasury shall make such payments and distributions pursuant to the following payment schedule to the Services Corporation and to the Investment Corporation:

Fiscal year (commencing in the fiscal year of the 1st appropriation)	Alaska Native Investment Corp. (percent)	Alaska Native Services & Development Corp. (percent)
1st	20	80
2d	25	75
3d	30	70
4th	35	65
5th	40	60
6th	45	55
7th	50	50
8th	50	50
9th	55	45
10th	55	45
11th	60	40
12th	60	40

(2) For the first five fiscal years from the date of enactment of this Act, prior to making the payments and distributions required by subsection (e) (1) hereof, the Secretary of the Treasury shall pay from the Fund to the Investment Corporation the difference between the Investment Corporation's current earnings on its investments and $4,000,000. Moneys paid to the Investment Corporation pursuant to this subsection shall be used to pay shareholders a minimum quarterly dividend pursuant to the provisions of subsection 10(a) (1).

(f) All moneys paid or deposited into the Fund after the twelfth fiscal year from the date of enactment of this Act shall be distributed to the Services Corporation and the Investment Corporation or their successors on the same basis as in the twelfth year in the payment schedule set out in subsection (e) (1) hereof.

(g) (1) Up to $350,000 of the moneys paid or deposited into the Fund in the first fiscal year shall be paid by the Secretary of the Treasury upon certification by the Commission to recognized Associations of Alaska Natives to reimburse them for actual costs incurred in filing protests, preserving land claims, advancing land claim settlement legislation, and presenting testimony to the Congress on the Alaska Native land claims. Moneys paid pursuant to this subsection shall be paid first to the recognized Statewide association, and then, to the extent funds are available, to regional Native Associations as determined by the Commission. The determination of the Commission shall be final without regard to subsection 6(j) of this Act. Such moneys shall not be used to pay any attorney's fees or expenses.

(2) Up to $2,000,000 of the moneys paid or deposited into the Fund in each fiscal year for a period of ten years shall be paid by the Secretary of the Treasury upon certification of the Commission, until its termination, or the Secretary of the Interior after the Commission's termination, to assist in the development and operation of borough and municipal government in areas of the State which do not have formally organized borough or municipal government. The funds shall be distributed pursuant to the Commission's certification and may be applied to assist in funding the costs of governmental administration, the training of governmental employees, and to improve the quality of municipal and borough government.

(h) None of the funds paid or distributed pursuant to this section to any of the Corporations established pursuant to this Act shall be expended, donated, or otherwise used for the purpose of carrying on propaganda, or intervening in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office. Any person who willfully violates the foregoing provision shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than $1,000 or imprisoned not more than twelve months, or both.

ALASKA NATIVE COMMISSION

SEC. 6. (a) The Alaska Native Commission is hereby established. The Commission shall be in existence for seven years from the date of its first meeting, or for less than seven years if its duties under this Act are completed. The Commission shall be composed of five members to be appointed by the President with the advice and consent of the Senate, within six months of the date of enactment of this Act. Not more than three members of the Commission shall be members of the same political party, and at least two of the members appointed by the President shall be Natives who are residents of the State. Upon assuming office, each member of the Commission shall become a full-time Federal employee. The Federal laws and regulations on conflicts of interest applicable to other Federal employees shall be applicable to the members of the Commission, but this provision shall not be deemed to preclude a Native from serving as a member: *Provided*, That such Native Commissioner shall not participate in any proceeding before the Commission in which his participation would be in conflict with section 208 of title 18, United States Code.

(b) The term of office of members of the Commission shall be for four years for the first three members appointed, and three years for the remaining two members. Thereafter the terms shall be until the Commission expires: *Provided*, That any member appointed to fill a vacancy on the Commission occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. Upon the expiration of his term of office, a member of the Commission shall continue to serve until his successor has been appointed and has qualified to take office. The President shall choose a Chairman from the Commission's membership, and the Commission may elect by a majority vote of its membership other officers, such as a Vice Chairman, as it may find necessary to perform its functions. A member of the Commission may be removed by the President only for inefficiency, neglect of duty, or malfeasance in office.

(c) The Chairman shall initially receive compensation at the rate of $32,500 per year. The other four Commissioners shall receive compensation at the rate of $30,000 per year. The salaries of the Commission members and the Chairman may increase at the same rate as general salary increases for classified Federal employees. No member of the Commission's staff shall be compensated at a rate in excess of that paid to members of the Commission.

(d) The principal office of the Commission shall be in Alaska. Whenever the Commission deems that the convenience of the public or the parties may be promoted, or delay or expense may be minimized, or at the request of any party, it may establish other offices, hold hearings, or conduct other proceedings at any other place, including other States, for the convenience of the parties involved, that a majority of the Commission shall direct. The Commission shall have an official seal which shall be judicially noticed, and which shall be preserved in the custody of the Secretary of the Commission.

(e) The Commission shall, without regard to the civil service laws, appoint and prescribe the duties of a secretary of the Commission and such legal counsel as it deems necessary. Subject to the civil service laws, the Commission shall appoint such other employees as it deems necessary in exercising its power and duties. The compensation of all employees appointed by the Commission shall be fixed in accordance with chapter 53 of title 5, United States Code, subject to the provisions of subsection 6(c) hereof.

(f) (1) For the purpose of carrying out its functions under this Act, three members of the Commission shall constitute a quorum and official action may be taken only on the affirmative vote of at least three members, but a special panel composed of one or more members upon order of the Commission may conduct any hearing or other proceeding provided for in this Act and submit the record of such hearing or proceeding to the entire Commission for its action thereon. Such record shall be made available to the parties, and they shall be afforded an opportunity to comment thereon, before any final action of the Commission.

(2) The Commission shall give reasonable notice to the interested parties and an opportunity for them to appear and be heard, and shall afford the parties an opportunity to present evidence before making a final determination upon any protest, claim, or other contested matter.

(3) A party to any proceeding before the Commission may appear on his own behalf or be represented by counsel of his own choice.

(g) The Commission shall have power to establish its own rules of procedure to carry out its duties under this Act. Except where inconsistent with this Act the Federal Administrative Procedure Act (5 U.S.C. 500 et seq.) will apply. Each official action of the Commission shall be entered in writing, and its hearings and records thereof shall be open to the public.

(h) (1) Any member of the Commission may sign and issue subpenas for the attendance and testimony of witnesses and production of relevant papers, books and documents, and may administer oaths. Witnesses, other than direct parties in interest, summoned before the Commission shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. Any person who fails to comply with a Commission subpena shall be subject to punishment in accordance with section 104 of title 43, United States Code. The Commission may order testimony to be taken by deposition in any proceeding before it and in any stage of

such proceeding after reasonable notice is first given in writing by the party or his attorney of record, which notice shall state the name of the witness and the time and place of the taking of his deposition.

(2) The Commission shall have the power to call upon any of the departments or agencies of the United States for any information it may deem necessary for carrying out its functions under this Act.

(3) In any hearing or other proceeding before the Commission, letters, papers, documents, maps, transcripts, or records of any executive agency or court of the United States (or a certified copy thereof) may be used in evidence insofar as relevant and material. Every executive agency of the United States having possession thereof shall make available for copying and inspection such letters, papers, documents, maps, transcripts, and records bearing upon matters before the Commission to any interested Natives, Native group, Native Villages, or Native corporations, or their representatives as provided by section 552 of title 5, United States Code.

(i) Each decision made by the Commission shall show the date on which it was made, and shall bear the signatures of the members of the Commission who concur therein and, upon issuance of a decision under this Act, the Commission shall cause a true copy thereof to be sent by certified mail to all parties and their attorneys of record. When appropriate, each decision also shall include the findings of fact upon which the Commission's conclusions are based, and a statement of its reasons for such findings and conclusions. The Commission shall cause each decision to be entered on its official record together with any written opinion prepared by any members in support of, or dissenting from, any decision.

(j) Except where otherwise provided, decisions issued by the Commission shall be subject to judicial review by the appropriate United States District Courts upon the filing in such court within sixty days from the date of such decision of a petition by any person aggrieved by the decision praying that the action of the Commission be modified or set aside in whole or in part. A copy of the petition shall forthwith be sent by registered or certified mail to any party to the proceeding and to the Commission, and thereupon the Commission shall certify and file in such court the record upon which the decision complained of was based. The court shall hear such appeal on the record made before the Commission. The findings of the Commission, if supported by substantial evidence on the record considered as a whole, shall be conclusive. The court may affirm, vacate, or modify any decision or may remand the proceeding to the Commission for such further action as it directs. The judgment of the court shall be subject to review by the United States Court of Appeals for the Ninth Circuit, and by the Supreme Court of the United States upon certiorari or certification as provided in section 1254, title 28, United States Code.

(k) The duties and responsibilities of the Commission shall include during the period of its existence—

(1) the issuance of rules and regulations for preparing a final membership roll of Natives and a roster of Native Villages qualified for benefits under this Act;

(2) the determination of eligibility for inclusion on such roll and roster, respectively, and of protests with respect thereto;

(3) the hearing of, and decision upon, any appeal from a refusal of the Services Corporation to approve a village plan for the management and expenditure of funds, as provided in section 11(e);

(4) the determination of Village land entitlement, the determination of regional boundaries under section 9 (a), the determination of land disputes between Native Villages, the determination of disputes relating to land patents, and the certification of eligibility for patents under this Act;

(5) the approval of land transactions as provided under this Act; and

(6) such other duties and responsibilities as are provided under this Act.

(l) During the same period of time no person may serve in more than any one of the following capacities:

(1) as a member of the Commission;

(2) on the board of directors or as an officer of the Services Corporation;

(3) on the board of directors or as an officer of the Investment Corporation.

(m) Upon termination of the Commission's existence or upon completion of its duties under this Act pursuant to subsection 6(a) hereof, any pending business, any uncompleted matters, or any duties required to be performed by the Commission shall be performed by the Secretary in accordance with the provisions of this Act insofar as is practicable, and the Secretary, in consultation with the Commission and the General Services Administration, shall provide for the disposition and preservation of the Commission records: *Provided,* That such records shall remain available for public inspection, copying, and other appropriate use.

ENROLLMENT

SEC. 7. (a)(1) In order to facilitate the selection and management of lands, the use of funds and the organization of corporations in furtherance of this Act, the Secretary shall prepare within six months after the effective date of this Act, pursuant to such rules and regulations as he may prescribe, a temporary census roll of all Natives born on or before January 1, 1972, and living on the date of enactment of this Act. Such roll shall show with respect to each Native, insofar as is practicable, his name, date and place of birth, date and place of parents' birth, degree of Native blood and the Native Village or Native group of which he is a member. The decision of the Secretary regarding the eligibility of any person for inclusion on the temporary census roll shall be final: *Provided,* That any person listed on an existing membership roll of any Native Village or group pursuant to requirements similar to those set out in subsection 3(f) shall be presumed to be eligible for enrollment.

(2) Any person listed on the temporary census roll who is eighteen years of age or over at the time of voting shall be entitled to vote in the election of directors for the Corporations, as provided in this Act, and in the election for the Land Selection Committee of the village, if any, of which he is a member, as provided in sections 11, 14, and 23. The population of each Native Village which meets the requirements set out in, as is appropriate, section 13 or 23 of this Act, as shown on the temporary census roll and as corrected at the time of determination, shall be the basis for determining the number of acres of land to which the Native Village Corporation is entitled pursuant to this Act. Except as provided in this subsection, however, the temporary census roll shall not be used as a basis for determining the right of any Native, any Native Village Corporation, or any other corporation to receive funds and property or otherwise to share in the benefits accorded the Native people of Alaska under this Act.

(b)(1) The Commission shall prepare, in accordance with such rules and regulations as it may prescribe: (A) within five years after the effective date of this Act a final membership roll of all Natives born on or before January 1, 1972, and living on the effective date of this Act, including a separate listing and designation of the membership of each Native Village Corporation, the Urban Corporation and the National Corporation; and (B) a roster of all Native Villages which meet the requirements of section 13 or 23 and are eligible for benefits hereunder, within three years after the effective date of this Act. Before any such roll or roster is finally approved by the Commission, it shall be published in the Federal Register and in such other manner as the Commission shall find practicable and effective (including posting in each Native Village listed in the roster and in each village which was denied inclusion in the roster). Any applicant denied enrollment or any village omitted from the roster shall be notified by the Commission in writing of the Commission's action and of his or their right to protest such action.

(2) Within three months after notice of the Commission's action, any person denied enrollment or any Native group whose village is omitted from the village roster, as the case may be, shall have the right to protest such denial or omission to the Commission, and within three months after publication in the Federal Register, the Secretary or any Native Village eligible under section 13 or 23 or the Urban and National Corporations shall have the right to protest to the Commission the inclusion of any individual on the membership roll or any village on the roster of Native Villages. Any Native Village shall have the right, for three months after publication of the membership roll in the Federal Register, to protest designation of membership therein by a Native on behalf of himself or his children below the age of eighteen under subsection (c) hereof. Such protests shall be the subject of a hearing by the Commission and judicial review as provided in section 6(j) of this Act. The membership rolls and village roster prepared by the Commission, as modified after any hearing or judicial review, shall be final and shall be promulgated by publication in the Federal Register.

(c) Each Native shall have the right to designate the Native Village in which he and his children under the age of eighteen years are to be listed as members and, in the absence of a protest by the named village pursuant to subsection (b)(2) hereof, such designation shall be final. In the event a Native Village does protest a designation of membership, the Commission shall determine the Native Village or villages, if any, of which the Native and his children under the age of eighteen are members, and the burden of proof of membership shall be upon the individual. In making its determination, and subject to the provisions of subsections (d) and (e) hereof, the Commission shall give priority to villages in the following order: (1) to the Native Village where the Native resides on the effective date of this Act, if such residence has continued without substantial interruption for a period of more than two years; (2) to the Native Village where the Native previously resided for a period or periods which aggregate ten years or more; (3) to the Native Village where the Native was born; (4) to the Native Village where either parent of such Native was born; (5) to the Native Village where the Native resides on the effective date of this Act; and (6) to a Native Village from which an ancestor of the Native came: *Provided,* That the Commission, upon the request of any Native, shall have discretion to deviate from the foregoing priorities and declare such person and/or his child under the age of eighteen to be a member of a Native Village from which he otherwise would be excluded in order to avoid hardship (such as the division of a family) or any other unreasonable classification.

(d) Natives who do not meet the requirements to qualify as members of a Native Village set out in this section or Native residents of urban areas who do not indicate or state their intention to return to a Native Village shall be enrolled as members of the Urban Alaska Native roll and shall be enrolled as members of the Urban Alaska Native roll and shall be entitled to receive benefits under this Act through the Urban Corporation established pursuant to section 12.

(e) Natives living outside the State and who do not meet the requirements to qualify as members of the Native Village or who do not indicate or state their intention to return to a Native Village shall be listed as members of the Alaska Native National roll and shall be entitled to receive benefits under this Act through the National Corporation established pursuant to section 12.

(f) In preparing the final membership roll the Commission shall insure that each Alaska Native is designated a member of an eligible Native Village or a member of either the Urban or the National Corporations established pursuant to section 12.

(g) Any person who gives false information to qualify himself or any other person for inclusion on the temporary census roll or upon a Native membership roll, willfully and with knowledge that such information is false, shall be guilty of perjury and, upon conviction, shall be fined not more than $1,000 or imprisoned not more than a year, or both.

(h) The provisions of Revised Statute 452 (43 U.S.C. 11) shall not apply to any land grants or other rights granted under this Act.

ALASKA NATIVE SERVICES AND DEVELOPMENT CORPORATION

SEC. 8. (a)(1) There is hereby established the Alaska Native Services and Development Corporation as a nonprofit membership corporation which shall have the powers hereinafter granted. The Services Corporation shall be a federally chartered corporation but shall not be an agency or establishment of the United States Government and shall cease to be in existence after twelve full fiscal years from the date of enactment of this Act

(2) The members of the board of directors appointed by the President shall serve as the incorporators and shall prepare the original articles of incorporation for the Services Corporation in a form consistent with the provisions of this section, and shall serve as the initial board of directors until the Native members of the board are elected. The incorporators shall file the articles of incorporation with the Secretary within six months after their appointment as members of the board of directors, and the Services Corporation shall be deemed to be incorporated and formally organized as of the date of such filing. The incorporators also shall transmit a copy of the articles of incorporation to the Commissioner of Commerce of the State. The Secretary of the Treasury is authorized and directed to advance from the Services Corporation's share of moneys in the Fund such sums as may be reasonably necessary for the organization of the Services Corporation.

(b)(1) The management of the Services Corporation shall be vested in a board of directors, which shall consist of twelve members:

(A) three members of which shall be appointed by the President within six months of the date of enactment of this Act, and each member shall serve a term of one, two, or three years. Members so appointed shall serve until their successor has been appointed; and,

(B) nine members of which shall be elected by the voting members of the Services Corporation on the following basis:

(i) one member representing and elected by each of the seven regions of Alaska as determined by section 9 of this Act;

(ii) one member representing and elected by the members of the Urban Alaska Native roll; and

(iii) one member representing and elected by the members of the Alaska Native National roll.

Members of the board so elected shall serve for terms of four years or until their successors have been elected and qualified: *Provided,* That among the directors first elected, one shall serve for a term of one year, two shall serve for terms of two years, three shall serve for terms of three years, and three shall serve for terms of four years: And provided further, That the directors who serve the shorter terms shall be determined by a drawing of lots conducted by the initial board. Any director elected to fill a vacancy shall serve only for the period of the unexpired term of the director whom he succeeds. Election for membership on the board of directors shall be conducted in accordance with procedures set forth in the articles of incorporation or bylaws of the Services Corporation: *Provided,* That the first such election shall be held not less than six months nor more than one year after the effective date of incorporation of the Services Corporation.

(2) The board of directors shall elect a chairman annually from among its own membership. The board also may appoint a member of the Services Corporation to fill a vacancy within its membership, but such appointed director shall serve only until the next regular election of directors.

(3) Notwithstanding any other provision of this Act or the articles of incorporation to the contrary, the initial board of directors of the Services Coropration appointed by the President shall exercise only the following corporate powers: (A) completion of the organization of the Corporation and qualifying it to do business, including, but not limited to, the adoption of a corporate seal, the opening of bank accounts, the establishment of a place or places of business and the rental or acquisition of all necessary offices, furnishings, equipment, and supplies related thereto, subject to the condition that no lease shall be for a period in excess of one year; (B) approval of amendments to the articles of incorporation; (C) the appointment of officers of the Corporation, the hiring of other employees and the employment of consultants, accountants, and other professional or financial advisers, subject to the condition that no contract of employment shall be for a period in excess of one year; (D) the receipt, investment, and distribution of moneys from the Fund in accordance with subsections 8 (e) and (f) hereof; (E) the expenditure of corporate funds to pay for or carry out the activities authorized under this section; (F) the conduct of the first election for membership on the board of directors; and (G) take any actions necessary to organize the Urban and National Corporations.

(c) The Services Corporation shall have a president, and such other officers as may be named and appointed by the board, at rates of compensation fixed by the board and serving at the pleasure of the board. The president and other officers of the Services Corporation may, but need not, be members of the board. No officer of the Services Corporation shall receive any salary from any source other than the Services Corporation during the period of his employment by the Corporation. The president shall be responsible for conducting the business and affairs of the Services Corporation in a manner consistent with the provisions of this Act, the articles of incorporation, and the policies of the board of directors, and shall appoint such other employees as the board deems appropriate.

(d)(1) Until publication of the membership roll in accordance with subsection 7(b)(1) of this Act, the members of the Services Corporation shall consist of all Natives shown on the temporary census roll prepared pursuant to section 7(a). After publication of the membership roll in accordance with subsection 7(b)(1) and before such roll becomes final in accordance with subsection 7(b)(2), the members of the Services Corporation shall consist of all Natives shown on the temporary census roll, and any other Native whose name is listed on the membership roll except an individual whose inclusion thereon is the subject of appending protest. After promulgation of the final membership roll in accordance with subsection 7(b)(2), the members of the Services Corporation shall consist of all Natives listed upon such roll, as amended to reflect the death of any individuals so listed.

(2) The right to vote for directors and on such other matters as properly may be placed before the membership for decision shall be limited to members of the Services Corporation eighteen years of age or over at the time of voting.

(e) As soon as the Services Corporation is incorporated and formally organized in accordance with subsection (a) hereof, the Secretary of the Treasury shall pay to the Services Corporation all moneys deposited in the Fund to which the Services Corporation is entitled up to the date of such incorporation, together with any accrued interest. Thereafter, on January 1, April 1, July 1, and October 1 of each calendar year, the Secretary of the Treasury shall pay to the Corporation additional moneys deposited in the Fund to which the Services Corporation is entitled up to the date of payment, together with any accrued interest. The Secretary of the Treasury shall also furnish to the Services Corporation each month a statement showing the amount and source of moneys on deposit in the Fund.

(f)(1) Except as otherwise provided in this section and pursuant to the provisions of subsection 11(e), the Services Corporation shall distribute moneys paid to it out of the Fund after the receipt thereof to the Native Village Corporations, to the regional corporations, and to the Urban and National Corporations in accordance with the provisions of this Act. The amount of money distributed shall, except as provided in section 9 (j)(1), be apportioned in direct proportion to the membership of each of the Village Corporations, the Urban Corporation and the National Corporation as shown on the final membership rolls promulgated in accordance with section 7: *Provided, however,* That, prior to making any payments to the Village Corporations, the Services Corporation shall pay to each of the regional corporations established pursuant to section 9, 20 per centum of the funds apportioned to each of the Village Corporations within the areas encompassed by each such regional corporation. Each of the Village Corporations shall then be paid the remaining 80 per centum of the funds apportioned thereto. Moneys received from the Fund which the Services Corporation must distribute in accordance with this subsection shall not constitute income to the Services Corporation for any purpose.

(2) Until the membership roll becomes final in accordance with subsection 7(b)(2) of this Act, the Services Corporation shall distribute only 80 per centum of all moneys paid to it out of the Fund. The amount of money distributed to each Native Village Corporation, to each regional corporation, and to the Urban Corporation and the National Corporation shall be apportioned in direct proportion to the Native population before publication of the membership roll in accordance with subsection 7(b)(1) as shown on the temporary census roll prepared in accordance with section 7(a), and after publication of the membership roll in accordance with subsection 7(b)(1) as shown thereon. Appropriate adjustments shall be made in actual distributions to reflect any prior advances, and the relative rights of the beneficiaries under this paragraph: *Provided,* That all distributions made pursuant to this paragraph shall be deemed advances of moneys to which the beneficiaries will become entitled upon promulgation of the final membership roll in accordance with section 7(b) and shall not constitute a determination of their relative rights to receive funds or property under this Act. Moneys paid to the Services Corporation out of the Fund, which are withheld by it pursuant to this paragraph, shall be invested by the Serv-

ices Corporation for the benefit of the beneficiaries as their interests therein ultimately are determined.

(3) After promulgation of the final membership roll in accordance with subsection 7(b)(2), the Services Corporation shall distribute all moneys withheld under subsection (f)(2) hereof (adjusted to reflect earnings or losses from investment), after appropriate adjustments in the amounts of actual distributions also to reflect prior distributions and their respective rights in moneys derived from the Fund, to the beneficiaries as provided in subsection (f)(1) hereof.

(4) The Services Corporation shall withhold and invest any moneys due a Native Village Corporation, a regional corporation, or the Urban or National Corporations until such corporations are organized and qualified. The Services Corporation may withhold and invest in trust any moneys due a Native Village Corporation, a regional corporation, or the Urban or National Corporations if it is found that a corporation is violating any provision of this Act or of its articles of incorporation. All moneys so withheld (adjusted to reflect earnings or losses from investment) shall be paid over to the affected corporation upon a determination that the violations have been corrected or upon termination of the Services Corporation.

(5) The Services Corporation shall prepare and distribute to the regions set forth in section 9(a) and to the Native Villages proposed articles of incorporation and other appropriate forms necessary to their organization and shall provide funds to the regions and to the Native Villages for organization of the regional and Village Corporations.

(g) The Services Corporation shall retain out of moneys paid to it out of the Fund: (1) such amounts as are necessary, but not in excess of 5 per centum for carrying on the business and affairs of the Services Corporation; and (2) 5 per centum as a contingency fund to be used for purposes specified in the articles of incorporation: *Provided*, That payments to the contingency fund shall not exceed a total unused balance of $5,000,000 and moneys in the contingency fund shall be prudently invested.

