A. Weissbrodt & Weissbrodt, 1614 20th Street NW., Washington, D.C.
B. Central Council of the Tlingit and Haida Indians of Alaska, Box 529, Juneau, Alaska.
E. (9) $434.85.

A. Edwin M. Wheeler, 1015 18th Street NW., Washington, D.C.
B. The Fertilizer Institute, 1015 18th Street NW., Washington, D.C.
E. (9) 315.90.

A. Leonard M. Wickliffe, 11th and L Building, Sacramento, Calif.
B. California Railroad Association, 11th and L Building, Sacramento, Calif.
D. (6) $2,499.99. E. (9) $4,351.43.

A. Harry D. Williams, 1660 L Street NW., Washington, D.C.
B. Ashland Oil, Inc., 1409 Winchester Avenue, Ashland, Ky.
D. (6) $250.

A. Wilmer, Cutler & Pickering, 900 17th Street NW., Washington, D.C.
B. American Express Co., 65 Broadway, New York, N.Y.
E. (9) $19.35.

A. Wilmer, Cutler & Pickering, 900 17th Street NW., Washington, D.C.
B. J. P. Morgan & Co. Inc., 23 Wall Street, New York, N.Y.

A. Milburn E. Wilson, Route 1, Fremont, Mich.
B. Gerber Products Co., 445 State Street, Fremont, Mich.

A. Burton C. Wood, 1625 L Street NW., Washington, D.C.
B. National Association of Home Builders of the United States, 1625 L Street NW., Washington, D.C.
D. (6) $4,218.75. E. (9) $378.71.

A. Jack Yelverton, 1303 New Hampshire Avenue NW., Washington, D.C.
B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C.

A. Kenneth Young, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $5,720.50. E. (9) $330.20.

A. Robert C. Zimmer, 1250 Connecticut Avenue NW., Washington, D.C.
B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C.

A. Robert C. Zimmer, 1250 Connecticut Avenue NW., Washington, D.C.
B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C.

A. Robert C. Zimmer, 1250 Connecticut Avenue NW., Washington, D.C.
B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C.

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B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C.

SENATE—*Wednesday, February 17, 1971*

The Senate met at 12 o'clock meridian and was called to order by the President pro tempore (Mr. ELLENDER).

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

O Thou who art from everlasting to everlasting, the Ancient of Days, yet ever new, before whom earth's kingdoms rise and fall, once again we commit our Nation to Thee, beseeching Thee to make and keep us a righteous people. Make us to do justly, to love mercy and to walk humbly with our God.

To Thy servants in this Chamber grant a vivid sense of Thy presence, not only in the hushed moment of prayer but in the long hours of daily work. Through honest but differing judgments and out of diverse prescriptions for the Nation's future, bring that final and highest wisdom that charts the Nation's course in these perilous days. So gird the lives of Thy servants here in the ministry of public affairs that what they say and what they do may be for the healing of men's deepest needs.

We pray in the Master's name. Amen.

MESSAGES FROM THE PRESIDENT

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

REPORT ON FOREIGN ASSISTANCE PROGRAM—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Foreign Relations:

To the Congress of the United States:

Since my March 1970 Report on Foreign Assistance, I have proposed to the Congress a major transformation in the policy directions and organizational structure of this important program.

The proposals are made necessary by the dramatic changes which have taken place over recent years in the conditions that surround and influence development assistance:

—The lower income countries themselves have made impressive progress and gained experience which makes it possible for them to stand at the center of the development process;

—The other industrialized nations can now afford to provide major assistance to the poorer nations, and most of them now have substantial and expanding programs in this field;

—A number of international development institutions now possess a capability to help match the efforts of the recipient countries themselves with the most effective possible blend of assistance from donor nations;

—The private sector has become increasingly active and effective in channeling investments in a fashion to stimulate growth in the lower income countries.

The Annual Report on the Foreign Assistance Program for Fiscal Year 1970, which I transmit herewith, covers a period in which we undertook to formulate and present to Congress a more effective foreign assistance program tailored to the needs of the 70's. But it was also a period in which our present foreign assistance program helped lower income nations to achieve a number of gratifying successes:

—India harvested the largest food grain crop in its history and was able to reduce food grain imports 50 percent below the previous year's level;

—Thailand approved voluntary family planning as a national policy, and Ghana adopted a major population program;

—West Pakistan produced enough wheat not only to meet its own needs but to allow shipments of wheat to East Pakistan;

—Domestic savings in Turkey, encouraged by an effective fiscal policy, rose to 18 percent of that country's gross national product and financed 91 percent of its fixed investment;

—Ten million school-age children in Brazil each day received nutritious lunches which included U.S. foodstuffs.

In the important field of technical assistance, the Agency for International Development focused its efforts increasingly on a limited number of key problems. Among these were the "second-generation" problems resulting from the "Green Revolution." Dramatically increased agricultural yields and new technology have in some instances contributed to shortages of facilities for storage, shipment and marketing and to rural unemployment. AID sought to assist in solving these problems in order to insure the ongoing success of this significant "Revolution." It also sponsored new research in important areas such as food production and family planning. A total of $75 million was provided for the conduct of population programs, a rise of 64 percent over the previous year.

I am proud that our present foreign assistance program has achieved important successes in a field in which quick and dramatic successes are few. Development assistance, however slow its results, is an important means of cooperating with the lower income nations to help them solve their most critical problems—those of improving the quality of life of their citizens. By creating a community of nations working together to solve the problems of humanity rather than adding to them, through war and civil strife, it clearly serves a major national interest. Our new program will be designed to meet the new needs of a new decade and thereby permit us to pursue that interest more effectively, in a way which insures our being increasingly responsive to the needs of the peoples of the developing world. It will, I believe, be recognized by our people as a proud American investment in the future of all mankind, and therefore in a better world for future generations of Americans.

RICHARD NIXON.

THE WHITE HOUSE, *February 17, 1971.*

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

EXECUTIVE MESSAGES REFERRED

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

(For nominations received today, see the end of Senate proceedings.)

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, February 11, 1971, be dispensed with.

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

WAIVER OF THE CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

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

ORDER OF BUSINESS

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

STATEMENT OF COMMERCE SECRETARY MAURICE STANS ON CONFLICT OF INTEREST

Mr. COTTON. Mr. President, in reply to items carried recently in the press, implying a conflict of interest on the part of Secretary of Commerce Maurice H. Stans, Mr. Stans has today released a statement.

For the information of the Senate, I ask unanimous consent that Secretary Stans' statement be printed in the RECORD.

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

STATEMENT BY SECRETARY OF COMMERCE MAURICE H. STANS

A question has been raised as to whether I was less than candid with the Senate Commerce Committee in testimony prior to my confirmation.

This is not true. I did not withhold information from the Committee. Any implication to the contrary is false.

Here are the facts:

My partnership interest in Glore Forgan Staats and Company was explicitly made known to the committee, both in my letter to Chairman Magnuson on January 13, 1969, and in my personal testimony before the committee on January 15, 1969. In both cases I stated clearly that the partnership held certain investments of unknown value. These in no way were personal investments held by or available to me individually.

In my letter to the Chairman I stated:

"I am a partner in two partnerships, Staats and Company and Glore Forgan Staats and Company. My partnership interests, which involve undivided interests in certain investments of indeterminable value, will be assigned to the United States Trust Company of New York as trustee and will be part of the trust. . . ."

These partnership interests were, as stated, both "undivided" and of a value that could not then be determined. The partnership, of which I owned about 7 percent, then held among other things an option on shares in Macco Development Corporation, a corporation controlled by Penn Central.

The partnership, at the time of my confirmation hearings, did not own any shares outright or in options in Great Southwest Corporation, contrary to recent allegations.

About two months later, on March 21, 1969, without my knowledge or involvement, the option held by the partnership was exchanged in a merger for stock in Great Southwest Corporation. This stock interest remained "undivided"—that is, no partner received his share of the stock or, because of certain pending claims, could even then know exactly what his share was.

On July 7, 1969, six months after my confirmation, all the partners were informed by letter that certificates had been issued on June 11, in the names of the individual partners for their respective shares.

As provided in my "blind" trust Agreement, which I provided the Committee at the time of my confirmation, this additional property was delivered several months later directly by the partnership to the trustee. This is what I said would be done in my letter to the Committee of January 13, 1969.

The key fact is this: *I did not own any stock in any corporation affiliated with Penn Central at the time of my confirmation,* nor did I know when and how the Macco option would be exercised. What I did know was what I told the Committee—that in the partnership there were investments of indeterminable value which would be passed to the trust.

Thus I did not withhold any information on these matters from the Committee at the hearings on my nomination. I could not have, because the information that developed afterward, and that now occasions interest, did not then exist.

A related question arises: how "blind" is a blind trust? Of course a person who puts his property into a blind trust knows what goes in. The purpose of the blinding is to deprive him of knowledge of subsequent transactions and what the trust holds thereafter.

My own trust is totally "blind." I do know, of course, what property originally went into the trust and what property I added to it after it was formed. I do not know what the trust now holds.

Has my blind trust agreement been violated in any way?

It has not. As noted, the transfer of Great Southwest stock from Glore Forgan Staats and Company to the blind trust came to my attention through the receipt of a notification identical to that which went to some 65 participating partners.

That is why I was aware that 37,955 shares of Great Southwest stock were assigned to the blind trust on my behalf after being distributed by Glore Forgan Staats and Company after June 11, 1969. But I do not know whether all or any of that stock is still there.

My contacts with the administrators of the trust, the United States Trust Company of New York, were limited from its beginning to those contacts which were necessary for me to transmit information to them received from companies concerning investments which I had put in the trust.

I have been especially alert to avoid even an inadvertent conflict of interest.

Prior to the bankruptcy proceedings of Penn Central, I did not participate in any meetings or have any talks with the principals of the company at any time.

At a meeting at the White House on June 3, 1970, I informed the other participants—including the Secretary of the Treasury, the Attorney General, the Director of the Bureau of the Budget, the Chairman of the Council of Economic Advisers and the Chairman of the Federal Reserve Board—that I would not participate in any decisions involving the government with Penn Central, in view of the possibility that my trust still held securities of a subsidiary of Penn Central.

At a meeting held the next day by the Secretary of the Treasury, the full extent of the Penn Central's financial plight became apparent, raising the possibility of the Government becoming involved. Immediately thereafter, I disqualified myself from participation. Neither then or on any subsequent occasion did I participate in any negotiations with Penn Central or attempt in any way to influence the Government's decision.

I was requested by the White House to make available the services of Mr. James Lynn, General Counsel of the Department of Commerce, to work with Under Secretary of the Treasury Paul Volcker in determining the full scope of the Penn Central problem, and for possible help in reviewing and preparing the legal documents relating to an agreement, if one were to be entered.

I made certain Mr. Lynn would report to the White House through the Secretary of the Treasury and not to me on this activity. This arrangement was strictly observed.

To summarize:

1. I fully disclosed the full extent of my personal investments and all other holdings at the time of my confirmation.

2. I have no knowledge of the transactions of the trustee with respect to those holdings, since they went into the trust.

3. I do not now know whether any shares of the Great Southwest Corporation or any other stock committed to the trust are still held by the trust or have been disposed of in whole or in part.

4. At the outset, and before any possible government involvement in the affairs of the Penn Central took place, I disqualified myself.

ORDER OF BUSINESS

The PRESIDENT pro tempore. Is there further morning business?

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

The PRESIDENT pro tempore. The clerk will call the roll.

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

ORDER FOR RECOGNITION OF SENATOR KENNEDY THIS AFTERNOON

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that this afternoon, immediately following the announcement of the second rollcall vote on the treaties and the return to the consideration of legislative business, the able senior Senator from Massachusetts

(Mr. KENNEDY) be recognized for not to exceed 30 minutes, provided that the Pastore rule on germaneness will have run its course by that time.

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

ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT TO CONGRESS ON PROGRESS IN NEGOTIATIONS IN THE RAILWAY LABOR DISPUTE AND RECOMMENDATIONS FOR RESOLUTION OF THE DISPUTE

A communication from the President of the United States, transmitting, pursuant to law, a report concerning the progress and present status of negotiations between most of the Nation's railroads and four unions representing their employees, with the recommendations for the solution of presently outstanding disputes, together with proposed legislation to provide alternate procedures to facilitate the settlement of the labor dispute between certain carriers by railroads and certain of their employees (with an accompanying report and paper); to the Committee on Labor and Public Welfare.

PROPOSED LEGISLATION TO PROVIDE FOR A REVISION IN THE COTTON GINNING REPORT DATES

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend title 13, United States Code, to provide for a revision in the cotton ginning report dates (with accompanying papers); to the Committee on Agriculture and Forestry.

PROPOSED LEGISLATION TO PROVIDE ADDITIONAL RESERVE OFFICERS' TRAINING CORPS SCHOLARSHIPS FOR THE ARMY, NAVY, AND AIR FORCE

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to amend section 2107 of title 10, United States Code, to provide additional Reserve Officers' Training Corps scholarships for the Army, Navy, and Air Force (with an accompanying paper); to the Committee on Armed Services.

REPORT OF DEPARTMENT OF DEFENSE PROCUREMENT FROM SMALL AND OTHER BUSINESS FIRMS

A letter from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, a report of the Department's procurement from small and other business firms for the period July–November 1970 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

REPORT OF EXPORT-IMPORT BANK OF THE UNITED STATES

A letter from the Secretary, Export-Import Bank of the United States, transmitting, pursuant to law, a report of the actions taken by the Bank under the export expansion facilities program during the quarters ended September 30, 1970 and December 31, 1970 (with an acompanying report); to the Committee on Banking, Housing and Urban Affairs.

PROPOSED LEGISLATION BY THE SECRETARY OF COMMERCE

Two letters from the Secretary of Commerce, transmitting proposed legislation (with accompanying papers) which were referred to the Committee on Commerce, as follows:

A bill to authorize appropriations for certain maritime programs of the Department of Commerce; and

A bill 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.

PROPOSED LEGISLATION TO AMEND THE FIRST SECTION OF THE FEDERAL POWER ACT

A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to amend the first section of the Federal Power Act to clarify the language so as to remove any possible doubt that the Chairman of the Federal Power Commission serves at the pleasure of the President in his capacity as Chairman (with accompanying papers); to the Committee on Commerce.

PROPOSED LEGISLATION BY THE SECRETARY OF TRANSPORTATION

A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to extend the act of September 30, 1965, as amended by the acts of July 24, 1968 and October 13, 1970, relating to high-speed ground transportation, by removing the termination date thereof, and for other purposes (with an accompanying paper); to the Committee on Commerce.

PROPOSED LEGISLATION BY THE PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

A letter from the Chairman, Public Service Commission of the District of Columbia, transmitting proposed legislation to amend section 8 of the act approved March 4, 1913, (37 Stat. 974), as amended, to standardize procedures for the testing of utility meters; to add a penalty provision in order to enable certification under section 5(a) of the Natural Gas Pipeline Safety Act of 1968, and to authorize cooperative action with State and Federal regulatory bodies on matters of joint interest (with an accompanying paper); to the Committee on the District of Columbia.

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the balance-of-payments benefits achieved by the Department of Agriculture through an increased agricultural barter program, dated February 12, 1971 (with an accompanying report); to the Committee on Government Operations.

REPORT OF OFFICE OF COAL RESEARCH

A letter from the Secretary of the Interior, transmitting, pursuant to law, the 1971 annual report of the Office of Coal Research (with an accompanying report); to the Committee on Interior and Insular Affairs.

REPORT OF NEGOTIATED SALES OF THE BUREAU OF LAND MANAGEMENT

A letter from the Director, Bureau of Land Management, transmitting, pursuant to law, the report of negotiated sales contracts for disposal of materials during the period July 1 through December 31, 1970 (with an accompanying report); to the Committee on Interior and Insular Affairs.

PROPOSED LEGISLATION BY THE SECRETARY OF COMMERCE

Two letters from the Secretary of Commerce, transmitting drafts of proposed legislation (with accompanying papers), which were referred to the Committee on the Judiciary, as follows:

A bill to amend section 6 of title 35, United States Code, "Patents," to authorize domestic and international studies and programs relating to patents and trademarks; and

A bill to carry into effect a provision of the Convention of Paris for the Protection of Industrial Property, as revised at Stockholm, Sweden, July 14, 1967.

REPORT OF LEGION OF VALOR OF THE UNITED STATES OF AMERICA, INC.

A letter from the National Corporation Agent, Legion of Valor the United States of America, Inc., transmitting, pursuant to law, the financial report of the Legion of Valor for the period August 1, 1969 through July 31, 1970 (with an accompanying report); to the Committee on the Judiciary.

PROPOSED ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP PROGRAM

A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to provide scholarships to selected persons for education in medicine, dentistry, and other health professions (with an accompanying paper; to the Committee on Labor and Public Welfare.

PROPOSED APPROPRIATIONS FOR ACTIVITIES OF THE NATIONAL SCIENCE FOUNDATION

A letter from the Director, National Science Foundation, transmitting a draft of proposed legislation to authorize appropriations for activities of the National Science Foundation, and for other purposes (with accompanying papers); to the Committee on Labor and Public Welfare.

PROPOSED LEGISLATION BY THE GENERAL SERVICES ADMINISTRATION

A letter from the Acting Administrator, General Services Administration, transmitting a draft of proposed legislation to amend the Federal Property and Administrative Services Act of 1949, to authorize the Administrator of General Services to dispose of property owned by the United States, for use in lease construction agreements, and for other purposes (with an accompanying paper); to the Committee on Public Works.

REPORT AND PROPOSED LEGISLATION BY THE VETERANS' ADMINISTRATION

A letter from the Administrator of Veterans' Affairs, Veterans' Administration, transmitting, pursuant to law, a report on the exchange of medical information, together with a draft of proposed legislation to amend section 5055 of title 38, United States Code, in order to extend the authority of the Administrator of Veterans' Affairs to establish and carry out a program of exchange of medical information (with accompanying papers); to the Committee on Veterans Affairs.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

Resolutions of the Commonwealth of Massachusetts; to the Committee on Finance:

"RESOLUTIONS SUPPORTING THE ENACTMENT BY CONGRESS OF A REVENUE SHARING PROGRAM DURING THE CURRENT SESSION

"Whereas, The impending fiscal disability of the cities and states threatens the concept of an ordered and effective Federalism; and

"Whereas, The financial resources of the cities and states are increasingly inadequate to meet the expanding need for basic public and social services; and

"Whereas, This House will be unable to render effective service to the citizens of the

Commonwealth unless additional financial aid is forthcoming; therefore be it

"Resolved, That the Massachusetts House of Representatives hereby declares its support for enactment of a revenue sharing program by the Congress during the current session; and be it further

"Resolved, That the House inform each member of the Massachusetts Congressional Delegation of its support thereof and respectfully request that the members of said delegation advise this House of their opinions regarding the revenue sharing proposals currently before the Congress; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the Secretary of the Commonwealth to the presiding officer of each branch of Congress and to each member thereof from this Commonwealth."

Resolutions of the Commonwealth of Massachusetts; to the Committee on Labor and Public Welfare:

"RESOLUTIONS URGING THE CONGRESS OF THE UNITED STATES TO EXTEND THE PERIOD DURING WHICH UNEMPLOYMENT BENEFITS SHALL BE PAID

"Whereas, Unemployment in the Commonwealth of Massachusetts is in excess of the national average of six per cent plus and in some areas is close to twelve per cent; and

"Whereas, In areas such as the cities of New Bedford, Haverhill and Brockton it is due to factors more permanent than the Administration's 'War on Inflation'; and

"Whereas, In the aforementioned instances, unemployment is caused by permanent shutdowns in the shoe and textile industries, the result of uncontrolled foreign competition, thus throwing out of work people who have spent all their productive years in these industries and have little likelihood of finding similar employment and have reached ages when retraining is almost moot; and

"Whereas, There is approximately one hundred and seventy-five thousand people drawing benefits with a constantly increasing number exhausting their benefits who now face the alternative of applying for welfare assistance; and

"Whereas, This will result in the worsening of a situation that has already reached crisis proportions; therefore be it

"Resolved, That the Massachusetts House of Representatives respectfully urges the Congress of the United States to extend the period during which unemployment benefits shall be paid to fifty-two weeks; and be it further

"Resolved, That copies of these resolutions be forwarded by the Secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of Congress and to each member thereof from this Commonwealth."

A joint resolution of the Legislature of the State of Montana; to the Committee on Finance:

"H.J. RES. 4

"A joint resolution of the Senate and House of Representatives of the State of Montana to the Honorable Mike Mansfield and the Honorable Lee Metcalf, Senators from the State of Montana, the Honorable Richard Shoup and the Honorable John Melcher, Representatives from the State of Montana, and to the Congress of the United States asking that the present tax-exempt status of bonds issued by the State of Montana or any political subdivision thereof be maintained

"Whereas, the present tax-exempt status on income from bonds issued by the state of Montana and the political subdivisions thereof is necessary to make them attractive to investors, and

"Whereas, if any limitations or restrictions on the tax-exempt status on income from such bonds are enacted by the Congress of the United States, the marketability of such bonds will be greatly jeopardized if not totally destroyed.

"Now, therefore, be it resolved by the Senate and House of Representatives of the State of Montana: That the Congress of the United States maintain the present tax-exempt status on income from state and municipal bonds, and

"Be it further resolved, that copies of this resolution be sent by the Secretary of State of Montana to The Honorable Mike Mansfield and The Honorable Lee Metcalf, Senators from the state of Montana, The Honorable Richard Shoup and The Honorable John Melcher, Representatives from the state of Montana, and to the presiding officers of the Senate and the House of Representatives of the United States."

A resolution adopted by the Klamath County Republican Women, Klamath Falls, Oreg., praying for the enactment of legislation to provide for a more equitable disbursement of tax moneys between the Federal and State governments; to the Committee on Finance.

The petition of Ralph Boryszewski, and Robert E. Kesel, of Rochester, N.Y., praying for a redress of grievances; to the Committee on the Judiciary.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BEALL (for himself, Mr. DOMINICK, and Mr. JAVITS):

S. 790. A bill to amend title VII of the Public Health Service Act by providing for the establishment of a family physician scholarship and fellowship program; to the Committee on Labor and Public Welfare.

(The remarks of Mr. BEALL when he introduced the bill appear below under the appropriate heading.)

By Mr. BYRD of Virginia:

S. 791. A bill for the relief of Fernando Gabriel Damiani; to the Committee on the Judiciary.

By Mr. PASTORE (by request):

S. 792. A bill to amend the Communications Act of 1934 to provide for the regulation of community antenna television systems; to the Committee on Commerce.

(The remarks of Mr. PASTORE when he introduced the bill appear below under the appropriate heading.)

By Mr. BYRD of West Virginia:

S. 793. A bill to amend title II of the Social Security Act to provide a more equitable standard in determining disability in the case of certain individuals who have attained age 55, and to reduce certain time requirements which are applicable in determining whether an individual qualifies for benefits based on disability or for the disability freeze; to the Committee on Finance.

By Mr. STEVENS:

S. 794. A bill to strengthen the penalty provisions of the Gun Control Act of 1968; to the Committee on the Judiciary.

(The remarks of Mr. STEVENS when he introduced the bill appear below under the appropriate heading.)