(h)(1) The Services Corporation shall be considered a public instrumentality eligible for grants and contracts for planning and development programs under any Federal law which will assist Natives, Native Villages, and Native Village Corporations. For a period of twelve fiscal years after the date of its formal organization, the Services Corporation shall be subject to audit by the General Accounting Office. Copies of such audits together with a report of the Administrator shall be filed with the appropriate committees of Congress. At the end of twelve fiscal years, and after a final audit by the General Accounting Office and the filing of a final financial report with the Congress, the limitations established and the powers granted under this Act for the Services Corporation shall terminate.

(2) Upon expiration of the charter of the Services Corporation, the assets and liabilities of the Services Corporation may, at the option of its membership:

(A) be transferred to the Investment Corporation or the successor to the Investment Corporation;

(B) be transferred to a new corporation organized pursuant to subsection 8(h)(3) hereof; or

(C) be liquidated and distributed among the members in any form permitted by law.

(3) In the event that the members of the Services Corporation, pursuant to subsection 8(h)(2)(B) hereof, elect to establish a new corporation to succeed the Services Corporation, the directors of the Services Corporation shall appoint the incorporators of a new business-for-profit corporation (hereinafter called the successor to the Services Corporation), to which the assets and liabilities of the Services Corporation shall be transferred. Ten per centum of the total number of shares issued and outstanding shall be reserved for the Foundation established pursuant to section 25 of this Act. The remaining number of shares shall be distributed equally among Natives on the final roll and to those who have succeeded to their interest by bequest or pursuant to the statutes of descent or distribution. The successor to the Services Corporation will not be an agency or establishment of the United States and shall be governed entirely by the Federal and State laws ordinarily governing business corporations of the same type, and shall not be governed by the terms of this Act, except as follows:

(A) payments from the Fund to the Services Corporation or its successor as provided in subsection 5(f); and

(B) shares of stock in the successor to the Services Corporation shall not be alienable for twenty years from the date of enactment of this Act, and shall be subject to the provisions of subsection (h)(4) hereof.

(4) Any shares of stock held by Alaska Natives under any successor corporation established pursuant to this section for the benefit of Alaska Natives shall be inalienable and many not be pledged, subjected to a lien or judgment execution or assigned for a period of twenty years from the date of enactment of this Act. No contract to sell, pledge, or otherwise alienate such stock during this period of time shall be of any validty or enforceable in any court. Any person who knowingly seeks to acquire from an Alaska Native such stock in violation of this subsection shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than $5,000 or imprisoned not more than twelve months, or both.

(i) The Services Corporation shall have and may exercise all rights and powers vested in a nonprofit membership corporation under the laws of the State. In addition, and without limitation upon any of the powers so conferred, or the powers conferred elsewhere in this Act, the Services Corporation shall have the following powers—

(1) to maintain an appropriate staff to provide professional, technical, engneering, social services, and financial assistance and advice to Natives, Native Villages, and Native Village and regional corporations: (A) in the selection, use management, leasing, and disposition of lands or interests therein; (B) in the development of comprehensive land use plans; (C) in the use, investment, and expenditure of funds; and (D) in the acquisition, use, and disposition of other property;

(2) to assist Native Villages and Native Village and regional corporations in the planning and execution of programs for community development, including, but not limited to, housing, the establishment of local industry and the construction of public works;

(3) to enter into contracts with Natives, Native Villages and Native Village and regional Corporations, where appropriate, for the use, management, investment, economic development or disposition of lands, interests in lands, funds and other property for the benefit of such Natives and Native organizations;

(4) to provide loans and grants for the education and relief of distress of individual Natives, or their descendants and subject to the provisions of this Act, make distributions of funds to regional corporations, Native Village Corporations, and to municipal corporations in predominantly Native areas;

(5) to exercise authority to conduct the business and affairs of any regional or Native Village Corporation shown to be violating any provision of this Act or of its articles of incorporation;

(6) to carry out any and all activities directed toward promoting the health, welfare, education and social and economic development of Natives and their descendants; and

(7) to provide any advice or assistance requested by the Urban and National Corporations.

(j) The internal affairs of the Services Corporation shall be governed in accordance with the laws of the State relating to nonprofit membership corporations, except to the extent inconsistent with the provisions of this Act; and except that—

(1) amendments to the articles of incorporation and annual reports shall be filed with the Secretary and certified copies thereof shall be transmitted to the State Commissioner of Commerce;

(2) the Services Corporation shall not be subject to any State licensing requirements, incorporation fees or other corporate charges, except the designation of a registered office and registered agent, and nominal fees for the filing of corporate papers, or to the imposition of State taxes as provided in this Act; and

(3) the Services Corporation shall not be subject to any State law which places a burden or duty upon it greater than is placed upon any other nonprofit membership corporation, or, unless the Corporation so consents, to any State corporate law which is in effect applicable only to the Services Corporation.

NATIVE REGIONAL CORPORATIONS

SEC. 9. (a) For purposes of this Act, the State shall be divided by the Commission within one year after the effective date of this Act into seven geographic regions, with each region composed as far as practicable of Natives having a common heritage and sharing common interests. In the absence of good cause shown to the contrary, the seven regions shall approximate the areas covered by the operations of the following existing Native associations:

(1) Arctic Slope Native Association (Barrow, Point Hope);

(2) Bering Strait Association (Seward Peninsula, Unalakleet, St. Lawrence Island) and the Northwest Alaska Native Association (Kotzebue);

(3) Association of Village Council Presidents (southwest coast, all villages in the Bethal area, including all villages on the Lower Yukon River and the Lower Kuskokwim River) and the Bristol Bay Native Association (Dillingham, Upper Alaska Peninsula);

(4) Tanana Chief's Conference (Koyukuk, Middle and Upper Yukon Rivers, Upper Kuskokwim, Tanana River);

(5) Aleut League (Aleutian Islands, Pribilof Islands, and that part of the Alaska Peninsula which is in the Aleut League);

(6) Tlingit-Haida Central Council (southeastern Alaska); and

(7) Cook Inlet Association (Kenai, Tyonek, Eklutna, Iliamna), the Chugach Native Association (Cordova, Tititlek, Port Graham, English Bay, Valdez, and Seward), the Kodiak Area Native Association (all villages on and around Kodiak Island); and the Copper River Native Association (Copper Center, Glenallen, Chitina, Mentasta).

Any dispute over the boundaries of any region or regions shall be determined by the Commission and, without regard to subsection 6(j), shall be final: *Provided, however*, That the boundaries of the regions shall be drawn so that the lands granted to each Native Village shall not lie within the area of more than one regional corporation.

(b)(1) There are hereby authorized to be incorporated under the laws of the State a regional corporation for each of the regions defined under subsection (a) hereof, which regional corporations shall have the powers hereinafter granted.

(2) The regional corporations established under this subsection shall not be agencies or establishments of the United States Gov-

ernment. The regional corporations shall be considered political subdivisions of the State solely for the purpose of being eligible for grants, loans, and contracts for planning, housing assistance, economic development, public works, construction, and other programs which will assist Natives, Native Villages, and Native Village Corporations under any Federal law.

(c)(1) Each regional corporation established pursuant to subsection (b) hereof shall have five incorporators. The incorporators of the regional corporation for each of the seven regions specifically named in subsection (a) shall be appointed by the Commission after consultation with the officers of the Native associations named in subsection (a) of this section, within six months of the date of enactment of this Act.

(2) The incorporators shall prepare the original articles of incorporation for the regional corporations in a form consistent with the provisions of this section, subject to the approval of the Commission as provided in section 6 and shall serve as the initial boards of directors until the members of such boards are elected. The incorporators shall file the articles of incorporation for their respective regional corporations with the Services Corporation and the Secretary within eighteen months after the effective date of this Act, and the various regional corporations shall be deemed to be formally organized as of the date of such filings; certified copies of such articles of incorporation also shall be transmitted by the incorporators to the Commissioner of Commerce of the State.

(3) Notwithstanding any other provisions of this Act or the articles of incorporation to the contrary, the initial boards of directors of the regional corporations shall exercise only the corporate powers enumerated in subsection 8(b)(3) and the power to receive, invest, and distribute moneys received from the Services Corporation in accordance with subsection (f) hereof.

(d) The management of each regional corporation shall be vested in a board of directors, all of whom, with the exception of the initial board, shall be stockholders in the corporation over the age of eighteen. The number, terms, and method of election of members of the board of directors shall be fixed in the articles of incorporation or bylaws of the regional corporation.

(e)(1) Each regional corporation shall be authorized to have five million shares of common stock, having a par value of 1 cent per share. Each regional corporation shall issue and have outstanding one hundred shares of stock for each Native enrolled in the region represented by such corporation as hereinafter provided.

(2) Until publication of the membership roll in accordance with subsection 7(b)(1) of this Act, the stockholders of each regional corporation shall consist of all Natives enrolled in the region represented by such corporation, as shown on the temporary census roll prepared pursuant to section 7(a). After publication of the membership roll in accordance with subsection 7(b)(1) and before such roll becomes final in accordance with subsections 7(b)(2), the stockholders of each regional corporation shall consist of all Natives enrolled in the region represented by such corporation as shown on the temporary census roll, and any other Native whose name is listed under such region on the membership roll except an individual whose inclusion thereon is the subject of a pending protest. Stock held pursuant to this paragraph shall carry a right to vote in elections for the board of directors and on such other questions as properly may be presented to stockholders, and the right to file a stockholder's derivative suit, but shall not vest in the holder any right to dividends or other distributions from the corporation. The parent or guardian of any Native under the age of eighteen on the date of voting shall have the right to vote the stock of such child held under this paragraph or under paragraphs (3) and (4) hereof.

(3)(A) Upon promulgation of the final membership roll in accordance with subsection 7(b)(2), all stock issued pursuant to paragraph (2) hereof shall be deemed canceled, and thereafter the stockholders of each regional corporation shall consist of all Natives enrolled in the region represented by such corporation, as shown on the final membership roll. Except as otherwise provided in subparagraph (B) hereof, stock held pursuant to this paragraph shall carry a right to vote in elections for the board of directors and on such other questions as properly may be presented to stockholders, shall permit the holder to receive dividends or other distributions from the corporation, and shall vest in the holder all rights of a stockholder in a business corporation organized under the laws of the State of Alaska: *Provided*, That the stock and any dividends paid or distributions made with respect thereto may not be sold, pledged, subjected to a lien or judgment execution, assigned in present or future, or otherwse alienated for a period of twenty years after the date of enactment of this Act. Any person who knowingly seeks to acquire from a Native such stock in violation of this subsection shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than $5,000, or imprisoned not more than twelve months, or both.

(B) Upon the death of any stockholder holding stock in a regional corporation pursuant to paragraphs (2) and (3)(A) or (B) hereof, ownership of such stock shall be transferred in accordance with his last will and testament or under the laws of intestacy: *Provided*, That, during the twenty-year period after the date of enactment of this Act, such stock shall carry voting rights only if the holder thereof through inheritance also is a Native: *And provided further*, That in the event the deceased stockholder fails to dispose of his stock in a regional corporation by will and has no heirs under the laws of intestacy, such stock shall escheat to the regional corporation.

(4) On January 1 of the twentieth year after the date of enactment of this Act, all stock issued pursuant to paragraph (3) hereof shall be deemed canceled, and shares of stock of the appropriate class shall be issued without restrictions to each stockholder share for share: *Provided*, That the stock of every indivdual under the age of eighteen, and any dividends paid or distributions made with respect thereto before he reaches the age of eighteen may not be sold, pledged, subjected to a lien or judgment execution, assigned in present or future, or otherwise alienated (except through inheritance).

(f)(1) Each regional corporation shall set aside, and thereafter report on its financial records and accounts, the first $50,000 it receives from the Services Corporation as paid-in capital.

(2)(A) Each regional corporation may organize under Alaska State law an affiliated non-profit-membership corporation, which shall be devoted to promoting the health, welfare, education, and economic and social well-being of the Natives of the region and their descendants, and which shall be authorized, among other purposes, to construct, operate, and maintain public works and community facilities, to engage in medical, educational, housing, and charitable programs, to make loans and grants consistent with its corporate purposes, to foster industrial and economic development, and to distribute funds to individual Natives and their descendants in furtherance of family plans. The members of each such affiliated nonprofit corporation shall be the shareholders of the regional corporation which organizes it.

(B) Each regional corporation may distribute to its affiliated nonprofit corporation not more than 50 per centum nor less than 10 per centum of (i) all moneys received by it which are derived from payments under section 5 and (ii) all its other net income.

(C) Notwithstanding any other provision of law or of its articles of incorporation to the contrary, a nonprofit corporation organized under this paragraph may distribute to eligible Natives and their descendants in furtherance of family plans not more than 20 per centum of the moneys paid to it by a regional corporation established under subsection (b)(1) hereof.

(D) The provisions of this paragraph (2) shall be enforceable by the Commission or the Services Corporation.

(3) Moneys which a regional corporation receives from the Services Corporation pursuant to section 8(f)(1) shall not constitute income to such regional corporation for any purpose.

(g) Subject to the provisions of subsection (f), each regional corporation shall retain the moneys paid to it by the Services Corporation for carrying on the business and affairs of such regional corporation.

(h) For a period of twelve years after the date of its formal organization, each regional corporation shall be subject to audit by the General Accounting Office, all amendments to its articles of incorporation must be approved by the Commission, and its annual budget shall be subject to review by the Commission.

(i) Each regional corporation shall have and may exercise all rights and powers vested in a business corporation under the laws of the State. The internal affairs of such corporations shall be governed in accordance with the laws of the State relating to business corporations, except to the extent inconsistent with the provisions of this Act, and except that—

(1) amendments to the articles of incorporation, articles of merger or consolidation, and articles of dissolution shall be filed with the Secretary and certified copies thereof shall be transmitted to the State Commissioner of Commerce;

(2) annual reports shall be filed with the Secretary and, for a period of ten years after formal organization of the regional corporation, also with the Commission, and certified copies thereof shall be transmitted to the State Commissioner of Commerce;

(3) the regional corporation shall not be subject to any State law which places a burden or duty upon it greater than is placed upon any other business corporation, or, unless the regional corporation so consents, to any State corporate law which is in effect applicable only to one or more regional corporations.

(j)(1) In addition to moneys received pursuant to section 8(f)(1) each regional corporation shall be entitled to 50 per centum of the net proceeds derived from the sale, lease, permit, development, use or other disposition of lands, interests in lands, and minerals located within that region to which the Services Corporation acquires a patent under sections 15(c) and (d), 19 and 23(m) of this Act. The remaining 50 per centum of such net proceeds shall be distributed among all the other regional corporations and the Urban and National Corporations in direct proportion to their membership as shown on the final membership roll promulgated in accordance with subsection 7(b)(2). Revenues derived from commercial timber operations whether conducted by Village corporations, regional corporations or the Services Corporation shall be divided and shared on the same basis.

(2) Moneys distributed pursuant to paragraph (1) hereof shall not constitute income of the Services Corporation, but shall constitute income of the receiving regional corporations and the Urban and National Cor-

porations and shall be subject to taxation on the same basis as like income is taxed when received by any corporation of the same legal character.

ALASKA NATIVE INVESTMENT CORPORATION

SEC. 10. (a) (1) There is hereby established the Alaska Native Investment Corporation as a business for profit corporation, which shall have the powers and duties hereinafter granted. The Investment Corporation shall be subject to the provisions of this Act and, to the extent consistent with subsection (i), to the Investment Company Act of 1940, as amended (11 U.S.C. 72a, 107f; 15 U.S.C. 80a–1 to 80a–52 et seq.). The Investment Corporation shall be a federally chartered corporation, but shall not be an agency or establishment of the United States Government.

(2) The directors appointed by the President pursuant to subsection (b) (1) (A) hereof shall serve as the incorporators and as the initial board of directors, and shall take whatever actions are necessary to formally establish the Investment Corporation, including the preparation of the original articles of incorporation in a form consistent with the provisions of this Act. The incorporators shall file the articles of incorporation with the Secretary within six months after their appointment, and the Investment Corporation shall be deemed to be incorporated and formally organized as of the date of such filing. The incorporators also shall transmit a copy of the articles of incorporation to the Commissioner of Commerce of the State and to the appropriate office of the state designed pursuant to subsection (e) hereof. The Secretary of the Treasury is authorized and directed to advance to the incorporators from the Investment Corporation's share of moneys in the Fund such sums as are reasonably necessary for the organization of the Investment Corporation.

(b) (1) The management of the Investment Corporation shall be vested in a board of directors, which shall consist of twelve members:

(A) five members of which shall be appointed by the President of the United States, within six months of the date of enactment of this Act: Provided, That no more than three members of the initial board shall be members of the same political party;

(B) four members of which shall be elected by Alaska Natives as provided in subsection (b) (6) hereof; and

(C) three members of which shall be elected by the nine directors named in subsections (b) (1) (A) and (B) hereof.

(2) Directors appointed by the President pursuant to subsection (b) (1) (A) hereof, and directors elected pursuant to subsection (b) (1) (C) hereof, shall, insofar as is possible, be persons who have demonstrated business ability and who have displayed a high degree of expertise in national and international investments or corporate enterprise.

(3) Members of the board of directors shall serve for terms of six years or until their successors have been elected and qualified: Provided, That among the directors first appointed and elected, two shall serve for terms of six years; two for terms of five years; two for terms of four years; two for terms of three years; two for terms of two years; and two for terms of one year. The directors who serve the shorter terms shall be determined by a drawing of lots conducted by the initial board, except that the member appointed by the President to serve as the initial Chairman of the board of directors pursuant to subsection (b) (4) hereof shall serve for a full six-year term. Elections for membership on the board of directors shall be conducted in accordance with procedures set forth in the articles of incorporation or the by-laws of the Investment Corporation. Any director elected to fill a vacancy shall serve only for the period of the unexpired term of the director whom he succeeds. Upon the expiration of each director's term of office the shareholders of the Investment Corporation shall elect a new director to serve a term of six years, or until reorganization of the Investment Corporation as required in subsection (l) hereof.

(4) The President of the United States shall appoint one of the members of the initial board of directors to serve as Chairman of the board. The member appointed shall serve as Chairman for a three-year term. Thereafter, the board of directors shall elect a Chairman annually from among its own membership. The board also may appoint persons to fill vacancies within its membership, but such appointed directors shall serve only until the next regular election of directors.

(5) Notwithstanding any other provision of this Act or the articles of incorporation to the contrary, the initial board of directors appointed pursuant to subsection (b) (1) (A) hereof shall exercise only the following corporate powers: (A) completion of the organization of the Corporation and qualifying it to do business, including, but not limited to, the adoption of a corporate seal, the opening of bank accounts, the establishment of a place or places of business and the rental or acquisition of necessary offices, furnishings, equipment and supplies related thereto, subject to the condition that no lease shall be for a period in excess of one year; (B) approval of amendments to the articles of incorporation; (C) the appointment of officers of the Corporation, the hiring of other employees and the employment of consultants, accountants, and other professional or financial advisers, subject to the condition that no contract of employment shall be for a period in excess of one year; (D) the receipt, investment and distribution of moneys from the Fund in accordance with the provisions of this Act; and (E) the expenditure of corporate funds to pay for or carry out the activities authorized under this paragraph.

(6) Within ninety days after the filing of the articles of incorporation of the Investment Corporation, the initial board of directors shall organize and conduct an election for the four directors named in subsection (b) (1) (B) hereof.

(c) The Investment Corporation may establish such executive committees as are necessary for the conduct of business and may have a president and such other officers as may be named and appointed by the board, at rates of compensation to be fixed by the board and serving at the pleasure of the board. The president and other officers of the Investment Corporation may, but need not, be members of the board. No officer of the Investment Corporation shall receive any salary from any source other than the Investment Corporation during the period of his employment by the Corporation. The executive committee or committees or the president, as determined by the board, shall be responsible for conducting the business and affairs of the Investment Corporation in a manner consistent with provisions of this Act, the articles of incorporation, and the policies of the board of directors, and shall appoint such other employees as the board deems appropriate.

(d) (1) The board of directors of the Investment Corporation shall contract with a Business Management Group or groups to manage and advise upon the conduct of the affairs of the Investment Corporation, subject to the terms of this Act and the policies established by the board. The Business Management Group or groups to the extent consistent with this section and subsection (i) hereof shall be subject to the terms of the Investment Advisers Act. The Business Management Group or groups may, if the board of directors so decides, have a power of attorney for the sale, purchase, exchange, and transfer of securities of the Investment Corporation. The terms of the original contract between the Investment Corporation and the Business Management Group or groups shall be no longer than a renewable term of one year, and the contract shall be subject to review and comment by the Securities and Exchange Commission as provided in subsection (i) hereof.

(2) At the end of any year or upon cancellation of a contract the Investment Corporation may:

(A) award new contracts to the Business Management Group or groups;

(B) award contracts to another Business Management Group or groups; or

(C) at the end of three years establish an in-house management and investment capacity and staff to manage the affairs of the Investment Corporation.

The Investment Corporation through the board of directors and the Business Management Group or groups shall, to the extent consistent with sound management practices and the provisions of this section and the policies of the board, train and employ Alaska Natives in executive, management, and staff positions.

(3) The board of the Investment Corporation and the Business Management Group or groups shall manage the Investment Corporation's assets in such a manner as to maximize the financial interests of the shareholders, by investing in a balanced and diversified portfolio of:

(A) national and international public and private securities ("securities" as used in this section shall have the same meaning as defined in the Investment Company Act of 1940, as amended) (11 U.S.C. 72a, 107f; 15 U.S.C. 80a–1 to 80a–52);

(B) enterprises based in, or doing business in Alaska;

(C) enterprises having an impact on sectors of the economy especially important to Natives; and

(D) enterprises wholly or partially owned by Natives.

Neither (B), (C), nor (D) of this subsection shall be construed as obliging or authorizing the board of the Investment Corporation or the Business Management Group to make any investment which does not meet prudent investment standards and which is not in the best financial interests of the shareholders.

(e) The Investment Corporation shall have and may exercise, in addition to the powers and rights granted by this Act, all rights and powers vested in a business-for-profit corporation under the laws of any State which the board of directors designates in the articles of incorporation as the State whose law is to be applied in resolving legal questions arising from the corporate activities of the Investment Corporation. In addition, and without limitation upon any of the powers so conferred, the Investment Corporation may—

(1) make any lawful investments in local, national, and international business enterprises and securities which the board of directors determines would yield an acceptable return; and

(2) make loans and investments in such a manner as to maintain a creditor's protected interest which may, at the option of the board of directors, be converted into an equity interest: *Provided*, That, notwithstanding any other provision of this Act, no more than 20 per centum of the assets of the Investment Corporation may at any time be invested in venture capital situations.

(f) (1) As soon as the Investment Corporation is incorporated and formally organized in accordance with subsection (a) (2) hereof, the Secretary of the Treasury shall pay to the Investment Corporation all moneys deposited in the Fund to which the Investment Corporation is entitled up to the date of

such incorporation and formal organization, together with any accrued interest. Thereafter, on January 1, April 1, July 1, and October 1 of each calendar year, the Secretary of the Treasury shall pay to the Investment Corporation or its successor additional moneys deposited in the Fund to which the Investment Corporation is entitled up to the date of payment, together with any accrued interest. The Secretary of the Treasury also shall furnish to the Investment Corporation or its successor each month a statement showing the amount and source of moneys on deposit in the Fund.

(2) The board of directors may retain out of moneys paid to the Investment Corporation such funds as are necessary for contingency funds, for the payment of dividends and for the administrative costs and the business expenses of the Corporation: *Provided*, That the compensation to be paid to the Business Management Group or groups during any year shall not exceed $250,000 or not more than one-half of 1 per centum of the invested assets of the Investment Corporation.

(3) The Investment Corporation and the Business Management Group shall be subject to periodic audits by a qualified group of certified public accountants to be selected by the board of directors. Such audits as are in accord with standard business practice shall be made at least once a year.

(g) (1) The Investment Corporation shall issue and have outstanding not more than one hundred shares of no par common stock for each Native.

(2) Until publication of the membership roll in accordance with section 7(b), the stockholders of the Corporation shall consist of all Natives shown on the temporary census roll prepared pursuant to section 7(a). After publication of the membership roll in accordance with section 7(b)(1) and before such roll becomes final in accordance with section 7(b)(2), the stockholders of the Corporation shall consist of all Natives shown on the temporary census roll, except an individual whose inclusion thereon is the subject of a pending protest. Stock held pursuant to this paragraph shall carry a right to vote in elections for the board of directors and on such other questions as properly may be presented to stockholders, and the right to file a stockholder's derivative suit, but shall not vest in the holder any right to dividends or other distributions from the Corporation, except as provided in subsection (h) hereof.