By Mr. MANSFIELD (for himself and Mr. METCALF):

S. 795. A bill to authorize the Secretary of Agriculture to establish corn feed grain bases; to the Committee on Agriculture and Forestry.

By Mr. PEARSON:

S. 796. A bill to amend Federal Aviation Act of 1958, as amended, to authorize the establishment of a class of limited air carriers, and for other purposes; to the Committee on Commerce.

(The remarks of Mr. PEARSON when he introduced the bill appear below under the appropriate heading.)

By Mr. SCHWEIKER:

S. 797. A bill for the relief of Alice Boulus Wasif;

S. 798. A bill for the relief of Safa Boulus Wasif; and

S. 799. A bill for the relief of Victoria Ishag Mashragi; to the Committee on the Judiciary.

By Mr. BENTSEN:

S. 800. A bill to amend section 4182 of the Internal Revenue Code of 1954; to the Committee on Finance.

S. 801. A bill to strengthen the penalty provisions of the Gun Control Act of 1968; to the Committee on the Judiciary.

By Mr. MONDALE:

S. 802. A bill for the relief of Mr. Deonarine Bhagroo;

S. 803. A bill for the relief of Luis Arturo Espana; and

S. 804. A bill for the relief of Elisabeth Mueller; to the Committee on the Judiciary.

By Mr. DOLE:

S. 805. A bill to provide for the disposition of funds appropriated to pay judgments in favor of the Iowa Tribe of Kansas and Nebraska and of Oklahoma in Indian Claims Commission docket numbers 79–A, 153, 158, 209, and 231, and for other purposes; to the Committee on Interior and Insular Affairs.

(The remarks of Mr. DOLE when he introduced the bill appear below under the appropriate heading.)

By Mr. JACKSON:

S. 806. A bill to amend titles 10 and 32, United States Code, to authorize additional medical and dental care and other related benefits for reservists and members of the National Guard, under certain conditions, and for other purposes; to the Committee on Armed Services.

By Mr. NELSON:

S. 807. A bill to encourage and promote the establishment and development of National Environmental Study Areas; to the Committee on Interior and Insular Affairs.

(The remarks of Mr. NELSON when he introduced the bill appear below under the appropriate heading.)

By Mr. HART:

S. 808. A bill to amend the Federal Hazardous Substances Act to provide for more effective protection against the hazards caused by economic poisons; to the Committee on Commerce.

(The remarks of Mr. HART when he introduced the bill appear below under the appropriate heading.)

By Mr. JAVITS:

S. 809. A bill to provide a deduction for income tax purposes, in the case of a disabled individual, for expenses for transportation to and from work; and to provide an additional exemption for income tax purposes for a taxpayer or spouse who is disabled; to the Committee on Finance.

(The remarks of Mr. JAVITS when he introduced the bill appear below under the appropriate heading.)

By Mr. McGOVERN:

S. 810. A bill to amend the District of Columbia Election Act, and for other purposes; to the Committee on the District of Columbia.

(The remarks of Mr. McGOVERN when he introduced the bill appear below under the appropriate heading.)

By Mr. HARRIS:

S. 811. A bill to amend title 5, United States Code, to include as creditable service for civil service retirement purposes service as an enrollee of the Civilian Conservation Corps, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BROOKE:

S. 812. A bill for the relief of Santa Bonanno Merlino;

S. 813. A bill for the relief of Manuel Soares De Medeiros; and

S. 814. A bill for the relief of Maria Guerra; to the Committee on the Judiciary.

By Mr. HART:

S. 815. A bill for the relief of Constantin Adamidis;

S. 816. A bill for the relief of Peter Joseph Curtis;

S. 817. A bill for the relief of Dalpat Kasan Daya;

S. 818. A bill for the relief of Kantilal Kasan Daya;

S. 819. A bill for the relief of Juliana M. Geronimo;

S. 820. A bill for the relief of Dau-lin Hsu, his wife, Nancy M. Y. Hsu, and their two children, Alex Hsu and Barbara Hsu;

S. 821. A bill for the relief of Soledad B. Isturis;

S. 822. A bill for the relief of Irena Jardzioch;

S. 823. A bill for the relief of Tomas Espinoza Luz;

S. 824. A bill for the relief of Saada Aybout (Sandra Oade);

S. 825. A bill for the relief of Telesfora deLeon Parras;

S. 826. A bill for the relief of Lun-Han Tang and his wife, Yi Hsien Tang;

S. 827. A bill for the relief of Tran Thi Huong;

S. 828. A bill for the relief of Noreen Wong;

S. 829. A bill for the relief of Helen Chien Wu; and

S. 830. A bill for the relief of Erlinda Zaragosa; to the Committee on the Judiciary

By Mr. KENNEDY (for himself, Mr. INOUYE, Mr. WILLIAMS, and Mr. JAVITS):

S. 831. 9 bill to substantially reduce the personal dangers and fatalities caused by the criminal and violent behavior of those persons who lawlessly misuse firearms by restricting the availability of such firearms for law enforcement; military purposes and for certain approved purposes including sporting and recreational uses; to the Committee on the Judiciary by unanimous consent.

(The remarks of Mr. KENNEDY when he introduced the bill appear later in the RECORD under the appropriate heading.)

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

S. 832. A bill to amend the Railway Labor Act to avoid interruptions of railroad transportation that threaten national safety and health by reason of labor disputes and for other purposes; to the Committee on Labor and Public Welfare.

(The remarks of Mr. WILLIAMS when he introduced the bill appear below under the appropriate heading.)

By Mr. MATHIAS (for himself and Mr. BEALL):

S. 833. A bill to declare the South Prong of the Wicomico River, Md., nonnavigable; to the Committee on Public Works.

By Mr. HARRIS (for himself, Mr. JAVITS, Mr. MONDALE, Mr. CRANSTON, Mr. HART, Mr. HUGHES, Mr. McGOVERN, Mr. PERCY, and Mr. STEVENSON):

S. 834. A bill to accelerate the expansion of trade among the countries of the world on a fair and legitimate basis and thereby to promote the general welfare of the United States, and for other purposes; to the Committee on Finance.

(The remarks of Mr. HARRIS when he introduced the bill appear later in the RECORD under the appropriate heading.)

By Mr. HARRIS (for himself, Mr. KENNEDY, Mr. GRAVEL, Mr. STEVENS, Mr. HART, Mr. McGOVERN, Mr. CRANSTON, Mr. TUNNEY, Mr. MONDALE, and Mr. HUGHES):

S. 835. A bill to provide for the settlement of certain land claims of Alaska Natives, and for other purposes; to the Committee on Interior and Insular Affairs.

(The remarks of Mr. HARRIS when he introduced the bill appear later in the RECORD under the appropriate heading.)

By Mr. BYRD of West Virginia:

S.J. Res. 40. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

S. 790—INTRODUCTION OF THE FAMILY PHYSICIANS SCHOLARSHIP AND FELLOWSHIP PROGRAM ACT

Mr. BEALL. Mr. President, I introduce today the Family Physicians Scholarship and Fellowship Program Act. Cosponsoring this legislation with me, I am proud to say, are Senator DOMINICK, the ranking minority member of the Senate Labor and Public Welfare Subcommittee on Health, and Senator JAVITS, the ranking member of the full committee.

It is generally agreed that today there is a need for an additional 50,000 physicians in the country. A 1970 AMA study of the distribution of physicians indicated that there were 134 counties in this country lacking physicians. This is an increase by 36 of the number of counties without physicians since 1963. I am pleased that Maryland's counties are not among the list, but indications are that Maryland counties will be added if steps are not taken to correct the situation.

There are many more communities in the country without a single physician or without an adequate number of doctors. Little research is actually available on the number of physicians in communities, but a 1960 survey of over 1,600 towns and cities in Minnesota, North Dakota, South Dakota, and Montana conveys the seriousness of the problem. This study identified 1,000 towns of the over 1,600 examined, as not having a single physician and 224 towns with only one physician.

We know that many of these one physician towns in the surveyed areas, as well as in many other communities are in danger of becoming no physician towns because the age of physicians in these rural communities tends to be higher. For example, in rural Appalachia 65 percent of the physicians are over 50 years of age. In West Virginia over the last 10 years approximately 60 communities of populations of less than 10,000 have been left without a doctor as rural practitioners retired and younger doctors were not found to replace them. Thus, there is a need for providing incentives for young physicians to move into these communities.

I am aware that there are many communities in my own State which are in dire need of physicians service. A 1970 article in the Public Health reports focuses on the situation in Metropolitan Baltimore. This article identifies 16 census tracks in the inner city, as well as some outlying areas, which were totally lacking in primary care physicians. These census areas, where many economically disadvantaged citizens reside, contained a population of approximately 174,000.

If I might further illustrate this point by a personal reference to the town of Frostburg where I live. This town has a population of about 7,500 and serves an area of around 15,000. I can recall when there were nine doctors in Frostburg. Today, however, there are only two and one is approaching the age of retirement. Despite a concerted effort, the community has not been successful in attracting much needed additional physicians.

The bill I introduced today is designed to deal with the physician-shortage problems, to encourage more doctors to enter general practice, to respond to the maldistribution of physicians, and to increase the number of lower income and minority young people entering our medical schools.

This bill would make available family physician scholarships and fellowships to young men and women. In return for the scholarships, which could not exceed $5,000 annually, the students would be required to serve in physician-shortage areas. One year of service would be required for each year a scholarship was received. These areas may be a poverty area of a large city like Baltimore, a rural area, perhaps Appalachia, an Indian reservation, or among the Nation's migratory farmworkers.

For the initial year, the bill authorizes 500 family physician scholarships and 200 fellowships. The number of scholarships and fellowships would gradually increase until by the fourth year, 1,000 scholarships and 500 fellowships would be authorized. Under the bill, both intern and residency fellowships are also authorized. However, no additional commitment is required for the fellowship programs, because persuading medical school graduates to complete their internship and residency in physician-shortage areas is deemed a desirable goal in itself. For these medical school graduates during this period are also serving while they are learning. As an incentive for those who participate in the scholarship program to also participate in the fellowship program, 1 year of the service commitment required under the scholarship programs would be satisfied. The fellowship program then should not only help to provide much needed medical assistance to physician-shortage areas, but also produce more permanent doctors for such areas for 10 percent of the physicians indicate they select their practice location in relation to their intern and residency programs.

Another interesting and important feature of this bill is the priorities it establishes for selecting students for the scholarship and fellowship programs.

The first priority is granted to individuals from lower income families who live in a physician-shortage area and who agree to return and practice in such area.

The second priority goes to individuals who reside in a physician-shortage area who agrees to return and practice in such area.

The third priority is allocated to individuals from lower income families who, although residing in a area where there is not a physician shortage, agree to practice in any physician-shortage area.

The final priority would go to individuals, not lower income, who do not come from an area of physician shortages, but

who agree to practice in any physician-shortage area.

Mr. President, there are two primary purposes for the system of priorities for selecting eligible students for scholarships and fellowships under the bill. First, the evidence supports, what commonsense tells us, the hypothesis that persons from physician-shortage areas are more likely to return to and remain in such areas and practice medicine.

The results of an American Medical Association's survey, published in 1970, questioning physicians on the factors that influence their decision to practice in a certain area gives support to the bill's priorities. This survey found that over 45 percent of the physicians indicated that they were practicing in or around the town in which they were raised. The survey also revealed that 49 percent of the physicians raised in small towns were practicing in communities of 2,500 or less. An equal percentage of doctors raised in nonmetropolitan communities of 25,000 or more were practicing in cities of that size. This AMA survey confirmed previous studies which had indicated that "physicians who practice in small towns are more likely to have a rural than urban background".

The AMA study concluded that—

> Physician recruitment for rural areas would be enhanced if more young men with rural backgrounds were encouraged to enter the medical profession.

Continuing, the report had this to say about the influence of a doctor's origins on his place of practice:

> Physicians who practice in small towns are more likely to have rural rather than urban backgrounds . . . rural physicians have predominantly rural backgrounds and metropolitan physicians generally had urban locations during their youth.

If we can persuade young men and women to practice in physician-shortage areas, the evidence indicates that most are likely to remain. The AMA study on this point states that—

> Once a physician establishes a practice he is not likely to move.

Their survey found:

> At least 63 percent of the physicians had not moved from their original practice location. This percentage was consistent regardless of the community size. A more detailed breakdown of the area showed that about one-fourth of the physicians in non-metropolitan areas had practiced twenty years or more in the same place.

This measure is then drafted to give priorities to lower income and other individuals from physician-shortage areas because it is felt that these individuals are more likely to return and remain in the areas in which they were reared.

The second advantage of the priorities established by the bill would be that it would have the effect of attracting and making it possible for more minority and lower-income individuals to go to medical school. Across the country there has been a concern over the poor representation of the minority groups in our medical schools. Only recently the University of Maryland took steps to enlarge their minority representation among its medical students.

Another important feature of the legislation is that it would encourage students to enter family medicine. In 1931, three out of four of the Nation's doctors were engaged in family practice. In 1967, only one out of five doctors were in general practice. In Baltimore City, only 9 percent of the practicing physicians are in family practice. Indications are that this trend toward specialization and away from general practice is continuing. The Millis report found only 15 percent of the medical student graduates planning to enter general practice.

Steps taken in recent years show some promise of reversing this trend away from general practice. For example, the American Board of Family Practice has been created. In addition, there has been considerable congressional interest in the practice of family medicine. I believe that this measure will be a further incentive for medical students to specialize in the practice of family medicine and should encourage medical schools to focus anew on the family physician.

Mr. President, in recent years there has been an enormous increase in the demand for health-care services. It is expected that the health area will be the subject of considerable attention by the Congress this year. The administration is expected to unveil its health-care system, which is already straining, will be asked to carry an additional load. This is particularly true of the manpower situation which is already serious and which will probably reach the crisis stage. Unless we expand our medical manpower and convince more doctors to locate in physician-shortage areas, the goal of providing quality care to all Americans will likely elude us. Dr. Egberg drove home this point when he stated:

> I don't care what Congress does with medical care, Medicaid, and all the other programs, nothing is going to improve the country's medical system until we get more doctors.

Mr. President, I believe this proposal will significantly respond to some of our medical manpower problems. It will help to encourage family practice. It responds to the maldistribution problem. It will make it possible for more lower-income minority individuals to enter our medical schools.

Finally, Mr. President, among today's college students there appears to be a great desire and interest to serve mankind. This measure would capitalize on this idealism, and encourage young men and women to enter medical school. They in return for this expensive education, would serve in physician-shortage areas, often among their friends and neighbors, in helping to make quality medical care available to all of our citizens.

Mr. President, I send the bill to the desk and ask that it be appropriately referred; and I ask unanimous consent that it be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 790) to amend title VII of the Public Health Service Act by providing for the establishment of a family physician scholarship and fellowship program, introduced by Mr. BEALL (for himself, Mr. DOMINICK, and Mr. JAVITS), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

S. 790

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Family Physician Scholarship and Fellowship Program Act".

SEC. 2. Title VII of the Public Health Service Act is amended by adding at the end thereof the following new part:

"PART II—FAMILY PHYSICIAN SCHOLARSHIP AND FELLOWSHIP PROGRAM

"SCHOLARSHIP AND FELLOWSHIP GRANTS

"SEC. 799a. (a) In order to promote the more adequate provision of medical care for persons who—

"(A) reside in a physician shortage area (as determined pursuant to section 799c(b));

"(B) are migratory agricultural workers or members of the families of such workers;

the Secretary is authorized, in accordance with the provisions of this part—

"(C) to make scholarship grants to individuals who are medical students and who agree, after completion of their professional training, to engage in the practice of family medicine (i) in a physician shortage area, or (ii) at such place or places, such facility or facilities, and in such manner, as may be necessary to assure that, of the patients receiving medical care in such practice, a substantial portion will consist of persons referred to in clause (B); and

"(D) to make fellowship grants to individuals who (while undergoing training, or receiving professional experience, designed to prepare them to engage in the practice of family medicine) are serving as interns or residents in public or nonprofit private hospitals which (i) are located in a physician shortage area, or (ii) a substantial portion of the patients of which consists of persons referred to in clause (B).

For purposes of subparagraph (D) of the preceding sentence, training or experience in obstetrics, pediatrics, or internal medicine shall be considered to be training or experience preparing an individual to engage in the practice of family medicine.

"(b) (1) Scholarship grants under this part shall be made with respect to academic years, and fellowship grants under this part shall be made with respect to twelve-month periods.

"(2) The amount of any medical student scholarship grant under this part to any individual for any full academic year shall not exceed $5,000; the amount of any intern fellowship grant under this part to any individual for any twelve-month period shall not exceed $9,000; and the amount of any resident fellowship grant under this part to any individual for any twelve-month period shall not exceed $10,000 (in the case of an individual who, for a preceding twelve-month period, has not received a resident fellowship grant under this part), or $12,000 (in any other case).

"(3) The Secretary shall, in awarding medical student scholarship grants under this part, accord priority to applicants as follows—

"(A) first, to any applicant who (i) is from a low-income family, (ii) resides in a physician shortage area, and (iii) agrees that, upon completion of his professional training, he will return to such area and will engage in such area in the practice of family medicine;

"(B) second, to any applicant who meet all the criteria set forth in subparagraph (A) except that prescribed in clause (i);

"(C) third, to any applicant who meets the criterion set forth in clause (i); and

"(D) fourth, to any other applicant.

"(c)(1) Any medical student scholarship grant awarded to any individual under this part shall be awarded upon the condition that such individual will, upon completion of his professional training, engage in the practice of family medicine—

"(A) in the case of any individual who, in applying for a medical student scholarship grant under this part, met the criteria set forth in subparagraph (A) or (B) of subsection (b)(3), in the physician shortage area in which he agreed (pursuant to such subparagraph) to engage in such practice; and

"(B) in the case of any individual who did not agree (pursuant to such subparagraph (A) or (B)) to engage in such practice in any particular physician shortage area or has been waived (pursuant to paragraph (4)) to engage in such practice in any particular physician shortage area—

"(i) in any physician shortage area, or

"(ii) at such place or places, in such facility or facilities, and in such manner, as may be necessary to assure that, of the patients receiving medical care provided by such individual, a substantial portion will consist of persons who are migratory agricultural workers or are members of the families of such workers;

for a twelve-month period for each full academic year with respect to which he receives such a scholarship grant. For purposes of the preceding sentence, any individual, who has received a medical student scholarship grant under this part for four full academic years and who has received fellowship grants under this part for three full twelve-month periods, shall be deemed to have received a medical student scholarship grant under this part for only three full academic years.

"(2) The condition imposed by paragraph (1) shall be complied with by any individual to whom it applies within such reasonable period of time, after the completion of such individual's professional training, as the Secretary shall by regulations prescribe.

"(3) If any individual to whom the condition referred to in paragraph (1) is applicable fails, within the period prescribed by paragraph (2), to comply with such condition for the full number of months with respect to which such condition is applicable, the United States shall be entitled to recover from such individual—

"(A) an amount which bears the same ratio to the aggregate of (i) the amounts of the medical student scholarship grant or grants (as the case may be) made to such individual under this part plus (ii) the amount of interest which would be payable on such amounts if such amounts had been loans bearing an interest rate of 7 per centum per annum and the interest thereon had been payable annually, as

"(B)(i) the number obtained by subtracting from the number of months to which such condition is applicable a number equal to one-half of the number of months with respect to which compliance by such individual with such condition was made, bears to (ii) the number of months with respect to which such condition is applicable.

"(4)(A) Any obligation of any individual to comply with the condition applicable to him under the preceding provisions of this subsection shall be canceled upon the death of such individual.

"(B) The Secretary shall by regulations provide for the waiver of suspension of any such obligation applicable to any individual whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to any individual would be against equity and good conscience.

"(d) In awarding intern and resident fellowship grants under this part, priority shall be given to interns and residents in hospitals a substantial portion of the patients of which are economically disadvantaged persons.

"ADMINISTRATION; CONTRACTURAL ARRANGEMENTS

"SEC. 799b. The Secretary may, in the administration of this part, enter into agreements with schools of medicine, hospitals, or other appropriate public or nonprofit private agencies under which such schools, hospitals, or other agencies will, as agents of the Secretary, perform such administrative functions as the Secretary may specify. Any such agreement with any school, hospital, or other agency may provide for payment by the Secretary of amounts equal to the expenses actually and necessarily incurred by such school, hospital, or other agency in carrying out such agreement.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 799c. (a) For the purpose of making medical student scholarship grants under this part, there is authorized to be appropriated $2,500,000 for the fiscal year ending June 30, 1972, $3,000,000 for the fiscal year ending June 30, 1973, $4,000,000 for the fiscal year ending June 30, 1974, $5,000,000 for the fiscal year ending June 30, 1975, and for each succeeding fiscal year, such sums as may be necessary to continue to make such grants to students who (prior to July 1, 1975) have received such a grant and who are eligible for such a grant under this part during such succeeding fiscal year.

"(b) For the purpose of making intern and resident fellowship grants under this part, there is authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1972, $3,000,000 for the fiscal year ending June 30, 1973, $4,000,000 for the fiscal year ending June 30, 1974, $5,000,000 for the fiscal year ending June 30, 1975, and for each succeeding fiscal year, such sums as may be necessary to continue to make such grants to interns and residents who (prior to July 1, 1974) have received such a grant or a medical student scholarship grant under this part, and who are eligible for such a grant under this part during such succeeding fiscal year.

"DEFINITIONS

"SEC. 799d. (a) For purposes of this part—

"(1) the term 'nonprofit', as applied to any hospital, means a hospital which is owned and operated by one or more nonprofit corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefits of any private shareholder or individual; and

"(2) the term 'practice of family medicine' means the practice of medicine by a physician (licensed to practice medicine and surgery by the State in which he practices his profession) who specializes in providing to families (and members thereof) comprehensive, continuing, professional care and treatment of the type necessary or appropriate for their general health maintenance.

"(b)(1) The term 'physician shortage area', when used in this part, refers to an area within a State which is determined, in accordance with this subsection—

"(A) to have an insufficient number of physicians practicing their profession therein so as adequately to meet the need for medical care of the population of such area; and

"(B) in which the ratio of physicians to population is lower than in other areas of the State.

"(2) The Secretary shall, in making determinations under this subsection, accept (in the case of any State) the determination, as to the number and location of physician shortage areas in such State, recommended to him by—

"(A) the State planning agency for such State (as designated pursuant to section 314(a)(2)(A)), or

"(B) if in such State there is no such agency, or if such agency fails or refuses to make a recommended determination to the Secretary within such reasonable time as he shall prescribe, by such other agency of such State as the Secretary finds to be qualified to make such a recommended determination and as the Governor of such State shall have designated to make such a recommended determination;

but only if—

"(C) such agency, in making such recommended determination, has sought and obtained the advice and assistance of the State medical society for such State;

"(D) such agency, in making such recommended determination, classifies each area which it determines to be a physician shortage area as to the degree of the physician shortage therein as compared with other areas which such agency determines to be physician shortage areas; and

"(E) the Secretary is satisfied with the adequacy of the criteria employed by such agency as the basis upon which such recommended determination was made.

"(3) If, in the case of any State, the Secretary does not receive (within such reasonable time as he shall prescribe) a recommended determination with respect to such State which meets the requirements of paragraph (2), he shall (after seeking the advice and assistance of the State medical society for such State) determine the number and location of the physician shortage areas (if any) of such State on the basis of the most current and appropriate data available to him".

S. 792—INTRODUCTION OF A BILL TO PROVIDE FOR THE REGULATION OF COMMUNITY ANTENNA TELEVISION SYSTEMS

Mr. PASTORE. Mr. President, I am introducing today, by request of the Federal Communications Commission, a bill which would amend the Communications Act of 1934 to provide for the regulation of community antenna television systems.

The complex subject of CATV and its relationship to free broadcasting has been of great concern to the Subcommittee on Communications for many years.

On December 19, 1969, Senator McCLELLAN forwarded to this committee a letter indicating that the Subcommittee on Patents, Trademarks, and Copyrights reported to the full committee on the Judiciary S. 543, a bill generally revising the copyright law. Section 111 of S. 543 was concerned with secondary transmissions by cable systems.

Senator McCLELLAN indicated that section 111 would have an impact on the FCC's statutory responsibility to regulate communications by wire and radio, and that the Senate Commerce Committee would, therefore, have an interest. As a consequence, the Senate Commerce Committee requested the Federal Communications Commission to review this matter to determine what impact the bill would have on its broadcast cable television regulatory policies.

On March 11, 1970, and March 24, 1970, the Chairman of the Federal Communications Commission replied to the request of the Commerce Committee, and indicated that the Commission believed clarifying legislation in the form of general guidelines should be adopted. These

letters have been made available to Senator McCLELLAN, and I ask that they be printed in the RECORD at this point.

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

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., March 11, 1971.

HON. JOHN O. PASTORE,
Chairman, Subcommittee on Communications, Senate Commerce Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: You have requested the Commission's views on those portions of S. 543 which deal with CATV. The Commission appreciates the opportunity since S. 543 would have such substantial impact on our broadcast-cable television regulatory policies.

The Commission has long favored Congressional guidance in this important field, including the enactment of a bill which would be a meld of copyright and communications law. See letter of Chairman Hyde to Chairman McClellan, dated February 17, 1969. But the approach of S. 543 to the CATV field raises substantial questions.

We do not refer merely to the need for clarifying the language of the bill, nor even to the more significant questions raised by its treatment of several important communications policy questions. Rather, we wish to raise the fundamental question whether it is a sound legislative approach to attempt to deal in such detail with a dynamic, changing field such as is here involved.

For example, the concept of "adequate television service" in S. 543, defined as precisely as it is, or the use of fixed mileage concepts like the 35-mile zone for program exclusivity, or the inflexible FCC non-duplication requirement specified, may not be legislatively sound, even recognizing that in some respects there is some authority given the agency to make future revisions. The approach which has been taken in the Communications Act seems preferable to us—namely, the Congressional determination of general guidelines, with the Commission left to develop and, most important, revise detailed policies to implement those guidelines in the light of rapidly changing communications technologies, and with Congress overseeing such Commission activities, particularly through the legislative hearing process.

We wish to point out that the Commission has made several false starts in the CATV field (e.g., compare Report on CATV and TV Repeater Services, 26 FCC 403 (1959), with First Report and Order in Docket 14895, 38 FCC 683 (1965)), and has often had to revise its policies in light of the changing nature of the field. We do not cite this flexibility as a weakness, but rather as a strength of the administrative process. See *National Broadcasting Co.* v. *U.S.*, 319 U.S. 190, 219 (1943), where the Court stated:

"While Congress did not give the Commission unfettered discretion to regulate all phases of the radio industry, it did not frustrate the purposes for which the Communications Act of 1934 was brought into being by attempting an itemized catalogue of the specific manifestations of the general problems for the solution of which it was establishing a regulatory agency. That would have stereotyped the powers of the Commission to specific details in regulating a field of enterprise the dominant characteristic of which was the rapid pace of its unfoiding. And so Congress did what experience had taught it in similar attempts at regulation, even in fields where the subject-matter of regulation was far less fluid and dynamic than radio. The essence of that experience was to define broad areas for regulation and to establish standards for judgment adequately related in their application to the problems to be solved."

We therefore believe that clarifying legislation in this field should set forth general guidelines and eschew detail. This approach, we believe, may also be employed as to any copyright legislation dealing with CATV. Such legislation can be broadly framed—for example, the Congress could adopt a provision that a CATV system shall have a compulsory license for such signals as the Commission, by rule or order, may authorize the system to carry. The copyright law could then specify the appropriate amount to be paid, or method of determining the amount, a method for distributing the funds thus paid in (e.g., a so-called "ASCAP–BMI" method), a provision for periodic adjustments in the amounts to be paid, and any exemption for existing small systems deemed desirable.

This would leave the remaining communications policy matters for resolution by the Commission in appropriate rule making and other proceedings, or by the Congress through general CATV legislation and subsequent agency regulation. As stated, we would welcome such Congressional guidance in this important field. Thus, Congress could set forth general guidelines aimed at the orderly accommodation of both cable and broadcasting in order to secure maximum diversity of programming, through the maintenance and expansion of free broadcasting and the provision via cable of multiple reception, origination and related services. The guidelines could also include such matters as fair competition for programming sources, minimum disruption of existing cable systems, and appropriate application to cable systems of Public Law 87–331, dealing with the telecasting of professional football, baseball, basketball or hockey contests. In short, the clear advantage of proceeding in this fashion (i.e., agency action under present or revised Congressional guidelines, with appropriate Congressional oversight of specific Commission actions) would be the retention of flexibility to adjust policies to changing circumstances.

The Commission hopes that the foregoing is helpful to you in your consideration of this most important matter. The Commission would, of course, be glad to cooperate with your Committee and its staff in any way which you might find useful.

This letter was adopted by the Commission at its meeting of March 11, 1970. (Commissioner Bartley believes there is more merit to S. 543, with the flexibility afforded the Commission in regard to CATV than what he believes to be the likelihood of failure of adoption of copyright revision legislation at an early date.)

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., March 24, 1970.

HON. JOHN O. PASTORE,
Chairman, Subcommittee on Communications, Senate Commerce Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In line with your request, the Commission is submitting a draft of suggested legislative amendments to the Communications Act, which are of a clarifying nature and give general guidance to the Commission in the CATV field.

The attached draft reflects the general guidelines set out at pp. 2–3 of my letter of March 11, 1970. Under these guidelines Congress would be directing the Commission to effect the orderly accommodation of both cable and broadcasting in order to secure maximum diversity of programming through the maintenance and expansion of free broadcasting and the provision via cable of multiple reception, origination and related services.

We recognize that there would be great interest in the Commission's possible actions to implement the above guidelines, and would, of course, be prepared to give some indication of those actions. You will appreciate, however, that the Commission is still in the process of analyzing the voluminous material received in its pending rule making proceedings in this complex area.

Finally, as stated, it is our hope that enactment of legislative guidelines in the Communications Act, along the above lines, would also facilitate legislative resolution of the difficult question of copyright. Specifically, we raise the possibility that a provision might then be inserted into S. 543 which simply bestowed upon CATV systems a compulsory license for such signals as the Commission, by rule or order, might authorize the system to carry. Other specifications of such a provision would, of course, go to such matters as the appropriate amounts to be paid and the mechanism of compulsory license (and any exemption for existing small systems).

The Commission hopes that the foregoing is helpful to you, and again stresses its desire to cooperate fully with your Committee in its consideration of this most important matter.

By direction of the Commission:
DEAN BURCH,
Chairman.

SUGGESTED GENERAL LEGISLATIVE AMENDMENTS TO COMMUNICATIONS ACT

Section 3(gg) "Community antenna system" means any facility in whole or in part, receives directly or indirectly over the air and amplifies or otherwise modifies the signals transmitting programs broadcast by one or more broadcast stations and distributes such signals by wire or cable to subscribing members of the public who pay for such service.

Section 331(a) The Commission shall, as the public interest, convenience, or necessity requires, have authority—

(1) To issue authorizations and orders, make rules and regulations, and prescribe such conditions or restrictions with respect to the construction, technical characteristics, and operation of community antenna systems, to the extent necessary or appropriate to carry out the purposes of this Act, with due regard to the orderly accommodation of both the community antenna and broadcasting industries, in order to secure maximum diversity of programming through the maintenance and expansion of broadcasting and the provision via community antenna systems of multiple reception, origination and related services; and

(2) to make general rules exempting from regulation, in whole or in part, certain community antenna systems where it is determined that such regulation is unnecessary because of the size or nature of the systems so exempted.

The Commission shall, in determining the application of any rule or regulation concerning the carriage of broadcast stations by community antenna systems, give due regard to the avoidance of substantial disruption of the services to subscribers of community antenna system which were validly in operation on April 1, 1970.

(b) The Commission shall prescribe such rules and regulations and issue such orders as may be necessary to require the deletion by community antenna systems of signals carrying any professional football, baseball, basketball, or hockey contest if, after application by the appropriate league, the Commission finds that the failure to delete such signals would be contrary to the purposes for which the antitrust laws are made inapplicable to certain agreements under Public Law 87–331.

Mr. PASTORE. Mr. President, I note that on February 8 of this year Senator McCLELLAN introduced S. 644 which, except for technical changes, is identical to S. 543. Before this, however, on February 4 the FCC announced it had scheduled oral argument and panel discussions

by experts on proposed cable television rules for March 11 through 26, in an attempt to resolve many of the issues involved. Among the matters under consideration at that time is the question of the appropriate form of copyright settlement where the importation of distant signals are involved.

The Chairman of the FCC has been contacted, and he has indicated that if hearings were held on a proposal similar to the one outlined in his letter to the committee last March, the Commission would hopefully be in a position to explain how it would implement the general guidelines contained therein. With this in mind and at the request of the FCC, I have introduced the instant legislation.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 792) to amend the Communications Act of 1934 to provide for the regulation of community antenna television systems, introduced by Mr. PASTORE, by request, was received, read twice by its title, and referred to the Committee on Commerce.

S. 794—INTRODUCTION OF A BILL TO STRENGTHEN THE PENALTY PROVISIONS OF THE GUN CONTROL ACT OF 1968

Mr. STEVENS. Mr. President, today I am introducing legislation which presents a viable alternative to the onerous provisions of the Gun Control Act of 1968.

My bill would punish those who misuse firearms while preserving the constitutional right of law-abiding citizens to purchase and own guns and ammunition. Specifically, this measure would impose mandatory penalties on those who use a firearm in the commission of a Federal felony or unlawfully carry a firearm during the commission of such a felony. The penalty assessed under this legislation would be in addition to the punishment provided for committing the felony itself. Under my bill, first offenders would be subject to a prison sentence of not less than 1 year nor more than 3 years. If a person is convicted of a second or subsequent offense, he would be subject to a sentence of not less than 5 nor more than 10 years. Notwithstanding any other provision of law, the trial court would be prohibited from suspending the sentence for a first or subsequent conviction. Similarly, the court would not be permitted to impose a probationary or concurrent sentence.

The bill which I have just outlined preserves the right of law-abiding citizens to purchase and own guns and ammunition. Moreover, it takes cognizance of the fact that regulatory legislation, such as the Gun Control Act of 1968, has failed to accomplish any useful purpose. Law-abiding citizens have been unduly burdened and harrassed; yet, criminals have been able with great ease to acquire unregistered firearms. Thus, in the period since the enactment of the Gun Control Act, the incidence of crimes involving the use of firearms has significantly increased.

Some people have used these statistics to argue that more stringent regulatory controls should be enacted. I oppose this well meaning but misguided philosophy. More restrictive legislation would do nothing more than create a more lucrative black market in the sale of guns and ammunition. The end result would be to enlarge the already swollen coffers of organized criminal syndicates. Furthermore the enactment of more stringent legislation would leave peaceful citizens at the mercy of gun brandishing hoodlums.

If restrictions on the purchase of guns and ammunition are ever necessary, such controls should emanate from State and local governments, which are uniquely capable of responding to local needs and problems. The gun control problems in my State of Alaska, where many people rely on firearms for their subsistence, are different in nature and scope from those of a State like New York. Hence, a uniform Federal law is not capable of meeting the problems which do exist and necessarily results in the imposition of an extremely onerous burden on many citizens. The most graphic example of the latter observation is in rural Alaska, where the provisions of the Gun Control Act have resulted in great hardship for many citizens living in areas which are not easily accessible to sellers of firearms and ammunition.

For these reasons, I have strongly opposed the onerous provisions of the 1968 act. During the last Congress, we were successful in enacting legislation to exempt rifle and shotgun ammunition sales from the recordkeeping requirements of the Gun Control Act. I am hopeful that this will be but the first step in a total reevaluation of the policy and language of the act. The next logical step would be to eliminate the recordkeeping requirement for .22-caliber rim fire ammunition, since this ammunition is used almost exclusively for sporting purposes. We should also reexamine the advisability of using the interstate commerce clause of the U.S. Constitution to regulate the sale of firearms, a subject which traditionally has been under the exclusive jurisdiction of State and local governments, I am confident that such a reexamination would reveal the dangerous precedent inherent in using the interstate commerce clause to regulate activities of this kind.

Mr. President, for the reasons outlined above, I am hopeful that we will soon adopt the alternative approach which is exemplified by legislation which would impose mandatory penalties on those who abuse their constitutional right to keep and bear firearms.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 794) to strengthen the penalty provisions of the Gun Control Act of 1968, introduced by Mr. STEVENS, was received, read twice by its title, and referred to the Committee on the Judiciary.

S. 796—INTRODUCTION OF THE LIMITED AIR CARRIER ACT OF 1971

Mr. PEARSON. Mr. President, small communities across this Nation are vitally dependent upon adequate transportation. Just as our cities are faced with critical problems of congestion, pollution, and other dilemmas related to transportation, so are small- and medium-size towns affected by the lack of fast and efficient surface and air transportation. It is my conviction that the future of the United States depends on how well we accomplish the redistribution of our population away from our major hub cities. And as I have stated here many times before, the key to this dream of rural development is transportation.

Unfortunately, the present transportation picture in Small Town, U.S.A., is not particularly attractive, as many of us know. In Kansas and in other parts of the country rail transportation is deteriorating and disappearing. Bus transportation remains inadequate. Increasingly, air transportation is vital to the growth of our small- and medium-sized communities.

However, our Aviation Subcommittee of the Senate has been alarmed to note that instead of increasing the number of flights, many regional carriers are suspending or abandoning service to many towns on their systems. Last August our subcommittee held hearings in my State in an effort to determine the magnitude of this problem at representative communities across the Nation. The record developed at those hearings prompted me to introduce this legislation in the last Congress and to reintroduce it now in an effort to insure that small- and medium-sized communities will be afforded reliable air service for the future.

The special and urgent need for this legislation is demonstrated by our experience with regional air carriers—originally known as "feeder airlines." These carriers originally flew aircraft of small capacity, such as air taxi operators and commuter air carriers now operate. However, as pressure from Congress urged reduction in subsidy payments, these carriers began using larger aircraft in an effort to operate more profitably. And as larger aircraft were utilized, regional carriers gradually "outgrew" many of the small towns on their systems. The result of this cycle of decreased subsidy and increased costs was a substantial cutback in service to those communities which the regional carriers had originally served. We are now faced, Mr. President, with an extremely large gap in our air transportation system, a gap that can only be filled through the use of smaller capacity aircraft providing frequent, reliable service.

Recently the Civil Aeronautics Board and the Congress increased the level of subsidy to local air carriers. For the fiscal year ending June 30, 1971, $55.7 million has been earmarked to these carriers in the hopes that air service to small- and medium-sized communities will not be

decreased even more. But the "subsidy pendulum," let us remember, has swung to the other extreme. And given the changing priorities of this Congress and this Nation, I think we owe it to the smaller communities of our States to take the longer view. They deserve some assurance, in my judgment, that they will continue to have air service despite unpredictable budgetary pressures or bureaucratic insensitivity. Commuter air carriers, properly certificated pursuant to this legislation, could provide this necessary function—and, most importantly, at costs substantially below present Federal subsidy levels.

Accordingly, the legislation I am introducing today is intended to achieve the following objectives:

Create and maintain a class of air carriers that can serve that portion of the public that has not been and cannot be served by present classes of certificated air carriers by granting the Civil Aeronautics Board the authority to establish a limited air carrier certificate;

Provide the opportunity for the development of new routes and service for the many communities that have suffered from inadequate service;

Provide the stability necessary for a class of air carriers that has been suffering financial losses and failures;

Establish on a solid, legal basis an important segment of our airline industry that is now operating on a temporary basis of questionable validity;

Provide a means by which subsidy to the airline industry may be reduced while service to the public may be increased and improved; and

Provide increased safety and reliability for the industry by encouraging the design of an aircraft to serve a predictable market.

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

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 796) to amend Federal Aviation Act of 1958, as amended, to authorize the establishment of a class of limited air carriers, and for other purposes, introduced by Mr. PEARSON, was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

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

SEC. 2. The Federal Aviation Act of 1958 as amended, is further amended as follows:

(a) Section 101 (49 U.S.C. 1301) is amended by redesignating paragraphs (34) and (35) as (36) and (37) and by inserting the following new paragraphs:

"(34) 'Limited air carrier' means an air carrier holding a certificate authorizing it to engage in limited air transportation.

"(35) 'Limited air transportation' means air transportation by aircraft rendered pursuant to a certificate of authority issued pursuant to section 401(d)(4) of this Act to provide scheduled service with aircraft of limited capacity."

(b) Section 401 (49 U.S.C. 1371) is amended by adding the following new paragraph to subsection (d) thereof:

"(4) In the case of an application for a certificate to engage in limited air carrier transportation the Board may issue a certificate to any applicant not holding a certificate under paragraph (1), (2) or (3) of this subsection, authorizing the whole or any part thereof, and for such periods as may be required in the public interest, if it finds that the applicant is fit, willing and able properly to perform the transportation covered by the application and to conform to the provisions of this Act and the rules, regulations, and requirements of the Board hereunder.

"In the event (i) an applicant is conducting operations as a limited air carrier on the effective date of the Limited Air Carrier Act of 1971 and (ii) such application has been filed with the Board within 30 days after such effective date, then such applicant may conduct such limited air carrier operations until such time as the Board shall have ruled upon the application.

"The Board shall not be required to find that public convenience and necessity require the issuance of a limited air carrier certificate, but shall adopt such rules and regulations and requirements as it may deem in the public interest to implement and enforce the policies set forth in section 102 of this Act.

"Any certificate issued pursuant to this paragraph shall contain such limitations as the Board shall find necessary to assure that the service rendered pursuant thereto will be in accordance with the purpose of limited air transportation."

(c) Section 401 (49 U.S.C. 1371) is amended by adding before the period at the end of paragraph (4) of subsection (e) the following: ", or in a certificate for limited air transportation, when required by subsection (d)(4) of this section, the Board shall limit the capacity of the aircraft to be used."

(d) Section 401 (49 U.S.C. 1371) is amended by adding the following new subsection:

"(o)(1) No certificate to engage in limited air transportation shall be issued or remain in effect unless the applicant for such certificate or the limited air carrier, as the case may be, complies with regulations or orders issued by the Board governing the filing and approval of policies of insurance in the amount of such insurance, amounts for which such applicant or such limited air carrier may become liable for bodily injuries to or the death of any person, or for loss or damage to property of others, resulting from the negligent operation or maintenance of aircraft under such certificate.

"(2) If any service authorized by a certificate to engage in limited air transportation is not performed to the minimum extent prescribed by the Board, it may by order, entered after notice and hearing direct that such certificate shall thereupon cease to be effective to the extent of such service.

"(3) The requirement that each applicant for a certificate to engage in limited air transportation must be found to be fit, willing and able properly to conform to the provisions of this Act and the rules, regulations and requirements of the Board under this Act, shall be a continuing requirement applicable to each limited air carrier with respect to the transportation authorized by, and currently furnished or proposed to be furnished under, such carrier's certificate. The Board shall by order, enter after notice and hearing, modify, suspend, or revoke such certificate, in whole or in part, for failure or such carrier (A) to comply with the continuing requirement that such carrier be so fit, willing and able, or (B) to file such reports as the Board may deem necessary to determine whether such carrier is so fit, willing and able.

"(4) The Board shall prescribe such regulations and issue such orders as may be necessary to carry out the provision of this subsection."

(e) Section 403 (49 U.S.C. 1373) is amended by inserting in the first sentence of subsection (a) after the words "Every air carrier," the following: ", except a limited air carrier"; and, by inserting in the second sentence after the word "prescribe" the following: ", except that a limited air carrier need not file, post, or publish tariffs unless directed by the Board to do so.".

SEC. 3. This Act shall become effective ninety days after date of enactment.

S. 805—INTRODUCTION OF A BILL FOR DISPOSITION OF FUNDS FOR CLAIMS AWARDED TO THE IOWA TRIBE OF KANSAS AND NEBRASKA AND THE IOWA TRIBE OF OKLAHOMA

Mr. DOLE. Mr. President, today I am introducing a bill to provide for the disposition of funds to pay for three judgment awards by the Indian Claims Commission to the Indians of the Iowa Tribe of the Iowa Reservation in Kansas and Nebraska and of the Iowa Tribe of the Iowa Reservation in Oklahoma.

These awards total $5,956,413.67 and represent funds for lands excluded from the Iowa Reservation in southeastern Nebraska by the treaty of September 17, 1836; for additional payment of land sold in northeastern Kansas under the treaty of May 17, 1854; for additional payment to the Iowa Nation for its undivided one-half interest in land in northeastern Iowa ceded under the treaty of October 19, 1838; and for land in southwestern Iowa ceded under the same treaty.

Funds to pay these awards were appropriated by the Congress in acts on December 26, 1969, and of July 6, 1970.

Both the Iowa Tribe of Kansas and Nebraska and the Iowa Tribe of Oklahoma are organized. The Iowas of Kansas and Nebraska under the Indian Reorganization Act of June 18, 1934, and the Iowas of Oklahoma under the Oklahoma Indian Welfare Act of June 26, 1936. Both have approved constitutions and bylaws, and councils composed of all enrolled members who are 21 years of age or older. And each tribe has a committee of officers of the tribe that has the authority to transact business and otherwise speak and act on behalf of the tribe.

Mr. President, both of the tribal governments have passed resolutions requesting the funding of these awards. And both have passed resolutions regarding the distribution of the judgment funds. The Iowa Tribe of Oklahoma plans to reserve $25,000 of its share for the administrative expenses of the tribal governing body and for programing, with the remainder being distributed per capita to the tribal members. The Iowa Tribe of Kansas and Nebraska plans to distribute all of its share of the judgment funds per capita to tribal members.

This bill specifies that 61.29 percent of the judgment shall go to the Tribe of Kansas and Nebraska and 38.71 percent to the Tribe of Oklahoma. This division is based upon the relative numbers of persons in each group as shown by rolls prepared in 1889 and 1891, plus 28 Indians of Kansas and Nebraska who were entitled to an allotment of land but who did not receive such allotment.