(3) Upon promulgation of the final membership roll in accordance with section 7(b)(2), all stock issued pursuant to section 10(g)(2) shall be deemed canceled, new shares shall be issued and thereafter the stockholders of the Corporation shall consist of all Natives shown on the final membership roll. Stock held pursuant to this paragraph shall carry a right to vote in elections for the board of directors and on such other questions as properly may be presented to stockholders, shall permit the holder to receive dividends or other distributions from the Corporation, and shall vest in the holder all rights of a stockholder in a business corporation organized under the laws of the State designated pursuant to subsection (e) of this section.

(4) Upon the death of any stockholder holding stock in the Corporation pursuant to section 10(g)(2) or (3), ownership of such stock shall be transferred to natural persons in accordance with his last will and testament or under the laws of intestacy: *Provided*, That such stock shall carry voting rights only if the holder thereof through inheritance also is a Native: *And provided further*, That in the event the deceased stockholder fails to dispose of his stock in the Corporation by will and has no heirs under the laws of intestacy, such stock shall escheat to the Corporation.

(5) (A) In the event that a Native under the age of eighteen shall become entitled to shares of stock in the Investment Corporation pursuant to section 10(g), such shares shall be issued to that member of such Native's family who is highest in the order of priority set forth in section 10(g)(5)(B) who shall agree, within thirty days of his receipt of notice of eligibility, to accept such shares as custodian for such Native. If a person designated as custodian or successor custodian under this section dies, resigns, is removed, or becomes legally incapacitated before such Native attains the age of eighteen, there shall be designated as successor custodian that member of such Native's family who is next highest in the order of priority set forth in section 10(g)(5)(B) who shall agree, within thirty days of his receipt of notice of eligibility, to accept such shares as successor custodian for such Native. In the event that no member of the Native's family accepts such shares as custodian (or successor custodian) pursuant to this section, such shares shall be held by the Secretary as custodian for such Native.

(B) The order of priority in which members of the family of a Native under the age of eighteen shall be eligible to receive shares of stock in such business corporation as custodian for such Native is the following:

(i) the father;
(ii) the mother;
(iii) a brother;
(iv) a sister;
(v) an uncle;
(vi) an aunt;
(vii) a grandparent.

If more than one individual shall occupy any of the foregoing priority categories, the individuals within such category shall have priority in accordance with date of birth, with the individual having the earliest date of birth being assigned the highest priority.

(C) The custodian or successor custodian for a Native under the age of eighteen appointed pursuant to subsection (5)(A) hereof shall have the rights and obligations of and be subject to the terms and conditions applicable to, custodians under the Alaska Gifts of Securities to Minors Act (Alaska Stat. Ann. § 45.60.010 et seq.), or corresponding provisions of subsequent law, except where inconsistent with the foregoing provisions of this subsection.

(6) The stock issued pursuant to this section and the right to any dividends paid pursuant to section 10(h) may not be sold, pledged, subjected to a lien or judgment execution, assigned in present or future, or otherwise alienated. Any person who knowingly seeks to acquire from a Native such stock in violation of this subsection shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than $5,000, or imprisoned not more than twelve months, or both.

(7) Contemporaneous with any issuance of stock pursuant to this Act, each stockholder shall receive a report which shall contain the type of information similar to that normally contained in a prospectus of a corporation subject to the provisions of the Investment Company Act of 1940. Such additional information shall be included as the board of directors may require.

(h) (1) Commencing no later than eighteen months from the date of its incorporation, the Investment Corporation shall pay to its shareholders a quarterly dividend. Regardless of the current or cumulative earnings on the investments of the Investment Corporation, the total cash dividends paid in any quarter shall not be less than $1,000,000 for the first five fiscal years after enactment of this Act: *Provided, however*, That dividend payments prior to the first distribution of stock shall be made only subject to the provisions of subsection (g) hereof.

(2) The Investment Corporation shall pay out in dividends to holders of stock issued pursuant to section 10(b)(2) no more than 80 per centum of the moneys available in any quarter for payment of dividends. The Investment Corporation shall retain in a reserve account sufficient moneys to pay dividends, plus interest at 4 per centum, to persons not listed on the temporary census roll who are later determined to be eligible for benefits under this Act and enrollment on the final membership roll.

(3) The Investment Corporation may withhold any dividends due to a person eligible to receive stock pursuant to section 10(g)(2) whose eligibility for inclusion on the final membership roll is subject to a pending protest or is subject to substantial doubt, until such time as the stockholder's eligibility for benefits under this Act has been determined. Any stockholder who receives dividends and who is later determined to be ineligible for enrollment on the final membership roll shall repay the amount of those dividends, plus interest at 4 per centum to the Investment Corporation.

(i) (1) The provisions of the Investment Company Act of August 22, 1940 (54 Stat. 789), as amended; the Investment Advisers Act of August 22, 1940 (54 Stat. 847), as amended; the Securities Act of May 27, 1933 (48 Stat. 74), as amended; and the Securities Exchange Act of June 6, 1934 (48 Stat. 881), as amended, relating to public disclosure, reporting, and protection of the interests of stockholders shall, to the extent consistent with the purposes of this Act, be applicable to the activities of the Investment Corporation for a period of twelve full fiscal years after the date of enactment of this Act.

(2) The Investment Corporation and its duly authorized representatives may, by application to the Securities and Exchange Commission, in accord with the procedures of section 6(c) of the Investment Company Act of 1940, request appropriate waivers and exemptions from any of the provisions of the Acts referred to in subsection (1) hereof if necessary to accomplish the purposes of this Act or to avoid hardship. This provision shall apply only to the Investment Corporation and only during its period of existence as a federally chartered corporation under this Act.

(3) The Securities and Exchange Commission is authorized, should it prove necessary to provide business certainty, to prepare rules and regulations which identify those provisions of applicable law or existing regulations of the securities law which, consistent with the purposes and provisions of this Act, may be applied to the Investment Corporation. Rules and regulations prepared pursuant to this subsection may be waived or exemptions made thereto in accord with subsection (2) hereof. Such rules shall be prepared and issued according to the procedures set forth in section 4 of the Administrative Procedure Act, section 553 of title 5, United States Code, and shall be subject to judicial review only as rules issued in such manner are normally reviewed.

(j) The Directors shall annually prepare and cause to be deposited with the Securities and Exchange Commission a report or reports which shall include information and data required under the provisions of the Investment Company Act of 1940 and such additional information and reports as the Securities and Exchange Commission and the Investment Company Act of 1940 may require. Copies of the report or reports herein required shall be made available for public inspection at the chief offices of the Investment Corporation and a summary shall be furnished upon request to any shareholder of the Investment Corporation. The report herein required shall be in addition to, and not in lieu of, any other report or disclosure required by law.

(k) The internal affairs of the Investment Corporation shall be governed in accordance with the laws of the state designated by the

board of directors pursuant to subsection (e) hereof, except to the extent inconsistent with the provisions of this Act, and except that—

(1) amendments to the articles of incorporation and annual reports shall be filed with the Securities and Exchange Commission and certified copies thereof shall be transmitted to the appropriate office of the state referred to in subsection (e) hereof; and

(2) the Investment Corporation shall not be subject to any state law which places a burden or duty upon it greater than is placed upon any other similar corporation, or, unless the Corporation so consents, to any state corporate law which is in effect applicable only to the Investment Corporation.

(l) (1) At the end of the twelfth full fiscal year commencing with the fiscal year in which this Act becomes effective, by operation of law all of the assets of the Investment Corporation shall be transferred to and all of its liabilities assumed by a new business for profit corporation (hereinafter called the Successor Corporation) established pursuant to this subsection, and the Investment Corporation shall terminate.

(2) During the fiscal year preceding the date specified in section 10(l)(1), the directors of the Investment Corporation shall draft the articles of incorporation for the Successor Corporation, appoint incorporators, and take all other steps necessary to create the Successor Corporation under the laws of any State selected by the directors. The Successor Corporation will not be an agency or establishment of the United States, and shall not be governed by the terms of this Act, except as follows:

(A) payments from the Fund to the Investment Corporation provided in section 5(f);

(B) limitations on disposition of shares within twenty years of incorporation of the Investment Corporation in section 10(g); and

(C) merger of the Services Corporation with the Successor Corporation to the Investment Corporation as allowed pursuant to subsection 8(h).

(3) The stock in the Investment Corporation issued pursuant to section 10(g)(3) shall be deemed canceled on the date specified in section 10(l)(1), and shares of stock in the Successor Corporation shall be issued in replacement to all stockholders in the Investment Corporation on that date.

(4) The Successor Corporation shall also issue shares of stock to the Foundation established pursuant to section 25 in such number that the Foundation shall hold 10 per centum of stock issued and outstanding under this section.

NATIVE VILLAGE CORPORATIONS

SEC. 11. (a) The Native members of each Native Village entitled to receive lands and benefits under this Act shall organize as a nonprofit membership corporation under the laws of the State before the Village Corporation may receive patent to lands or benefits under this Act except as otherwise provided. The initial articles of incorporation for each Village Corporation shall be subject to the approval of the Services Corporation. Amendments to the articles of incorporation and the annual budget of the Village Corporations shall, for a period of five years, be subject to review by the Services Corporation. The Services Corporation shall assist and advise Native Villages in the preparation of articles of incorporation and other documents necessary to meet the requirements of this subsection.

(b) Native Villages which are qualified under Alaska State law to organize as Municipal Corporations are encouraged to do so to be eligible for Federal grant-in-aid programs. In Native Villages which do not meet the population and other requirements of the State to organize as Municipal Corporations, and only for so long as they do not meet these requirements, the Village Corporations required to be established pursuant to this section shall be considered political subdivisions of the State solely for the purpose of being eligible for grants, loans, and contracts for planning, housing assistance, economic development, public works, construction, and other programs under Federal law which will assist Natives and Native Villages.

(c) Each Village Corporation shall have five incorporators. The incorporators shall be the Village Land Selection Committee as elected by the Native Village members pursuant to subsection 14(c) of this Act. After promulgation of the final membership roll in accordance with subsection 7(b)(2), the board of directors shall be elected by the Natives shown on the final membership roll in accordance with the articles of incorporation and the bylaws of the Village Corporation.

(d) Each Village Corporation shall be devoted to promoting the health, welfare, education, and economic and social well-being of its members and their descendants, and shall be authorized by its articles of incorporation, among other purposes, to construct, operate, and maintain public works and community facilities, to engage in medical, educational, housing, and charitable programs, to make loans and grants consistent with its corporate purposes, to foster industrial and economic development, to lease, sell, and manage real property and to distribute funds to its members and their descendants in furtherance of family plans.

(e) The Services Corporation shall not distribute more than the reasonable sums required for planning and administrative purposes and to deal with any pressing health and social problems to a Village Corporation until the Village Corporation has developed an initial program for the management, investment, and expenditure of such funds, and such program has been approved by the Services Corporation: *Provided*, That a failure or refusal of the Services Corporation to approve a Village program within ninety days after its receipt may be appealed to the Commission, and the Commission's decision thereon shall, without regard to subsection 6(j), be final. After approval of its initial program, each Village Corporation shall be entitled to distributions from the Services Corporation in accordance with this Act. The Services Corporation may invest for the benefit of a Village Corporation all moneys, withheld under this paragraph until the Village program is approved.

(f) The articles of incorporation for each Village Corporation shall include the following provisions—

(1) all persons shown as members of the Native Village on the final membership roll prepared in accordance with section 7(b) of this Act shall be entitled to membership in the Village Corporation;

(2) for a period of at least twenty years after the effective date of this Act, membership in a Village Corporation shall be limited to Natives and their descendants.

(g) (1) In any Native Village which is now organized or which becomes organized as a Municipal Corporation under State law within five years from the effective date of this Act, the Municipal Corporation shall be entitled to receive title to the surface estate of the land on which the village is located and as much additional land as is necessary for community expansion. Prior to the transfer of lands from a Village Corporation to a Municipal Corporation, lands shall be granted to occupants pursuant to section 15(b)(2)(A), (B), and (D) and section 23(m)(2)(B)(i), (ii) and (iv). The average limitations in section 15(b)(2)(C) and section 23(m)(2)(B)(iii) shall apply to the transfer.

(2) In addition to the land grants referred to in subsection (1) hereof, Village Corporations shall also grant to Municipal Corporations or, where appropriate, to the State, title to existing rights-of-way necessary for public use, airport sites, and such other interests in land as are reasonably necessary for public use and benefit: *Provided*, That this subsection does not require the creation of floating easements or right-of-way unless the Village Corporation decides to grant such rights-of-way for future use and expansion.

(3) The Alaska Native Commission shall settle any disputes with respect to the land transfers required under subsections (1) and (2) hereof and the Commission's decision shall, without regard to subsection 6(j), be final.

URBAN AND NATIONAL CORPORATIONS

SEC. 12. (a) (1) There shall be established two nonprofit, membership corporations as follows:

(A) Alaska Native Urban Corporation; and

(B) Alaska Native National Corporation.

(2) The Urban Corporation shall be incorporated under the laws of Alaska. The Natives listed on the temporary census roll under section 7(a)(1) who are listed as residents in Alaska but not as members of any Native Village shall be its temporary members and the Natives listed as members of the Urban Alaska Native roll under subsection 7(d) of this Act shall be its permanent members.

(3) The National Corporation shall be incorporated under the laws of any State other than Alaska determined by the Secretary to be the most appropriate. The Natives listed on the temporary census roll under section 7(a)(1) who are listed as not resident in Alaska and not members of any Native Village shall be its temporary members, and the Natives listed as members of the Alaska Native National roll under subsection 7(e) of this Act shall be its permanent members.

(4) The Secretary shall, within sixty days after the effective date of this Act, appoint five incorporators for each of the corporations established under this section and shall select as such incorporators persons whom the Secretary deems to be knowledgeable in the needs of, and benefits desired by, the respective members of each corporation. The incorporators of each corporation shall, within sixty days after their appointment, prepare and submit to the Secretary articles of incorporation and bylaws for the government of their respective corporations not inconsistent with the provisions of this Act. When the articles of incorporation and bylaws of either of such corporations are approved by the Secretary, or if they shall not have been disapproved by the Secretary within thirty days after they have been received, the articles of incorporation shall be filed with appropriate authorities in the state of incorporation and all other actions necessary to establish corporate existence shall be performed.

(5) The Urban and National Corporations shall be managed by their respective boards of directors, each of which boards shall be comprised of not less than five members.

(A) The incorporators shall constitute the initial board of directors to hold office until their successors are elected. They may engage such legal counsel, advisers and employees and perform such further acts as may be required to carry out the purposes of this Act. Any contract or other obligation of the corporation existing upon the date of the first election of directors shall be terminable at will by the corporation at any time within ninety days thereafter.

(B) All directors other than the initial board of directors shall be elected by the members of the respective corporations who are eighteen years of age or over at the time of voting. The first election shall be held within four months following

(i) completion of the temporary census roll under subsection 7(a) of this Act, or

(ii) commencement of the existence of the corporation under the laws of its state of incorporation, whichever occurs later.

(6) The articles of incorporation and the bylaws of the Urban Corporation and the National Corporation may be amended from time to time. Such amendments made during the first five years after the effective date of this Act shall be filed with the Secretary and the Services Corporation.

(7) The Urban Corporation and the National Corporation shall manage and use the funds distributed to them in accordance with this Act to serve the needs of their members and members' descendants. They shall have all of the powers granted to nonprofit corporations under the laws of their respective states of incorporation, except as such powers may be limited by their articles of incorporation and bylaws; and they shall carry out activtties, either directly or through other instrumentalities, directed toward promoting the health, welfare, education, and cultural, social and economic development of their members and members' descendants.

(8) The National Corporation shall maintain an office or offices in its state of incorporation and in such other location or locations as will best serve the needs of its members.

(b) The provisions of subsection 11(e) of this Act relating to the distribution, withholding, and investment of sums to, and for the benefit of, Village Corporations shall apply also with regard to sums received by the Services Corporation for distribution to the Urban and National Corporations.

(c) The Urban and National Corporations shall be entitled in proportion of their memberships to the total final membership roll to receive distributions from the Services Corporation on the same basis as Village Corporations, including, prior to completion of the final membership roll, advances for organizational, planning, and administrative purposes and to deal with pressing health and social problems.

(d) The Urban Corporation and the National Corporation shall be entitled to a share, in proportion of their respective memberships to the total final membership roll, of the funds, retained pursuant to subsection 8(g), for administrative expenses and for contingency purposes.

(e) The Urban Corporation and the National Corporation shall be considered public instrumentalities eligible for grants, loans, and contracts for planning, housing assistance, economic development, and other programs under Federal law which will assist their members and members' descendants.

(f) Upon termination of the Services Corporation pursuant to subsection 8(h) the limitations established and the powers granted under this Act for each of the corporations established under this section 12 shall terminate, and by vote of not less than a majority of its members casting votes in accordance with its articles of incorporation and bylaws, the members of the Urban and National Corporations shall elect to reincorporate either as a nonprofit corporation or a business corporation for profit, or to merge or consolidate with other corporations or otherwise reorganize or liquidate as the members deem appropriate. If either such corporation fails for any reason to make such election and carry it into effect within one year after the Services Corporation shall have gone out of existence, it shall be dissolved and liquidated in accordance with the provisions of its articles of incorporation and bylaws and applicable State law.

WITHDRAWAL OF PUBLIC LANDS

SEC. 13. (a) Public Land Order Numbered 4582, 34 Federal Register 1025, as amended, is hereby revoked.

(b)(1)(A) There are hereby withdrawn, subject to valid existing rights, from selection by the State under the Statehood Act (72 Stat. 341, 77 Stat. 223) and from all other forms of appropriation under the public land laws, including the mining and mineral leasing laws, (1) all public lands in each township, which encloses all or part of any Native Village listed in subsection (c) hereof, plus (2) all public lands in each township which is contiguous to or corners upon the townships withdrawn under clause (1) hereof, except lands withdrawn or otherwise reserved for national defense purposes other than Naval Petroleum Reserve Numbered 4, plus (3) all public lands in each township which is contiguous to or corners upon the townships withdrawn under clause (2) hereof, or which would have been withdrawn if not for the limitation contained therein, except lands withdrawn or otherwise reserved for national defense purposes other than Naval Petroleum Reserve Numbered 4, as shown on current plats of survey or protraction diagrams of the Bureau of Land Management, or protraction diagrams of the State where protraction diagrams of the Bureau of Land Management are not available.

(B) There are hereby withdrawn, subject to valid existing rights, from further selection, tentative approval or patent by the State under the Statehood Act (72 Stat. 341, 77 Stat. 223) and from all other forms of appropriation under the public land laws, including the mining and mineral leasing laws, (1) all public lands and also all lands which have been selected and tentatively approved for patent to the State under the Statehood Act, but which have not been patented on the date of enactment of this Act, in each township which encloses all or part of the following Native Villages:

Dot Lake.
English Bay.
Klukwan.
Manley Hot Springs.
Minto.
Ninilchik.
Port Graham.
Seldovia.
Tanacross.
Eklutna.
Lake Minchumina.
Mentasta Lake.
Nenana.
Ouzinkie.
Port Lions.
South Naknek.

plus (2) all public lands and also all lands which have been selected and tentatively approved for patent to the State under the Statehood Act, but which have not been patented on the date of enactment of this Act, in each township which is contiguous to or corners upon the townships in which such Native Villages are located, except lands withdrawn or otherwise reserved for defense purposes other than Naval Petroleum Reserve Numbered 4, as shown on current plats of survey or protraction diagrams of the Bureau of Land Management, or protraction diagrams of the State where protraction diagrams of the Bureau of Land Management are not available.

(2) At the time any Native Village not listed in section 13(c) is approved for benefits under this Act by the Commission pursuant to section 13(e), there shall be withdrawn, subject to valid existing rights, from selection by the State under the Statehood Act and from all other forms of appropriation under the public land laws, including the mining and mineral leasing laws, all public lands in each township which encloses all or part of the Native Village, plus all public lands in each township which is contiguous to or corners upon the township in which the Native Village is located, plus all public lands in each township which is contiguous to or corners upon the township in which the Native Village is located, except lands excepted from withdrawal under section 13(b)(1).

(3)(A) In the event that any Native Village referred to in subsections (b) (1) and (2) hereof is so located that less than twenty-five townships of lands are available for withdrawal as therein provided, there shall be withdrawn, subject to valid and existing rights, from selection by the State under the Statehood Act and from all other forms of appropriation under the public land laws, including the mining and mineral leasing laws, from among the available public lands, except lands excepted from withdrawal under section 13(b)(1), in order of their proximity to the center of the village, as much land of at least an equal character and value as the land upon which such Village is located as may be necessary for a withdrawal of an acreage equivalent to twenty-five townships of public lands for such Native Village.

(B) The land exchange authority granted pursuant to section 16(a) of this Act may be exercised to make land exchanges with the State or other parties for the purpose of making lands in the townships on which villages referred to in subsection (b)(3)(A) hereof are located, or in the contiguous and cornering townships, available for selection: *Provided*, That the Secretary shall classify those public lands suitable for exchange under this section before any exchanges are made.

(c) The following Native villages are qualified for land withdrawals under the provisions of subsection (b)(1) hereof:

NAME AND PLACE AND REGION

Akiachak, Southwest Coastal Lowland.
Akiak, Southwest Coastal Lowland.
Akutan, Aleutian.
Alakanuk, Southwest Coastal Lowland.
Aleknagik, Bristol Bay.
Alatna, Koyukuk-Lower Yukon.
Allakaket, Koyukuk-Lower Yukon.
Ambler, Bering Strait.
Anatuvuk Pass, Arctic Slope.
Andreafsey, Southwest Coastal Lowland.
Aniak, Southwest Coastal Lowland.
Anvik, Yoyukuk-Lower Yukon.
Arctic Village, Upper Yukon-Porcupine.
Atka, Aleutian.
Atkasook, Arctic Slope.
Atmautluak.
Barrow, Arctic Slope.
Beaver, Upper Yukon-Porcupine.
Belkofsky, Aleutian.
Bethel, Southwest Coastal Lowland.
Bill Moore's, Southwest Coastal Lowland.
Biorka, Aleutian.
Birch Creek, Upper Yukon-Porcupine.
Brevig Mission, Bering Strait.
Buckland, Bering Strait.
Candle, Bering Strait.
Cantwell, Cook Inlet.
Canyon Village, Upper Yukon-Porcupine.
Chalkyitsik, Upper Yukon-Porcupine.
Chanilut, Southwest Coastal Lowland.
Chefornak, Southwest Coastal Lowland.
Chevak, Southwest Coastal Lowland.
Chignik, Kodiak.
Chignik Lagoon, Kodiak.
Chignik Lake, Kodiak.
Chistochina, Copper River.
Chitina.
Chukwuktoligamute, Southwest Coastal Lowland.
Circle, Upper Yukon-Porcupine.
Clark's Point, Bristol Bay,
Copper Center, Copper River.
Crooked Creek, Upper Kuskokwim.
Deering, Bering Strait.
Dillingham, Bristol Bay.
Eagle, Upper Yukon-Porcupine.
Dot Lake, Tanana.
Eek, Southwest Coastal Lowland.
Egegik, Bristol Bay.
Eklutna, Cook Inlet.
Ekwok, Bristol Bay.
Elim, Bering Strait.
Emmonak, Southwest Coastal Lowland.
English Bay, Cook Inlet.
False Pass, Aleutian.
Fort Yukon, Upper Yukon-Porcupine.
Gakona, Copper River.
Galena, Koyukuk-Lower Yukon.