As of December 14, 1967, there were 1,437 enrolled members of the Tribe of Kansas and Nebraska, with 48 living on and 217 adjacent to the reservation. Of the 259 enrolled members of the Iowa Tribe of Oklahoma, 58 were living within the area of the former reservation, and many others were settled within Oklahoma.

Mr. President, there is no controversy surrounding these awards: the Claims Commission has adjudged it; the Iowa Tribal Governments have agreed on the distribution scheme; and Congress has appropriated the funds to pay it. It is a particularly black mark in our Nation's otherwise sorry treatment of our Indian people that we should be waiting six score and more years to consider funding these just and reasonable claims.

And it would be a further blemish on that record were Congress not to authorize the payment of these claims with all possible speed.

I ask unanimous consent that the text of this bill be printed in the RECORD at this point.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 805) to provide for the disposition of funds appropriated to pay judgments in favor of the Iowa Tribe of Kansas and Nebraska and of Oklahoma in Indian Claims Commission docket Nos. 79–A, 153, 158, 209, and 231, and for other purposes, introduced by Mr. DOLE, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

S. 805

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the funds on deposit in the United States Treasury to the credit of the Iowa Tribes of Kansas and Nebraska and of Oklahoma that were appropriated by the Act of December 26, 1969 (83 Stat. 447), to pay a judgment by the Indian Claims Commission in docket numbered 79–A, and funds appropriated by the Act of July 6, 1970 (84 Stat. 376), to pay judgments in Indian Claims Commission docket numbers 153, 158, 209, and 231, and the interest thereon, after payment of attorney fees and other litigation expenses, shall be divided on the basis of 61.29 per centum to the Iowas of Kansas and Nebraska and 38.71 per centum to the Iowas of Oklahoma, and the funds so divided, including interest accruing thereon, may be invested or expended for any purpose that is authorized by the respective tribal governing bodies and approved by the Secretary of the Interior. Any per capita distribution of any part of the funds placed to the credit of the Iowa Tribes of Kansas and Nebraska and of Oklahoma shall be payable only to those persons who meet the membership requirements specified in the respective tribal constitutions, and such per capita payments shall not be subject to Federal or State income tax.

S. 807—INTRODUCTION OF THE NATIONAL ENVIRONMENTAL STUDY AREAS ACT

Mr. NELSON. Mr. President, the most predominant theme of the past year has been the intensifying concern about the deteriorating quality of our environment. This interest has been generated by the obvious degradation of our surroundings—polluted air, water contaminated with noxious and harmful chemicals, the death of our lakes and rivers, and soon, possibly, the oceans along with the life they support, and the ominous spector of urban sprawl, blight and decay affecting the natural environment at an alarming rate.

More and more people are becoming aware of the fact that if pollution continues at the present accelerating rate, man may be added to the endangered species list.

Earth Day, last April 22, was a national educational effort which represented and stimulated this increased awareness. Millions of people, from grade school students to elderly citizens participated in the recognition of our environmental problems and the urgency for restoring and saving the quality of the environment. Now, recognition of our environmental problems must become a part of our daily attitudes.

The Environmental Education Act of 1970, which I introduced in the Senate, was another answer in mounting the necessary educational effort nationwide to inform all Americans of the need for actions to protect the environment.

But the scope and magnitude of the task is so great that other agencies must also expand their activities and make better use of their resources. To readily grasp the interdependence of all living things, there has to be some recognition and knowledge of the complexity of their relationships. The best way to achieve this understanding is through the education of our citizens, especially the young people who unfortunately have to cope with the many acute problems of environmental quality during their lifetime.

One of the best places where this learning process can occur is on the more than 700 million acres of public lands which this Nation has permanently set aside for the conservation of natural resources and the enjoyment of all people. These are now managed by the Department of the Interior. These lands offer a great variety of opportunities for continuing and strengthening the national environmental education effort.

Of this acreage the National Park Service has 259 historical and recreational areas comprising 28 million acres; the Bureau of Sport Fisheries and Wildlife has 325 refuges, 100 hatcheries and 29 million acres; the Bureau of Indian Affairs has 243 schools and 50 million acres; the Bureau of Reclamation has 5.5 million acres of land and water areas, 293 multipurpose dams and reservoirs and 60,000 miles of canals, laterals and drains; and the Bureau of Land Management has 450 million acres under its control. These lands are excellent sites to create areas for organized learning about ecological balance.

The National Environmental Study Areas Act which I am introducing today would create an Office of National Environmental Study Areas within the Department of the Interior. The Department, which is responsible for managing 70 percent of our Federal lands, is a logical place for a coordinated effort in developing areas that can be used by students, teachers, and other citizens to become familiar with the complexities and intricacies of ecosystems.

The proposed office would administer a small amount of funds through the various bureaus to support environmental study areas of highest community impact. Also the office under the supervision of the Secretary, would coordinate work being done by the bureaus in the field of environmental study areas.

While many of the bureaus in the Department have begun such programs, the proposed measure would give a higher priority and provide more visibility to this effort by virtue of a legislative mandate. This mandate would clearly give the Department the authority to substantially increase the number of National Environmental Study Areas—NESA.

The National Park Service developed the concept of NESA. At the present time, there are 81 study areas, and last year the areas were used by almost 60,000 teachers and students. In addition, the Park Service has organized over 170 workshops for teachers to help them become more familiar with the study area and to assist them in adapting the materials prepared by the Park Service to their own curriculums. Work is continuing on this program and at least 25 study areas are in the planning stages.

The Bureau of Sport Fisheries and Wildlife, using its refuges and hatcheries, has held teacher training workshops and has been involved in programs with over 400 public school districts involving approximately 30,000 students. The refuges and hatcheries provide an ideal setting to teach the interdependency of life through the medium of living things. The reaction from local schools has been favorable and the demand to use the refuges and hatcheries as educational tools is increasing.

The Bureau of Land Management has developed pilot environmental study areas near Salem and Prineville in Oregon, and they are planning to expand their efforts into other Western States this summer.

The Bureau of Outdoor Recreation has the authority to assist in creating environmental study areas at the State and local levels. While other Interior agencies have the means of stimulating environmental education directly through interpretive activities in national parks and refuges, this bureau's major opportunities arise through functions concerned with State planning and technical assistance. Nevertheless little has been done to encourage local environmental study area development.

While these four bureaus have all begun programs to encourage the use of Federal land by teachers and students as national environmental study areas, there are other bureaus that have been encouraged to develop the NESA concept—Office of the Territories, Bureau of Indian Affairs, Interior Job Corps program, and Bureau of Reclamation.

The keen interest throughout the Department is not matched by a commensurate amount of effort. This can be attributed to insufficient funds, indicating a low priority for establishing NESA's,

and to the stiff competition for funds to construct visitor facilities.

However, the widespread interest of eight separate bureaus of the Department suggests a crucial need for departmental coordination in developing national environmental study areas in order to make the most efficient use of the resources available to the Department.

Since a key means for success of environmental study areas is accessibility to students and teachers, these centers should, as much as is practical, be located near heavily populated sections of the country. Attention must be paid to selecting sites that represent dramatic and diverse examples of ecological balance. Areas which especially offer such variety are lands along the shores of our rivers, lakes, and oceans, where air, water, and land interrelate and interact.

While planning and coordination are greatly needed, the expense of these projects is minimal. Guide books for the use of an environmental study area can be provided for as little as $1 and actual construction of improvements on the sites can be restricted to the provision of water, picnic, and toilet facilities. There is no need for elaborate visitor centers because the purpose is for people to learn from the natural surroundings and not from stuffed exhibits in glass cases. Because great expense is not involved, this bill authorizes only $2 million for fiscal year 1972, $4 million for fiscal year 1973, and $8 million for fiscal year 1974.

This measure will give the Department of the Interior a clear mandate for the use of public lands as an educational resource. It will allow for the organized development of national environmental study areas, teacher training workshops, inservice training for department officials to provide them with the requisite skills in working with teachers and other community leaders, and assist State and local governments to develop environmental study areas on their own lands. In addition the Secretary is authorized to provide technical assistance to State and local governments and other Federal agencies, such as the Office of Education and the Forest Service, in the selection and development of NESA's.

The need for these educational areas is great. Our young people must learn of the difficulty in maintaining our fragile ecological balance, and they must learn that while man can control some aspects of his environment, he cannot make environmental decisions without altering the balance of nature. We see all around us examples of how man has misused his environment, which is evidence of the little understanding of how nature functions. Unless this understanding is achieved, it will be impossible to deal with the complex environmental problems facing this Nation today and in the future.

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

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 807) to encourage and promote the establishment and development of national environmental study areas, introduced by Mr. NELSON, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

S. 807

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act may be cited as the "National Environmental Study Areas Act".

SEC. 2. (a) The Congress of the United States finds that the deterioration of environmental quality and the increasing threat to ecological balance is in part caused by a lack of understanding of ecological principles and related concepts; that the Nation's public lands present a wealth and diversity of ecological systems; that these public lands can be used as educational study centers to a much greater degree, giving the public a keener awareness of the delicacy and complexity of ecological balance; and that a concerted national effort to utilize public lands as educational centers for the people is therefore necessary.

(b) It is the purpose of this Act to encourage and support efforts to utilize the Nation's public lands to the fullest as a teaching resource to enhance environmental quality and maintain ecological balance; to initiate educational programs for all citizens, especially elementary and secondary students and teachers, on public lands; and thereby to enhance the use of these public lands as educational centers by the Nation's communities.

ENVIRONMENTAL STUDY AREAS

SEC. 3. (a) There is established within the Department of the Interior, an Office of National Environmental Study Areas (referred to in this section as the "Office") which, under the supervision of and through regulations promulgated by the Secretary, shall be responsible for (A) the administration of the program authorized in this Act and (B) the coordination of activities of the Department of the Interior which are related to environmental study areas. The Office shall be headed by a Special Advisor who shall be compensated at a rate not to exceed that of level 5 of the Executive Salary Schedule in title 5, United States Code.

(b) From the sums appropriated, the Office shall develop national environmental study areas on public lands by—

(1) providing the site to be used;

(2) developing teaching materials for teachers and other community leaders using the sites as study areas;

(3) providing minimal physical improvements such as water, picnic and toilet facilities, to facilitate the use of each site;

(4) initiating, organizing and conducting elementary and secondary teacher training workshops to enhance the use of the natural environment as a teaching resource;

(5) providing inservice training of Department of the Interior personnel in establishing and understanding teacher workshops and in the techniques of encouraging greater community involvement at the site; and

(6) providing federal assistance to the States in the development of environmental study areas on State and local lands.

POLICY GUIDELINES

SEC. 4. Criteria for the location of environmental study areas shall be—

(a) availability to population centers and readily accessable to elementary and secondary school systems;

(b) development of sites along shorelines of lakes, rivers and oceans, where air, water and land interact;

(c) selection of areas that offer the widest possible variety of environmental experiences to the persons using the sites; and

(d) such other matters as the Secretary of the Interior deems appropriate.

TECHNICAL ASSISTANCE

SEC. 5. The Secretary of the Interior shall render technical assistance to State and local government agencies and with Federal departments and agencies with relevant expertise and land resources to participate in environmental study area site selection and development.

AUTHORIZATION

SEC. 6. There is authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1972, $4,000,000 for the fiscal year ending June 30, 1973, and $8,000,000 for the fiscal year ending June 30, 1974, for carrying out the purposes of this Act.

S. 808—INTRODUCTION OF A BILL TO AMEND THE FEDERAL HAZARDOUS SUBSTANCES ACT

Mr. HART. Mr. President, the battle to regulate pesticides properly is one of the most important in man's efforts to maintain a decent and habitable place in which to live. The authority to permit the use of a pesticide is an awesome power indeed. The tremendous impact that an individual pesticide may have upon the environment dictates that the utmost care be taken in deciding which pesticides will or will not be approved for use.

Yet events over the past years have shown the regulation of pesticides in this country to be decidedly inadequate. Contamination of food with pesticide residues has become so prevalent that today it is nearly impossible to eat any food without ingesting some quantity of DDT. Hearings of the Subcommittee on the Environment of the Senate Commerce Committee last year revealed that 2,4,5-T, a compound in the use for over two decades, causes birth defects in test animals. Subcommittee hearings have also established that mercury fungicides for years have released significant amounts of toxic contaminants into the environment. The list goes on, demonstrating again and again that enough attention has not been paid to the environmental damage certain pesticides may cause.

In the last session of Congress, I introduced S. 3866 to strengthen Federal pesticide controls. That legislation, as originally drafted, would have conferred on the Secretary of Health, Education, and Welfare authority to ban dangerous pesticides. The theory behind that provision was that the protection of public health and safety must be a primary objective of any pesticide regulatory scheme and that health spokesmen must have an adequate voice in the process to keep that objective paramount.

Shortly after S. 3866 was introduced, however, the administration announced plans to create the Environmental Protection Agency. As now constituted, the EPA contains those elements of HEW which were concerned primarily with the public health aspects of pesticide registrations. I am confident that these voices will be heard and that appropriate consideration will be given by EPA to the public health and environmental effects of pesticides use. The additional authority originally proposed for HEW thus now appears to be unneeded.

In addition to that authority, S. 3866 provided for several other safeguards from the hazards of pesticides. These safeguards form the basis for the bill I introduce today. They include:

First. Provisions setting down criteria for the banning of dangerous pesticides;

Second. A prohibition of the misuse of pesticides; and

Third. A prohibition of the sale of a banned pesticide.

In addition, the bill provides for citizen action to enforce the prohibitions against pesticide misuse and the sale of banned pesticides. This provision, it is hoped, will both enhance enforcement and impose a cost to the violator that will in some way compensate for future as yet unmeasured damage.

I introduce the bill for appropriate reference, and ask unanimous consent that it be printed in full in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 808) to amend the Federal Hazardous Substances Act to provide for more effective protection against the hazards caused by economic poisons; introduced by Mr. HART, was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

S. 808

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2(f)(2) of the Federal Hazardous Substances Act is amended by striking out the word "The" and inserting in lieu thereof "Except as otherwise provided in this Act, the".

(b) Section 2(q)(1) of such Act is amended by striking out "or (B)" and inserting in lieu thereof the following: "(B) any economic poison which the Administrator by regulation classifies as a 'banned hazardous substance', and the Administrator shall so classify an economic poison (i) whenever there is a reasonable doubt as to the safety of the economic poison for humans or the environment and there are less serious doubts as to the safety of any reasonable alternative to such poison or (ii) whenever the protection of humans or the environment otherwise requires; or (C)".

(c) Section 2(q)(2) of such Act is amended by inserting "or clause (C)" immediately after the words "clause (B)", and by inserting after the words "*Provided*, That" the following: "(A) if the Administrator finds that the use of any economic system presents an imminent hazard to the public health, he may by order published in the Federal Register give notice of such finding and thereupon such poison shall be deemed to be a 'banned hazardous substance' pending the completion of proceedings relating to the issuance of such regulation, and (B)".

(d) Section 2 of such Act is further amended by inserting at the end thereof the following:

"(r) The term 'Administrator' means the Administrator of the Environmental Protection Agency.

"(s) The term 'economic poison' means (1) any substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any insects, rodents, nematodes, fungi, weeds, and other forms of plant or animal life or viruses, except viruses on or in living man or other animals, which the Administrator shall declare to be a pest, and (2) any substance or mixture of substances intended for use as a plant regulator, defoliant or desiccant.

"(t) The term 'imminent hazard' means any hazard or potential hazard referred to in paragraph (q) of this section which, if it damages human beings or the environment, is likely to do so prior to the time normally required to carry out the procedures under subparagraph (2) of that paragraph."

SEC. 2. Section 4 of the Federal Hazardous Substances Act is amended by adding at the end thereof the following new subsections:

"(i) The use by any person of an economic poison in a manner that is prohibited by the express terms on the label of such poison.

"(j) The sale or offer for sale of any economic poison which has been designated a 'banned hazardous substance' and which has moved in interstate commerce."

SEC. 3. (a) Subsection 5(a) of the Federal Hazardous Substances Act is amended by inserting the words ", except subsections (i) and (j)" immediately after the words "section 4".

(b) Section 5 of such Act is amended by adding at the end thereof the following new subsection:

"(c) Any person who violates the provisions of subsection (i) or (j) of section 4 of this Act shall be subject to a penalty not exceeding $2500 nor less than $100 or to imprisonment for not less than ten days nor more than six months, or both, in the discretion of the court. For purposes of the preceeding sentence, each day of any continuous prohibited activity shall be considered a separate violation. One half of said penalty shall be paid to the person or persons giving information leading to the imposition of said penalty. Any such person may sue any person subject to said penalty for recovery of that portion of the penalty to which he is entitled. Court costs and legal fees may be apportioned to the parties if the interests of justice require such apportionment."

SEC. 4. Section 17(a) of the Hazardous Substances Act is amended to read as follows:

"SEC. 17(a) Nothing in this Act shall be construed to modify or affect the provisions of the Flammable Fabrics Act, as amended (15 U.S.C. 1191–1200), or any regulations promulgated thereunder; or of chapter 39, title 18, United States Code, as amended (18 U.S.C. 831 et seq.), or any regulations promulgated thereunder or under sections 204(a)(2) and 204(a)(3) of the Interstate Commerce Act, as amended (relating to the transportation of dangerous substances and explosives by surface carriers); or of section 1716, title 18, United States Code, or any regulations promulgated thereunder (relating to mailing of dangerous substances); or of section 902 or regulations promulgated under section 601 of the Federal Aviation Act of 1958 (relating to transportation of dangerous substances and explosives in aircraft); or of the Federal Food, Drug, and Cosmetic Act; or of the Public Health Service Act; or of the Dangerous Drug Act for the District of Columbia (70 Stat. 612), or the Act entitled "An Act to regulate the practice of pharmacy and the sale of poisons in the District of Columbia, and for other purposes", approved May 7, 1906 (34 Stat. 175), as amended; or of any other Act of Congres, except as specified in section 18."

SEC. 5. This Act may be cited as the "Federal Hazardous Substances Amendment of 1971".

S. 809—INTRODUCTION OF A BILL RELATING TO TAX DEDUCTION FOR THE HANDICAPPED

Mr. JAVITS. Mr. President, I introduce a bill to provide the disabled for the current year an income tax deduction of up to $650 to cover transportation to and from work and to allow them the same additional $650 income tax deduction as is now given the blind. This amount would increase as the personal deduction sum increases, as provided in the Tax Reform Act of 1970.

This measure is a companion bill to H.R. 424 introduced on January 22 by the distinguished chairman of the Ways and Means Committee of the House of Representatives, Hon. WILBUR MILLS, and is a successor of the legislation I first introduced in February 1950 in the 81st Congress, as a Member then of the House.

This bill is, in part, similar to the amendment to the Tax Reform Act of 1969 which was sponsored by the distinguished Senator from Arizona (Mr. FANNIN) of which I was a cosponsor. That amendment, which was approved by the Senate on December 4, 1969, provided for a tax deduction of up to $600 to the handicapped for transportation. Unfortunately, the provision was lost in conference.

Our handicapped citizens are capable of being productive workers, contributing to the Nation's economy instead of being dependent upon it. But their disabilities impose upon them additional expenses in pursuit of their livelihoods which are not fully deductible, such as special orthopedic devices, extra travel costs because they are unable to utilize routine methods of transportation, expensive additions to shop or home to facilitate their movements, special prosthetic devices, higher insurance costs, and the costs of hiring help to perform the simple tasks which the nonhandicapped perform for themselves. In addition, rising costs are particularly burdensome.

What we will be doing through this legislation is helping these people to help themselves and aiding them to achieve some personal independence from institutions, from overburdened families, and from local and State governments.

Hundreds of thousands of Americans have endeavored valiantly to transform their physical handicaps from stumbling blocks to building blocks. They wish to use their crutches to move on, not to lean on. This legislation will help them to do just that. It is as practical in economic terms as it is humanitarian. It is, in effect, a practical bill to benefit those who have no alternative than to be practical.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 809) to provide a deduction for income tax purposes, in the case of a disabled individual, for expenses for transportation to and from work; and to provide an additional exemption for income tax purposes for a taxpayer or spouse who is disabled, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on Finance.

S. 810—INTRODUCTION OF A BILL RELATING TO DISTRICT OF COLUMBIA ELECTION LAW REFORM

Mr. McGOVERN. Mr. President, I introduce, for appropriate reference, a bill to amend the election laws of the District

of Columbia. Representative DON FRASER, of Minnesota is sponsoring a similar proposal in the House.

The bill would adopt the results of a careful study of the District election laws by the Democratic Central Committee. It encompasses a broad range of reforms designed to open the processes of government to every voter.

I ask unanimous consent that the text of the bill, along with a brief summary of its provisions, be included at this point in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and summary will be printed in the RECORD.

The bill (S. 810) to amend the District of Columbia Election Act, and for other purposes, introduced by Mr. MCGOVERN, was received, read twice by its title, referred to the Committee on the District of Columbia, and ordered to be printed in the RECORD, as follows:

S. 810

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the District of Columbia Election Act is amended as follows:

(1) The first section of such Act is amended (A) by inserting "(a)" immediately after "That", (B) by striking out in clause (3) thereof the words "at large", (C) by striking out in clause (2) thereof the final "and", (D) by redesignating clause (3) as clause (4), (E) by adding a new clause (3) as follows:

"(3) Alternates to the officials referred to in clauses (1) and (2) above, where permitted by political party rules; and".

and, (F) by adding at the end thereof the following new subsection:

"(b) Candidates for office participating in an election of the officials referred to in clauses (2) and (3), or designated pursuant to clause (4), of subsection (a) of this section may be elected or designated, as the case may be, at large or by precinct or ward."

(2) Paragraph (2) of section 2 of such Act is amended to read as follows:

"(2) The term 'qualified elector' means a citizen of the United States (A) who does not claim voting residence or right to vote in any State or territory; and who, for the purpose of voting in an election under this Act, has resided or has been domiciled in the District continuously since the beginning of the thirty-day period ending on the day of such election; (B) who is, or will be on the day of the next election, eighteen years old; (C) who has never been convicted of a felony in the United States, or if he has been so convicted, has been pardoned or is no longer subject to the jurisdiction of any court with respect thereo; and (D) who is not mentally incompetent as adjudged by a court of competent jurisdiction."

(3) Section 5(a)(2) of such Act is amended by inserting immediately before the semicolon a comma and the following: "including referendums and advisory elections, approved by majority vote of the City Council, as part of any regular election".

(4) Section 5 of such Act is amended (1) by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively, and (2) by adding after subsection (a) the following:

"(b)(1) The Board shall, on the first Tuesday in May of each presidential election year, conduct a presidential preference primary election within the District of Columbia in which voters therein may express their preference for candidates of each political party of the District of Columbia for nomination for President.

"(2) No person shall participate as a candidate in such primary unless there shall have been filed with the Board a petition on behalf of his candidacy signed by at least one thousand citizens of the District of Columbia who are registered under section 7 of this Act, and of the same political party as the nominee.

"(3) Whenever the Board shall receive a petition which appears to qualify the name of a candidate for President, it shall forthwith in writing notify the prospective candidate of such petition and shall advise him that, unless, within ten days after receipt of such notice, he requests the Board to withdraw his name from the ballot, his name shall appear on the ballot of his party in such presidential preference primary.