Gambell, Bering Sea.
Georgetown, Upper Kuskokwim.
Golovin, Bering Strait.
Goodnews Bay, Southwest Coastal Lowland.
Grayling, Koyukuk-Lower Yukon.
Gulkana, Copper River.
Hamilton, Southwest Coastal Lowland.
Holy Cross, Koyukuk-Lower Yukon.
Hooper Bay, Southwest Coastal Lowland.
Hughes, Koyukuk-Lower Yukon.
Huslia, Koyukuk-Lower Yukon.
Igiugig, Bristol Bay.
Iliamna, Cook Inlet.
Inalik, Bering Strait.
Ivanof Bay, Aleutian.
Kaktovik, Arctic Slope.
Kalskag, Southwest Coastal Lowland.
Kaltag, Koyukuk-Lower Yukon.
Karluk, Kodiak.
Kasigluk, Southwest Coastal Lowland.
Kiana, Bering Strait.
King Cove, Aleutian.
Kipnuk, Southeast Coastal Lowland.
Kivalina, Bering Strait.
Kobuk, Bering Strait.
Koliganek, Bristol Bay.
Koghanok, Bristol Bay.
Kongiganak, Southwest Coastal Lowland.
Kotlik, Southwest Coastal Lowland.
Kotzebe, Bering Strait.
Koyuk, Bering Strait.
Koyukuk, Koyukuk-Lower Yukon.
Kwethluk, Southwest Coastal Lowland.
Kwigillingok, Southwest Coastal Lowland.
Larsen Bay, Kodiak.
Levelock, Bristol Bay.
Lime Village, Upper Kuskokwim.
Lower Kalskag, Southwest Coastal Lowland.
McGrath, Upper Kuskokwim.
Makok, Koyukuk-Lower Yukon.
Manokotak, Bristol Bay.
Marshall, Southwest Coastal Lowland.
Mary's Igloo, Bering Strait.
Medfra, Upper Kuskokwim.
Mekoryuk, Southwest Coastal Lowland.
Mentasta Lake, Copper River.
Minchumina Lake, Upper Kuskokwim.
Minto, Tanana.
Mountain Village, Southwest Coastal Lowland.
Nabesna Village, Tanana.
Naknek, Bristol Bay.
Napaimute, Upper Kuskokwim.
Napakiak, Southwest Coastal Lowland.
Napaskiak, Southwest Coastal Lowland.
Nelson Lagoon, Aleutian.
Newhalen, Cook Inlet.
Nenana, Tanana.
New Stuyahok, Bristol Bay.
Newtok, Southwest Coastal Lowland.
Nightmute, Southwest Coastal Lowland.
Nikolai, Upper Kuskokwim.
Nikolski, Aleutian.
Ninilchik, Cook Inlet.
Noatak, Bering Strait.
Nome, Bering Strait.
Nondalton, Cook Inlet.
Nooiksut, Arctic Slope.
Noorvik, Bering Strait.
Northeast Cape, Bering Sea.
Northway, Tanana.
Nulato, Koyukuk-Lower Yukon.
Nunapitchuk, Southwest Coastal Lowland.
Ohogamiut, Southwest Coastal Lowland.
Old Harbor, Kodiak.
Oscarville, Southwest Coastal Lowland.
Ouzinkie, Kodiak.
Paradise, Koyukuk-Lower Yukon.
Paulof Harbor, Aleutian.
Pedro Bay, Cook Inlet.
Perryville, Kodiak.
Pilot Point, Bristol Bay.
Pilot Station, Southwest Coastal Lowland.
Pitkas Point, Southwest Coastal Lowland.
Platinum, Southwest Coastal Lowland.
Point Hope, Arctic Slope.
Point Lay, Arctic Slope.
Portage Creek (Ohgsenakale), Bristol Bay.
Port Graham, Cook Inlet.
Port Lions, Kodiak.
Port Heiden (Meshick), Aleutian.
Quinhagak, Southwest Coastal Lowland.
Rampart, Upper Yukon-Porcupine.
Red Devil, Upper Kuskokwim.
Ruby, Koyukuk-Lower Yukon.
Russian Mission (Kuskokwim) (or Chauthalue), Upper Kuskokwim.
Russian Mission (Yukon), Southeast Coastal Lowlands.
St. George, Aleutians.
St. Mary's, Southwest Coastal Lowland.
St. Michael, Bering Strait.
St. Paul, Aleutians.
Salamatof, Cook Inlet.
Sand Point, Aleutians.
Savonoski, Bristol Bay.
Savoonga, Bering Sea.
Scammon Bay, Southwest Coastal Lowland.
Selawik, Bering Strait.
Shakeluk, Koyukuk-Lower Yukon.
Shaktoolik, Bering Strait.
Sheldon's Point, Southwest Coastal Lowland.
Shishmaref, Bering Strait.
Shungnak, Bering Strait.
Slana, Copper River.
Sleetmute, Upper Kuskokwim.
South Naknek, Bristol Bay.
Squaw Harbor, Aleutians.
Stebbins, Bering Strait.
Stevens Village, Upper Yukon-Porcupine.
Stony River, Upper Kuskokwim.
Takotna.
Tanacross, Tanana.
Tanana, Koyukuk-Lower Yukon.
Tazlina.
Telida, Upper Kuskokwim.
Teller, Bering Strait.
Tetlin, Tanana.
Togiak, Bristol Bay.
Toksook Bay, Southwest Coastal Lowland.
Tuluksak, Southwest Coastal Lowland.
Tuntutuliak, Southwest Coastal Lowland.
Tununak, Southwest Coastal Lowland.
Twin Hills, Bristol Bay.
Tyonek, Cook Inlet.
Ugashik, Bristol Bay.
Unalakleet, Bering Strait.
Unalaska, Aleutian.
Unga, Aleutian.
Uyak, Kodiak.
Venetie, Upper Yukon-Porcupine.
Wainwright, Arctic Slope.
Wales, Bering Strait.
White Mountain, Bering Strait.

(d) Within three years from the date of enactment of this Act the Commission shall review all of the villages listed in subsection (c) hereof and a village shall not be eligible for benefits under this Act if the Commission determines that—

(1) less than twenty-five Natives are residents of the village; or

(2) the village is of a modern and urban character, that the majority of the residents are non-Native, and that the best interests of the Native residents would be served if they derived benefits through the Urban Corporation and other land provisions of this Act rather than as a Native Village; or

(3) the village was not in existence on the date of enactment of this Act: *Provided*, That this provision shall not be used to exclude any Native Village otherwise eligible which has been required to move to a new location because of a natural disaster or the actions of any governmental agency.

(e) Native Villages not listed in subsection (c) hereof shall be eligible for land and benefits under this Act and added to the village roster if the Commission, within three years from the date of enactment of this Act, determines that—

(1) twenty-five or more Alaska Natives are residents of an established village; and

(2) the best interests of the Native residents would be served if they derived benefits under the Act as a Village Corporation; and

(3) the village would not be disqualified by the provisions of subsection (d) hereof.

(f) In making the determinations required pursuant to subsections (d) and (e) hereof, the Commission shall review all relevant evidence offered by the members of the concerned Native group or their representatives and shall review any recommendations of the State and the Secretary. In this review, the Commission shall be particularly cognizant of the loss of land by the Kenetize Indians and is hereby directed to determine an equitable and reasonable in-lieu land right from vacant, unappropriated and unreserved public lands in Alaska within the framework of the discretion and land distribution authority accorded the Commission by this Act. The Commission's determination shall, without regard to section 6(j), be final.

(g)(1) In addition to determining which villages are entitled to land and other benefits under the terms of this Act, the Commission shall determine the total land acreage which each eligible Village Corporation shall be entitled to select under the alternatives set out in section 14(a). Except as provided in subsection (g)(3) of this section and in section 14(h), the maximum grant of land which the Commission initially may award to an eligible Village Corporation shall be twenty-three thousand and forty acres for those Villages having an enrollment of less than four hundred Natives and an additional twenty-three thousand and forty acres for each additional four hundred Natives enrolled as members of the Village as follows: four hundred to eight hundred enrolled Natives, forty-six thousand and eighty acres; eight hundred to one thousand and two hundred enrolled Natives, sixty-nine thousand and one hundred twenty acres; one thousand and two hundred to one thousand and six hundred enrolled Natives, ninety-two thousand and one hundred sixty acres; one thousand and six hundred to two thousand enrolled Natives, one hundred and fifteen thousand two hundred acres; and two thousand to two thousand four hundred enrolled Natives, one hundred and thirty-eight thousand two hundred forty acres. In making determinations pursuant to this subsection the Commission shall consider the following factors:

(A) the Native population of the Village;

(B) the nature of the use, both historic and present, of the lands surrounding the Native Village including the carrying capacity of the surrounding lands and biological community in relationship to the village population and subsistence use patterns of the Native residents therein;

(C) the amount of land needed for prospective community expansion, the area to be granted in Municipal Corporations or to the State, and the area to be granted for access, rights-of-way, and other public services and facilities;

(D) the nature and economic value of the lands surrounding the village (without regard to the mineral estate) for the purpose of insuring some degree of comparability in value as between Native Villages; and

(E) the comprehensive land use plan prepared by the Village Corporation with the assistance of the Services Corporation staff pursuant to subsection (8)(i) hereof.

(2) Land acreages equal to the difference between the maximum grants of land which the Commission may award pursuant to subsection (g)(1) and the actual amounts awarded to eligible Village Corporations, together with land in the amount of one million and five hundred thousand acres, shall be granted by the Commission upon application, as follows:

(a) to any Village Corporation which received the maximum grant the Commission may award, but which needs additional lands to maintain historic subsistence use patterns, but not to exceed the balance of the

acreage withdrawn for that Village Corporation;

(b) to any Village Corporation which demonstrates that the nature, amount, and economic value (without respect to the mineral estate) of the lands granted pursuant to subsection (g)(1) do not result in comparable values with the lands granted to other Village Corporations, but not to exceed the balance of the acreage withdrawn for that Village Corporation; and

(c) any remaining lands shall be granted to the Services Corporation.

In making the determinations required by this subsection the Commission shall consider the geographical relationship of individual villages to the lands in question and should avoid determinations which result in land grants that are separated by large bodies of water unless one of the above factors or the operation of section 13(b)(3) makes such a determination reasonably necessary. The Commission's determinations under this subsection shall, without regard to section 6(j), be final.

(3) If the Natives in an election called for such purpose decide to accept land selection rights pursuant to section 14(a)(1) of this Act, the Commission promptly shall determine the total acreage available to Native Villages, the Arctic Slope Regional Corporation, and the Services Corporation pursuant to section 13(g)(1) and (2), section 14, section 19, section 22, and section 23 of this Act. From the lands withdrawn in accordance with subsection (b) hereof, and as a supplement to the lands selected by Native Villages in accordance with section 14(b) of this Act, the Commission shall select for the benefit of the Native Villages listed in subsection (c) hereof an amount of land equal to the difference between the total available acreage under other provisions of this Act and forty million acres. In making land selections pursuant to this paragraph, the Commission shall be governed by the following standards:

(A) The lands selected shall be allocated by the Commission among the regions defined in section 9 of this Act, excluding the region of southeastern Alaska, in the same proportion as the total acreage within each region bears to the total acreage of Alaska, excluding the region of southeastern Alaska.

(B) The lands allocated to each region shall be divided by the Commission among the Native Villages therein on the basis of the factors set forth in subsections (g)(1)(A) through (E) and (g)(2) of this section: *Provided*, That none of such lands shall be granted to the Services Corporation.

(C) The lands shall be selected in accordance with section 14(b) as if the Commission were a Village Corporation and, to the extent feasible, shall be contiguous to the lands selected by the respective Native Villages which are the beneficiaries thereof.

(D) The lands shall be selected by the Commission within eighteen months after the election held pursuant to section 14(a).

(h)(1) The Secretary, after consultation with the Commission and, where appropriate, with the Secretary of Agriculture or the Secretary of Defense, is authorized to withdraw, subject to valid existing rights, from all forms of appropriation under the public land laws any public lands reasonably necessary to protect: (A) any settlement of a Native group established as of April 15, 1969, and not otherwise eligible for lands under this Act; (B) any historic Native village from which the population has been required to move, because of either direct or indirect actions of the Federal, State, or local government, and to which twenty-five or more adult Natives wish to return and reside; (C) any place which constitutes a new Native village location to which by virtue of natural phenomenon, or direct or indirect governmental actions, twenty-five or more adult Natives wish to relocate; or (D) any land occupied by a Native as a primary place of residence on May 1, 1970, and continuing on the effective date of this Act: *Provided, however*, That any withdrawal made pursuant to this subsection shall not exceed twenty-three thousand and forty acres.

(2) The Commission shall determine the amount of land to which any Native group or individual is entitled under paragraph (1) hereof. The decision of the Commission shall, without regard to subsection 6(j), be final. Lands granted to Native groups or individuals pursuant to this subsection shall not exceed five thousand seven hundred and sixty acres under subsections (1)(A), (B), and (C) hereof nor more than one hundred and sixty acres under subsection (1)(D) hereof. Any lands granted under this subsection shall be patented by the Secretary on the basis of the Commission's decision and shall be deducted from the five hundred thousand-acre "miscellaneous" selection right created by subsection 19(a)(2)(B). Patents issued pursuant to this subsection shall not include the leasable or locatable mineral estate and the provisions of section 15(l) shall apply to such patents.

(3) Where the lands referred to in subsection (h)(1) hereof are located within the national park system, the national forest system or the national wildlife refuge system the Secretary in withdrawing lands, and the Commission in granting lands pursuant to this subsection, may reduce the amount of lands withdrawn and granted to insure that the purposes for which these lands were reserved by the United States may be achieved with a minimum of interference.

(i) If the Secretary determines that a substantial dispute is involved or that the best interests of justice would be served he may direct that a public hearing be held in accordance with such rules as he shall prescribe prior to making any of the withdrawals permitted by subsection (h) hereof. Any hearings held pursuant to this subsection shall be held within five years of the date of enactment of this Act. The Commission shall consider, in any contested case, any hearing record prepared by the Secretary as well as his recommendations in making its determinations. The actions of the Commission under this subsection shall, without regard to section 6(j), be final.

(j) Pending the disposition of any lands withdrawn under this section, the Secretary is authorized to take such actions as may be necessary to administer, manage, and protect the withdrawn public lands for the benefit of the potential beneficiaries and the United States in accord with section 16 of this Act.

(k) To insure that the Native Village at Dutch Harbor, if found eligible for land grants under this Act, has a full opportunity to select lands within and near the Village, no federally owned lands, whether improved or not, shall be disposed of pursuant to the Federal surplus property disposal laws for a period of two years. The Native Village at Dutch Harbor may select such lands and receive patent to them pursuant to sections 14 and 15 of this Act. In making determinations as to the total land acreage which the Native Village at Dutch Harbor may be entitled to select, the Commission shall take into account the value of any improvements on lands granted by this section.

SELECTION OF PUBLIC LANDS

SEC. 14. (a) Within one year after the date of enactment of this Act, the members of the Native Villages listed in section 13(c), and any Native Village outside the region of southeast Alaska which is not so listed, but which has then been approved for benefit under this Act by the Commission pursuant to section 13(e), who is eighteen years of age or over, as shown on the temporary roll prepared pursuant to section 7(a), shall vote, under procedures established by the Secretary, for either of the following alternatives:

(1) to be eligible for and accept lands, interests in lands and other land rights in accordance with section 13(g), section 19(a) and section 21(a) of this Act; or

(2) to be eligible for and accept lands, interests in lands and other land rights in accordance with subsection (h) of this section, section 19(b) and section 21(b) of this Act. The vote of a majority of the Natives who vote at the election authorized under this subsection shall be binding upon all Natives, for purposes of this Act.

(b) Native Villages found eligible for land selections pursuant to section 13 of this Act are hereby granted and shall be entitled to select, within one year after the election authorized under subsection (a) of this section, either (1) that amount of land to which the Native Village is found entitled by the Commission pursuant to the procedures set out in subsection 13(g) of this Act if the Natives decide to accept land grants under subsection (a)(1) hereof, or (2) that amount of land to which the Native Village is declared entitled pursuant to subsection (h) of this section if the Natives decide to accept land grants under subsection (a)(2) hereof. In exercising their selection rights, Native Villages and Village Corporations shall select from among the public lands withdrawn pursuant to section 13, and all such selections shall be contiguous and in reasonably compact tracts, except as separated by bodies of water or by lands which are unavailable for selection, and shall be in whole sections and, wherever feasible, in units of not less than one thousand two hundred and eighty acres. In the event the public lands withdrawn pursuant to section 13 are not sufficient in amount to satisfy the entitlement of any Village Corporation, as determined by the Commission, such Corporation may select noncontiguous tracts from among the vacant and unappropriated public lands, without regard to section 24(c), in order of their proximity to the center of the village until the Village Corporation's selection rights are exhausted.

(c) Within two months after a determination by the Commission that a Native Village is eligible for a grant of land pursuant to subsections 13 (d) and (e), the Secretary shall conduct an election for the village, under such rules and regulations as he may prescribe, to choose a five-member Village Land Selection Committee. The committee so elected is hereby authorized to exercise the land selection rights of the village pending organization of the Village Corporation. The persons entitled to vote in the election or serve on the Land Selection Committee shall be the members of each Native Village eighteen years of age or over, as shown on the temporary census roll prepared pursuant to section 7(a).

(d) Notwithstanding any other provision of law or of this Act, the Native Villages listed in section 13(b)(1)(B) may select, in addition to the township or townships in which the village is located, not more than sixty-nine thousand one hundred and twenty acres of land which has been selected and tentatively approved for patent to the State under the Statehood Act, and must select the remainder of its entitlement, if any, from among the public lands. In the event the public lands withdrawn pursuant to section 13 are not sufficient in amount to satisfy the remaining entitlement of the village, the village may select noncontiguous tracts from among the vacant and unappropriated public lands in order of their proximity to the center of the village until its selection rights are exhausted.

(e)(1) Where two or more Native Villages, because of proximity in location, are entitled to select lands in the same townships and actually select the same lands, their Village Corporations, or if not yet organized, their Land Selection Committees, shall be authorized to settle the overlap by negotiation and,

in furtherance of any such settlement, to release selected lands to each other. If Native Villages making overlapping selections do not reach agreement within six months after the date such conflict arises, the controversy may be referred to the Commission by the Village Corporation or the Land Selection Committee for decision in accordance with section 6 of this Act. The Commission shall award the land, or portions thereof, to the Native Village or Villages shown historically by a preponderance of the evidence to have made greater use and occupancy thereof, or in such manner as will do substantial justice. The decision of the Commission shall without regard to subsection 6(j), be final.

(2) A Native Village which releases selected lands in order to settle an overlap, or which loses selected lands under a Commission award in accordance with subsection (e)(1) hereof, shall be entitled to select additional public lands pursuant to subsection (b) hereof, until its selection rights are exhausted.

(f) Upon application of the Services Corporation, if the Natives decide to accept land grants under subsection (a)(1) hereof, and upon certification thereof by the Commission, and after survey of the areas involved, the Secretary shall issue patents, without payment therefor, to the Services Corporation for lands to which it is entitled pursuant to subsection 13(g)(2)(c). The Services Corporation shall select such lands from among the lands withdrawn for Native Villages pursuant to section 13 which remain after Native Village selection rights are exercised as provided in this section. All such selections shall be contiguous and in reasonably compact tracts, except as separated by bodies of water or by lands which are unavailable for selection and shall be in whole sections and, wherever feasible, in units of not less than one thousand two hundred and eighty acres.

(g) Except as otherwise provided in subsection (e)(2) hereof, all public lands withdrawn pursuant to section 13, which have not been selected by a Land Selection Committee or Village Corporation or by the Services Corporation under this section, shall eighteen months after the date of the election authorized under subsection (a) hereof or nine months after the election required under subsection (c) hereof, whichever later occurs, be placed in the status provided for by section 24(c) of this Act: *Provided*, that lands withdrawn around a Village whose eligibility for land selection has not been finally determined by the Commission within eighteen months after the date of the election authorized under subsection (a) hereof shall remain withdrawn until six months after the Commission makes the determination required pursuant to subsection 13 (d) through (g).

(h) If the Natives decide to accept land grants in accordance with subsection (a)(2) hereof, each Native Village listed in section 13(c), and any Native Village outside the region of southeast Alaska which is not so listed, but which has been approved for benefits under this Act by the Commission pursuant to section 13(e), is hereby granted and, except as otherwise provided in section 22, shall be entitled to select lands in accordance with the following table:

Native population	*Average*
25 to 99	92,160
100 to 199	115,200
200 to 399	138,240
400 to 599	161,280
600 or over	184,320

The population of each Native Village and its land entitlement shall be certified to the Secretary by the Commission on the basis of the temporary census roll prepaid in accordance with section 7(a).

The Commission shall have the authority to modify the above grants pursuant to the procedures and standards provided in subsections 14(g) (1) and (3) and shall select such lands as are necessary for the benefit of the Native Villages to insure that a total of twenty million acres is granted pursuant to this subsection.

SURVEY AND CONVEYANCE OF LANDS

SEC. 15. (a) The Secretary shall promptly survey the township withdrawn under section 13 and the areas selected for conveyance to Village Corporations and to the Services Corporation pursuant to section 14 of this Act, but need monument only the exterior boundaries of these townships or areas. He also shall promptly survey: (1) within the townships withdrawn or areas selected all lands occupied as a primary place of residence, a primary place of business, subsistence campsites, reindeer grazing grounds, and for other purposes as required under subsection (b)(2) hereof; and (2) any other land to be patented under this Act.

(b)(1) After certification of a Native Village's land entitlement by the Commission and upon completion of the survey of lands selected pursuant to section 14, the Secretary shall issue a patent or patents to the Village Corporation, or, if not yet incorporated, in trust to the Services Corporation for the benefit of the Native Village pending its incorporation as provided in section 11 to the land and all interests therein, except minerals covered by the Federal mineral leasing laws, subject to valid existing rights and subject to the provisions of paragraph (2) hereof.

(2) Upon receipt of a patent or patents to selected lands, Village Corporations or the Services Corporation on their behalf—

(A) shall issue deeds to the occupants, without payment of any consideration, to the surface estate for any tracts occupied by Natives as a primary place of residence, as a primary place of business, or used for subsistence campsites or for reindeer husbandry, subject to valid existing rights;

(B) shall issue deeds to the occupants, either without consideration or upon the payment of an amount not in excess of fair market value for such property, determined as of the date of initial occupancy and without regard to any improvements thereon, to the surface estate for any tracts occupied by non-Natives as a primary place of residence or a primary place of business, subject to valid existing rights: Provided, That all occupants of the same general character shall be accorded similar treatment with respect to any payment for land;

(C) shall issue deeds pursuant to subsection 11(g), without payment of any consideration, to any Municipal Corporation in the Native Village or to any Municipal Corporation established in the Native Village within five years of the date of enactment of this Act, to the surface estate of the improved land on which the village is located and of as much additional land as is necessary for community expansion for appropriate rights-of-way for public use, airport sites, and such other interests in land as are reasonably necessary for public use and for foreseeable community needs: Provided, That prior to the transfer of lands from a Village Corporation to a Municipal Corporation, individuals shall receive patent to any lands used for residences and businesses: And provided further, That the amount of lands to be transferred to the Municipal Corporation shall be no less than one hundred and sixty acres;

(D) shall issue deeds to the occupants, either without consideration or upon payment of an amount not in excess of fair market value for such property determined as of the date of initial occupancy and without regard to any improvements thereon, to the surface estate for any tracts occupied by nonprofit organizations for the purposes for which such organizations were established, subject to valid existing rights: *Provided*, That all nonprofit organizations of the same general character shall be accorded similar treatment with respect to payment for land; and

(E) may issue deeds, subject to valid existing rights, to all others.

Any dispute over the boundaries, use, occupancy, or value of any tract which is covered by this paragraph may be submitted by any party to the dispute to the Commission for decision. The decision of the Commission, without regard to subsection 6(j), shall be final.

(c) Upon completion of the survey of lands selected by any Village Corporation, as provided in subsection (a) hereof, and contemporaneous with the issuance of patents to Village Corporations as provided in subsection (b)(1)(A) and (B) hereof, the Secretary shall issue a patent or patents to all minerals in such village lands covered by the Federal mineral leasing laws, subject to valid existing rights, to the Services Corporation. At the time of such conveyance, the Services Corporation shall succeed and become entitled to any and all interests of the United States, as lessor, contractor, or permitter, in any mineral leases, contracts or permits covering lands selected by any Village Corporation as provided in subsection (1) of this section.

(d)(1) Upon completion of the survey of lands selected by the Services Corporation, as provided in subsection (a) hereof, the Secretary promptly shall issue a patent or patents to the Services Corporation to the land and all interests therein, subject to valid existing rights.

(2) Upon completion of the survey of lands selected by the Commission for the benefit of a Native Village pursuant to section 13(g)(3), as provided in subsection (a) hereof, the Secretary promptly shall issue a patent or patents to the Village Corporation, or, if not yet incorporated, in trust to the Services Corporation for the benefit of the Native Village pending its incorporation as provided in section 11, to the land except minerals covered by the Federal Mineral Leasing Act, subject to valid existing rights.

(e) Notwithstanding any other provision of this Act, every patent issued by the Secretary pursuant to this section, except subsection (h) hereof, which covers lands lying within the boundaries of a Federal wildlife refuge on the date of enactment of this Act shall contain a provision that such lands remain subject to the laws and regulations governing use and development of such refuge as long as the lands continue within its boundaries.