"(4) No voter in any such primary election may cast a ballot for more than one candidate for nomination for President.

"(5) The Board shall ascertain and announce the number of votes cast in such primary elections within the District of Columbia for each candidate for each political party for nomination for President.

"(6) The delegates and alternate delegates, of each political party within the District of Columbia to the national convention of that party convened for the nomination of the candidate of that political party for President, elected in accordance with this Act, shall, on the first and second ballot cast at that convention for nominees for President, be obligated to vote for the candidate for nomination who received at least a plurality of the votes cast in such presidential preference primary for all such candidates of that party for President, but on subsequent ballots so cast each such delegate shall be free to cast his ballots in his discretion without restriction.

"(7) The Board shall by regulation specify the time within which the petitions referred to in clause (2) of this subsection shall be filed, and such other details necessary and proper to educate the purposes and provisions of this subsection."

(5) Subsection (d) of section 7 of such Act is amended by adding after clause (2) the following:

"(3) The Board shall employ at least one citizen as registrar in each precinct who shall be paid a reasonable amount, established by the Board, per voter registered.

"(4) Registration shall be permitted in every police and fire station within the District of Columbia."

(6) Subsection (a) of section 8 of such Act is amended (A) by striking out "and (2)," and inserting in lieu thereof ", (2), and (3)", and (B) by striking clause (4) and inserting in lieu thereof "clause (3)".

(7) Subsection (b) of section 8 of such Act is amended by striking out "three-year" and inserting in lieu thereof "ninety-day".

(8) Subsection (c) of section 8 is amended by (A) amending clause (1) to read:

"(1) to vote, in any election of officials referred to in clauses (1), (2), and (3) of the first section of this Act and of officials designated pursuant to clause (4) of such section, separately or by slates, for the candidates duly qualified and nominated under subsections (a) and (b) of this section, for election to each such office, group of offices, or all offices by such party".

(B) by redesignating clause (2) as clause (3); and (C) by adding after clause (1) the following:

"(2) to be informed by appropriate designation on the ballot which candidates are running together and which candidate, if any, in the presidential preference primary election they support; and".

(9) Subsection (i) of section 8 of such Act is amended to read as follows:

"(o) Each candidate in a general election for members of the Board of Educaion shall be nominated for such office by a petition (A) filed with the Board not later than forty-five days before the date of such general election; and (B) signed by at least two hundred and fifty persons who are duly registered under section 7 of this Act in the ward from which the candidate seeks election, or in the case of a candidate running at large, signed by at least fifty persons in each ward of the District who are duly registered in such ward, and such additional number of persons duly registered under section 7 of this Act, without regard to ward, as may be necesary for such petition to contain not less than one thousand persons. A nominating petition for a candidate in a general election for members of the Board of Education may not be circulated for signatures before the ninety-ninth day preceding the date of such election and may not be filed with the Board before the seventieth day preceding such date. The Board may prescribe rules with respect to the preparation and presentation of nominating petitions. In a general election for members of the Board of Education, the Board shall arrange the ballots in each ward to enable a voter registered in that ward to vote for any one candidate duly nominated to be elected to such office from such ward, and to vote for as many candidates duly nominated for election at large to such office as there are Board of Education members to be elected at large in such election."

(10) Section 9(c) is amended to read as follows:

"Any candidate or group of candidates may, not less than two weeks prior to such election, petition the Board for credentials authorizing watchers at one or more polling places and at the place where the vote is counted for the next election during voting hours and until the count has been completed. The Board shall formulate rules and regulations not inconsistent with this Act to prescribe the form of watchers' credentials, to govern the conduct of such watchers, and if necessary to prevent the conduct of such election from being unreasonably obstructed, to limit the number of watchers. Such rules and regulations should provide fair opportunity for watchers for all candidates or groups of candidates to challenge prospective voters whom the watchers believe to be unqualified to vote, to challenge mistakes in the vote count, and otherwise to observe the conduct of the election at the polling places and the counting of votes.

(11) Section 10(a)(1) of this Act is amended to read as follows:

"(a)(1) The elections of the officials referred to in clauses (1), (2), and (3) of the first section and of officials designated pursuant to clause (4) of such section and the primary under section 5(b) of this Act shall be held on the first Tuesday in May of each presidential election year."

(12) Section 10(a)(7)(A) of such Act is amended by deleting "a majority" and inserting in lieu thereof "at least 40 per centum".

(13) Section 11(a) of such Act is amended by inserting immediately before the last sentence thereof, the following new sentence: "In no case, however, shall the petitioner be required to pay the cost of any recount in any such election if the difference in the number of votes received by the petitioner in connection with any office and the number of votes received by the person certified as having been elected to that office is either less than 2 per centum, or one hundred votes."

(14) Section 13(b) is amended by striking "or" immediately before "delegate" and inserting "or alternate," immediately after "delegate."

(15) Section 13(d) is amended by striking "or" immediately before "delegate" and inserting ", or alternate" immediately after "delegate".

(16) Subsection (e) of section 13 of such Act is amended to read as follows:

"(e) (1) In any election held in the District of Columbia with respect to any office referred to in the first section of this Act or with respect to a primary under section 5(b) of this Act, each candidate for election, and the treasurer of each independent or party committee, shall file with the Board of Elections, not less than three nor more than five days before, and also within thirty days after, the date on which such primary or general election is to be held, an itemized statement, complete as of the day next preceding the date of filing, setting forth—

"(A) a correct and itemized account of each contribution received by such candidate or committee, or by any person for such candidate or committee with his or its knowledge or consent, from any source, for use in connection with such election, together with the name of the actual contributor;

"(B) a correct and itemized account of each expenditure made by such candidate or committee or by any person for such candidate or committee, with his or its knowledge or consent, in connection with such election, together with the name and address of the person to whom such expenditure was made, the date of such expenditure, and the purpose for which it was made; and

"(C) a correct and itemized account of any unpaid debts and obligations incurred by such candidate or committee with respect to such election, and the balance, if any, of such contributions remaining in the candidate or committee's hands.

"(2) A statement required by this subsection to be filed by a candidate or the treasurer of an independent or party committee shall be signed by the candidate or the treasurer of such committee, as the case may be, and shall be verified by the oath or affirmation of the person filing such statement, taken before any officer authorized to administer oaths. Such statement shall be deemed properly filed when deposited at the Board of Elections within the prescribed time. Such statement shall be preserved by the Board of Elections for a period of two years from the date of filing, shall constitute a part of the public records of such Board, and shall be open to public inspection.

"(3) In any case in which a candidate willfully fails to timely file a statement required under this section to be filed prior to such election, the Board of Elections shall immediately disqualify such candidate from participating therein as a candidate and his nomination shall be deemed withdrawn. No candidate for election to any such office or participation in such primary shall be certified as having been elected to that office, or as a winner of any primary held pursuant to section 5(b) until all statements required to be filed by such candidate pursuant to this section have been filed. Any candidate or other person who willfully violates this section shall be subject to imprisonment for thirty days or a fine of $5,000, or both."

SEC. 2. Title VI of article I of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, secs. 47–1567—47–1657e) is amended by adding at the end thereof the following new section:

"SEC. 7. (a) CREDIT FOR CAMPAIGN CONTRIBUTIONS.—For the purpose of encouraging residents of the District to participate in the election process in the District, there shall be allowed to an individual a credit against the tax (if any) imposed by this article in an amount equal to 50 per centum of any campaign contributions made to any candidate for election to any office referred to in the first section of the District of Columbia Election Act, but in no event shall such credit exceed the amount of twenty dollars.

"(b) If the amount of credit allowed an individual by subsection (a) for a taxable year exceeds the amount of tax (computed without regard to such subsection but after allowance of any other credit allowable under this article) imposed under this article on such individual for such taxable year, a refund shall be allowed such individual to the extent that such credit exceeds the amount of such tax.

"(c) (1) A husband and wife filing separate returns for a taxable year for which a joint return could have been made by them may claim between them only the total credit (or refund) to which they would have been entitled under this section had a joint return been filed.

"(2) No individual for whom a personal exemption was allowed on another individual's return shall be entitled to a credit (or refund) under this section.".

(b) The table of contents of such article is amended by adding at the end of the part of such table relating to title VI the following:

"SEC. 7. Credit for campaign contributions.".

SEC. 3. Paragraphs (1), (2), and (3) of subsection (c) of section 2 of the Act entitled "An Act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia", approved June 20, 1906 (D.C. Code, sec. 31–101(c)), are amended to read as follows:

"(1) Each member of the Board of Education elected from a ward shall at the time of his nomination (A) be a qualified elector (as that term is defined in section 2 of the District of Columbia Election Act) in the school election ward from which he seeks election, (B) have, for the ninety-day period immediately preceding his nomination, resided in the school election ward from which he is nominated, and (C) have, during the ninety-day period next preceding his nomination, been an actual resident of the District of Columbia and have during such period claimed residence nowhere else. A member shall forfeit his office upon failure to maintain the qualifications required by this paragraph.

"(2) Each member of the Board of Education elected at large shall at the time of his nomination (A) be a qualified elector (as that term is defined in section 2 of the District of Columbia Election Act) in the District of Columbia, and (B) have, during the ninety-day period next preceding his nomination, been an actual resident of the District of Columbia and have during such period claimed residence nowhere else. A member shall forfeit his office upon failure to maintain the qualifications required by this paragraph.

"(3) No individual may hold the office of member of the Board of Education and (A) hold another elective office other than delegate or alternate delegate to a convention of a political party nominating candidates for President and Vice President of the United States, or (B) also be an officer or employee of the District of Columbia government or of the Board of Education. A member will forfeit his office upon failure to maintain the qualifications required by this paragraph.".

SEC. 4. (a) Section 10(a) (3) of the District of Columbia Election Act is amended by deleting "odd-numbered" and inserting in lieu thereof "even-numbered".

(b) Notwithstanding the provisions of section 2 of the Act entitled "An Act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia", approved June 20, 1906 (D.C. Code, sec. 31–101), the term of office of each member of the District of Columbia Board of Education holding such office on the date of the enactment of this Act is hereby extended by one year.

SEC. 5. The provisions of this Act and the amendments made thereby shall take effect as of January 1, 1972.

The summary, presented by Mr. MCGOVERN, is as follows:

SUMMARY OF PROVISIONS: AMENDMENTS TO DISTRICT OF COLUMBIA ELECTION LAWS SPONSORED BY SENATOR GEORGE MCGOVERN AND CONGRESSMAN DON FRASER

I. ELIGIBILITY TO VOTE AND HOLD OFFICE, REGISTRATION

Voting age would be reduced to 18. This provision would automatically lower to 18 the minimum age requirement for holding political party or school board offices.

The residency requirement to vote would be reduced to 30 days. Residency for membership on the School Board would be 90 days.

While members of the Board of Education would not be allowed to hold other elective or appointive D.C. office, candidates for the Board could hold such other office and would not be required to resign until elected.

Convicted felons who have either been pardoned or paid the full penalty for their crime would be eligible to vote.

The Board of Elections would be required to employ at least one registrar in each precinct, and to permit voter registration at all police and fire stations in the District throughout the year.

II. NOMINATIONS

Filing fees for candidates for office in the District of Columbia would be abolished.

Nominating petitions for Board of Education candidates running at large in the District would be required to include a minimum of 50 signatures per ward (instead of the present 125) among the 1,000 signature total.

III. PARTY PRIMARIES

The Board of Elections would conduct a presidential preference primary on the first Tuesday of May of each presidential election year. Nominating petitions would be required to include at least 1,000 signatures of electors of the same political party as the nominee, who would then be listed on the ballot unless he withdrew within ten days after being notified that petitions had been filed.

Election of party officers would take place on the same day. Parties would be allowed to elect delegates, alternate delegates, central committee members and other party officials from precincts or wards instead of at large.

Delegates and alternate delegates to national nominating conventions would be elected in the same fashion. The ballot would include specification of the presidential candidate they support, if any, and would list delegates and alternates by slates.

Delegates and alternates would be bound for at least two convention ballots, or until released, to support the candidate who received at least a plurality of the vote in the primary.

IV. CAMPAIGN FINANCING

The District of Columbia tax laws would be amended to provide a 50 percent tax credit of up to $20 for contributions to candidates for office in the District.

Candidates for office in the District would be required to file with the Board of Elections, both between three and five days before and within thirty days after the election, a list of all financial contributions received by them or by committees on their behalf, all campaign-related expenditures and their purpose, all unpaid debts and obligations, and the amount of contributed funds remaining unexpended. Failure to file prior to the election would automatically disqualify the candidate, and no winning candidate could be certified until all statements were filed. Willful violation would subject the offender to imprisonment for up to thirty days and/or a fine of up to five thousand dollars.

V. VOTE COUNT

In elections for the Board of Education, runoffs would be held only if no candidate received at least 40 percent of the total vote.

Candidates would be entitled to a recount wthout charge to them if the margin were less than 2 percent of the total vote or less than 100 votes.

Candidates or groups of candidates would be allowed to obtain authorized credentials to witness the voting and vote count, with full opportunity to challenge potential fraud and mistakes.

VI. REFERENDA AND ADVISORY ELECTIONS

The Board of Elections would be specifically authorized to hold referenda and advisory elections as part of any regular election.

VII. DATES OF ELECTIONS

School Board elections would be held in even numbered years as part of presidential and delegate elections. Terms of present Board members would, accordingly, be extended one year.

S. 832—INTRODUCTION OF A BILL RELATING TO EMERGENCY LABOR DISPUTES

Mr. WILLIAMS. Mr. President, I introduce for appropriate reference a bill to provide more effective means for protecting the public interest in those labor disputes which are subject to the Railway Labor Act. This bill will provide the Congress with an additional approach to consider with respect to the problem of emergency labor disputes, along with those alternative approaches which have recently been offered by Senator GRIFFIN on behalf of the administration and by Senator JAVITS.

The bill I introduce today is intended in particular to restore to the railroad industry a measure of free collective bargaining and to provide a means whereby labor-management confrontations in this industry may be reduced to less drastic dimensions.

As we have seen all too often in recent years there has been an unfortunate tendency for labor disputes in the railroad industry to become nationwide confrontations, threatening a shutdown of the entire rail network at one time. In the ensuing crises Congress has all too often been called upon to devise some means for prohibiting a strike, a result that I believe all of my colleagues will agree is most unsatisfactory.

A basic element in this situation has been a series of court decisions which have ruled that once bargaining for new contracts has been commenced on a nationwide basis it thereafter constitutes a violation of the Railway Labor Act for a union to strike against individual railroads, even though the union's contracts are with the individual railroads. Injunctions issued by the courts on the basis of such rulings have forced the railroad unions to choose between striking all railroads or not striking at all. And since as a final recourse Congress has regularly intervened to prohibit nationwide strikes, the practical fact is that railroad workers unlike all other workers in private employment are essentially deprived of any real right to strike.

The bill I now introduce is intended to meet this problem by amending the Railway Labor Act to make clear that a union may strike less than all of the railroads so long as it does not strike more than three carriers in any one of the eastern, western, or southeastern regions, with certain additional restrictions on the amount of service that may be struck in any one such region. With nonstruck carriers being precluded from initiating a lockout, any strike in the railroad industry could be kept limited in scope and not inevitably expanded to nationwide proportions. Thus some degree of the free collective bargaining pressure normally found in other industries would be restored in this industry.

Even on those carriers that are struck the bill provides for safeguarding the public interest by giving authority to the Secretary of Transportation, after consulting with the Secretary of Defense and the Secretary of Labor, to direct any such carrier and striking unions to provide services which are essential to the national health or safety. Such services could include, but are not limited to, transportation of defense materials, coal for generation of electricity, and the continued operation of passenger trains including commuter service.

I believe that this bill which has the backing of the AFL–CIO and its member unions, including the railroad unions, could provide a reasonable basis for reducing the crisis proportions of many of the labor-management impasses we have seen in the railroad industry. It represents an approach which I believe is well worth considering along with other approaches which have so far been offered. I also wish to invite other Senators to submit any such proposals that they may have and, as chairman of the Committee on Labor and Public Welfare and of the Labor Subcommittee, announce that I expect to begin hearings sometime in March to consider in depth all such proposals.

The suggestion has been made in some quarters that permanent legislation to deal with emergency disputes should be acted on quickly so that it will be available in the event there is a strike on March 1 in the current rail dispute.

However, as the Secretary of Labor has recently pointed out, this cannot possibly be done. It is wholly unrealistic to expect that we can permanently resolve in such a short time a problem which for so many years has defied all attempts to find a solution that would be supported by a reasonable consensus of informed opinion.

I am pleased to note that the carriers have now arrived at tentative settlements with three of the unions in the present dispute and I am most hopeful that voluntary settlement with the fourth union will be reached as well. The prospects of congressional willingness to intervene, or the results to be anticipated if it does intervene, are so uncertain that no party to the current dispute should assume that it can afford not to seek out every possible basis for voluntary settlement.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 832) to amend the Railway Labor Act to avoid interruptions of railroad transportation that threaten national safety and health by reason of labor disputes and for other purposes introduced by Mr. WILLIAMS (for himself and Mr. KENNEDY), was received, read twice by its title and referred to the Committee on Labor and Public Welfare.

ADDITIONAL COSPONSORS OF BILLS

S. 509

At the request of the Senator from Minnesota (Mr. MONDALE), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Oklahoma (Mr. HARRIS), and the Senator from New Jersey (Mr. CASE) were added as cosponsors of S. 509, the International Opium Control Act.

S. 576

At the request of the Senator from Texas (Mr. TOWER), the Senator from Alaska (Mr. STEVENS), the Senator from Colorado (Mr. DOMINICK), the Senator from Hawaii (Mr. INOUYE), the Senator from Illinois (Mr. PERCY), the Senator from Kansas (Mr. DOLE), the Senator from Mississippi (Mr. EASTLAND), the Senator from New Hampshire (Mr. COTTON), the Senator from North Dakota (Mr. YOUNG), the Senator from South Carolina (Mr. HOLLINGS), the Senator from South Carolina (Mr. THURMOND), the Senator from Vermont (Mr. PROUTY), and the Senator from Wyoming (Mr. HANSEN) were added as cosponsors of S. 576, to provide tax incentives to encourage physicians to practice medicine in physician shortage areas.

S. 637

At the request of the Senator from Texas (Mr. TOWER), the Senator from Alaska (Mr. STEVENS), the Senator from Kansas (Mr. DOLE), the Senator from Mississippi (Mr. EASTLAND), and the Senator from Utah (Mr. BENNETT) were added as cosponsors of S. 637, to de-regulate the price of natural gas.

ADDITIONAL COSPONSORS OF JOINT RESOLUTIONS

SENATE JOINT RESOLUTION 5

At the request of the Senator from Massachusetts (Mr. BROOKE), the Senator from Oklahoma (Mr. HARRIS), the Senator from Wyoming (Mr. HANSEN), and the Senator from Iowa (Mr. MILLER) were added as cosponsors of Senate Joint Resolution 5, designating January 15 of each year as "Martin Luther King Day."

SENATE JOINT RESOLUTION 32

At the request of the Senator from Tennessee (Mr. BAKER), the Senator from Alabama (Mr. ALLEN), the Senator from Virginia (Mr. BYRD), the Senator from Oklahoma (Mr. BELLMON), the Senator from New Hampshire (Mr. COTTON), the Senator from Nebraska (Mr. CURTIS), the Senator from Utah (Mr. Moss), the Senator from Rhode Island (Mr. PASTORE), the Senator from Alaska (Mr. STEVENS), the Senator from Kansas (Mr. DOLE), the Senator from Montana (Mr. MANSFIELD) and the Senator from Mississippi (Mr. STENNIS) were added as cosponsors of Senate Joint Resolution 32, proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings.

ADDITIONAL COSPONSORS OF A RESOLUTION

SENATE RESOLUTION 45

At the request of the Senator from West Virginia (Mr. RANDOLPH), the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from North Dakota (Mr. BURDICK), the Senator from New Jersey (Mr. CASE), the Senator from New Hampshire (Mr. COTTON), the Senator from California (Mr. CRANSTON), the Senator from Kansas (Mr. DOLE), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arizona (Mr. FANNIN), the Senator from Idaho (Mr. JORDAN), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Alaska (Mr. STEVENS), and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of Senate Resolution 45, to authorize the Committee on Interior and Insular Affairs to make a study of national fuels and energy policy.

NOTICE OF CANCELLATION OF HEARINGS ON FARM HOUSING PROGRAMS

Mr. SPARKMAN. Mr. President, on February 10 I announced that the Subcommittee on Housing and Urban Affairs, of which I am chairman, would hold a 1-day hearing on March 2, 1971, on the farm housing programs. The main purpose of the hearing was to receive testimony on the proposed cutback by the administration of the $1.5 billion budgeted for farm housing programs during fiscal year 1971.

I should like to announce that the subcommittee has canceled this hearing set for March 2 as a result of the administration's announcement on February 11 that the one-half billion dollars in badly needed funds is being restored. I am pleased that the President has responded promptly to the committee's announced intention of showing clearly the great need for full funding of this outstanding program and immediately restored the funds. Restoration of the 1971 funding could mean almost 50,000 more houses for farm and rural families in the United States this year. I hope in light of the great need to increase housing and bolster employment in our rural areas, that the administration will follow through on its budget pledge to increase rural housing programs by an additional $600 million next year.

FEBRUARY 17 HEARING CANCELED; NEW HEARING SCHEDULED FOR FEBRUARY 18, 1971, ON ALASKA NATIVE LAND CLAIMS SETTLEMENT LEGISLATION

Mr. JACKSON. Mr. President, a scheduling problem has necessitated a change in the hearings previously scheduled for February 17, 1971, before the Senate Interior and Insular Affairs Committee on legislation relating to the settlement of the Alaska native land claims. The hearings have been rescheduled for February 18 and will begin at 10 a.m. in room 3110 of the New Senate Office Building.

Witnesses testifying before the committee will include Gov. William Egan of Alaska, Secretary of the Interior Rogers C. B. Morton, and representatives of the Alaska Federation of Natives. The committee will receive and print as a part of the hearing record statements which other persons or organizations may care to make.

NOTICE OF FIELD HEARINGS OF THE SELECT COMMITTEE ON EQUAL EDUCATIONAL OPPORTUNITY

Mr. MONDALE. Mr. President, in accordance with the requirements of section 111(a) of the Legislative Reorganization Act of 1970, I announce that the Select Committee on Equal Educational Opportunity will hold field hearings during the first week in March as follows: Tuesday, March 2, and Wednesday, March 3, Portland, Oreg.; Thursday, March 4, Berkeley, Calif.; Friday, March 5, San Francisco, Calif.

These hearings will examine the efforts of school districts in California and Oregon to eliminate racial isolation and provide equal educational opportunity and related problems.

NOTICE OF HEARINGS ON EXPORT-IMPORT BANK ACT

Mr. SPARKMAN. Mr. President, on February 9, 1971, I announced that hearings would be held on March 22 and 23 before the Banking, Housing and Urban Affairs Committee in order to receive testimony on S. 19 and S. 581, bills to amend the Export-Import Bank Act of 1945.