(f) Upon application filed with the Commission and certification thereof, the Secretary shall, for a period of seven years from the effective date of this Act, issue a patent, without payment therefor, to any Native or Native group, subject to all valid existing rights, to the surface estate of any public land located in Alaska, outside of areas selected pursuant to this Act, except land within the national park system, national wildlife refuge system, national forest system, or land withdrawn or reserved for national defense purposes, other than Naval Petroleum Reserve No. 4, which has been used by such adult Native or Native group for a period of more than three years immediately prior to the effective date of this Act as a campsite for the harvesting of fish, wildlife, berries, fuel, or other products of the land. Such patents shall be issued—

(1) for five-acre tracts for each subsistence use campsite separate from the campsite of any other applicant;

(2) for forty-acre tracts where the campsites of several applicants are in such proximity to each other as to make it not feasible to patent individual five-acre campsites; or

(3) for larger tracts, not to exceed sixty acres, where individuals can establish, un-

der such rules and regulations as the Commission may prescribe, historic occupancy and use of the larger tracts.

Applications for patents under this subsection must be filed with the Commission within five years after effective date of this Act. Pending the issuance of a patent for campsites under this subsection the Secretary is authorized to permit the use of such lands, upon which applications have been filed, as campsites. The Secretary is authorized to apply the rule of approximation with respect to acreage limitations set forth in this subsection.

(g) Upon application filed with the Commission and certification thereof, the Secretary shall, for a period of seven years after the effective date of this Act, issue a patent, without payment therefor, for the surface estate of up to two thousand five hundred and sixty acres to each bona fide reindeer husbandryman, family, or Native group who on the effective date of this Act was practicing reindeer management. Patents issued under this subsection may cover any public lands in Alaska outside the areas selected pursuant to this Act, subject to all valid existing rights, that on the effective date of this Act are leased, permitted, or used for reindeer management purposes, including summer and winter range facilities and intervening line camps. Lands granted pursuant to this subsection shall not include any lands selected pursuant to section 14 and shall not include lands within the national park system, national wildlife refuge system, national forest system or land withdrawn or reserved for national defense purposes, other than Naval Petroleum Reserve No. 4. The Secretary is authorized to apply the rule of approximation with respect to acreage limitations set forth in this subsection.

(h) Upon application filed with the Commission and certification thereof, the Secretary shall, for a period of seven years after the effective date of this Act, issue a patent without payment therefor, for up to, but not to exceed, one hundred and sixty acres of land and interests therein, except the minerals covered by the Federal mineral leasing laws, and subject to all valid existing rights, from any public lands within the areas withdrawn for Natives under section 13, but not patented pursuant to section 15 of this Act to any Native occupying land within such one hundred and sixty acres on the effective date of this Act as a primary place of residence. The Secretary is authorized to apply the rule of approximation with respect to the acreage limitations set forth in this subsection.

(i) Upon application filed with the Commission and certification thereof, the Secretary shall, for a period of seven years after the effective date of this Act, issue a patent without payment therefor, of up to, but not to exceed, one hundred and sixty acres to the surface estate of any public land located in Alaska, subject to all valid existing rights, except land within the national park system, national wildlife refuge system, and national forest system, and land withdrawn or reserved for national defense purposes, other than Naval Petroleum Reserve No. 4, to any Native eighteen years of age or older occupying such lands as a primary place of residence on the effective date of this Act and whose residence is outside the areas withdrawn for the benefit of Native Villages by section 13 of this Act. The Secretary is authorized to apply the rule of approximation with respect to acreage limitations set forth in this subsection.

(j) Notwithstanding the provisions of subsections (f) and (g) hereof any adult Native or Native group may apply for and shall receive special use permit for lands within any national wildlife refuge for the purposes set out in such subsections: *Provided further,* That notwithstanding the provisions of subsection (i) hereof any Native eighteen years of age or older whose primary place of residence or business is outside the areas withdrawn by section 13 of this Act, but within the national wildlife refuge system, shall be entitled to a patent of up to eighty acres of land. Such patent shall be issued pursuant to the procedures set forth in subsection (i) hereof.

(k) In carrying out the provisions of this section, patents shall be issued by the Secretary in accordance with the following priorities:

(1) Within the areas withdrawn pursuant to section 13 of this Act—

(A) lands selected by Native Village Corporations;

(B) lands for the Services Corporation pursuant to subsection 13(g)(2)(C);

(C) lands selected by the Commission pursuant to section 13(g)(3);

(D) land for individual places of residence; and

(E) land for subsistence campsites and reindeer management areas.

(2) Outside the areas withdrawn pursuant to section 13 of this Act—

(A) land for individual places of residence;

(B) land for subsistence campsites; and

(C) land for reindeer husbandry.

(l) Where, prior to patent of any land or minerals under this section, a lease (including a lease issued under section 6(g) of the Alaska Statehood Act), contract, or permit (which term for the purposes of this Act shall include rights-of-way and easements) has been issued for the utilization of surface or mineral resources covered under such patent, the patent shall contain provisions making it subject to the lease, contract, or permit and the right of the lessee, contractee, or permittee to the complete enjoyment of all rights, privileges, and benefits granted him by such lease, contract, or permit. Upon issuance of the patent, the patentee shall succeed to and become entitled to any and all interests of the United States or the State as lessor, contractor, or permitter, in any such leases, contracts, or permits covering the estate patented, and a lease issued under section 6(g) of the Alaska Statehood Act shall be treated for all purposes as though the patent had been issued to the State. The administration of such lease, contract, or permit shall continue to be by the United States or by the State. In the event that the patent does not cover all of the land embraced within any such lease, contract, or permit, the patentee shall only be entitled to the proportionate amount of the revenues reserved under such lease, contract, or permit by the United States or by the State which results from multiplying the total of such revenues by a fraction in which the numerator is the acreage of such lease, contract, or permit which is included in the patent and the denominator is the total acreage contained in such lease, contract, or permit.

(m) The Secretary shall require as a condition to the granting of each permit to prospect, or to the granting of each lease to mine or drill for minerals covered by the Federal mineral leasing laws, on lands patented pursuant to subsections (f) through (j) of this section, and are not covered by such patent, that the permittee or lessee shall provide a bond, satisfactory to the Secretary, to indemnify the surface patentee for any damages which such permittee or lessee may cause in connection with the development of such permit or lease, and further the Secretary shall include provisions in such lease or permit which will protect the surface patentee against unreasonable interference in the use of his land.

ADMINISTRATION OF LANDS

SEC. 16. (a) Natives, Village Corporations, and the Services Corporation may exchange lands and interests in lands with each other, or with the State or the United States and the Secretary, the Secretary of Agriculture, and the Secretary of Defense, under such rules and regulations as they respectively may prescribe, may exchange land and interests in lands under their jurisdiction and classified as suitable for exchange with Village Corporations, the Services Corporation, and Natives, for the purpose of effecting land consolidations or to facilitate the management or development of land. Exchanges of land and interests in lands hereunder shall be made on the basis of equal value, and the value of improvements on lands shall be given due consideration and allowance made therefore in any valuation: *Provided,* That either party to an exchange under this subsection may pay or accept cash in order to equalize the values of the properties exchanged.

(b) Pending the patenting to a Village Corporation pursuant to section 15 or 23 of public lands withdrawn pursuant to section 13 or 23 or the restoration of such lands to the status in which they had been placed pursuant to section 24(c), the Secretary may take such actions as shall be necessary to administer, manage, and protect such withdrawn public lands: *Provided,* That the Secretary shall not sell or otherwise permanently dispose of lands or interests therein, except as provided in this subsection: And provided further, That the Secretary shall not, without the consent of the Services Corporation, issue or enter into any lease, contract, or permit covering lands withdrawn pursuant to this Act which will be in effect more than eighteen months after the effective date of this Act. The Secretary may renew existing leases which would be in effect more than eighteen months after the effective date of this Act only if the basic lease provides for a right of renewal and then only on the terms provided in the basic lease. The Secretary, with the approval of the Commission, and in accordance with such rules and regulations as he shall prescribe, may grant an easement or right-of-way for a public purpose over, across, under, or through withdrawn public lands on condition that the grantee of such easement or right-of-way (1) shall provide a bond, satisfactory to the Secretary, in an amount sufficient to pay the fair market value of any interest the grantee acquires in lands which may be subsequently selected by a Village Corporation, and (2) shall agree to conserve the natural resources of the land and the environment, including fish and wildlife, and to protect the surface owner from unreasonable interference in the enjoyment of his land. All payments or revenues attributable to the use or other disposition of withdrawn lands later selected by a Village Corporation, after deducting the cost of administration thereof, shall be paid to the Village Corporation, or to the Services Corporation, as appropriate: *Provided,* That if the selected land does not include all of the land covered by a particular lease, contract, or permit, the amount of the revenues therefrom to be paid to such Village Corporation, or to the Services Corporation, as appropriate, shall be the proportion which results from multiplying the revenues attributable to such lease, contract, or permit (after deducting the cost of administration thereof) by a fraction in which the numerator is the acreage of such lease, contract, or permit which is included in the selected land and the denominator is the total acreage contained in such lease, contract, or permit.

(c) After lands are patented pursuant to sections 15 and 23 of this Act, Village Corporations and the Service Corporation may hold, manage, lease, or dispose of such lands and interests therein in accordance with the laws of the State: Provided, That for a period of twenty fiscal years after the effective date of this Act, any sale (other than a sale or grant under section 15(b)(2) or 23(m)(2)(B)), mortgage, surface lease from a term (includ-

ing renewals) of more than twenty years, grant of a permanent easement or right-of-way, or gift of such lands, or interests in lands by a Village Corporation shall require the approval of the Services Corporation in order to be valid: Provided, further, That easements or rights-of-way for public purposes may be acquired within such lands by condemnation in accordance with the laws of the State without any necessity for approval of the Services Corporation.

MINERAL LEASING ACT

SEC. 17. Disposition of all minerals included under the Federal mineral leasing laws including but not limited to deposits of coal, phosphate, sodium, potassium, oil, oil shale, gas, or sulfur located in public lands in Alaska and of all deposits of any other minerals located in such lands, which the Congress may hereafter authorize to be disposed of by sale or lease, after the effective date of this Act may, where there is competitive interest shown in a particular tract of land, be under such competitive bidding procedures, as the Secretary may prescribe by regulation. Such regulations shall include provision for bidding by bonus bid, by a percent of royalty, or by a stated bonus and a percent of royalty, and such other means of competitive bidding procedures, which will insure that the Federal Government receives fair market value for public resources and that individuals and small businesses have an opportunity to compete when there is competitive bidding for mineral leases. All leases, whether issued competitively or otherwise, shall include rental provisions which may be offset by exploration and development expenditures at such rates and over such periods of time as the Secretary determines are required to assure timely exploration and development and to prevent the holding of leases for speculative and unproductive purposes. The provisions of the Mineral Leasing Act of February 25, 1920, as amended and supplemented (41 Stat. 437, 30 U.S.C. 181 and following), and the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351 and following) shall apply to the extent that such provisions are not inconsistent with this Act. Leases issued competitively under this section for lands which are not within any known geologic structure of a producing oil or gas field shall be for the same term of years and shall cover the same amount of acreage as is provided for in the Mineral Leasing Act for leases covering such lands. Where such competitive interest has not been displayed the provisions of the Mineral Leasing Act of February 25, 1920, as amended and supplemented (41 Stat. 437; 30 U.S.C. 181 and following), and the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351 and following) shall apply.

REVENUE SHARING

SEC. 18. (a)(1) Disposition of all deposits of coal, phosphate, sodium, potassium, oil, oil shale, gas, or sulfur located in public lands in Alaska and of all deposits of any other minerals located in such lands which the Congress may hereafter authorize to be disposed of by sale or lease, after the effective date of this Act shall be made only pursuant to the terms of this Act and shall be subject to the provisions on revenue sharing as provided in this section. The provisions of the Mineral Leasing Act of February 25, 1920, as amended and supplemented (41 Stat. 437; 30 U.S.C. 181 et seq.), and the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351 et seq.) shall apply to the extent that such provisions are not inconsistent with this Act.

(2) All revenues derived by the United States from rentals and bonuses upon disposition of such minerals during the period beginning January 1, 1969, and ending on the effective date of this Act, shall be distributed as provided in the Alaska Statehood Act of July 7, 1958 (72 Stat. 339), except that, prior to calculating the shares of the State and the United States as set forth in such Act, 2 per centum of such proceeds shall be deducted and paid into the Fund. From the royalty derived by the United States from the disposition of such minerals during the same period, an amount equal to 2 per centum of the gross value of the minerals (as the gross value thereof is determined for royalty purposes under the lease involved) shall be deducted and paid into the Fund, and the respective shares of the State and the United States in such royalty shall be calculated on the remaining balance.

(3) All leases or other disposition of such minerals made after the effective date of this Act shall provide that prior to calculating the respective shares of the State and the United States in such proceeds under the Statehood Act: (A) a royalty of 2 per centum upon the gross value of any minerals produced (as that gross value is determined for royalty purposes under such lease or other disposition) shall be paid into the Fund; and (B) 2 per centum of all revenues derived from rentals and bonuses shall be deducted and paid into the Fund.

(b) Should the United States ever dispose of deposits of minerals referred to in subsection (a)(1) of this section located within Naval Petroleum Reserve No. 4, such disposition shall be made only under such competitive bidding procedures as the Secretary shall prescribe by regulation. The provisions of the Mineral Leasing Act of February 25, 1920 (30 U.S.C. 181 et seq.), as amended and supplemented, shall apply to the extent that such provisions are not inconsistent with this Act. Leases issued competitively under this section for lands which are not within any known geologic structure of a producing oil or gas field shall be for the same term of years and shall cover the same amount of acreage as is provided for in the Mineral Leasing Acts for leases covering such lands. Any leases or other dispositions of such minerals shall be made in accordance with this subsection and shall provide: (1) that a royalty of 2 per centum upon the gross value of any minerals produced (as that gross value is determined for royalty purposes under such lease or other disposition) shall be paid into the Fund from the royalties derived by the United States; (2) that 2 per centum of all revenues derived from rentals and bonuses upon disposition of such minerals shall be deposited in the Fund; and (3) that the remaining proceeds from the disposition of such minerals shall be deposited as miscellaneous receipts to the Treasury of the United States.

(c) The royalties provided under this section shall not operate to exclude lands subject thereto from selection by the State under the Alaska Statehood Act of July 7, 1958 (72 Stat. 339), if such lands otherwise are available for selection. Every patent of public lands issued to the State under the Statehood Act after the effective date of this Act, however, shall expressly reserve for the benefit of the Natives: (1) a royalty of 2 per centum upon the gross value (as such gross value is determined for royalty purposes under any lease or other disposition by the State) of the minerals referred to in subsection (a) hereof produced on or removed from such lands from the royalties payable to the State; (2) a right to receive 2 per centum of all revenues derived by the State from rentals and bonuses upon disposition of such minerals. Until such time as the reservation required in patents by the preceding sentence becomes operative with respect to a particular lease or sale there are also reserved for the benefit of the Natives from and after January 1, 1969, an amount equal to a like royalty and other revenues from rentals, royalties, and bonuses payable to the State under (i) leases of the United States which are or may be assumed by the State under section 6(h) of the Alaska Statehood Act, and (ii) under conditional leases and sales made pursuant to section 6(g) of the Alaska Statehood Act in the case of lands heretofore or hereafter selected by the State, the selection of which is or was tentatively approved by the Secretary, but as to which patents had not issued to the State by January 1, 1969: Provided, however, That the bonus revenues received by the State at the September 1969, sale of lands tentatively approved under the Statehood Act shall not be subject to the 2 per centum revenue sharing provisions of this section, nor shall rentals received pursuant to such sale up to the date of April 15, 1970. Any royalty, and rentals received pursuant to such sale after April 15, 1970, shall be subject to the revenue sharing provisions of this section.

(d) Revenues received by the United States or the State as compensation for estimated drainage of oil and gas shall, for purposes of this section, be deemed to be revenues from the disposition of oil and gas and the appropriate payments shall be paid into the Fund on account thereof. All royalty and other revenues required to be paid under this section shall be paid into the Fund promptly after the expiration of the fiscal year in which they accrue by the Secretary of the Treasury or the State, as the case may be, and shall be distributed or withdrawn therefrom only in accordance with this Act. In the event the United States or the State elects to take royalties in kind, there shall be paid into the Fund on account thereof an amount equal to the royalties that would have been paid into the Fund under the provisions of this section had the royalty been taken in cash.

(e) The payments required pursuant to this section shall continue only until $500,000,000 has been paid into the Fund. Thereafter the provisions of this section shall not apply and the reservation required in patents under subsection (c) of this section shall be of no further force and effect.

(f) The provisions of this section requiring revenue sharing by the State shall be enforceable by the United States on behalf of the Natives but this shall not preclude the Services Corporation, or its successor, from pursuing any remedies available to it in the event of default by the State. In the event of default by the State in making any payments due under this section, and in addition to any other remedies provided by law, there shall be deducted annually and deposited in the Fund the amount of any underpayment, to be taken from the share of mineral revenues from public lands in Alaska which would otherwise be paid to the State pursuant to Federal law.

(g)(1) The provisions of this section requiring revenue sharing by the State and the United States are enacted pursuant to the authority reserved by the United States in section 4 of the Alaska Statehood Act to determine the disposition of lands used and claimed by Natives and as to which the State was, by the Alaska Statehood Act, required to and did disclaim all right and title. Therefore:

(A) in the event that the State initiates litigation to contest in any manner the operation of this section 18 all rights of land selection granted to the State by the Alaska Statehood Act shall be suspended as to any public lands which are determined by the Secretary as chiefly valuable for mineral development, timber or other commercial purposes, and no selections shall be made, no tentative approvals shall be granted, and no patents shall be issued for such lands during the pendency of such litigation; and

(B) in the event that the State contests in any manner the operation of this section and the provisions of this section providing for revenue sharing are judicially determined to be inapplicable to the State, such suspension and prohibition on the grant-

ing of tentative approvals and issuance of patents shall continue for as long as may be necessary, but not in excess of two years, to allow the Services Corporation or its successor an opportunity to select, out of lands described in section 19(a)(1), in addition to the selection rights provided for in that section, the mineral estate of one million acres of land in noncontiguous block of four townships, half of which must be south of the Brooks Range. The Secretary upon application therefor filed by the Services Corporation or its successor shall issue to the Services Corporation or its successor, without payment, a patent to the mineral estate in the lands selected, subject to all valid and existing rights. Where, prior to such patent, a lease, contract, or permit has been issued for the utilization of the mineral resources covered under such patent, the patent shall contain provisions making it subject to the lease, contract, or permit and the right of the lessee, contractee, or permittee to the complete enjoyment of all rights, privileges, and benefits granted him by such lease, contract, or permit. Upon issuance of such patent, the Services Corporation shall succeed and become entitled to any and all interests of the United States as lessor, contractor, or permitter, in any such leases, contracts, or permits covering the minerals patented. The administration of such lease, contract, or permit shall continue to be by the United States. In the event that the patent does not cover all of the land embraced within any such lease, contract, or permit, the Services Corporation shall only be entitled to the proportionate amount of the revenues reserved under such lease, contract, or permit by the United States which results from multiplying the total of such revenues by a fraction in which the numerator is the acreage of such lease, contract, or permit which is included in the patent and the denominator is the total acreage contained in such lease, contract, or permit.

(2) Any civil action commenced to contest in any manner the purpose and the substantive operation of this section 18 shall be barred unless the complaint is filed within one year of the date of enactment of this Act, and no such action shall be entertained by any United States court unless it is commenced by a duly authorized official of the State of Alaska. Exclusive jurisdiction to test the purposes and the operation of this section 18 shall be vested in the United States district courts. The purpose of this limitation on suits is to insure that, after the expiration of a reasonable period of time, the right, title, and interest of the United States, the Natives, and the State to share in revenues will vest with certainty and finality and may be relied upon by all other parties in their dealings with the State, the Natives, and the United States.

(3) In the event that rights of land selection granted to the State by the Alaska Statehood Act should ever be suspended pursuant to the provisions of subsection (g)(1)(A) hereof, the State's right of land selection pursuant to section 6 of the Alaska Statehood Act, Act of July 7, 1958 (72 Stat. 341, 77 Stat. 223) shall be extended for a period of time equal to the period of time as the selection right was suspended pursuant to the provisions of subsection (g)(1)(A).

(h) The respective shares of the United States and the State with respect to payments to the Fund required by this section shall be determined pursuant to this subsection and in the following order:

(1) first, from sources identified under subsection (c) hereof;

(2) then, from sources identified under subsection (a) hereof; and

(3) then, subject to the provisions of subsection (b), from sources identified in subsection (b) hereof.

(i) The provisions of this section do not apply to mineral revenues received from the Outer Continental Shelf.

LAND SELECTION FOR ECONOMIC POTENTIAL

SEC. 19. (a) If the Natives decide to accept land grants in accordance with section 14(a)(1) of this Act, the provisions of this subsections (a) shall apply.

(1) Upon application filed by the Services Corporation with the Commission and upon certification thereof, the Secretary shall issue a patent, without payment therefor, to the Services Corporation, subject to all valid and existing rights, to the appropriate interest in any public lands located in the State as provided in subsection (2) hereof. Any lands within the national park system, national wildlife refuge system, and national forest system, and lands withdrawn or reserved for national defense purposes including Naval Petroleum Reserve No. 4, shall be excluded from the selection rights granted to the Services Corporation by this subsection (a).

(2) The Service Corporation is granted the right to select, subject to paragraph (1) hereof, lands in the amounts set out below and subject to the limitations of this subsection:

(A) the surface estate of one million acres of public land for timber and forest products potential, to be selected in noncontiguous tracts of two to four townships; and

(B) the surface estate of five hundred thousand acres of public land which the Services Corporation will select, administer, and grant to Natives and Native groups to avoid undue hardship; to provide protection for cemeteries, abandoned villages, and areas of historical and cultural significance to Natives; and for such other equitable purposes as the Services Corporation deems appropriate: Provided, That tracts selected pursuant to this paragraph shall, insofar as possible, conform to township survey designations and shall be no larger than eight sections nor smaller, insofar as practicable, than one hundred and sixty acres.

Patents issued to the Services Corporation by the Secretary pursuant to this subsection shall cover only the interests in land designated in paragraph (2) (A) and (B) hereof. The remaining estate shall be held by the United States and shall be subject to the applicable public land laws of the United States.

(3) Lands granted pursuant to this subsection are granted to provide the Services Corporation with a diversified land resource base, to avoid hardship, and to create opportunities for Natives to enter commercial enterprises not otherwise readily open to them. The Secretary and the State may submit comments upon the Services Corporation's applications for proposed land selections. The decision of the Commission in certifying applications shall, without regard to section 6(j), be final.

(4)(A) Lands selected and granted pursuant to this subsection 19(a) must be at least ten miles outside the boundaries of any city organized as a municipal corporation under State law. Lands granted pursuant to paragraph 2(A) shall be managed in accordance with sustained yield principles of forest management.

(B) "Noncontiguous" for the purposes of this subsection means that any tract selected under paragraph (2) (A) and (B) hereof must be separated from any other tract selected by an area at least twice as large as the largest of the areas selected.

(C) All selections made pursuant to this section shall be surveyed by the Secretary and shall conform to township survey designations.

(5)(A) Lands granted pursuant to paragraph (2)(A) hereof shall be selected within two years of the date of the election held in accordance with section 14(a). In the event that the Services Corporation, the State, and the Secretary are unable to agree upon a mutual plan for the selection of these lands, the Services Corporation shall select four townships, then the State may identify four townships to be reserved for State selection under the Statehood Act (72 Stat. 341, 77 Stat. 223). The Services Corporation then shall select four more townships and the State shall identify until the Services Corporation's selection rights are exhausted. State identification acts only as a withdrawal for purposes of this subsection and does not grant any rights nor does it interfere with any other selection rights granted by this Act. In the event of any overlap or conflict with the selection rights granted to Village Corporations, the village selection right shall have priority.

(B) Lands granted pursuant to subsection (2)(B) hereof shall be selected within ten years of the date of the election held in accordance with section 14(a). In the event of conflict, lands selected pursuant to subsection (b)(2) shall have priority over selections by the State pursuant to the Statehood Act (72 Stat. 341, 77 Stat. 223). At the end of ten years the right of selection shall terminate and any remaining right of the Services Corporation to select additional lands shall revert to the United States.

(b) If the Natives decide to accept land grants in accordance with section 14(a)(2) of this Act, the provisions of this subsection (b) shall apply.

(1) Upon application filed by the Services Corporation with the Commission and upon certification thereof, the Secretary shall issue a patent or patents, without payment therefor, to the Services Corporation, subject to all valid and existing rights, to the appropriate interest in any public lands located in the State as provided in paragraph (2) hereof. Any lands within the national park system, national wildlife refuge system, and national forest system, and lands withdrawn or reserved for national defense purposes including Naval Petroleum Reserve Numbered 4, shall be excluded from the selection rights granted to the Services Corporation by this subsection, except as provided in paragraph (2)(D) hereof.

(2) The Services Corporation is granted the right to select, subject to paragraph (1) hereof, lands in the amounts set out below, subject to valid existing rights, and subject to the limitations of this subsection:

(A) the surface estate of two million five hundred thousand acres of public land for timber and forest products potential, to be selected in noncontiguous tracts of four to eight townships in size: *Provided*, That not more than a total of thirty townships may be selected in any one of the regions defined in section 9;

(B) the surface estate of two million five hundred thousand acres of public land for recreational potential, to be selected in noncontiguous tracts of four to eight townships in size: *Provided*, That not more than a total of thirty townships may be selected in any one of the regions defined in section 9;

(C) two million five hundred thousand acres of public land and all interests therein, subject to valid existing rights, which the Services Corporation will select, administer, and grant to Natives, Native groups, Native Village, or Village Corporations to avoid hardship, to provide protection for cemeteries, abandoned villages, and areas of historical, cultural, and economic significance to Natives, to supplement the land entitlement of Native Villages pursuant to section 14(h), and for such other equitable purposes as the Services Corporation deems appropriate: *Provided*, That not more than a total of twenty-four townships may be selected in any one of the regions defined in section 9, and such tracts shall be selected in noncontiguous tracts no larger than one township nor smaller, insofar as practicable, than six hundred and forty acres: *Provided further*, That tracts selected pursuant to this para-

graph to supplement the entitlement of Natives Villages shall, insofar as possible, be contiguous to the lands selected by such villages; and

(D) all minerals covered by the Federal mineral leasing laws in two million five hundred thousand acres of public lands, except that for the purposes of this subsection 19 (b) (2) (D) lands within Naval Petroleum Reserve Numbered 4 are included, to be selected in noncontiguous tracts of four townships in size: *Provided*, That not more than a total of twenty-four townships may be selected in any one of the regions defined in section 9. Patents issued to the Services Corporation by the Secretary pursuant to this subsection shall cover only the interests in lands designated in paragraphs (A), (B), (C), and (D) hereof. The remaining estate shall be held by the United States and shall be subject to the applicable public land laws of the United States.

(3) Lands granted pursuant to this subsection are granted to provide the Services Corporation with a diversified land resource base, to avoid hardship, and to create opportunities for Natives to enter commercial enterprises not otherwise readily open to them. The Secretary and the State may submit comments upon the Services Corporation's applications for proposed land selections. The decision of the Commission in certifying applications shall, without regard to section 6(j), be final.

(4) (A) Lands selected and granted pursuant to this subsection 19(b) must be at least ten miles outside the boundaries of any city organized as a municipal corporation under State law other than a Village Corporation. Lands granted pursuant to paragraph (2) (A) shall be managed in accordance with sustained yield principles of forest management.

(B) "Noncontiguous" for the purposes of this subsection means that any tract selected under paragraph (2) (A), (B), (C), and (D) hereof must be separated from any other tract selected under such paragraphs by an area at least twice as large as the larger of the areas selected.

(C) All selections made pursuant to this subsection shall be surveyed by the Secretary and shall conform to township survey designations.

(5) (A) Lands granted pursuant to paragraphs (2) (A) and (B) hereof shall be selected within two years of the date of the election held in accordance with section 14 (a). In the event that the Services Corporation, the State, and the Secretary are unable to agree upon a mutual plan for the selection of these lands, the Services Corporation shall select four townships, then the State may identify four townships to be reserved for State selection under the Statehood Act (72 Stat. 341, 77 Stat. 223). The Services Corporation then shall select four more townships and the State shall identify until the Services Corporation's selection rights are exhausted. State identification acts only as a withdrawal for purposes of this subsection and does not grant any rights nor does it interfere with any other selection rights granted by this Act. In the event of any overlap or conflict with the selection rights granted to Village Corporations, the village selection right shall have priority.

(B) Lands granted pursuant to paragraph (2) (C) hereof shall be selected within ten years of the date of the election held in accordance with section 14(a). In the event of conflict lands selected pursuant to subsection (2) (C) shall have priority over selections by the State pursuant to the Statehood Act (72 Stat. 341, 77 Stat. 223). At the end of ten years the right of selection shall terminate and any remaining right of the Services Corporation to select additional lands shall revert to the United States.

(C) Lands granted pursuant to paragraph (2) (D) hereof shall be selected within five years of the date of the election held in accordance with section 14(a). In the event that the Services Corporation, the State, and the Secretary are unable to agree upon a mutual plan for the selection of such lands in any area which is then also subject to State selection, the Services Corporation shall select four townships, then the State may identify four townships to be reserved for State selection under the Statehood Act (72 Stat. 341, 77 Stat. 223). The Services Corporation then shall select four more townships and the State shall identify until the Service Corporation's selection rights are exhausted. State identification acts only as a withdrawal for purposes of this subsection and does not grant any rights nor does it interfere with any other selection rights granted by this Act. In the event of any overlap or conflict with the selection rights granted to Village Corporations, the village selection right shall have priority.

(D) The provisions of section 15(1) shall apply to all patents issued under this section 19.

(c) (1) Upon application filed by the Arctic Slope Regional Corporation with the Commission and upon certification thereof by the Commission, the Secretary shall issue a patent, without payment therefor, to the Arctic Slope Regional Corporation, subject to all valid and existing rights, to the land and all interests therein of any public lands located in the State of Alaska as provided in subsection (2) hereof. The Arctic Slope Regional Corporation shall be entitled to retain 50 per centum of revenues derived from the sale, lease, permit, development, use or other disposition of the mineral estate of the land to which it acquires a patent under section 19(f)(1). The remaining 50 per centum of such net proceeds shall be paid to the Services Corporation for distribution in accordance with the formula set forth in section 9 (d) (1) of this Act. Any lands within the National Wildlife Refuge system and lands withdrawn or otherwise reserved for national defense purposes other than Naval Petroleum Reserve Numbered 4, shall be excluded from the selection rights granted to the Arctic Slope Regional Corporation by this subsection (c).

(2) The Arctic Slope Regional Corporation is granted the right to select, subject to subsection (c) (1) hereof, five hundred thousand acres of land and all interests therein, subject to all valid and existing rights. Lands granted by this subsection shall be selected from the geographic region designated by the Commission pursuant to subsection 9(a) (1) and shall be within or contiguous to the areas withdrawn pursuant to section 13(b) (1) respecting any of the Native Villages named in section 13(c) that are located in such region. All selections made pursuant to this subsection shall be surveyed by the Secretary, shall conform to township survey designations, and shall be in tracts of two to four townships.

(3) Lands granted pursuant to this subsection shall be selected within two years of the date of enactment of this Act. In the event of any overlap or conflict the priority of land selections shall be as follows:

(A) The Village Corporations;

(B) The Arctic Slope Regional Corporation; and

(C) The State of Alaska.

(4) Prior to certifying applications under subsection (c) (1) hereof, the Arctic Slope Regional Corporation shall prepare and submit to the Commission a comprehensive land-use plan for the lands designated in the application.

REVOCATION OF INDIAN ALLOTMENTS IN ALASKA

SEC. 20. (a) No Native covered by the provisions of this Act may hereafter avail himself of an allotment under the provisions of any Indian allotment Act including the Act of February 8, 1887, as amended and supplemented (24 Stat. 389; 25 U.S.C. 334, 336), or the Act of June 25, 1910 (36 Stat. 363; 25 U.S.C. 337). Further, the Act of May 17, 1906, as amended (34 Stat. 197), is hereby repealed.

(b) Native persons who have deeds to lands granted by the United States pursuant to the Acts referred to in subsection (a) hereof or any other public land laws which have restrictions upon the sale, use, or disposal of such lands shall, upon application to the Secretary, be granted unrestricted deeds.

PROTECTION OF SUBSISTENCE RESOURCES

SEC. 21. (a) If the Natives decide to accept land grants in accordance with section 14(a) (1) of this Act, the following provisions shall apply:

(1) The Secretary is authorized and directed to classify, in accordance with appropriate ecological criteria, varying environmental circumstances and varying subsistence needs, public lands surrounding any or all of the Native Villages and groups for which lands are withdrawn under sections 13 through 15 and under section 23 as Subsistence Use Units.

(2) The Secretary in preparing such classifications shall hold public hearings concerning the proposed classifications units and shall consult with the State and other appropriate departments of the Federal Government and invite the comments of all parties concerned. Upon determining the land and resources required for subsistence use in each area, the Secretary shall publish notice in the Federal Register of a proposed classification. Classification of an area as a Subsistence Use Unit shall not prevent disposal of such lands under the public land laws in conformity with subsection (a) (1) hereof.

(3) After an area has been classified as a Subsistence Use Unit and final notice thereof has been published, the Secretary may, upon petition by residents of, or request by a local governing body within the unit, and upon the concurrence of the State, determine that the health, welfare, or livelihood of residents of the unit are threatened by the depletion of subsistence resources. Upon such a determination, the Secretary may close the area to entry by persons for the purpose of fishing, hunting, and/or trapping other than by residents of the unit for subsistence purposes.

(4) The maximum duration of such emergency closure shall be two years unless, after a public hearing, the Secretary determines the closure should be extended for an additional two-year term.

(5) Any person who knowingly enters upon lands within a subsistence-use classification unit closed under the provisions of this section, for the purposes of hunting, fishing, or trapping in violation of said closure, shall be guilty of a trespass against the United States and shall be subject to a fine of $1,000 or one year imprisonment or both. Complaints may be issued and arrests may be made under this subsection by Department of the Interior personnel designated by the Secretary to enforce this section.

(b) If the Natives decide to accept land grants in accordance with section 14(a) (2) of this Act, the following provisions shall apply.

(1) Within eighteen months after the date of the election held pursuant to section 14(a), the Village Corporations or, pending their organization, the Village Land Selection Committees chosen pursuant to section 14(c) shall designate the areas surrounding the lands which they have selected in accordance with section 14 which (A) historically have been used for subsistence purposes by their members, and (B) still are necessary, desirable and in use for such purposes.

(2) Within six months after the last designation by a Village Corporation or Village Land Section Committee pursuant to para-

graph (1) hereof, or two years after the date of the election held pursuant to section 14(a), whichever earlier occurs, the Commission shall determine and the Native Village shall designate the amount of subsistence use permit lands which shall be granted each Native Village within the area it designated, based upon need and present use by its members: *Provided*, That the total amount of land determined and set aside for subsistence use by the Commission under this subsection shall be twenty million acres.

(3) Upon certification by the Commission, the Secretary promptly shall issue to the Native Village or Village Corporation a permit covering its subsistence use area as determined by the Commission. Such permit shall contain provisions providing for the closure of subsistence use permit lands to entry by persons for the purpose of fishing, hunting and/or trapping other than by residents of the unit for subsistence purposes when the Secretary finds that the biotic resources of the area are threatened by depletion. Closure of such areas shall be the responsibility of the Secretary. The permit shall not prevent disposition of the lands covered thereunder pursuant to the public land laws, including selection by the State: *Provided*, That if any such lands thereafter are included within a Federal wildlife refuge or national park, the permit rights shall not be disturbed except as provided in sections (b) (4) and (5) of this section.

(4) Five years after issuance of a subsistence use permit and every five years thereafter, the Secretary shall review the question of whether the area still is being used for subsistence purposes. If the Secretary finds, after notice to the Natives affected and a subsequent hearing, that the area is not being so used in whole or in part, he shall terminate the permit with respect to the unused lands. In the absence of such action by the Secretary, the permit shall continue in full force and effect for an additional five-year period.

(5) In the event lands covered by a subsistence use permit are selected by the State or disposed of under the public land laws, the Native Village or Village Corporation involved shall be entitled to just compensation from the United States for its loss. The amount of such compensation shall be determined by a Federal hearing examiner appointed by the Secretary and acting in accordance with the Administrative Procedure Act: *Provided*, That the decision of the hearing examiner shall be final. In determining just compensation the examiner shall value the Natives' subsistence use rights on the nature and the extent of the use (whether hunting, fishing, or other subsistence activity) made of the lands lost. The examiner's award shall be paid to the Native Village or Village Corporation on the same basis as a judgment against the United States in the Federal courts.

REVOCATION OF RESERVATIONS; EXCEPTIONS

SEC. 22. (a) Notwithstanding any other provisions of law, and except where inconsistent with the provisions of this Act, the various reserves set aside by legislation or by Executive or Secretarial Order for Native use or for the administration of Native affairs, including reserves created under the Act of May 31, 1938 (52 Stat. 593), in Alaska are hereby revoked, subject to any valid existing rights: *Provided*, That this subsection shall not apply to the reserves described in subsections (c), (d), and (e) hereof unless the Native beneficiaries of such reserves so vote.

(b) Notwithstanding any other provision of law, lands within the various reserves described in subsection (a) hereof are hereby withdrawn from selection by the State and all other forms of appropriation under the public land laws, including the mining and mineral leasing laws, until the Native groups that are the beneficiaries of such reserves have selected lands to which they are entitled under section 14 and until the Secretary issues a patent pursuant to section 15. The requirement set forth in subsections 13 (d) through (f) shall not apply to any Native group settled as a village or community within the various reserves described in subsection (a) hereof, and lands shall be patented to the Village Corporation representing any Native group whose reserve was revoked pursuant to this section without regard to subsections 13 (d) through (f)

(c) Notwithstanding any other provision of law, the Tanina Indians, the beneficiaries of the Moquawkie Reservation (hereinafter referred to as the Tyonek Indians), shall vote, within one year of the date of enactment of this Act, under procedures established by the Secretary, whether their tribe:

(1) shall accept abolition of the existing reservation and a grant to an appropriate entity of which they are the members, stockholders or owners, of twenty-six thousand nine hundred and eighteen acres of such reservation lands, subject to the condition that the mineral estate underlying such lands may not be sold by the Tyonek Indians to anyone other than the United States or the State: *Provided*, That the Tyonek Indians may lease such lands; or

(2) shall accept abolition of the existing reservation and be entitled to full benefits under the terms of this Act.

In the event the Tyonek Indians decide to acquire title to the Moquawkie Reserve set aside by Executive order of February 27, 1915, in accordance with subsection (1) hereof, the Secretary shall issue a patent to the appropriate entity referred to in subsection (1) hereof to all lands and interests in lands (including oil, gas, and other minerals) within such Reserve, subject to valid existing rights, and the Tyonek Indians shall not be eligible for benefits under this Act. Where, prior to such patent, a lease, contract, or permit has been issued for the utilization of surface or mineral resources covered by such patent, the patent shall contain provisions making it subject to the lease, contract, or permit and the right of the lessee, contractee, or permittee to the complete enjoyment of all rights, privileges, and benefits granted him by such lease, contract, or permit. Upon issuance of such patent, the appropriate entity referred to in subsection (1) hereof shall succeed and become entitled to any and all interests of the United States as lessor, contractor, or permitter, in any such leases, contracts, or permits covering the surface or minerals patented. The administration of such lease, contract, or permit shall continue to be by the United States.

(d) Notwithstanding any other provision of law, the enrolled members of the Metlakatla Indian Community eighteen years of age or over shall vote, within one year after the date of enactment of this Act, under procedures established by the Secretary, for one of the following alternatives:

(1) The Annette Islands Reserve established by the Act of March 3, 1891 (26 Stat. 1101), as further defined by Presidential Proclamation of April 28, 1916 (39 Stat. 1777), shall be excluded from and shall not be affected by the terms of this section and the terms of this Act; or

(2) The Annette Islands Reserve shall be abolished, and the Secretary, prior to such abolition, shall issue a patent to a Village Corporation, of which the members of the Metlakatla Indian Community are members, stockholders, or owners, to the land and all interests in lands within such reserve, subject to valid existing rights.

If the members of the Metlakatla Indian Community decide to acquire a patent to the Annette Islands Reserve under paragraph (2) hereof, and prior to such patent, a lease, contract, or permit has been issued for the utilization of surface or mineral resources covered by such patent, the patent shall contain provisions making it subject to the lease, contract, or permit and the right of the lessee, contractee, or permittee to the complete enjoyment of all rights, privileges, and benefits granted him by such lease, contract, or permit. Upon issuance of such patent, the Village Corporation shall succeed to any and all interests of the United States or the Metlakatla Indian Community as lessor, contractor, or permitter, in any such leases, contracts, or permits covering the surface or minerals patented, but the United States shall continue to administer any such lease, contract, or permit which it is then administering.

(e) Notwithstanding any other provision of law, the members of the Native Villages within the boundaries of any Reservation in Alaska except those referred to in subsections (c) and (d) eighteen years of age or over, as shown on the temporary roll prepared pursuant to section 7(a), shall vote, within one year after the date of enactment of this Act, under procedures established by the Secretary, for either of the following alternatives:

(1) That their reservation shall be revoked, and the Natives and the Native Villages of which they are members shall be entitled to select and receive patents to lands under the terms of this Act; or

(2) That their reservation shall be revoked, and the Secretary, prior to such abolition, shall issue patents to the Village Corporations of which the Natives are members to the lands within the Reservation, except that the leaseable mineral estate shall be patented to the Services Corporation, subject to valid existing rights.

If the Natives decide to acquire a patent to their reservation under paragraph (2) hereof, and prior to such patent, a lease, contract, or permit has been issued for the utilization of surface or mineral resources covered by such patent, the patent shall contain provisions making it subject to the lease, contract, or permit and the right of the lessee, contractee, or permittee to the complete enjoyment of all rights, privileges, and benefits granted him by such lease, contract, or permit. Upon issuance of such patent, the appropriate legal entity referred to in paragraph (2) hereof shall succeed and become entitled to any and all interests of the United States as lessor, contractor, or permitter, in any such leases, contracts, or permits covering the surface or minerals patented, but the administration of such lease, contract, or permit shall continue to be by the United States.

(f) Nothing in this Act shall repeal, modify, or otherwise affect the right of the Secretary to establish a townsite on Saint Paul Island or the right of Natives of the Pribilof Islands to acquire title to tracts therein pursuant to the Act of November 2, 1966 (80 Stat. 1094), and to participate in the benefits under this Act.

TLINGIT-HAIDA SETTLEMENT

SEC. 23. (a) (1) (A) There are hereby withdrawn, subject to valid existing rights, from selection by the State under the Alaska Statehood Act (72 Stat. 341, 77 Stat. 223) and from all other forms of appropriation under the public land laws, including the mining and mineral leasing laws, all public lands, including lands in the Tongass and Chugach National Forests, in each township, which encloses all or part of any Native Village listed in subsection (b) hereof, and any Native Village not listed, but which are located in southeast Alaska and which are approved by the Commission pursuant to this section, plus all public lands in each one-quarter township which is contiguous to or corners upon the townships in which such Native Villages are located, except lands withdrawn or otherwise reserved for national defense purposes, as shown on current plats of survey or protraction diagrams of the Bureau of Land Management, or protraction

diagrams of the State where protraction diagrams of the Bureau of Land Management are not available.

(B) At the time any Native Village not listed in subsection (b) hereof is approved for benefits under this Act by the Commission pursuant to this section, there shall be withdrawn, subject to valid existing rights, from selection by the State under the Statehood Act and from all other forms of appropriation under the public land laws, including the mining and mineral leasing laws, all public lands, including lands in the Tongass and Chugach National Forests, in each township which encloses all or part of the Native Village, plus all lands in each one quarter township which is contiguous to or corners upon the township in which the Native Village is located, except lands excepted from withdrawal under subsection (a)(1)(A) hereof.

(2) Any and all claims of the Tlingit and Haida Indians to the two and six-tenths million acres of land in southeast Alaska referred to in the Court of Claims case of "Tlingit and Haida Indians of Alaska against United States," jacket number 47900, are hereby extinguished.

(3) The benefits provided for in this Act and the lands granted pursuant to this section are in addition to the judgment award received by the Tlingit and Haida Indians of Alaska in the Court of Claims and constitute full and final compensation for the extinguishment of title made in subsection (a)(2) hereof, and are in lieu of the additional land selection rights granted Village Corporations outside of southeast Alaska by sections 13 to 15.

(b) The following Native Villages are qualified for withdrawals under the provisions of subsection (a) hereof:

Angoon, Southeast.
Craig, Southeast.
Hoonah, Southeast.
Hydaburg, Southeast.
Kake, Southeast.
Kasaan, Southeast.
Klawock, Southeast.
Klukwan, Southeast.
Saxman, Southeast.
Tatitlek, Gulf of Alaska.
Yakutat, Southeast.

(c) Any of the villages listed in subsection (b) hereof shall not be eligible for land or benefits under this Act if the Commission determines, within three years from the effective date of this Act, that—

(1) less than twenty-five Alaska Natives are residents of the village;

(2) the village is of a modern and urban character, that the majority of the residents are non-Native, and that the best interests of the Native residents would be served if they derived benefits through the Urban Corporation and other land provisions of this Act rather than as a Native Village; or

(3) the village was not in existence as of the date of enactment of this Act: Provided, That this provision shall not be used to exclude any Native Village otherwise eligible which has been required to move to a new location because of a natural disaster or the actions of any governmental agency.

(d) Native Villages located within southeast Alaska and not listed in subsection (b) hereof shall be eligible for land and benefits under this Act and added to the village roster if the Commission determines that—

(1) twenty-five or more Alaska Natives are residents of an established village; and

(2) the best interests of the Native residents would be served if they derived benefits under the Act as a Village Corporation; and

(3) the village would not be disqualified by the provisions of subsection (c) hereof.

(e) In making the determinations required pursuant to subsection (c) and (d) hereof, the Commission shall review all relevant evidence offered by the members of the concerned Native group or their representatives and shall review any recommendations of the State, the Secretary or the Secretary of Agriculture. The Commission's determination shall, without regard to subsection 6(j), be final.

(f) In addition to determining which villages are entitled to land and other benefits under the terms of this section and this Act, the Commission shall determine the total land acreage to which eligible Village Corporations shall be entitled to select pursuant to this section. In no event shall any Village Corporation be awarded a grant of more or less than twenty-three thousand and forty acres. In making determinations pursuant to this subsection the Commission shall consider the following factors:

(1) the National population of village;

(2) the nature of the use, both historic and present, of the lands surrounding the Native Village including the carrying capacity of the surrounding lands and biological community in relationship to the village population and subsistence use patterns of the Native residents therein;

(3) the amount of land needed for prospective community expansion, the area to be granted to Municipal Corporations or the State, and the area to be granted for access, rights-of-way, and other public services and facilities:

(4) the nature and economic value of the lands surrounding the village (without regard to the mineral estate) for the purpose of insuring some degree of comparability in value as between Native Villages; and

(5) the comprehensive land use plan prepared by the Village Corporation with the assistance of the Services Corporation staff pursuant to subsection (8)(i) hereof.

In making the determinations required by this subsection the Commission shall consider the geographical relationship of individual villages to the land in question and should avoid determinations which result in land grants and are separated by large bodies of water unless one of the above factors makes such a determination reasonably necessary. The Commission's determination under this subsection shall, without regard to section 6(j), be final.

(g) If the Secretary determines that a substantial dispute is involved or that the best interests of justice would be served, he may direct that a public hearing be held in accordance with such rules as he shall prescribe prior to making any of the withdrawals he is required to make by this section. Any hearings pursuant to this subsection shall be held within one year of the date of enactment of this Act. The Commission shall consider, in any contested case, the hearing record prepared by the Secretary as well as his recommendations and the recommendations of the Secretary of Agriculture in making its determination. The actions of the Commission under this subsection shall, without regard to subsection 6(j), be final.

(h) Pending the disposition of any national forest lands withdrawn under this section, the Secretary of Agriculture is authorized to take such actions, subject to existing rights, as may be necessary to administer, manage and protect such lands for the benefit of the potential beneficiaries and, insofar as is consistent with this section, in accordance with the laws, rules, and regulations applicable to the national forests and to permit access or grant easements, rights-of-way, or other interests in lands for the purpose of administration, use, or development of contiguous or adjacent national forest lands not withdrawn.

(i) Upon application of any Native Village found eligible for land selections pursuant to this section and upon certification thereof by the Commission, and after survey of the area selected pursuant to subsection (m)(1) the Secretary shall issue a patent, without payment therefor, to the Village Corporation, or, if not yet incorporated, in trust to the Services Corporation for the benefit of the Native Village pending its incorporation as provided in section 11, for that amount of land to which the Native Village is found entitled by the Commission pursuant to the procedures set out in this section. Lands to be patented may be selected, subject to all valid existing rights, from any public land within areas withdrawn for each Native Village under the provisions of this section.

(j) In exercising selection rights pursuant to this section, Village Corporations shall select from among the public lands withdrawn pursuant to this section and all such selections shall be contiguous and in reasonably compact tracts, except as separated by bodies of water or by lands which are unavailable for selection, and shall be in whole sections and, wherever feasible, in units of not less than six hundred and forty acres. In the event the public lands withdrawn pursuant to this section are not sufficient in amount to satisfy the entitlement of any Native Village Corporation, as determined by the Commission, such Corporation may select noncontiguous tracts from the Tongass National Forest in order of their proximity to the center of the village until the Native Village Corporation's selection rights are exhausted.