Mr. President, I would now like to announce a change in that schedule. Hearings will be held by the International Finance Subcommittee of the Banking, Housing and Urban Affairs Committee to receive testimony on S. 19 and S. 581 on March 8, 9, and 11. All persons interested in testifying on these bills should contact Mr. Dudley L. O'Neal, Jr., staff director and general counsel, or Mr. Hugh Smith, Jr., assistant counsel, Senate Committee on Banking, Housing and Urban Affairs, 5300 Senate Office Building, Washington, D.C. 20510; telephone 225-7391.

ADDITIONAL STATEMENTS

REVENUE SHARING—SPEECHES BY SENATOR COOK

Mr. BAKER. Mr. President, on February 9 I had the privilege of introducing on behalf of myself and 37 other Senators S. 680, embodying the general purpose revenue sharing proposal of the Nixon administration. I am delighted that the distinguished junior Senator from Kentucky (Mr. COOK) is among the cosponsors of the measure.

Senator COOK has recently made two characteristically fine speeches in his home State, each of which deals in whole or in part with the subject of revenue sharing. It is clear from these speeches that Senator COOK will be among the most articulate and persuasive of the proponents of revenue sharing. Because I know that Senators will be interested in these two speeches, I ask unanimous consent that they be printed in the RECORD.

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

REMARKS BY SENATOR COOK, PADUCAH, KY., FEBRUARY 10, 1971

Woodrow Wilson once said:

"We stand in the presence of a revolution—not a bloody revolution: America is not given to the spilling of blood—but a silent revolution, whereby America will insist upon recovering in practice those ideals which she has always professed . . ."

These words are perhaps more significant today than they were to America in 1912.

President Nixon recognized this situation, and outlined in his State of the Union Message, a dramatic proposal to reverse the trend toward centralized government. This proposal is a plan for sharing federal tax revenues with state and local governments.

The President referred to the need for such a program in a recent message to the Congress of the United States. He said that state and local officials, possessing the talent and ambition to help in solving the problems of their people, have been frustrated by lack of resources, and have been forced to rely on the Federal Bureaucracy for grants which are not always available.

A few statistics will dramatically illustrate the crisis in our State and local governments.

A financial squeeze has developed in State and local governments, as demands for more and better services have outpaced the resources needed to supply them. From 1948 to 1969, total expenditures by State and local governments have increased from $21 billion to $119 billion while total revenues rose from $20 billion to only $98 billion.

Faced by mounting deficits, the States and localities have been forced to incur a burdensome debt which has increased over 600% in the last twenty years from $20 billion to over $140 billion.

The President has referred to this critical situation as a "fiscal mismatch," in which needs grow fastest at the State and local level, while revenues grow fastest at the Federal level.

Further complicating the problem has been and "efficiency mismatch," in which revenues are most efficiently collected at the federal level, but more efficiently employed at the State and local levels.

The President's revenue sharing proposal is a momentous attempt to even the sides in the fiscal struggle. It attempts to make available to the State and local governments the financial resources they require to meet the growing needs of their citizens. At the same time this program would allow the Federal Government to maintain its more efficient tax collection system.

As a growing community, Paducah faces this same financial squeeze. I am sure that your local officials and the McCracken County officials have felt this fiscal pinch, while trying to provide the best government services to their people.

Today, therefore, I would like to explain to you the concept of revenue sharing and what consequences this program would have for your community and thousands of other communities throughout the Nation.

Revenue sharing, simply stated, is a program under which the Federal Government would distribute a portion of its tax revenues to State and local governments. This distribution would be on a "no-strings" basis. In other words, the Federal Government would not specify a particular use of the funds.

Under the President's plan, $5 billion dollars would be distributed during the 1st year of the program through the general revenue sharing section. These funds could

be employed at the discretion of the State and local officials subject only to certain accounting requirements. These funds would be shared almost equally between the State and local governments. The funds may be shared according to the formula prescribed in the program, or by any acceptable formula which the various States, in conjunction with their local governments, may propose as an alternative. One stipulation of the program gives the States an incentive to develop alternative plans, by increasing the funds available to those States adopting an alternative method.

In addition to those funds, the proposal would make available $11 billion under its special revenue sharing section. These funds could be used only within a number of general categories. These are: law enforcement, transportation, urban community development, rural community development, elementary and secondary education, and manpower training. Within these general categories, however, State and local officials would retain considerable flexibility as to the specific uses of the funds.

This program would have a greater impact on the operations of State and local governments than any government program in moderate history. Actually, however, to refer to revenue sharing as a Federal program is a misnomer. Revenue sharing would be a cooperative program bringing all the resources of Federal, State, county and local governments together in a momentous effort to improve the quality of life for every American. Such a program would reverse the trend of American history by returning power and dollars to the States and localities. And bringing us nearer to the original concept of federalism.

Many desirable improvements would be achieved through a revenue sharing program.

First, State and local governments would finally have resources sufficient to meet many of the needs of their citizens. This would allow State and local officials to fulfill the responsibilities that accompany their offices. Many officials have been unable to achieve noticeable progress in their communities. This has not been the result of inability or desire, but rather it has been the consequence of insufficient resources.

With the knowledge that adequate funds are available, these officials would be able to establish a sound set of priorities, and to implement systematic programs to deal with those priorities. One of the major obstacles facing State and local officials has too often been the uncertainty of available funds. Forced to rely on fluctuating revenues and the Federal grant programs, they have been unable to proceed into major programs, with the confidence that funds could be obtained to see the programs through to completion. This major obstacle would be hurdled by a revenue sharing program.

More efficient use of tax dollars would certainly be a result of such a program. It is totally illogical to contend that Washington bureaucrats are more capable of dealing with local problems than those officials who must deal with them on a day-to-day basis. The revenue sharing program, by giving State and local officials increased financial aid and discretion as to the use of that aid, would return the capacity to solve the problems of the people, to those officials closest to the problems.

Revenue sharing should also improve the quality of State and local government. Officials would be forced to account to their citizens without being able to pass-the-buck to Washington. This increased accountability would result because constituents could more reasonably demand better and expanded Government services.

Finally revenue sharing could help to restore public confidence in a Federal Government which many feel has forgotten how to govern. Such a program would indicate that the Federal Government is more concerned with improving the lives of all Americans than with centralizing all power and resources under its domain.

I do not mean to infer that the President's revenue sharing plan would be a cure-all, but it is a major step in the right direction.

The inevitable question which arises is: where is the money coming from? President Nixon has explicitly stated that no raise in federal income tax will be necessitated by the revenue sharing program. The budget for fiscal year 1972 states: "the resources for the new revenue sharing plan would come from revenues generated from the federal personal income tax base and from the conversion of a set of narrower categorical grants into the new program."

The general revenue sharing funds would be distributed on the basis of a formula which relates the population of a state and the willingness of that state to tax itself. This willingness to tax—which the proposal refers to as a state's "tax effort"—is determined by the taxes collected in relation to per capita income.

Thus there is no validity to the criticism that states would become lax about their own tax collections if the revenue sharing program were implemented. Actually the program may have an opposite effect. States may be encouraged to lower sales and property taxes, but raise income taxes, thereby increasing their portion of the revenue sharing dollars without burdening their citizens with additional costs in total tax dollars. This would be an example of the local initiative which the president's proposal is intended to promote.

I have consistently supported the concept of revenue sharing, and co-sponsored the General Reserve Sharing Act of 1971, introduced in the Senate yesterday by Senator Howard Baker of Tennessee. I believe that such a proposal would be the most efficient and economically sound program to begin to solve the myriad problems facing our State and local governments. I fear that this issue will unfortunately become a partisan one, and I would consider it a disaster if party politics becomes an obstacle to intelligent discussion and debate of this vital question.

I believe it has been clearly shown that the massive Federal bureaucracy can no longer effectively deal with State and local problems. This task must be accomplished by those most familiar with the problem. The Federal Government has for too long tried to usurp the responsibilities for local government from those whom the people directly charged with the fulfillment of those responsibilities.

Joseph Priestly once said: "If the power of government be very extensive, and the subjects of it have, consequently, little power over their own actions, that government is tyrannical and oppressive." Indeed many Americans hold this opinion. The revenue sharing proposal is a timely and vital program which could reshape our Government, resolve the fiscal crisis now facing our States and localities, and improve the quality of life for every American in every area of our Nation.

REMARKS BY SENATOR COOK, PIKEVILLE, KY., FEBRUARY 15, 1971

Joseph Priestley once wrote:

"If the power of government be very extensive, and the subjects of it have, consequently, little power over their own actions, that government is tyrannical, and oppressive . . ."

Indeed the American public has begun to feel that the Federal Government has become an oppressive institution. After decades of frustration in dealing with the massive Federal bureaucracy, State and local officials, as well as the citizens, have begun questioning whether the federal system is still capable of governing efficiently.

President Nixon recognized this mood, and described the problem in a recent message to Congress:

"Part of the genius of our American system is that we have not just one unit of government but many, not just one Chief Executive and Congress in Washington, but many chief executives and legislators in statehouses and courthouses and city halls across our land. I know these men and women well. I know that they enter office with high hopes and with sweeping aspirations. I know they have the potential to be full and effective partners in our quest for public progress.

"But once they have taken office, our leaders at the State and local level often encounter bitter disappointment. For then they discover that while the need for leadership is pressing, and their potential for leadership is great, the power to provide effective leadership is often inadequate to their responsibilities. Their dollars are not sufficient to fulfill either their dreams or their most immediate and pressing needs.

"And the situation is getting worse."

Thus the President outlined his reasons for his revolutionary revenue sharing proposal.

The revenue sharing program would have a greater direct impact on the operations of State and local governments than any Federal program in modern history.

Time magazine, on February 1, called it "a truly radical plan to reverse the history of decades by reversing some of the flow of governmental money and power—by turning it back from Washington toward the States."

The President's proposal is a momentous attempt to improve this critical situation. Through the revenue sharing system the Federal Government would make available to State and local officials resources sufficient to allow them to put their talents to work for the benefit of their citizens. The President's proposal is a major step toward achieving that goal.

Revenue sharing, simply stated, is a system under which the Federal Government would distribute a portion of its tax revenues to States and localities without specifying a particular use of the funds.

Under the President's revenue sharing proposal there would be two types of shared funds. General revenue sharing would make available to the States and localities $5 billion on a "no strings" basis. These funds, to be shared almost equally between the State and local governments, could be employed at the discretion of the State and local officials, subject only to certain accounting requirements.

The proposal also calls for $11 billion under the "special revenue sharing" section. These funds must be used for specified purposes; for example, law enforcement, education or rural development programs. Within these broad categories, however, the State and local officials have considerable flexibility as to the specific use of the funds.

From a strictly financial standpoint, revenue sharing is a dire necessity. State and local governments, faced by demands for increased services have been forced to increase local sales and property taxes to supplement regular revenues. This has not been sufficient, however, as the rise in State and local expenditures has outpaced the rise in revenues. From 1948 to 1969 total State and local expenditures rose from $21 billion to $119 billion while revenues rose from $20 billion to $98 billion. Thus most States have been forced to incur mountainous debts in order to meet their obligations. From 1948 to 1969, total State and local indebtedness has increased over 600%, from $19 billion to $135 billion.

President Nixon stated that the fiscal crisis in State and local governments has resulted in a "fiscal mismatch," in which needs grow

fastest at the State and local level, while revenues grow fastest at the Federal level.

Aggravating the problem, he asserts, has been an "efficiency mismatch", whereby revenues are most effectively collected by the Federal Government, but most effectively employed by the State and local governments.

Revenue sharing would accomplish several crucial changes. First the Federal Government would return to State and local officials the power to fulfill the responsibilities that accompany their offices. With the knowledge that funds would be available, officials would be able to set some priorities for the use of the funds, rather than having to take what money would be available under the Federal Government grant programs currently existing.

Second, with increased financial resources at their disposal, the State and local governments could more ably deal with those problems that they are most familiar with. It is totally illogical to assume that Federal administrators can more effectively solve problems which they cursorily view from Washington, while local and State officials must deal with the problems on a daily basis.

Revenue sharing should also bring improved performance by State and local officials, by making them more accountable for the actions of their administrations. I am in no way inferring that increased financial aid would be a panacea. However, constituents could more logically demand better and expanded Government services from their elected officials, with the increase in State and local revenues.

Finally, a revenue sharing system would restore confidence in the Federal Government by showing the people that the Government is vitally concerned with the quality of life of every individual, and of every geographic area of America.

One major attraction of the President's proposal is that it calls for no additional Federal taxes. As I previously mentioned, it is a plan to distribute a portion of existing Federal revenues. The shares to be distributed to the States and localities would grow with the nation's income. Thus States and localities could more effectively budget their activities, knowing that a definite amount of funds would be available.

Also, under the revenue sharing formula, the proportion of funds to be distributed among the States and localities depends on their population and willingness to tax themselves. This would be determined by the taxes collected in relation to per capita income. Thus the criticism is unfounded that states would be lax about tax collections under revenue sharing.

Another major question which has arisen from the President's proposal concerns the fate of existing grant programs—programs subsidized by the Federal Government where local or State funds are matched by Federal funds.

This question is of vital concern to the citizens of Pikeville and to the entire Appalachian area. The budget for 1972, in its explanation of the revenue sharing proposal, states that the only grant programs to be maintained are those for which there is ". . . a clear, continuing national requirement."

The Appalachian Regional Commission falls into the category of some 750 Federal grant programs which must be re-assessed under the revenue sharing proposal. I, for one, believe that no Federal program has yielded greater benefits for the people within its sphere of influence, and for the Nation, than the ARC program. Since 1965, when the Congress passed the Appalachian Regional Development Act, which authorized and funded the development program, many material improvements have been achieved: Over 850 miles of Appalachian development highways have been completed or are under construction. This highway program is vital to the economic growth of the region.

Over 300 vocational and technical training centers have been funded, providing needed educational facilities for 210,000 Appalachian students.

Fifty-one new health services were inaugurated in 1970 alone, providing health service networks for thousands of Appalachian residents in need of medical care.

The Appalachian housing fund has helped to initiate the construction of over 7,000 units of low and moderate income housing.

Twenty-eight mine reclamation projects have been completed. This program constitutes the beginning of the solution of a problem peculiar to the Appalachian region.

Finally, numerous public facilities have been improved and expanded, including libraries, schools, water pollution control facilities, and airports.

The value of the Appalachian regional commission extends past the people of Appalachia. It also serves as a model for the nation, for it indicates what progress can be made through the cooperation of areas facing common problems and common needs.

During its existence, the ARC has been wholeheartedly supported by the thirty-four different Governors who have served the states involved in the Commission. Men of various political persuasions and of both parties have considered this program vital for the citizens and areas of their states which have been served by the ARC.

I have always recognized the great value of this program, and recently co-sponsored the Cooper-Randolph bill, which would extend the authorization of the ARC for another four years.

At this juncture, the status of the ARC under the President's revenue sharing proposal is uncertain. The administration has recommended an extension of the program for one year, and plans to re-assess it at that point.

To me it would be sheer folly to see this program deemphasized, when it has just begun to revitalize an area that has been too long neglected.

John B. Waters, Jr., Federal Co-chairman of the Appalachian Regional Commission, said during recent testimony before the Senate Public Works Committee:

"I can both see and feel what this program means to the people of the Appalachian region."

Certainly it must be possible to include the Appalachian Regional Commission in a revenue sharing system. The two are not incompatible. Actually the ARC is a prime example of revenue sharing. Thirteen States have shared common funds and have used them for the true betterment of all the people of Appalachia. Senator Howard Baker of Tennessee, sponsor of the revenue sharing bill in the Senate, has also expressed the opinion that the Appalachian Regional Commission could comfortably exist within the framework of a revenue sharing system.

I hope that a majority of my colleagues in the Congress will recognize the benefits of the Appalachian development program and will preserve this organization so that it may complete the miraculous work it has done.

Further, it is my hope and firm belief, that a revenue sharing system would allow all States, counties and municipalities to provide for their citizens progress similar to that accomplished by the Appalachian Commission. Indeed, this should be the major objective of any government: To provide the best possible quality of life for its citizens, for only in this manner can a government truly justify its existence.

OUR FLAG

Mr. MATHIAS. Mr. President, I have recently been contacted by two young men from Pocomoke City, Md., who inform me of a matter which I am sure will be of interest to the entire Senate.

Wayne Powell and James Layton are the operators of a teenage dance center called Transmedia. And, in an era when the patriotism of some of our youth has been questioned, these men are proudly flying the American flag over a facility which is patronized by scores of young people from the Pocomoke City area.

In their letter—with which they enclosed a snapshot of the flag flying proudly over their center—Mr. Powell and Mr. Layton were careful to explain the feelings which inspired them to fly the flag.

They wrote:

We feel that displaying the Flag does not mean that we give blanket support to every action by our government, but it does represent a sincere respect for and dedication to the system for which it stands. I am pleased to report to you that from the comments we have received since the Flag was put up, most young people in our area feel that way, too.

Let me say that I feel that the attitude of these young men and the youth of the Pocomoke City area is deserving of our highest praise. It embodies not only the commitment to unity of purpose within our troubled country but also the spirit of responsible dissent, which is always the genesis of the creativity and progress of a free and noble nation.

PROBLEMS CONFRONTING OLDER AMERICANS

Mr. HARRIS. Mr. President, on January 13, 1971, I held an important public hearing in Ada, Okla., on the subject of the various problems confronting our older Americans. The testimony I received at that time was thoughtful and worthwhile, and I believe that Senators and relevant committees can benefit from considering it. Accordingly, I ask unanimous consent that the second portion of that testimony, which deals primarily with some of the positive programs devised for employment and creative concern for our elderly, be printed in the RECORD.

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

OLDER AMERICANS—II

Senator HARRIS. Next, I want to call on Mr. Dale Kirk who is Director of the Sequoyah Foster Grandparent Project. Dale, thank you for coming. We'll be glad to hear from you.

STATEMENT OF MR. DALE KIRK, DIRECTOR, SEQUOYAH FOSTER GRANDPARENT PROJECT, SALLISAW, OKLA.

Thank you, Senator Harris. It is a sincere pleasure for me to participate in these proceedings today. It is good to have the opportunity to discuss the Foster Grandparent program in a forum such as this with those people who are concerned about the needs and problems of older Americans.

I firmly believe the Foster Grandparent Program is a prime example of what local, state, and federal agencies can do to meet more of those needs.

Classes are over at Seneca Indian School and Susie Sixkiller rushes to her dormitory. Her brown eyes sparkle with happy anticipation.

As she hurries along, she notices several of her friends are scurrying after her. Her eager-

ness grows as she reaches the campus and as she bursts into the dormitory living room, her voice sings, "Hi, Grandma!"

The Indian child and Foster Grandmother clasp the other with outstretched arms, each giving of her love and receiving as much in return.

One Grandmother has caught the essence of this personal relationship in these simple, yet eloquent words. She writes, "Being a Foster Grandparent gives me the satisfied feeling that I am giving love and understanding where it is most needed! If, in my efforts, I can some way reach out to them and make them understand that they are important, that they are loved and wanted and have a place in this world, then I will feel my efforts have not been in vain, and I will be happy and filled with gratitude in being a Foster Grandparent . . . For it is in giving love that we receive love, and in helping others, we help ourselves."

Another Grandparent has written, "At first I thought I would just be helping the children, now I know I am helping myself, too. When those smiling eyes look at me and say, 'Love me, please!' that is just more than I can express!"

Here, in one concept was discovered a program that would benefit children in Indian schools and state homes where the staff load was such that individual attention could not possibly be provided each child, and

Secondly, here was a program that would fulfill profound social, psychological, and economic needs of older persons.

And so the concept becomes a two-way exchange, with the one complementing the other. This interaction between the old and the young, we find, is a natural phenomena.

Psychologists and sociologists have long recognized that one of the primary needs of the disadvantaged child is the need to feel loved, to feel that someone really cares about him.

Educators dealing with these special children have voiced the need for a close, personal relationship that provides the child individual attention and affection from a "giving" adult.

Now, consider the situation that older persons face at retirement age. They live in a society that emphasizes youth, and at the same time implies that aging is sad and painful, that older people, simply because they reach a certain chronological age, become useless and burdensome.

Having reared their own families and sent them out into the world, they suddenly feel alone and unwanted. Their purpose in living suddenly becomes less clear. It would be a natural expectation for health problems to increase directly as a result of these psychological conflicts in aging. So one can readily see that in this age group there is also a great need to be loved, to become involved, and to be of service to mankind.

Since our society places so much value on young people, it is evident that these needs of older persons can be fulfilled to the maximum by performing a special service to youth.

Susie Sixkiller's Foster Grandmother will be with Susie for some time this evening to give her love, affection, and personal attention because Grandmother will come to the school campus to be with her and another "granddaughter" for four hours each day, five days a week, including at some units, those wonderful week-ends.

Susie's Grandma is only one of 150 regular and alternate Foster Grandparents who provides this some individual attention to two assigned children each in four Indian boarding schools, two state homes under the Department of Public Welfare, and other special education, Head Start, and Day Care Centers in eastern Oklahoma.

The four Indian schools are Sequoyah High School (Park Hill), Eufaula Dormitory, Jones Indian Academy (Hartshorne), and Seneca Indian School (Wyandotte).

Foster Grandparent units on state campuses include Whitaker State Home for Children, Pryor, and Oklahoma Children's Center, Taft.

Work settings are also located in Delaware County Head Start Centers, Adair County Special Education Classes, and Day Care Centers at Park Hill.

Much variation is provided in this multitude of work settings. Foster Grandparents in Oklahoma have worked with boys and girls from pre-school to high school ages, Indian, black and white, the neglected and dependent, delinquents in correctional institutions, those who suffer from social, economic, and cultural deprivation, physical handicaps, and mental retardation.

Their ability to work effectively in each of these widely different areas is truly astounding, but the one singular trait that each possesses is LOVE—the heart of the FGP concept. In this modern, calculating era, LOVE is still the thread that sews the pieces together.

Foster Grandparents read to the children, walk and talk with the children, listen to their imaginative stories, their problems, learn of family ties, go fishing together after school or on Saturdays, bake cookies, work together in a garden patch, learn table manners at supper, enjoy special treats, tell stories of the past concerning Indian history, play competitive games, sing Negro spirituals in song fests, observe Indian pow-wows, watch Indian ballgames, participate in school programs depicting Indian heritage or black culture, and do homework together as long as it doesn't include modern math.

For the child, later in the evening it means help with those "necessary" baths, getting clothes ready for school tomorrow, and being tucked into bed by a loving adult who has had the time to spend at least two hours with her alone or just about however she wanted.

For this service role, Foster Grandparents receive the federal minimum wage and a transportation allowance. They must be 60 years of age or older—that is, when they begin, because as they serve as Foster Grandparents, they seem to grow younger! They must be within certain income limitations, and must enjoy working with children.

When they begin work, they have received two weeks of related training and orientation to their particular situation. Oklahoma Foster Grandparents attended a five-day training session on the campus of Northeastern State College, conducted by members of the Division of Education and Psychology.

In-Service Training is conducted regularly at the individual Foster Grandparent units and three times a year all Foster Grandparents attend a Saturday workshop (called a Refresher Course), on the Northeastern campus.