(k) Within two months after a determination by the Commission that a Native Village is eligible for a grant of land pursuant to this section, the Secretary shall conduct an election for the village, under such rules and regulations as he may prescribe, to choose a five-member Village Land Selection Committee. The committee so elected is hereby authorized to exercise the land selection rights of the village pending organization of the Village Corporation. The persons entitled to vote in the election or serve on the Land Section Committee shall be the members of each Native Village eighteen years of age or over, as shown on the temporary census roll prepared pursuant to section 7(a).

(l) All public lands withdrawn pursuant to this section, which have not been selected by a Village Corporation, shall be restored eighteen months after the effective date of this Act, or six months after the election required under subsection (k) hereof, whichever later occurs, to the status in which such lands have been placed pursuant to section 24 of this Act: *Provided*, That lands withdrawn around a village whose eligibility for land selection has not been finally determined by the Commission within eighteen months after the effective date of this Act shall remain withdrawn until six months after the Commission makes the determinations required pursuant to this section.

(m)(1) The Secretary shall promptly survey the townships withdrawn under this section and the areas selected for conveyance to Native Villages pursuant to subsections (i) to (l) of this section, but need monument only the exterior boundaries of such townships or areas. He also shall promptly survey within the townships withdrawn or areas selected all lands occupied as a primary place of residence, a primary place of business, subsistence campsites, and for other purposes as required under subsection (2)(A) hereof, and any other land to be patented under this section.

(m)(2)(A) Upon completion of the survey of lands selected by a Village Corporation, as provided in subsection (m)(1) hereof, the Secretary promptly shall issue a patent or patents to the Village Corporation to the land and all interests therein, except minerals covered by the Federal mineral leasing laws, subject to valid existing rights, and subject to the provisions of subsection (m)(2)(B) hereof, and the provisions of subsection (l)

hereof: Provided, That any conveyance of national forest lands under the provisions of this section shall be subject to reservations in the United States af easements, rights-of way, or other interests in land necessary for access to or for administration, use, or development of contiguous or adjacent national forest lands not conveyed. Such easements, rights-of-way, and interests shall be based upon existing and planned roads and trails as depicted on national forest transportation system plans and related resource plans available for public inspection at the office of the Regional Forester and at the office of the Forest Service in Washington, District of Coumbia: *Provided further,* That in any conveyance of national forest lands under this section the Secretary shall consult with the Secretary of Agriculture and, where possible without working a hardship on a Native Village, shall exclude areas, now used or planned to be used for the following purposes:

(i) national forest administrative sites;

(ii) airfields;

(iii) recreation sites necessary to serve visitors to national forest lands not conveyed; and

(iv) public service or other sites necessary to facilitate administration of national forest resources.

The Secretary shall, where he deems appropriate, reserve interests in land recommended by the Secretary of Agriculture as necessary for continued access to such areas. Such excluded areas shall be administered by the Secretary of Agriculture in accordance with the laws, rules, and regulations applicable to the national forests.

(B) Upon receipt of a patent or patents to selected lands, Village Corporations or the Services Corporation on their behalf—

(i) shall issue deeds to the occupants, without payment of any consideration, to the surface estate for any tracts occupied by Natives on September 1, 1969, as a primary place of residence, as a primary place of business, or used for subsistence campsites, subject to valid existing rights;

(ii) shall issue deeds to the occupants, either without consideration or upon the payment of an amount not in excess of fair market value for such property, determined as of the date of initial occupancy, and without regard to any improvements thereon, to the surface estate for any tracts occupied by non-Natives on September 1, 1969, as a primary place of residence or a primary place of business, subject to valid existing rights: ***Provided,*** That all occupants of the same general character shall be accorded similar treatment with respect to any payment for land;

(iii) shall issue deeds, pursuant to subsection 11(g), without payment of any consideration, to any Municipal Corporation in the Native Village or to any Municipal Corporation established in the Native Village within five years of the date of the enactment of this Act, to the surface estate of the improved land on which the village is located and of as much additional land as is necessary for community expansion, for appropriate rights-of-way for public use, airport sites, and such other interests in land as are reasonably necessary for public use and for foreseeable community needs: ***Provided,*** That prior to the transfer of lands from a Village Corporation to a Municipal Corporation, individuals shall receive deeds to any lands used for residences and businesses: ***And provided further,*** That the amount of lands to be transferred to the Municipal Corporation shall be no less than one hundred and sixty acres;

(iv) shall issue deeds to the occupants, either without consideration or upon payment of an amount not in excess of fair market value for such property determined as of the date of initial occupancy and without regard to any improvements thereon, to the surface estate of any tracts occupied on September 1, 1969, by nonprofit organizations for the purposes for which such organizations were established, subject to valid existing rights: ***Provided,*** That all nonprofit organizations of the same general character shall be accorded similar treatment with respect to payment for land; and

(v) may issue deeds to all others subject to valid existing rights.

Any dispute over the boundaries, use, occupancy, or value of any tract under this subsection may be submitted by any party to the dispute to the Commission for decision. The decision of the Commission, without regard to subsection 6(j), shall be final.

(m) (3) Upon completion of the survey of lands selected by any Village Corporation, as provided in subsection (m) (1) hereof, and contemporaneous with the issuance of patents to Village Corporations as provided in subsection (m) (2) (A) hereof, the Secretary shall issue a patent or patents to all minerals in such village lands covered by the Federal mineral leasing laws, subject to valid existing rights, to the Services Corporation. At the time of such conveyance, the Services Corporation shall succeed and become entitled to any and all interests of the United States as lessor, contractor, or permitter in any mineral leases, contracts, or permits covering lands selected by any Village Corporation as provided in subsection (r) of this section.

(n) Upon application filed with the Commission and certification thereof, the Secretary shall, for a period of seven years from the effective date of this Act, issue special use permits, without payment therefor, to any Native or Native group, subject to all valid existing rights, to the surface estate of any public land located in the Chugach or Tongass National Forest, but which has been used by such Native or Native group for a period of more than three years prior to the effective date of this Act as a campsite for the harvesting of fish, wildlife, berries, fuel, or other products of the land. Such permits shall be issued—

(1) for five-acre tracts for each subsistence use campsite separate from the campsite of any other applicant;

(2) for forty-acre tracts where the campsites of several applicants are in such proximity to each other as to make it not feasible to patent individual five-acre campsites; or

(3) for larger tracts, not to exceed sixty acres, where individuals can establish, under such rules and regulations as the Commission may prescribe, historic occupancy and use of the larger tracts.

Applications for permits under this subsection must be filed with the Commission within five years after the effective date of this Act. Pending the issuance of a permit for campsites under this subsection the Secretary is authorized to permit the use of such lands, upon which applications have been filed, as campsites. After five years after the effective date of this Act permits may be issued pursuant to the laws and regulations on the administration of the national forests.

(o) Upon application filed with the Commission and certification thereof, the Secretary shall, for a period of seven years after the effective date of this Act, issue a patent of up to, but not to exceed eighty acres of land and interests therein, except the minerals covered by the Federal mineral leasing laws and subject to all valid existing rights, from any public lands within the areas withdrawn for Natives under this section, but not selected pursuant to subsections (i) to (l) of this section without payment therefor, to any Native occupying land within such eighty acres on the effective date of this Act as a primary place of residence.

(p) Upon application filed with the Commission and certification thereof, the Secretary shall, for a period of seven years after the effective date of this Act, issue a patent of up to, but not to exceed, forty acres to the surface estate of any public land, in Southeast Alaska including the Chugach and the Tongass National Forest, subject to all valid existing rights, without payment therefor, to Natives nineteen years of age or older occupying such land whose primary place of residence, on January 1, 1970, and continuing to the date of enactment of this Act is outside the area withdrawn for the benefit of Native Villages by this section.

(q) In carrying out the provisions of this section, patents shall be issued by the Secretary in accordance with the following priorities:

(1) Within the areas withdrawn pursuant to this section—

(A) lands selected by Native Village Corporations;

(B) land for individual places of residence; and

(C) land for subsistence campsites.

(2) Outside the areas withdrawn pursuant to this section—

(A) land for individual places of residence; and

(B) land for subsistence campsites.

(r) Where, prior to patent of any land or minerals under this section, a lease, contract, or permit has been entered into or issued for the utilization of surface or mineral resources on land covered under such patent, the patent shall contain provisions making it subject to the lease, contract, or permit and the right of the lessee, contractee, or permittee to the complete enjoyment of all rights, privileges, and benefits granted him by such lease, contract, or permit. Upon issuance of the patent, the patentee shall succeed and become entitled to any and all income from the patented land and all interests of the United States as lessor, contractor, or permitter, in any such leases, contracts, or permits covering the estate patented. The administration of such lease, contract, or permit shall continue to be by the United States. In the event that patent does not cover all of the land embraced within any such lease, contract, or permit, the patentee shall only be entitled to the proportionate amount of the revenues reserved under such lease, contract, or permit by the United States which results from multiplying the total of such revenues by a fraction in which the numerator is the acreage of such lease, contract, or permit which is included in the patent and the denominator is the total acreage contained in such lease, contract, or permit.

(s) The Secretary shall provide as a condition to the granting of each permit to prospect, or to the granting of each lease to mine or drill for minerals covered by the Federal mineral leasing laws, which minerals are situated in lands patented pursuant to subsections (o) and (p) of this section, and are not covered by such patent, that the permittee or lessee shall provide a bond, satisfactory to the Secretary, to indemnify the surface patentee for any damages which such permittee or lessee may cause in connection with the development of such permit or lease, and further the Secretary shall include provisions in such lease or permit which will protect the surface patentee against unreasonable interference in the enjoyment of his land.

(t) Notwithstanding the provisions of existing national forest timber sale contracts extending for a period more than three years from the date of this Act and directly affected by conveyances authorized by this Act, the Secretary of Agriculture is authorized to modify any such contracts with consent of the contractor to adjust the areas to which it or they apply for the purpose of avoiding hardship to Natives, unnecessary conflicts,

and of offsetting the impacts of conveyances or special use permits authorized by this Act on national forest lands which are subject to any such contracts. Wherever possible such contracts shall be modified to avoid any overlap or conflict with lands withdrawn and lands selected and patented pursuant to this section.

(u) Notwithstanding the provisions of existing national forest timber sale contracts which are directly affected by conveyance of land to Villages or authorized by this section, the Secretary of Agriculture is authorized and directed, upon request of the appropriate Native Village or the contractee, to modify any such contract by substituting from contingent or additional allotment areas described in the contract or other areas not subject to the contract, timber in place of and equal to the volume, species, grade, and accessibility of the timber standing on any land affected by such conveyances or permits.

(v) Any patent of lands under this section which are located within the boundaries of a national forest shall contain such conditions as the Secretary deems necessary to assure that:

(1) the sale of any timber from such lands shall, for a period of twelve years, be subject to the same restrictions relating to the export of timber from the United States as are applicable to national forest lands in Alaska under rules and regulations of the Secretary of Agriculture; and

(2) such lands are managed under the principle of sustained yield and under management practices for protection and enhancement of environmental quality no less stringent than such management practices on adjacent national forest lands for a period of twelve years.

JOINT FEDERAL-STATE LAND USE PLANNING COMMISSION FOR ALASKA

SEC. 24. (a)(1) The purposes of this section are:

(A) to establish institutions and procedures to improve the planning and management capacity of the State and the Federal Government with respect to resources and lands in Alaska;

(B) to provide Federal financial and other assistance in planning for the use of Alaska's land and water resources;

(C) to insure that economic growth and development is orderly, planned and compatible with national environmental objectives, the public interest in the public lands, parks, forests, and wildlife refuges in Alaska, and the economic and social well-being of the Native people and other residents of Alaska;

(D) to improve coordination and consultation between the State and the Federal Government in making resource allocation and land use decisions;

(E) to avoid conflict between the State and the Native people in the selection of public lands;

(F) to furnish the State an opportunity to review, comment upon, and make recommendations with respect to the management of and proposed additions to federally reserved lands in Alaska;

(G) to establish a means to protect important ecological, cultural, historic, and esthetic values;

(H) to insure that key developmental facilities such as major airports, transportation facilities, utility corridors, or major industrial activities are properly planned;

(I) to provide proper protection for areas of critical environmental concern and areas impacted by major developmental facilities;

(J) to develop a coordinated Federal-State inventory of Alaska's land and water resource base;

(K) to provide for the transitional operation of the public land laws during the implementation of the settlement provided for by this Act;

(L) to establish a North Slope Corridor under Federal jurisdiction which shall provide for environmental controls, rights of access, recreation, and public safety;

(M) to authorize and direct a study, with recommendations to the Congress on areas in Alaska suitable for status as part of the national park, national forest, or national wildlife refuge system; and

(N) to provide for the reservation of easements for public use and enjoyment.

(2) There is hereby established the Joint Federal-State Land Use Planning Commission for Alaska (hereinafter referred to as the "Planning Commission"). The Planning Commission shall be composed of fourteen members as follows:

(A) The Governor of the State of Alaska (or his designate) and six members who shall be appointed by the Governor. During the Planning Commission's existence at least two members appointed by the Governor shall be Natives as defined by this Act.

(B) One member appointed by the President of the United States who shall serve as the Federal cochairman and six members who shall be appointed as follows: one by the Secretary of the Interior, one by the Secretary of Agriculture, one by the Secretary of Housing and Urban Development, one by the Secretary of Transportation, one by the Secretary of Commerce, and one by the Secretary of Defense.

(3) The Governor of the State of Alaska and the member appointed by the President pursuant to subsection (a)(2)(B) of this section, shall serve as cochairmen of the Planning Commission. The initial meeting of the Commission shall be called by the cochairmen. All decisions of the Commission shall require the concurrence of the cochairmen.

(4) Nine members of the Planning Commission shall constitute a quorum. Members shall serve at the pleasure of the appointing authority. A vacancy in the membership of the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(5) Except to the extent otherwise provided in subparagraph (B) of this subsection, members of the Planning Commission shall receive compensation at the rate of $100 per day for each day they are engaged in the performance of their duties as members of the Commission. All members of the Commission shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the Commission.

(B) Any member of the Planning Commission who is designated or appointed from the Government of the United States or from the Government of the State of Alaska shall serve without compensation in addition to that received in his regular employment. The member of the Commission appointed pursuant to subsection (a)(2)(B) of this section shall be compensated as provided by the President at a rate not in excess of that provided for level V of the Executive Schedule in title 5, United States Code.

(6) Subject to such rules and regulations as may be adopted by the Planning Commission, the cochairmen, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, shall have the power—

(A) to appoint and fix the compensation of such staff personnel as they deem necessary, and

(B) to procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 a day for individuals.

(7)(A) The Planning Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this section, hold such hearings, take such testimony, receive such evidence, print or otherwise reproduce and distribute so much of its proceedings and reports thereon, and sit and act at such times and places as the Commission, subcommittee, or member deems advisable. The cochairmen, or any other member authorized by the Commission, may administer oaths or affirmations to witnesses appearing before the Commission, or any subcommittee or member thereof.

(B) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by a cochairman, such information as the Commission deems necessary to carry out its functions under this section.

(8) The Planning Commission shall—

(A) undertake statewide land-use planning, including the identification of areas planned and best suited for permanent reservation in Federal ownership as parks, game refuges, and other public uses, areas of Federal and State lands to be made available for disposal, and uses to be made of lands remaining in Federal and State ownership;

(B) subject to the provisions of subsection (a)(9) of this subsection, make recommendations with respect to proposed land selections by the State under the Alaska Statehood Act and by Native villages and regional corporations under this Act;

(C) subject to the provisions of subsection (a)(9) of this section, assist in the development and review of land-use plans for lands selected by the Native villages and regional corporations under this Act and by the State under the Alaska Statehood Act, whether or not such State selections have been tentatively approved;

(D) review existing withdrawals of Federal public lands and recommend to the President of the United States such additions to or modifications of withdrawals as are deemed desirable;

(E) establish procedures, including public hearings, for obtaining public views of statewide land-use planning and of planned actions or programs of the State and Federal Governments on lands under their administration;

(F) establish a committee of land-use advisers to the commission, made up of representatives of commercial and industrial land users in Alaska, recreational land users, wilderness users, environmental groups, Alaska Natives, and other citizens; and provide procedures for meetings of the advisory committee at least once every six months;

(G) make recommendations to the President of the United States and the Governor of Alaska as to programs and budgets of the Federal and State agencies responsible for the administration of Federal and State public lands;

(H) make recommendations from time to time to the President of the United States, Congress, and the Governor and legislature of the State of Alaska as to changes in laws, policies, and programs that the Planning Commission determines are necessary or desirable to meet the objectives set forth in this section.

(9) The following procedures shall be applicable to the functions of the Planning Commission pursuant to subsection (8)(B) of this section with respect to proposed land sections by Native villages, corporations, and by the State:

(A) each Native village, each corporation and the State shall notify the Planning Commission of each proposed land selection and the uses proposed to be made of the land;

(B) within six months after receiving such a notice, the Planning Commission shall advise the Native village, the corporation, the

State, or the Alaska Native Commission, as the case may be, in writing with respect to the compatibility of the proposed selection with the objectives set forth in this section;

(C) within six months thereafter, the Native village, the corporation, the State, or the Alaska Native Commission, as the case may be, shall notify the Planning Commission of its decision whether to retain the selection as originally proposed, to revise the proposed selection, or to make an alternate selection;

(D) no patent shall be issued or, in the case of a State selection, tentative approval given, until the foregoing procedure has been followed; and

(E) notwithstanding any of the provisions of this or any other Act, no selection right shall be lost by reason of compliance with the time requirements established by the provisions of this subsection (a)(9). Any time periods established for selections shall be deemed to be extended to the extent appropriate for compliance with this subparagraph.

(10)(A) Proposed uses of all lands selected by Native villages and corporations pursuant to this Act and by the State pursuant to the Alaska Statehood Act, whether or not such State selections have been tentatively approved, shall be compatible with the objectives of this subsection and land-use plans when promulgated and amended by the Planning Commission after notice and opportunity for hearing by the Planning Commission. Such plans shall be applicable notwithstanding the issuance hereafter of patents for the lands affected. The United States District Court for the District of Alaska shall have jurisdiction, upon application of the Department of Justice, to issue such orders as may be appropriate to secure compliance with such land-use plans.

(B) The authority of the Planning Commission shall cease to be applicable as to any area concerning which the Planning Commission determines, after notice and opportunity for hearing, that there are in effect Federal, State, or local zoning regulations and planning and enforcement provisions adequate to meet the objectives set forth in this section.

(C) In carrying out its functions pursuant to this subsection, the Planning Commission shall be deemed to be an "agency" for purposes of sections 500–559 and 701–706 of title 5, United States Code.

(11)(A) On or before January 31 of each year, the Planning Commission shall submit to the President of the United States, the Congress, and the Governor and legislature of the State of Alaska a written report with respect to its activities during the preceding calendar year, together with its recommendations for programs or other actions which it determines should be taken or carried out by the United States and the State of Alaska.

(B) The Planning Commission shall keep and maintain accurate and complete records of its activities and transactions in carrying out its duties under this Act, and such records shall be available for public inspection.

(C) The principal office of the Planning Commission shall be located in the State of Alaska.

(12)(A) The United States shall be responsible for paying for any fiscal year only 50 per centum of the costs of carrying out this section for such fiscal year.

(B) For the purpose of meeting the responsibility of the United States in carrying out the provisions of this section, there is authorized to be appropriated $1,500,000 for the fiscal year ending June 30, 1972, and for each succeeding fiscal year.

(C) No Federal funds shall be expended for the provisions of this section for any period unless prior to the commencement of such period the Secretary of the Interior has received reasonable assurances that there will be provided from non-Federal sources amounts equal to 50 per centum of the total funds required to carry out such provisions for such period.

(13) On or before May 30, 1976, the Planning Commission shall submit its final report to the President of the United States, the Congress, and the Governor and Legislature of the State of Alaska with respect to its planning and other activities under this Act, together with its recommendations for programs or other actions which it determines should be taken or carried out by the United States and the State of Alaska. The Commission shall cease to exist effective December 31, 1976.

(b)(1) There is hereby established the "North Slope Recreation and Transportation Corridor" (hereinafter referred to as the "North Slope Corridor"). The North Slope Corridor shall consist of lands within the utility and transportation corridor which are described in the notice of proposed modifications of classification of lands for multiple use management (serial numbers AA2779 and F–955) and the notice of proposed classification of lands for multiple use management (F–12423) published in the Federal Register on January 1, 1970 (35 Fed. Reg. 16–17), as corrected on February 4, 1970 (35 Fed. Reg. 2537). The Secretary is directed to review this classification of lands and to designate the boundaries of the North Slope Corridor. The designation of the boundaries shall be made within one hundred and twenty days of the enactment of this Act.

(2) The North Slope Corridor shall be managed for recreation and, if a transportation system should be established to the North Slope, for transportation purposes. The Secretary, after consulting with the State and the Planning Commission, is directed to establish regulations:

(A) to provide control over the types of activities which may take place in the Corridor and on the adjoining public lands;

(B) to insure that all appropriate environmental and game management standards are complied with;

(C) to designate any necessary or appropriate restrictions on the right of access from the North Slope Corridor to the adjoining public lands to protect these public lands;

(D) to insure the widest possible public right, consistent with public safety and environmental safeguards, to use any transportation facilities which may in the future be established within the North Slope Corridor;

(E) to protect the North Slope Corridor and adjoining public lands from fire and unnecessary environmental degradation; and

(F) to insure that any future commercial transportation activities which may take place within the North Slope Corridor are conducted in a manner that is compatible with the purposes of this subsection and with a quality environment.

(3) The Secretary is directed to establish appropriate recreational facilities within the North Slope Corridor and to provide any health, communications or other service facilities as are reasonably necessary to insure the safety of visitors to the North Slope Corridor. Such facilities may be made available by contract, lease, or in any other manner acceptable to the Secretary.

(4) The designation of the boundaries by the Secretary pursuant to subsection (b)(1) hereof shall not include any areas selected by and patented to Native villages pursuant to this Act.

(c)(1) Except as otherwise provided in this Act, all unreserved public lands in Alaska are hereby withdrawn from all forms of appropriation under the public land laws, including the mining and mineral leasing laws. The Secretary of the Interior is hereby authorized, at his discretion, and after consulting with the State and the Commission to classify any lands withdrawn by this section or previously classified and to open to mineral leasing, entry, selection, or location for disposal in accordance with applicable public land laws, or for other uses not inconsistent with this Act, such lands as he determines are chiefly valuable for the purposes provided for by such laws.

(2) Upon the application of any applicant qualified to make entry, selection or location, under the public land laws, on lands not classified for entry under subsection (a) hereof, the Secretary shall examine the lands described in the application and if he classifies them as suitable for the purpose described in the application and opens them to entry, said applicant shall be entitled to enter, select, or locate, such lands.

(3) Nothing in this section shall restrict the land selection rights of the State under the Statehood Act (72 Stat. 341) except as provided in subsection (a) hereof, or restrict the acquisition or granting of permits, or rights-of-way under existing law, except that rights-of-way under Revised Statutes section 2477 shall take effect only under such terms and conditions as the Secretary may establish.

(4) In making the classifications required by subsection (c)(1) hereof the Secretary shall, after consultation with the Planning Commission, conduct detailed studies and investigations of all unreserved public lands in Alaska, and of Naval Petroleum Reserve No. 4 and the Rampart Power Site Withdrawal, which are suitable for inclusion as recreation, wilderness, or wildlife management areas within the National Park, National Forest, and the National Wildlife Refuge Systems, and shall advise the Congress within three years of the date of passage of this Act of the location, size, and values of such areas, his recommendations with respect to such areas, and shall simultaneously with notification to the Congress withdraw these areas from any appropriation under the public land laws, including application of the mining and mineral leasing laws, until such time as the Congress acts upon the Secretary's recommendations, but not to exceed two years.

(5) The Secretary is directed to promptly issue patents to all persons who have made entry on the public lands in compliance with the public land laws for the purpose of gaining title to trade and manufacturing sites or homesteads, and who have fulfilled all requirements of the law prerequisite to obtaining a patent.

(d)(1) As a part of the Planning Commission's review of land selections by the State, by Native Villages or by corporations pursuant to section 24(a)(9) the Planning Commission shall identify public easements across such lands and at periodic points along the courses of major waterways which are reasonably necessary to guarantee a full right of public use and access for recreation, hunting, transportation, utilities, docks, and such other public uses as the Planning Commission determines to be important.