Since September, 1969, the Foster Grandparent Program has been funded and administered by the Administration on Aging, Department of Health, Education, and Welfare. In Oklahoma, the program is sponsored by the Cookson Hills Community Action Foundation, Inc.

This project presents a prime example of the cooperation possible among a rather large group of federal, state, and local organizations.

These agency/organizations include nine (9) institutional settings, five (5) consolidated community action agencies, varied special education, Head Start, and Day Care Centers in Adair, Cherokee, Delaware, and Sequoyah counties, Bureau of Indian Affairs, State Social and Rehabilitation Service, State Department of Health, and Northeastern State College, State Economic Opportunity Office, the Oklahoma Special Unit on Aging, and the Administration on Aging, Department of Health, Education, and Welfare, at both the regionally and national levels.

As the project has grown in service and stature, Foster Grandparents and their supervisors, though technically guests on campus, have been assimilated into activities, functions, and events of the local school campuses.

Many related advantages have occurred from this new partnership. One superintendent has commented that the Foster Grandparents have been one of the strongest public relations forces to come on school campuses. Because Foster Grandparents represent various communities all over eastern Oklahoma, people learn of the "lovely children," "busy activities," and "real sincerity" of the staff and administration of the respective home or school.

With their special talents, Foster Grandparents have enriched the lives of their children in unusual ways—a Foster Grandmother who is blind encourages an Indian girl to be an accomplished singer and win honors in competition; a Foster Grandfather who is a full-blood Choctaw inspires his Indian boys to sing songs in the Choctaw language; a former professional musician turned Foster Grandparent instills the love of music in the hearts of Negro boys; a Foster Grandmother who is an expert craftsman in needlework passes on to her Grandchildren sewing techniques taught her by an Indian mother; and other Foster Grandparents with special hobbies and special interests motivate and inspire their Grandchildren to pursue wide avenues of interest.

Comments made by the Foster Grandparents themselves in progress and evaluation reports provide meaningful insight and understanding about the program. Let me share with you a few of those comments:

(1) "My prayers have always been to help me that I might help others; now I feel my prayers have been answered."

(2) "I get a thrill every time a Foster Grandchild calls me 'Grandmother' and I try to live up to his expectations."

(3) "They are getting more loveable. They hug and kiss each Grandparent every evening. One little boy asked if we were coming back Saturday. We told him we would be back Monday. He said, 'I wish every day was Monday.' "

(4) "Everybody needs somebody. This Foster Grandparent Program is the most wonderful thing that has happened to us and to the children."

(5) "Being an actual Grandparent must be a very lovely and exciting experience and since I, myself, cannot hope to attain to this state in this life, I think the next best thing is to be a Foster Grandparent."

(6) "The fellowship of the Grandparents is great. We look forward to each day of getting together."

(7) "Of course the finances I have received have been most helpful, but money could not buy the satisfaction I have had in working with the children."

(8) "The children's table manners have improved. They sometimes teach us now. It is a pleasure to work with them and catch their enthusiasm."

(9) "When I awaken in the morning, I realize I have something to look forward to for that day. Not just existence, but challenge."

(10) "Children who were shy with me to begin with now bring their problems to me—just as my own children once did."

(11) "Each day I'm grateful that I'm an American and live in a wonderful country where an older person can find such a satisfying job."

(12) And this last comment that simply states, "I thank God for this job!"

Dr. Major McClure, chairman of the five-member team from Northeastern that evaluated the Foster Grandparent Project, wrote

in his Supplementary Comments to the overall project evaluation, and I quote, "The sociological implications for this program on the northeastern region of Oklahoma are quite exciting. First of all, two groups—the *elderly* and the *children* in institutions and from underprivileged homes who have to this time been of concern to society as a whole—are implementing each other."

Dr. McClure stated that the far-reaching effects of this program can only be surmised, "but there is every reason to believe that the social structure of northeastern Oklahoma will be significantly improved in years to come as a result of bringing these two groups together. Disadvantaged children will grow up with a better chance of becoming mature citizens. Older persons will acquire a new purpose in life."

"The greatest benefit, however," he concluded, "is one which can never be accurately measured, and that is in terms of the alleviation of human suffering and unhappiness."

Truly, the Sequoyah Foster Grandparent Program has provided outstanding benefits for both the old and the young, but it has only scratched the surface. It has accomplished so much, yet has so much to accomplish. We must be able to do more.

In eastern Oklahoma, over 42,400 persons over 60 years of age reside in the eleven-county area encompassed by the Sequoyah Foster Grandparent Program. Of this number, over 60% fall with appropriate poverty guidelines. This means that more than 25,000 older persons in this geographic area are potentially eligible to become Foster Grandparents. Within those institutions that are currently operating with the program, over 1,200 disadvantaged children qualify for the personal care of a Foster Grandparent. At the present ratio of two (2) children per Grandparent, 600 FGP's are direly needed.

Susie Sixkiller and her "Grandma" stroll along the wooded campus at Seneca Indian School. Together, they experience the wonders of nature as they chase a butterfly, or gaze at a magnificent bird soaring in graceful flight.

They love, trust, and confide in each other—both giving of themselves and receiving as much in return.

"For it is in giving love that we receive love, and in helping others, we help ourselves!"

SUPPLEMENTARY COMMENTS, FIRST ANNUAL EVALUATION OF THE SEQUOYAH FOSTER GRANDPARENT PROGRAM IN OKLAHOMA

(By Dr. Major L. McClure)

FOREWORD

Dr. Major L. McClure, chairman of the Division of Education and Psychology, Northeastern State College, Tahlequah, Oklahoma, served as team leader of the group that conducted the first overall evaluation in April, 1968 of the Foster Grandparent Program in Oklahoma.

Other members of the evaluating team were Dr. Howard Thompson, Dr. Ross Underwood, Dr. Lloyd Slagle, and Mr. Lee K. Quiett.

For further information relating to the evaluation, contact Mr. Dale Kirk, Director, Sequoyah Foster Grandparent Program, 121½ South Oak Street, Sallisaw, Oklahoma 74955.

SUPPLEMENTARY COMMENTS ON THE FOSTER GRANDPARENTS EVALUATION OF APRIL 1968

The Foster Grandparent Program, as designed for the northeast Oklahoma area, is of interest to the staff members from Northeastern State College, Tahlequah, Oklahoma, involved in the project. Of particular interest is "How effective is the program in meeting the basic needs of the participating grandparents and the children involved"

A team of staff members from the college did obtain in April, 1968, subjective information concerning the implementation and functioning of the program. The information was obtained from the following sources:

1. Foster Grandparents.
2. Institutional Administrators and/or Teachers.
3. Director of Community Action Agency.
4. Children (Young People)
5. Parents and/or Guardians.

The information from the above sources was evaluated by members of the team. Each source of information must be evaluated in terms of our particular social structure, and in view of the values, both social and personal, advocated by individuals, in our society without regard to whether or not those values are realistic. The evaluation will be considered from the following points of view: (1) the psychological implications for the grandparent group as a whole, (2) the psychological implication for each individual grandparent, (3) the psychological implication for those children who are affected by the program, (4) the sociological implications of the entire program as it operates in northeastern Oklahoma.

(1) *The psychological implications for the grandparent group as a whole*

The growing maturity of our living that terminates in the phrase we term "old age" is a constant process that begins at inception and ceases only at death. A consequence of this fact is the necessity to realize that old age does not begin at any stated chronological period of life. Old age begins at birth, if not even at the moment the genes unite.

The maturing process is a continuing one throughout our entire life span, and it is a process of constant change. In man's quest to categorize, he has artificially broken the life span down into periods which he calls infancy, childhood, youth, adulthood, later maturity, and old age, purely for his own convenience. It is noteworthy, however, that these categories of convenience have no reality in human behavior. They are merely products of the human mind, and reflect its liking for pigeon holes.

Yet, if we look at the life attitudes and the behavior of our aged people in general, we discover how tragically true is the statement "What people believe to be true, is true for them." Our old people, cast in the role of dotard by a society steeped in traditional myth, accept their parts and wait in resigned apathy for the final curtain. In a very real sense, we are destroying our own society through our insistence that basic superstition be fundamental fact. We rapidly are becoming a progressively older people, and we have no choice but to make places for our oldsters if we want life, as we know it in the United States, to maintain itself.

Through our human tendency to push things to extremes, we have come to believe that as we age we become increasingly ineffective. Within our cultural myth lies the conviction that the older we get, the dumber we get. Actually, what happens to innate ability as we age is unimportant. What is important, is what we do with the innate ability that we may have. Exhaustive studies relating to the elderly in our society point dramatically to the fact that those who are engaged in doing something live longer, happier lives than those who resign themselves to the role which our culture seems to have defined for them. It, therefore, becomes imperative that our society find a way to keep our increasing number of elderly active and a part of our social structure.

Upon close investigation, it becomes apparent that our elderly do have much to offer society. If experience is the great enlarger of life, then certainly the elderly in our society have much to offer those who follow. Potentially, they are one of our greatest reservoirs, and interestingly enough, these elderly people will give happily of their time and effort on any worthwhile endeavor. This does not mean that they are unique or that they possess characteristics not found in many of the rest of us, but rather it means simply that they need to feel that they are an important contributing part of society.

The Foster Grandparent Program, as it is structured, is particularly well suited to meet this, as well as other needs, in our elderly. The benefits derived from this program go far beyond the amount of money earned. Old people need desperately to feel that they are contributing to society and that they belong to a group, a group with which they can identify. If that group to which they identify has a purpose, a goal, then belonging becomes even more important. The Foster Grandparent Program has met these needs. The training program was designed to emphasize what they had to contribute to society, to emphasize that they were a group, and to emphasize the need for their particular service.

(2) *The psychological implication for each participating grandparent*

Among our elderly there is a great need to feel loved or needed by someone. Having reared their families and sent them out into the world, they suddenly feel quite alone and useless. Their purpose in living seems suddenly to have ended. They see around them a society which emphasizes youth, a society which looks upon youth as its most prized possession, the hope of the future, and which implies at the same time that aging is sad and painful, that old people are useless and burdensome. Since the relationship between psychological and physiological health is so close, it would be a natural expectation that health problems would increase as a result of the psychological conflicts of aging.

The most common form of these health problems relates to intense preoccupation with bodily functions. Lack of motivation and decreased energy often combine to produce periods of chronic fatigue usually accompanied by irritability. Fatality may express itself in neurotic depression characterized by self-centeredness, and self-disparagement.

The increased social isolation and uncertainty that mark the lives of many elderly lead to emotional instability and anxiety. When despair and depression become too great, neurotic behavior patterns develop.

To offset these problems, the elderly need to become involved. They need personal contacts and a feeling that they have a service to offer to both particular individuals and to the society. Since our society places so much value on youth, these needs can be met to a high degree by a *service to youth.*

(3) *The psychological implication for those children who are affected by the program*

Let us now compare the needs of the economically and culturally deprived (and displaced) children found in institutions and homes throughout this area with those noted in the Foster Grandparents. Psychologists and sociologists have long recognized that one of the primary needs of the child in the institution and from culturally and economically deprived backgrounds is the need to feel loved, to feel that someone cares about him. Most institutions are inadequately staffed to give the individual attention which is so desperately needed by these children. Teachers of the very young and teachers of special education classes have voiced the need for a one-to-one relationship in at least part of these education programs.

One significant factor lacking in the environment of this type of youngster is lack of a sense of identity. Many of these children do not know their birth dates, and most have never had a birthday party. There is perhaps no single act which symbolizes identity of the child more clearly than the celebration of his birthday. This is a formal recognition of his acceptance as an individual.

Other problems arise out of the inability of many of these youngsters to communicate effectively with middle-class teachers and institutional workers. Reared in environments where cursing and open hostility are common, they feel thwarted in their attempts to express their true feelings, whether they be of love, hate, or insecurity, simply because the middle class does not understand or accept their language of communication.

Directly related to culture and institutional environment is the development of ego strength and impulse control. Children from this environment are more likely to have a poorly internalized super-ego. This will reflect in behavior which the middle class will often classify as anti-social. Stealing, lying, and giving in to sex impulses are more common with this type of individual as a direct result of the lack of super-ego development.

Many of the grandparents are also from the same or similar kinds of backgrounds as the children whom they serve. The grandparents, drawing from their backgrounds and experiences, have a great deal of insight into the problems of the children, and are able to effectively aid the children in their adjustments to society.

Those grandparents who serve specific groups of children, or who have been permanently assigned to one or two children, add to the identity adjustment and to the feeling of belongingness of the children. This, of course, aids in the child's development of a positive self-concept.

Here again, the influence of the elderly is of real value, because as they are able to meet some of the more direct needs of youngsters, they also alter the patterns of behavior and values of the youth whom they serve. As these children see certain behavior patterns are not as acceptable to the Foster Grandparent, they tend to modify their behavior, and eventually their values, primarily through fear of losing the love, attention, etc., which they so desperately need.

(4) The sociological implications of the entire program as it operates in northeast Oklahoma

It thus becomes apparent that the Foster Grandparents are ideally suited to meet the needs of the children described, and that in turn, these children meet basic needs in the Foster Grandparents. It was with interest that the evaluating team noted that these needs are so strong that problems relating to the "generation gap" which often makes communication with the different age groups difficult, fade to insignificance in this program. Each of the groups has shown change in general behavior as a result of the effect the other group has had upon it. Administrators note that children have fewer emotional outbursts, run away less often, cry and fuss a great deal less, are less often discipline problems, and are generally happier. On the other hand, the Foster Grandparents show a new interest in life. They eat better, dress more presentably, and show more self-assurance. They have a pride in the work they are doing and take every opportunity to talk about the children they are working with. It is also noteworthy that they have fewer personal health problems.

The sociological implications for this program on the northeastern region of Oklahoma are quite exciting. First of all, two groups—the elderly and the children in institutions and from underprivileged homes who have to this time been of concern to society as a whole—are implementing each other. The far-reaching effects of this program can only be surmised, but there is every reason to believe that the social structure of northeastern Oklahoma will be significantly improved in years to come as a result of bringing these two groups together. Deprived children will grow up with a better chance of becoming mature citizens. The elderly, because they are engaged in meaningful work, will in the long run be less of a burden to society as a whole. The greatest benefit, however, is one which can never be accurately measured, and that is in terms of the alleviation of human suffering and unhappiness.

As the number of displaced children increases in relation to the rates of divorce and broken marriages, and as the number of elderly in our society increases, the implication of the future of the program becomes critical.

No single federal program instigated in the past 50 years has so much potential for alleviating the social problems of so many individuals at so little cost to society.

TESTIMONY RESUMED

Mr. KIRK. Senator Harris, we have taken the liberty of bringing four of our Foster Grandparents with us and we would like to have them say something.

Senator HARRIS. I'd like to hear from them. I think the Foster Grandparent program is a wonderful program. The only thing wrong with it is that there just is not more of it. I want to work to expand it everywhere I can.

Mr. KIRK. The lovely lady here in the front row is Mrs. Lillie Springs who is the senior member in age but one of the youngest in spirit. She's 87 from Muskogee. Mr. Hollaway from Adair County, over in Stilwell. Mildred Franklin and Nancy McIntosh from Eufaula down in McIntosh country.

Mrs. SPRINGS. Mr. Harris and friends. We like this Foster Grandparent Project and it has meant so much to us as a livelihood. I've heard each speaker get up and say that we don't have enough money. I was in the same shape as others. I didn't have enough money to put a fence around my yard. But when I was lucky enough to come in on the ground floor of this organization, it wasn't long until I could put that fence around. People laugh because I call it my granny fence, because I couldn't have gotten it if it hadn't been for foster grandparents. It has helped in so many ways, as Mr. Kirk has told you what it means. We are all proud of our children. You can't dislike a child when he comes in his humble way and says, "Will you give me a piece of candy?" It's just such a little thing that they're asking us to do, but it means so much to them and of all of the monies that I have received, I value most my experience with the children. I have two children at the ages of seven and eight. For three years they have never given me a sassy word because we work together, and I love children.

Senator HARRIS. Thank you very much, Mrs. Springs.

Mr. HOLLAWAY. Senator Harris, I am glad to be here to meet you folks and to say that I enjoy and recommend the Foster Grandparent program. This program has been a great help to me. I have learned more through this program than I ever knew before about the welfare of the underpriviledged and handicapped children. I couldn't even begin to tell you all the things that have happened and how much improvement there's been because time won't permit.

I do have a boy in mind and it's going to be easy for you to see how this program can benefit children. We had a boy that was the oldest boy of the family and they tested him and pronounced him unlearnable. His folks sent him to the school. The teacher gave him to me. He was so mean to the other children that I had to have a special room to take Roy and to take care of him. If he started to be unruly I'd just talk to him and explain to him what he was going to do when he got big. I'd get him reconciled and start to teach him. Now Roy is eighteen and he is a neighbor of mine and he is driving his own pickup and he's now tried for his license. He comes to my house to visit me. He has never forgotten me. Every Saturday Roy comes to my house to talk with me and he is a normal boy. He behaves himself and he is interesting to talk to. He's not a rowdy. He comes to me for me to tell him the things he asks me. I try to answer his questions. You know it is remarkable to see the results this quick—this is going on the fourth year now that I have worked in this program. Another boy I want to recommend is a full-blooded Cherokee boy. His grandmother takes care of him. We had him in the special class last year and this year he is able to go on with his classes. When I go to work he meets me at the gate and he likes for me to talk to him as we go up to the building. This is a sad thing to think about in one way. In another way when you see the results it is joyful, Senator, to understand how some children can be helped so easily. He comes to my room where I'm working now and he visits with me and when he's ready to go he always says he'll see me tomorrow.

Another thing that I want to say is that this program has been a big help to me and my own affairs. I draw social security, but I didn't have enough to support myself. I happen not to be a rich man, but I try to be a good citizen. I cut and haul wood and draw social security. One of my neighbors came to my house and said he had a job for me. He said, "I want you to be a Foster Grandparent." I said, "What is that?" He explained it to me and really I don't think he could see then like we can see now what the program would mean. The next morning I went up and they hired me and I went to work. Before I went to work, though, they sent me down to Northeastern and we took a psychology course down there that sure gave me a good start. When I started to work people didn't know much about it. I'd tell them how good it was, but they didn't believe it. Now it's quite different over in my community. We have a lot of people who see the results of these children who couldn't help themselves. Take myself, if I hadn't gotten this job I would have had to apply for old age assistance. I like to work. Every day I go to work it seems like something comes in, and we have a different thought of how we can help another child. That means something to me just to realize there is some way to help these children, children who don't have a home. I find it a great privilege to be here today to tell you what I think is good in the Foster Grandparent program. Another thing I would like to do is thank you for that money we got this year. I am so glad I can thank you face to face for what you did. We want to do more than we've ever done before.

Senator HARRIS. Thank you.

Mrs. MCINTOSH. I am an American Indian and I work as a foster grandmother at the Eufaula Boarding School for Indian girls. I am enjoying my work very much. It is unbelievable what love can do for a child who feels he isn't loved. We are real happy working with these children and it is surprising the changes that take place within a few weeks in children that felt unloved, were rowdy, didn't care about their school work. After we were with them as foster grandmothers they changed completely. They're active, in fact they just seem to be more beautiful to us. Each day as I get up I have something to look forward to—to go to this school and work with these foster grandchildren.

Senator HARRIS. Thank you, Mrs. McIntosh.

Mrs. FRANKLIN. I would like to add that I am ¾ Creek Indian and my words are few. I want to be so thankful and I want to thank you, Senator Harris, for refunding our program. It's so rewarding to see these children enjoy us and it is something for us to look forward to each day. I'm 72 years old and it's just something that keeps you active. You give them your time and your love and mostly patience. Thank you very much.

Senator HARRIS. Thank you.

I want to ask Lonnie Abbott if he has any

remarks before lunch. Representative Lonnie Abbott.

STATEMENT OF THE HONORABLE LONNIE ABBOTT, STATE REPRESENTATIVE, ADA, OKLA.

Senator, we just want to welcome you to Pontotoc County. I do hope that, Senator, you can cut some of the red tape that deals with human services in the federal government so that we won't have to spend all of our time dealing with bureaucrats to get these services to the people. I hope that the trend in the federal government will be for more services for people because truly these people have been the pioneers of this land of ours and have given to us the life that we have. I'd like to say that if we can be of any assistance at the state level, please call on us.

Senator HARRIS. Thank you very much, Lonnie.

THE WEALTH OF ALASKA

Mr. STEVENS. Mr. President, Stanton H. Patty is an able and incisive reporter from Alaska's neighbor State of Washington. He recently wrote an article for the Seattle Times of January 31, 1971. It helps put in better perspective the problems and prospects of my State.

Many Americans are laboring under the mistaken impression that Alaska is now a land of unlimited wealth with enough funds to meet its pressing social and economic needs. I ask unanimous consent that Mr. Patty's column be printed in the RECORD.

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

ALASKA

(By Stanton H. Patty)

Alaska's pot of gold is losing some of its glitter—and its gold.

A year ago at this time euphoric politicians were debating about how much of the state's new oil "nest-egg" should be socked away in a permanent, untouchable savings fund. None, at least at this time, they decided.

Now the problem is to make the money last.

State funds could dwindle to the danger point within a few years, unless the proposed North Slope oil pipeline is on stream.

While waiting for the pipeline, the growing state is going to have to bite deeply into the remaining oil money. And each time it does that reduces the principal on which Alaska can earn welcome interest.

The specter of diminishing returns already is a certainty.

To back up a bit . . .

Most everyone remembers that dramatic day in September, 1969, when the oil companies paid the state more than $900 million in bonus bids for the right to lease petroleum lands on the North Slope.

Suddenly, pauper-poor Alaska was a billionaire. Overnight, there was enough money to finance what then was the state's entire budget for something like 4½ years.

The money was in the bank the next day, fattening with interest.

That was fine—until the spell was broken.

Everything was predicted on swift construction of the 781-mile oil pipeline from Prudhoe Bay to Valdez. As soon as the pipeline was operating, the state could begin collecting new millions in royalties and severance taxes from production of the Arctic oil. Not until then.

There was talk once of having the pipeline flowing by 1972 or '73. Now, because of opposition from conservation groups, technical questions, the unsettled Alaska native land claims, and other factors, nobody knows when there will be a pipeline.

Alyeska Pipeline Service Co. has said it will take three years to build the pipeline when the go-ahead is given by the Interior Department.

That means if the permits are granted in the spring of 1971, the first oil may be moving through the line by late 1974 at the earliest. And most observers see little chance of the permits being issued that soon.

These thoughts were on the mind of Gov. William A. Egan recently when he delivered his budget message to the Legislature. It was a sobering presentation.

At the end of the next fiscal year, Egan said, the state will have a general-fund balance of $712 million. The budget will increase by about 15 per cent a year—so by June 30, 1976, the balance would fall to $84.5 million.

At best, these figures are based on North Slope oil production reaching partial capacity in 1974. That is a big "if" at the moment.

In other words, the time is near when the state is going to have difficulty funding its budgets without new oil revenue.

There will be a bright upswing of course, when the pipeline is pumping at its full capacity of 2 million barrels a day. Then the state can count on $300 million or so a year from North Slope production. Today, however, that still is a distant dream.

"The nestegg concept has become a myth," the Alaska Legislative Digest said of Egan's facts-on-the-line budget report.