(2) In identifying public easements the Planning Commission shall consult with appropriate State and Federal agencies, shall review proposed transportation plans, and shall solicit and receive statements and recommendations from interested organizations and individuals on the need for and proposed location of public easements: *Provided*, That any valid existing right recognized by this Act shall continue to have whatever right of access as is now provided for under existing law and this subsection shall not operate in any way to diminish or limit such right of access.

(3) Prior to granting any patent under this Act the Secretary shall consult with the Planning Commission and shall reserve such public easements as the Planning Commission has identified and recommends. The responsibilities granted to the Planning Commission under this section shall be transferred to the Secretary upon termination of the Planning Commission.

ALASKA NATIVE FOUNDATION

SEC. 25. (a) (1) There shall be created an Alaska Native Foundation during the ninety-day period prior to the dissolution of the Services Corporation as provided in subsection 8(h) of this Act. The Foundation shall be a nonprofit membership corporation with the powers hereinafter granted.

(2) The Foundation shall not be an agency or establishment of the United States Government.

(b) (1) The board of directors of the Services Corporation on the date specified in subsection (a) hereof shall act as the incorporators of the Foundation.

(2) The incorporators shall prepare the original articles of incorporation and bylaws for the Foundation, subject to the approval of the Secretary of the Treasury, in a form consistent with the provisions of this section and in a form that shall qualify the Foundation for tax exemption under section 501(c)(3) of title 26, United States Code or any successor provisions thereto.

(3) The incorporators shall serve as the initial board of directors until permanent directors are appointed as provided in subsections (c) and (e). The incorporators shall file the articles of incorporation with the Secretary within thirty days, and the Foundation shall be deemed to be formally organized as of the date of such filing. The incorporators also shall transmit a copy of the articles of incorporation to the Commissioner of Commerce of the State.

(c) (1) The management of the Foundation shall be vested in a board of directors which, with the exception of the initial board, shall consist of the members of the Foundation as selected in accordance with subsection (e).

(2) The board of directors shall elect a chairman annually from among its own membership.

(d) The Foundation shall have a president, and such other officers as may be named and appointed by the board, at rates of compensation fixed by the board and serving at the pleasure of the board. The president and other officers of the Foundation may, but need not, be members of the Foundation.

(e) (1) There shall be twelve members of the Foundation, nine of whom shall be initially elected by the voting members of the Services Corporation on the following basis:

(A) one member representing each of the seven regions as determined by section 9 of this Act;

(B) one member representing the members of the Urban Alaska Native roll;

(C) one member representing the members of the Alaska Native National roll; and

(D) three members shall be appointed by the Governor of the State.

(2) Members of the Foundation shall be entitled to reasonable fees and shall serve until their death, resignation, retirement, or removal for cause. A member may be removed only by a two-thirds vote of the members of the Foundation (without the participation of the affected member) upon a showing of physical disability or mental impairment preventing the reasonable performance of his duties, or upon a showing of a willful failure to perform his duties in a reasonable manner.

(3) Upon the death, resignation, retirement, or removal of a member, the remaining members shall elect a new member by a majority vote.

(f) (1) The purposes of the Foundation shall be to engage exclusively in charitable, educational, and scientific activities for the benefit of individuals of Native background.

(2) In furtherance of the purpose set forth in subparagraph (1), the Foundation may carry out such charitable, educational, or scientific projects as may be consistent with its status as an organization exempt under section 501(c)(3) of title 26, United States Code, or any successor provisions thereto.

(g) (1) The Foundation shall have and may exercise all rights and powers vested in a nonprofit membership corporation under the laws of the State.

(2) The Services Corporation, before its dissolution pursuant to section 8(h) of this Act, shall distribute to the Foundation and its incorporators sufficient funds to meet the necessary costs of the Foundation's organization and initial operation.

ATTORNEY AND OTHER FEES AND EXPENSES

SEC. 26. (a) The chief commissioner of the United States Court of Claims, or his delegate(s), is authorized to receive, consider, determine, and settle in accordance with the provisions of this section and rules and orders promulgated thereunder, all unreimbursed claims submitted to him for attorneys' and other fees, and out-of-pocket expenses incurred or committed by attorneys exclusively for services rendered, on or before the date of the enactment of this Act, on behalf of any Native, Native Village, statewide or Regional Native Associations or other Native tribe, band, or group (1) in the actual prosecution pursuant to any authorized contract, of a claim pending before any Federal or State court or the Indian Claims Commission which is dismissed pursuant to this Act, or (2) for legal representation with respect to the preparation and passage of this Act and previously proposed legislation to settle claims against the United States or the State or territory of Alaska based upon aboriginal right, title, use, or occupancy of lands by Natives, or with respect to litigation (other than litigation covered under clause (1)) involving the validity of or otherwise affecting such claims. At the earliest practicable date subsequent to enactment, the Secretary of the Interior shall cause this section to be published in the Federal Register, in accordance with the provisions of chapter 15, title 44, of the United States Code, and such publication shall constitute reasonable notice to all persons having such claims.

(b) Any claim made pursuant to subsection (a) of this section must be filed with the clerk of the Court of Claims within one year following the date of enactment of this Act, and shall be in such form and contain such information as the chief commissioner shall prescribe by regulation, and such regulations shall be published in the Federal Register not later than six months after enactment of this Act. Claims not so filed shall be forever barred.

(c) Upon the filing of a claim, the clerk of the Court of Claims shall forward a copy of such claim to the individuals or entities on whose behalf services were rendered or fees and expenses were allegedly incurred as shown by the pleadings to the Attorney General of the United States, to the Attorney General of the State of Alaska, to the Secretary of the Interior, and to any other person or persons who appear to have an interest in the claim, and shall give such individual or entity ninety days within which to file an answer contesting the claim.

(d) The chief commissioner may designate a trial commissioner for any claim made under this section and a panel of three commissioners of the court to serve as a reviewing body. One member of the review panel shall be designated as presiding commissioner of the panel.

(e) Proceedings in all claims under this section shall be pursuant to rules and orders prescribed for the purpose by the chief commissioner who is hereby authorized and directed to require the application of the pertinent rules of practice of the Court of Claims insofar as feasible. Claimants may appear before a trial commissioner in person or by attorney, and may produce evidence and examine witnesses. Hearings may be held in the county or borough where the claimant resides if convenience so demands, in the discretion of the chief commissioner or his designate.

(f) Each trial commissioner and each review panel shall have authority to do and perform any acts which may be necessary or proper for the efficient performance of their duties, including the power of subpoena, the power to order audit of books and records, and the power to administer oaths and affirmations. Any sanction authorized by the rules of practice of the Court of Claims, except contempt, may be imposed on any claimant, witness, or attorney by either the trial commissioner, review panel, or chief commissioner. None of the rules, regulations, rulings, findings, or conclusions authorized by this section shall be subject to judicial review.

(g) The trial commissioner to whom a claim is assigned by the chief commissioner shall proceed in accordance with the applicable rules to determine the claim on a quantum merit basis, taking into consideration the nature of the service rendered, the time and labor required, the existence of a bona fide attorney-client relationship with an identified client, the nature and length of the professional relationship with the client, the need for providing the service, whether the service was intended to be a voluntary public service or compensable, and the relationship of the service rendered to the enactment of proposed legislation. The amount allowed shall not be controlled by any hourly charge customarily charged by the claimant, and contingent fees shall not be allowed. The commissioner may consider, but is not bound by, any contractual arrangements relating to the claim under consideration. Out-of-pocket expenses shall be approved for payment pursuant to this section only if the trial commissioner and the panel have determined that such expenses were unreimbursed and were necessary, reasonable, and actually incurred or committed.

(h) (1) No more than $1,000,000 in the aggregate shall be available for the payment of claims for attorneys' fees (exclusive of services (referred to in subsection (a)) rendered prior to January 1, 1969. In the event that the amounts to be determined by the trial commissioner or review panel to be payable as attorneys' fees for such services rendered prior to such date exceeds the aggregate $1,000,000, the review panel shall authorize, in accordance with subsection (j), payment of each such claim for such fees on a pro rata basis so that the aggregate amount authorized therefor does not exceed $1,000,000.

(2) No more than $1,500,000 in the aggregate shall be available for the payment of attorneys' and other fees (exclusive of approved out-of-pocket expenses) for such services referred to in subsection (a) of which not more than $100,000 shall be available for the payment of fees other than attorney's fees rendered during the period commencing January 1, 1969, and ending on the date of enactment of this Act. In the event that the amount determined by the trial commissioner or review panel to be payable as attorneys' and other fees for such services rendered during such period exceeds in the aggregate $1,500,000 the review panel shall authorize, in accordance with subsection (j), payment of each such claim for such fees on a pro rata basis so that the aggregate amount authorized therefor does not exceed $1,500,000, of which not more than $100,000 shall be authorized for the payment of fees other than attorneys' fees.

(i) The findings and conclusions of the trial commissioner shall be submitted by him, together with the record in the case to the review panel or commissioners for review by it pursuant to such rules as may be provided for the purpose, which shall include provision for submitting the decision of the trial commissioner to the claimant and any party contesting the claim for consideration, exception, and argument before the panel. The panel, by majority vote, shall adopt or modify the findings or the conclusions of the trial commissioner.

(j) The chief commissioner of the Court of

Claims shall certify to the Secretary of the Treasury, with respect to each such claim, the name and address of the claimant and the amount determined by the reviewing panel, to be payable to such claimant under this section for attorneys' fees and out-of-pocket expenses. The Secretary of the Treasury, upon receipt of such certification, shall pay to each such person named therein the amounts so certified. Any amounts so certified as attorneys' or other fees shall be payable from moneys in the Fund set aside pursuant to section 5(a)(1) of this Act. Such amounts so certified as out-of-pocket expenses shall be payable from other moneys in such Fund. No award under this section shall bear interest.

(k) No remuneration on account of any such services referred to in subsection (a) of this section and for which a claim is made pursuant to this section shall be accepted by any person for such services in addition to the amount paid in accordance with this section, and any contract or other agreement to the contrary shall be void. Whoever accepts, on account of such services, any remuneration in addition to the amount paid in accordance with this section shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than $5,000 or imprisoned not more than twelve months, or both.

(l) The Court of Claims is hereby authorized and directed, under such conditions as it may prescribe, to provide the facilities and services of the office of the clerk of the court for the filing, processing, hearing, and dispatch of claims made pursuant to this section and to include within its annual appropriations the costs thereof and other costs of administration, including (but without limitation to the items herein listed) the salaries and traveling expenses of its auditors and the commissioners serving as trial commissioners and panel members, mailing and service of process, necessary physical facilities, equipment, and supplies, and personnel (including secretaries, reporters, auditors, and law clerks).

TAXATION

SEC. 27. (a) The compensation paid to Natives pursuant to section 5(a) of this Act, and any interest earned with respect thereto while such funds are deposited in the Fund or are invested by the Secretary pursuant to section 5, shall not be subject to any form of Federal or State taxation either (1) at the time of receipt, or (2) upon distribution to any Native corporation or individual Native, whether directly by a per capita payment or indirectly through such corporation or corporations. For purposes of this subsection, the first dividend payments or other cash distributions made by any Native corporation shall be deemed to be distributions out of its share of funds derived from section 5(a), including interest, until such share has been fully distributed.

(b) The compensation paid to the Natives pursuant to section 5(b) of this Act, and any interest earned with respect thereto while such funds are deposited in the Fund, shall not be subject to any form of Federal or State taxation either (1) at the time of receipt, or (2) upon distribution to any Native corporation or individual Native, whether directly or by a per capita payment or indirectly through such corporation or corporations. For purposes of this subsection, the first dividend payments or other cash distributions made by any Native corporation, after the distribution of compensation paid pursuant to section 5(a) in accordance with subsection (a) hereof, shall be deemed to be distributions out of its share of funds derived from section 5(b), including interest.

(c) The receipt of shares of stock in the Investment Corporation or its successor by or on behalf of any Native pursuant to section 10(g) or (1) or pursuant to section 8(h) by a successor to the Services corporation shall not be subject to any form of Federal, State or local taxation. The basis for computing gain or loss on subsequent sale or other disposition of any shares in the successor to the Investment Corporation issued pursuant to section 10(l) or in any successor to the Services Corporation issued pursuant to section 8(h) shall be the fair value of such shares at the time of receipt.

(d) The receipt of money or other property pursuant to section 8(h) or 10(l) by the successor to the Investment Corporation or pursuant to section 8(h) by a successor to the Services Corporation shall not be subject to any form of Federal, State or local taxation. No money or property so received shall be treated as a contribution to capital for purposes of section 362(c) of the Internal Revenue Code, title 26, United States Code. The basis for computing gain or loss on subsequent sale or other disposition of any property so received by the successor to the Investment Corporation, for purposes of any Federal, State, or local tax, shall be the fair market value of such property at the time of receipt.

(e) The receipt of land or any interest therein pursuant to sections 13, 14, 15, 16, 19 or 23 or of cash in order to equalize the values of properties exchanged pursuant to section 16(a), shall not be subject to any form of Federal, State or local taxation. The basis for computing gain or loss on subsequent sale or other disposition of such land or interest in land for purposes of any Federal, State or local tax imposed on or measured by income shall be the fair value of such land or interest in land at the time of receipt.

(f) Real property interests conveyed, pursuant to this Act, to a Native individual, group, village, corporation, or any other Native organization, which are not developed or leased to third parties, shall be exempt from State and local real property taxes for a period of twenty fiscal years after the effective date of this Act: *Provided, however,* That municipal taxes, local real property taxes, or local assessments may be imposed upon leased or developed real property within the jurisdiction of any governmental unit under the laws of the State: *And provided further,* That easements, rights-of-way, leaseholds, and similar interests in such real property may be taxed in accordance with State or local law. All rents, royalties, profits, and other revenues or proceeds, derived from such property interests shall be taxable to the same extent as such revenues or proceeds are taxable when received by a non-Native individual or corporation.

(g) Real property interests conveyed, pursuant to this Act, to a Native individual, group, village, corporation, or any other Native organization, shall, so long as the fee therein remains not subject to State or local taxes on real estate, continue to be regarded as public lands for the purpose of computing the Federal share of any highway project pursuant to title 23 of the United States Code, as amended and supplemented, and so long as there are also no substantial revenues from such lands, continue to receive forest fire protection services from the United States at no cost.

(h) The Foundation established pursuant to section 25 shall be treated as a private foundation for purposes of applying the taxes and restrictions on self-dealing provided for in section 4941 of the Internal Revenue Code, title 26, United States Code, and on expenditures for political purposes described in section 4945(d) (1) and (2) of the Internal Revenue Code, title 26, United States Code, or corresponding provisions of subsequent law, but otherwise shall not be treated as a private foundation.

REVIEW BY CONGRESS

SEC. 28. On or before March 1 of each year during the thirteen years following the effective date of this Act, the Commission, until its termination, and the Secretary, respectively, shall submit reports to Congress concerning the operation and implementation of this Act during the previous calendar year. Within ninety days after the end of each five-year period following enactment of this Act, the Commission and the Secretary also shall submit to Congress, through the President, a joint report on the status of the Natives and their organizations, a summary of actions taken under this Act, and their respective recommendations as may be appropriate for extension, amendment, or clarification of any provisions of this Act. This joint report and the Commission's annual report shall include as an appendix all statements, memorandums, reports, and other written comments presented to the Commission for forwarding to Congress by any Native Village, corporation, or association.

APPROPRIATIONS

SEC. 29. (a) There are authorized to be appropriated to the Alaska Native Commission such sums as are necessary to carry out the functions and responsibilities it is required to perform under the provisions of this Act.

(b) There are authorized to be appropriated to the Secretary of the Interior such sums as may be necessary to prepare the temporary roll, to survey lands to be granted pursuant to this Act, to classify lands and to carry out other functions and responsibilities required to be performed under the provisions of this Act.

(c) The President of the United States is requested to advance from the contingency fund established for his office such sums as the Director of the Office of Management and Budget determines to be necessary to defray the initial organizational and administrative expenses of the corporations to be established pursuant to this Act, pending the availability of moneys in the Fund. Such advances shall be reimbursed to the President's contingency fund from the Fund when sufficient moneys become available therein.

PUBLICATIONS

SEC. 30. The Secretary of the Interior and the Commission are authorized to issue and publish in the Federal Register, pursuant to the Administrative Procedures Act (5 U.S.C. 500 and following) such regulations as may be necessary to carry out the purposes of this title.

SAVING CLAUSE

SEC. 31. Except as specifically provided for in this Act, nothing in this Act shall be construed as repealing any other provision of Federal law applicable to Alaska. To the extent that there is a conflict between any provision of this Act and any other Federal laws applicable to Alaska, the provisions of this Act shall govern.

PROGRAM FOR MONDAY

Mr. BYRD of West Virginia. Mr. President, the program for Monday is as follows:

The Senate will convene at 9:30 a.m. Immediately following the recognition of the two leaders under the standing order, the distinguished junior Senator from Alabama (Mr. ALLEN) will be recognized for not to exceed 15 minutes, following

which there will be a period for the transaction of routine morning business, with statements therein limited to 3 minutes—the period therefor not to extend beyond 10 a.m.

At 10 a.m., the Senate will take up S. 35, a bill to provide for the settlement of certain land claims of Alaskan Natives, under a time limitation of 4 hours on the bill, 1 hour on each amendment in the first degree, one-half hour on any amendment in the second degree, motion, or appeal with the exception of nondebatable motions, and it is expected that there will be one or more rollcall votes in connection with that bill.

It is also anticipated that other legislation will be cleared and ready for action on Monday afternoon, following the disposition of the Alaskan Natives land claims bill. Rollcall votes are possible on such legislation.

The Senate can expect long sessions daily next week.

ADJOURNMENT UNTIL 9:30 A.M. MONDAY, NOVEMBER 1, 1971

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9:30 a.m. on Monday next.

The motion was agreed to; and (at 7 o'clock and 52 minutes p.m.) the Senate adjourned until Monday, November 1, 1971, at 9:30 a.m.

EXTENSIONS OF REMARKS

SALVADOR DALI JEWELS IN GREENWOOD, S.C.

HON. WM. JENNINGS BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 28, 1971

Mr. DORN. Mr. Speaker, the Salvador Dali Art-in-Jewels are on display in my hometown of Greenwood through November 7. Greenwood is one of four cities in the world where this magnificent work of art is being shown in 1971—in Rome, London, Paris, and now Greenwood. Mr. Speaker, and my colleagues, you are cordially invited to visit with us in the next few days to see this only American showing for 1971. Following is my newsletter to my constituents about this great event in my hometown:

ART-IN-JEWELS

You may view one of the most superb creations of art in modern history now on display daily at the Greenwood County Courthouse. Time has been extended, and through November 7 you will have this rare opportunity. You will be inspired by Art-in-Jewels. Your creative imagination will be stimulated. Art-in-Jewels is a great sermon, a beautiful poem, a love story, thoughts on immortality, history and prose all in one viewing.

Salvador Dali's paintings and jewel creations are viewed annually by million in the National Art Gallery in Washington, the Metropolitan Museum of Art and the Modern Museum of Art in New York, in Glasgow, Scotland, and in private collections throughout Western Europe. Art-in-Jewels, a $5½ million collection, was a feature attraction at the World's Fair. South Carolina and the Southeast are fortunate to have the opportunity to view this famous, imaginative creation of the most provocative art genius of modern times. The Dali jewels will be shown to the public in only four cities in 1971—Rome, Paris, London, and now in Greenwood.

Salvador Dali was born in Spain in 1904. Early in life Dali helped develop surrealism as art of revolution and embraced Dadaism and Cubism. He first became known for eerie, often bizarre paintings which reproduced the nightmare vision of an irrational and maniacal subconscious world. However, by 1941 Dali wrote that he was forsaking surrealism as an art of revolution. He wrote that revolution was bankrupt, along with the collectivist, atheist and neo-pagan utopias which he had studied in the philosophy of Karl Marx and Hitler's Nazi philosopher Rosenberg. After studying theology Dali became devoted to more traditional art forms with emphasis on the constructive and positive aspects of spiritual forces in the reconstruction of devastated Europe. This was a Europe destroyed by revolutions and paranoiac hallucinations as manifested by the demented collectivist Stalin and the maniacal Hitler and by some today in America who preach anarchy and chaos. In 1954 at the request of Chester Dale, then President of the National Gallery of Art, Dali created "The Sacrament of the Last Supper." We viewed the Sacrament this morning at the National Gallery here in Washington. It is undoubtedly one of the masterpieces of all time, which uses traditional art methods to reach out and deeply involve the viewer. Dali's Art-In-Jewels vividly portrays the sacrifice and love of Christ, peace, and the compassion, virtue and love of womanhood.

Salvador Dali himself said of his own fantastic, unique and magnificent creation: "Without an audience, without the presence of spectators, these jewels would not fulfil the function for which they came into being. The viewer, then is the ultimate artist. His sight, heart, mind—fusing with and grasping with greater or lesser understanding the intent of the creator—gives them life."

South Carolinians have long had an appreciation of art and culture, dating back to the first theater in America at Charleston and the fabulous gardens and architecture of that charming city. Art and cultural circles in South Carolina are virtually unanimous in their opinion that the Salvador Dali jewels are perhaps the superlative works of art ever shown in the Palmetto State. It is as if the most famous art of Rembrandt, Michelangelo, Leonardo da Vinci, and Raphael were on display in South Carolina.

Now America is developing an appreciation of art and a vibrant, dynamic culture distinctively its own. In supporting the National Foundation on the Arts and Humanities and the Kennedy Center for the Performing Arts, we in the Congress believe this legislation will further the development of a unique cultural heritage in America.

Art-in-Jewels in Greenwood was made possible by the Owen Cheatham Foundation. The Owen Cheatham Foundation was established in 1934 to assist religious, cultural and educational institutions. The Foundation acquired the Salvador Dali jewels in 1958 and now makes available a display of the jewels for selected charitable, religious, and philanthropic causes.

The late Owen Cheatham was born in Virginia and founded the great Georgia Pacific Corporation. For many years he was its president and chairman of the board. Owen Cheatham, who was awarded a Doctor of Science degree by Clemson University, married Celeste Wickliffe from Walhalla (Garden of the Gods) and West Union. Celeste Wickliffe developed an early appreciation of upcountry culture as manifested by the cultural circles of the Pendleton Area, High Hampton and Sapphire Valley. Mrs. Cheatham is a talented, attractive and charming lady who epitomizes the charm of Southern womanhood. Mrs. Cheatham has two lovely daughters, Mrs. Roland R. Comerford and Mrs. Albert Kennerly. Mrs. Kennerly and her husband, who is a distinguished architect in New York City, attended the preview in Greenwood. It will be recalled that Mrs. Kennerly was born in Augusta, where Mr. Cheatham founded Georgia Pacific, and she has many friends in the beautiful Aiken-Augusta area.

Mrs. Cheatham has been most gracious in permitting a display of Art-in-Jewels in Greenwood, as the Foundation receives more than 1000 requests annually from throughout the world.

The proceeds of the Dali showing will go to restore the Old Cokesbury College. Cokesbury College was built in 1854 as a Masonic Female College and was later acquired by the South Carolina Methodist Conference. The College building and the Formal Garden are now almost completely restored and work is progressing to develop the cultural and recreational potential of the historic Cokesbury community, which once rivaled Charleston as a social and cultural center. Mrs. Sterling Graydon of Greenwood, author, lecturer, and patron of the arts, is Chairman of the Cokesbury Historical and Recreational Commission. Mrs. Graydon is providing the outstanding leadership and tireless energy necessary to accomplish this restoration. In viewing Art-In-Jewels special rates are available for students and there is a nominal charge for adults.

While in Greenwood to view the Salvador Dali jewels we recommend the Railroad Museum and the Greenwood Museum, which has one of the finest collections of Indian relics in the Southeast and a splendid rock and gem collection. Nearby in Abbeville you will find of great interest the restored Abbeville Opera House, historic Trinity Episcopal Church and the Stark House. In the Abbeville Courthouse there is a painting of John C. Calhoun which Arthur Conrad was selected to paint by the Washington Commission of Fine Arts. Among other points of historical interest in the immediate area are Edgefield, home of ten South Carolina governors, and Newberry, where the historic Old Court House now is the Newberry Community Hall.

When in Greenwood you are cordially invited to visit our home Barratt House, which was designed in 1850 by Dr. John P. Barratt, a noted scientist and artist.

TOM STEED'S GRANDDAUGHTER IS OKLAHOMA'S TEENAGE MISS

HON. ED EDMONDSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 28, 1971

Mr. EDMONDSON. Mr. Speaker, the judges at the Miss Teenage Oklahoma City Contest Monday evening were obviously people of perception and wisdom.