There almost was relief in the words. At least now the rest of the United States will not view Alaska as an oil-booming state with no financial worries and no urgency for the pipeline.

The period ahead calls for cautious planning and thrift by state officials.

There already are public urgings to the governor and the Legislature to hold down spending. Egan's proposed general-fund budget for next year is $318 million, a request 1.2 percent above last year's appropriation.

But the hard fact is that Alaska is a state with so many needs—especially in the rural areas—and is starting from a position so far behind its sister states that spending now on "people programs" is mandatory.

"Many pictured our wealth a windfall beyond our present needs," Egan said. "Now, a year later, a more realistic picture has fallen into place. There are substantial needs to be met, and the cost of meeting them far exceeds the interest from the (oil) bonus monies.

What happened with those bonus monies?

Proceeds from the 1969 oil-lease sale originally totaled $900,486,718. Most of the money was invested immediately through the Bank of America. The market value today for the remaining portfolio is about $920 million.

Some $85.6 million later was transferred to Alaska banks for state operations. These drawdowns are certain to increase. Another $100 million was placed in Alaska banks last year to help stimulate such things as home mortgages. Some $6.3 million was invested in Anchorage Borough bonds. Almost $7 million is in out-of-state banks in certificates of deposit.

Investments earned about $179,645 a day for the state last year, when most of the fund still was intact.

THE YIELD from outside investments has been averaging about 7.3 percent, but now is declining as the national money market begins to ease. Many of Alaska's investments in government securities are maturing. They were bought when interest rates were at a peak, but soon will have to be reinvested at lower rates. Next, the investment fund itself will shrink as the state dips into the money to meet its annual operating costs until there is a pipeline.

Little wonder that the champagne atmosphere of last year's legislative session has evaporated . . .

ANNIVERSARY OF LITHUANIAN INDEPENDENCE

Mr. PASTORE. Mr. President, in the calendar of American patriotism, February can well be called "Freedom Month." We commemorate Washington whose valor gained the beginnings of our independence. We venerate Lincoln who gave "freedom" its meaning to all people.

And in this Congress—within the octave of February 16—we have established a tradition of a tribute to free Lithuania—a Lithuania that is no longer free.

The observance of the anniversary of Lithuanian independence—February 16, 1918—serves several purposes.

It reminds us that this America of ours is the product of many peoples who have contributed their courage and their culture to the creation and preservation of the American dream—the American destiny.

Thus it gives opportunity to show our appreciation of our fellow Americans of Lithuanian ancestry for the strength of citizenship they give to our particular communities—to be grateful for their character as home-loving people and shares of the stanch friendships we enjoy.

The tragedy of Lithuania—the sorrow that it is no longer free—should be a constant reminder to us of the precious liberties we are inclined to take for granted.

We have recently had a dramatic lesson in this.

It seems to be the role of Lithuania—as a people and as a person—as a nation and as an individual—to shock us into a realization of how precious personal freedom can be—and shock us into an awareness that there are governments and political ideologies to which tyranny and terror and torture are everyday facts of life.

I have in mind the day we turned our backs on a lone Lithuanian seaman who begged us for political asylum as he gained the deck of an American ship.

We saw him dragged back—brutally dragged back—Soviet style.

Freedom was in his grasp—and America denied it—America that is the product of the brave who fled the persecutions of their native lands.

So this Lithuanian anniversary appeals most forcibly to our hearts and to our consciences.

Lithuanians everywhere in the world—except in Lithuania—will celebrate this anniversary. They will recall the two decades of independence in which they proved their capability of decent and dignified democratic government.

It was a brief respite of freedom between the serfdom of the czars and the Siberia of the Soviets. It was a period in which Lithuania relived its culture with a recorded history of more than a thousand years.

It was a period of promise—born of one world war—and perishing in another.

But Lithuania never abandons hope. In its heart—Lithuania never accepts the Soviet stamp—and never will.

If America forgets the lesson of Lithuania;

If America turns its back on its millions of people determined to be free;

If America ever again turns its back on one lone Lithuanian—or any brave soul seeking sanctuary in this land that has been the sanctuary of freedom seekers these 200 years—then there will be mockery in this observance of February 16—and there will be mockery as we come to celebrate America's bicentennial on the morrow.

Let there be no mockery.

Let there be a reevaluation of the freedoms we are inclined to abuse today.

Let us remember the alternative to liberty under the law and order of democracy.

It has the chilling accent of Siberia.

Let us have none of that.

Let us have the spirit of Washington, and Lincoln, and Lithuania.

CHIEF E. GWYNN BOWEN, JR.

Mr. MATHIAS. Mr. President, all too often we take for granted the thousands of individuals engaged in public safety occupations to whom we are indebted. Our firemen, for example, repeatedly risk their own lives to save the lives and property of others. This is seen, and appreciated by the public, albeit the appreciation often fades far too soon.

But equally important is the fire prevention effort carried on by our municipal fire departments. A man who devoted much of his career to this fire prevention effort, E. Gwynn Bowen, Jr., retired recently from the post of assistant chief of the Annapolis Fire Department. Chief Bowen had been an active fireman since 1937 and had been in charge of the Annapolis Fire Prevention Bureau since 1952.

Mr. President, I ask unanimous consent that the summation of Chief Bowen's career, which was published in the Baltimore Sun on the occasion of his retirement, be printed in the RECORD.

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

[From the Baltimore Sun, Jan. 18, 1971]

ANNAPOLIS FIRE DEPARTMENT'S ASSISTANT CHIEF IS RETIRING

(By C. Mason White)

ANNAPOLIS, January 17.—The assistant chief of the Annapolis Fire Department has retired, ending a career that spanned 33 years.

Although Chief E. Gwynn Bowen, Jr., helped battle hundreds of fires, his most rewarding memories—and probably the least remembered by the public he served—are the fires he helped prevent.

Since 1952, Chief Bowen has commanded the department's fire prevention bureau and, to a large measure, his efforts have made it one of the best in the state.

BEGAN IN 1937

The chief's career began in 1937 when he joined the Eastport Volunteer Fire Company, which was then part of the Anne Arundel County Fire Department.

He became a paid firefighter in 1940 and continued to work at the Eastport station until 1952, a year after the section was annexed by the city and the station became a part of the Annapolis department.

Chief Bowen was transferred to the Fire Prevention Bureau in 1952. He was promoted to lieutenant in 1959, and to captain in 1966. He received a promotion to assistant chief in late 1969.

In that year, the National Fire Protection Association rated the bureau second best in Maryland for the year. Baltimore city received the top award.

Among his memories, the chief said, are a fire that destroyed the Middletown Tavern last May which rekindled when the firefighters were "beginning to mop up," and a 1937 blaze that destroyed the fifth floor of the old Carvel Hall Hotel.

The fire, which was possibly caused by a careless smoker, resulted in injuries for several persons.

HURT ONLY ONCE

Chief Bowen was hurt only once during his long career as a fireman. He received a broken foot on Labor Day, 1964, when he was hit by water from a fire hose and was knocked from a loading dock onto a pile of scrap pipe.

A lifelong resident of the Eastport section, Chief Bowen is married to the former Marion Fowler. They have a daughter and a grandchild.

And after a life of fighting and preventing fires, Chief Bowen said he looks forward to working in his garden and doing some fishing.

OCEAN DUMPING OFF DELAWARE

Mr. BOGGS. Mr. President, the people of Delaware are greatly concerned over the use of our oceans as a dumping ground for wastes. Tons of sewage sludge are dumped each month into the Atlantic Ocean, within a few miles of Rehoboth Beach, Del., one of the Nation's most attractive and heavily used beaches.

This dumping has resulted in the closing of shellfish beds in the area, and, if unchecked, could eventually pose a pollution danger to swimmers.

The county council of Sussex County, Del., which includes all the State's Atlantic beach area, adopted a resolution on ocean dumping. The resolution suggests a prohibition on dumping within 100 miles of the coast. As this is an important proposal, particularly in view of the various ocean dumping bills to be considered this year by the Congress, I ask unanimous consent that the text of the Sussex County resolution be printed in the RECORD.

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

RESOLUTION BY SUSSEX COUNTY COUNCIL

Be it resolved, That the County Council of Sussex County does approve and support the position of State Representative, The Honorable Harry Derrickson, in his position and work which would propose a limitation on the dumping of garbage and refuse by any governmental agency or subdivision thereof, which would include the geographical areas of Pennsylvania, New Jersey, Delaware and Maryland, within 100 miles of the Sussex County Shoreline. The County Council of Sussex County does hereby recognize and support the contention of Representative Derrickson that the Coastal area is the most valuable asset of Sussex County.

This motion was seconded by Mr. John L. Briggs and unanimously adopted in regular session of the County Council of Sussex County on February 2, 1971.

REVENUE SHARING—A CRITICISM

Mr. HARTKE. Mr. President, basic to the administration's revenue sharing plan is the presumption that the States and localities are already doing everything within their power to meet the ever-mounting demands on their resources. The accepted wisdom in this regard is that the governments "closest to the people" stand ready and eager to solve their momentous problems but are no longer able to generate additional revenue without chancing a taxpayers' revolt. What is needed, contend the plan's supporters, is a massive influx of Federal funds to supplement the gallant, albeit faltering, State, and local effort.

While it is undoubtedly true that many State and city governments are at present doing everything within their fiscal ability to help themselves, it is also the case that many jurisdictions have not even begun to utilize the revenue-producing devices available to them. In an article published in the New Republic of February 13, 1971, Prof. Melville Ulmer incisively challenges the view that the States and localities can do little by themselves to remedy their money problems. He points out that—

Thirteen States have no personal income taxes at all, while in the majority of others the effective rates are almost negligibly small.

As well, approximately the same number of States levy no corporate income tax, and six do not even have a sales tax. In view of these facts, one can reasonably ask whether the States have really done everything within their power to help themselves. Professor Ulmer concludes that they have not and suggests that a far more reasonable way to share revenues would be through a system of tax credits which would encourage the States to strengthen their own tax structures before asking the National Government for direct assistance.

Mr. President, I ask unanimous consent that Professor Ulmer's intelligent analysis of this aspect of the revenue-sharing problem be printed in the RECORD.

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

AN ARGUMENT FOR TAX CREDITS: BETTER THAN REVENUE SHARING

(By Melville J. Ulmer)

Revenue sharing is the cornerstone of President Nixon's "new federalism," which in turn provides one of the six pillars of his "new American revolution." It is a disarmingly simple scheme by which a portion of federal income tax receipts are to be distributed to the states, free of restrictions, mainly in accord with their populations.

Conservative proponents perceive in revenue sharing a grand opportunity for revivifying the languishing cause of states' rights. Liberals are spurred by the promise of more money for urban renewal, education, and welfare. Centrists are concerned especially with relieving the financial pinch of looming deficits in state and local governments. The governments. The President has emphasized "getting government back to the people." Nearly to a man, the nation's governors are inspired by the irresistible lure of getting more money without having to raise taxes. Though he is seldom given whatever credit may be due, the father of revenue sharing is Secretary of Defense Melvin R. Laird, who as a congressman from Wisconsin introduced the first bill of this kind in 1958, which he labeled the "Great Republican Alternative to the Great Planned Society."

The least controversial thing that can be

said about revenue sharing (also called tax sharing, unconditional grants, and general assistance grants) is that it is addressed to a real and present problem. Many more children in school, many more cars on the road, and a vast increase in the number of people on welfare in the central cities have boosted combined annual state and local expenditures from $50 billion to $130 billion in the last ten years. Raising the taxes to meet these obligations has become increasingly difficult, and promises to be more trying as these and other obligations (for mass transportation, police protection, pollution-free sewage disposal, recreational areas) continue to mount. The point is that at present tax rates a gap of some magnitude (estimates of its size differ widely) appears imminent between the revenue that state and local governments are likely to realize and the expenditures they will be obligated to make. To close the gap, there are three possible measures:

The federal government may turn over part of its own funds to the states and cities with no strings attached. This is revenue sharing.

The federal government may increase its grants-in-aid—that is, money distributed to the states or cities, with matching requirements, on condition that it be expended in specific ways for particular purposes such as education, welfare, and environmental control.

The state and local governments may increase their own tax rates. An interesting way in which federal government may help them to do this will be mentioned later.

The momentum behind revenue sharing stems partly from its simplicity and partly from the brilliant dialectics of some of its proponents. Perhaps first in line is the liberal economist Walter W. Heller, who in 1964 developed a plan, not unlike President Nixon's. Heller's main point, which he drives home with evangelical vigor, is the need for "revitalizing the states"—a phrase that was reused in behalf of revenue sharing with such effectiveness by Vice President Agnew at Atlanta recently that the audience response was: "Tell us what to do—wer'e ready to go to war!" Such enthusiasm, and the eloquence that inspires it, contrarily lends force, at least in some quarters, to the formidable but workaway arguments advanced against the free and easy distribution of funds to state and local authorities.

One of these arguments relates to the basic facts of the case. Are the states really at wit's end, as claimed, unable to raise additional revenue of their own because the federal government has already preempted that most efficient money raiser of them all, the personal income tax? A mere glance at the fiscal record of the states is sufficient to demonstrate that the alleged "preemption" is exaggerated. Effective use of the personal income tax is currently made in Wisconsin, Minnesota, Hawaii, New York, and Delaware with marginal rates on family incomes of $15,000 or more ranging up to 10 or 11 percent. Yet thirteen states have no personal income taxes at all, while in the majority of others the effective rates are almost negligibly small. About the same number of states have no corporation income tax, and six do not even levy a sales tax. It would seem quite clear that very few of the states have done all that might reasonably be expected to help themselves. If all 50 states had levied income taxes as high as those of the five named above, their total revenue would be raised by 7 or 8 billion dollars, considerably more than the $6 billion of new money promised in President Nixon's revenue sharing plan. Even larger amounts, were they actually needed, perhaps another $15 or $20 billion, could be added to their revenues if all the states were to duplicate the sales and property taxes that prevail in the five states in which such levies are now the highest.

Such considerations, of course, raise a question whether the states and cities really do need more financial aid from the federal government than they are now getting, a matter to which we shall return later. They raise another question, more fundamental to revenue sharing: Can state governments that lack the social motivation and political integrity to employ the fiscal powers at their command be entrusted to use responsibly a bonzana provided without conditions by the federal government? House Ways and Means Committee chairman Wilbur Mills, among many others, is skeptical, though obviously it is the attitude of Mr. Mills and not "the others" that has Mr. Nixon's revenue sharing promoters worried. Mills thinks that it is a basic principle of good government that those who spend public funds also share the responsibility of raising them. Nor is the record of honesty, virtue, and efficiency so overwhelming and universal in our state, city, and county governments that one can brush such concerns lightly aside.

Since no restrictions are applied, states may use their federal money for meeting ordinary expenses of government, for road building, monuments, elevating the living standards of deserving politicians, or even for reducing their own taxes. It is true that a frivolous use of the funds is unlikely in the more progressive states, but not necessarily in the others. A case in point arose some time ago in Virginia. A special state sales tax was imposed to raise money for aiding the counties in improving education. Perversely, some of the southern counties of the state, where educational standards as well as local taxes were lowest, used the money for reducing county taxes. In the more progressive counties of the north, the funds were applied to the further improvement of schools that had already won a good-to-excellent national rating.

One feature of the Nixon plan that has won the commendation of some liberals—especially Congressman Henry S. Reuss (D, Wis.), and economists Heller and Joseph Pechman—is the formula by which rebate funds are shared among the 50 states. The distribution is made primarily on the basis of population, with a modest weight for what is called "tax effort." Another possibility, of course, would be to return to each state the same fixed proportion of the amount it had contributed, via income taxes, to the federal revenue. The Nixon approach has the apparent advantage, from an equity standpoint, of giving much more, relative to their contributions, to the poorer states. The actual results of the formula, however, may look less attractive when examined more closely, for its main effect is to redistribute money away from the highly urbanized and "wealthy" states, where problems of poverty and crowded ghettos are most pressing, and the more rural states where needs may be less.

Thus, for every dollar that New York contributes (through the income taxes of its citizens) to the revenue sharing kitty, it would receive back from the federal government only 87 cents in the Nixon plan. In contrast, Mississippi would receive $2.50 for every dollar paid out. Similarly, Pennsylvania would receive 79 cents and Illinois 60 cents for every dollar contributed, but Alabama would get $1.56. Other prominent losers in the plan are Connecticut, Delaware, the District of Columbia, New Jersey, Ohio, Missouri, New Hampshire, Massachusetts, Rhode Island, Maryland, Indiana, and Michigan—in other words, the states that have been most urgently calling for assistance. (They are also the areas in which middle-income groups are now pressed mostly severely by relatively high state and local taxes.) The largest gainers, aside from Mississippi and Alabama, are North Dakota, New Mexico, Louisiana, South Dakota, Arkansas, Idaho, Arizona, South Carolina, Wyoming, Kentucky, Utah, Hawaii and Alaska. As Congressman Mills declared, "It seems to me that this [revenue sharing plan] actually is the reverse of facing up to the urban problem that we have been hearing about."

Mills' observation gathers greater force when one speculates on the chance that the funds going to Mississippi, Alabama, and similar states will actually filter down in significant volume to the poor people. It is true that the average monthly welfare payments to families in Mississippi is about $35 against $250 in New York, but it is much less than certain that this frightful disparity would be narrowed by revenue sharing. A more reliable approach is to nationalize welfare, or at least set federal standards for its dispensation. The best way to help the poor, in other words, may be to help poor people rather than states. Nationalizing welfare, incidentally, would itself provide as much fiscal relief as the Administration's revenue sharing plan, since the annual bill for welfare at the state and local level is $6 billion and is rising.

Earlier reference was made to the possibility that most states may be capable of helping themselves, despite all the lachrymose visits of governors to Washington. Fortunately, there is a simple method available by which all states can be both enabled and induced to help themselves—a practice that could do more for their "revitalization" than the most generous handouts from the federal treasury. The method involves permitting taxpayers to charge some substantial part of their state and local income-tax payments against their federal income-tax liability. As a sample of what could be done, and what it would accomplish, consider the following proposal:

Present regulations allow the citizen to deduct from his own income all the state and local taxes he paid before computing the income tax he owes the federal government. For a taxpayer in the 20 or 25 percent tax rate bracket, this "itemized deduction" permits a saving of 20 or 25 cents for every dollar paid to the states, cities, or counties. Now suppose an additional credit is allowed amounting to 50 percent of the state and/or local income tax, and permit this credit to be charged directly against his federal tax liability after all itemized deductions had been figured. A citizen who paid $200 to his state in income tax could reduce his net federal liability by $100. The saving to the average taxpayer derived from the state or local income tax, taking account of the itemized deduction and the special credit, would be about 70 cents on the dollar.

Just one limitation to this allowance would be necessary so that the central government could maintain a reasonable control over the size of its own revenue. The credit allowed would have to be limited to some proportion of the federal income tax owed, perhaps 10 percent. Then, if the citizen paid $200 in state income tax, and owed $1200 to the federal government, he could deduct a full 50 percent or $100 from his federal liability. But if his state income tax were raised to $300, while his federal liability remained the same, he could deduct just $120 rather than $150 because of the 10 percent limitation.

The result of prime interest for state and local governments is that the proposed credit, on top of the itemized deduction already allowed, would enable them to raise an additional dollar of income tax receipts at a net cost to the average taxpayer of less than 30 cents. If they made full use of their opportunities (up to the maximum credit allowed against the federal income tax), as I think they would, state and local revenue could be increased by about $12 billion annually in the year or two ahead. If the federal government assumed full financial responsibility for welfare, as proposed above, an additional

$7 billion of uncommitted revenue would be made available for state and local governments. This grand total of nearly $20 billion of additional revenue is more than three times the amount of new funds provided in the President's revenue sharing plan and about twice the amount the governors have publicly dreamed about in their most immodest entreaties to Washington.

The tax credit has some additional advantages over the revenue sharing plan. It would not divorce the taxing responsibility from the spending responsibility in the states, cities, and counties. It would not discriminate against the more urbanized states in favor of the others. It would not preserve the tremendous disparity in taxes which now exists for citizens in the same income bracket in different parts of the country, as revenue sharing does. Instead, the tax credit motivates reform. It encourages authorities that now make little or no use of the income tax to exploit this measure in preference to their other, more regressive levies. (Note that the special credit is allowed only for state and local income taxes.) It stimulates lagging states to raise the additional revenue required for neglected public services. At the same time, the tax credit plan preserves a desirable degree of fiscal flexibility for state and local authorities. Instead of receiving some lump sum from the federal government, always in some degree unpredictable, as in revenue sharing, they would remain in full command of their own budgets. By the same token, taxpayers would retain a greater interest in, and control over, what was done with their money.

If the tax credit can do all that, one may wonder why someone didn't think of it before. The answer is that many did. Tax credits have been used in Europe and proposals for their introduction in the United States have been advanced by the Advisory Commission on Intergovernmental Relations (a government agency) and the Committee for Economic Development (an association of liberal businessmen). Walter Heller wrote his doctoral dissertation on the subject, though his youthful enthusiasm has dimmed. The fact that friendliness to the idea has been expressed by Congressman Mills, a number of other legislators plus the AFL–CIO speaks for its political feasibility.

Nothing in the revenue sharing plan *or* in the tax credit proposal bears directly on the 500 or so different grants-in-aid that the federal government now dispatches to the states and cities at an annual cost of $27 billion. The complaint from some is that these federal gifts are so bound up in reports in triplicate that only a desperately courageous local official will touch them—though as it turns out, all local officials seem to be desperate and courageous. In any event, no one rejects the grants, though practically everyone agrees that some consolidation and simplification is in order. A responsible study may well disclose that some of these federal programs ought to be turned over to the states and cities, administratively and perhaps financially too. It would be a foolhardy reversal of the wheels of history, however, to go too far in that direction. From the Civil War itself to the national law of 1938 protecting women and children in industry, experience reminds us that at least on some key issues the states not only have been led, but apparently must be led, by the federal government.

MILLS ALTERNATIVE TO REVENUE SHARING

Mr. BAKER. Mr. President, on Sunday, February 14, the New York Times published a column by Tom Wicker on the subject of revenue sharing.

The column is a thoughtful and perceptive piece which not only reviews the effect and importance of the measure itself, but also senses the attitudes and alinements which are resulting.

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

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

AN IDEA WITH YEAST IN IT

(By Tom Wicker)

WASHINGTON.—It already seems likely that President Nixon's revenue-sharing proposal will stir the most searching domestic debate in many years in this usually hidebound city. That is not just because of the idea's virtues, which are numerous, but because it raises in the most specific way the question of how to spend the nation's money, and on what.

Alert Democrats already sense that Mr. Nixon, with his revenue-sharing speech, has regained much of the political initiative that he seemed to have lost after the 1970 elections. Again, that is probably not so much because the plan itself is overwhelmingly popular with the public as because it is an obvious effort to move in a new direction on matters that have not yielded much to older programs.

In responding to the revenue-sharing initiative, whether with opposition or with an effort to provide equally attractive and more effective alternatives, the Democrats are being forced to re-examine the legislative assumptions and Federal approaches that have become standard since the New Deal—Federal matching grants, nationally administered programs, standards of performance set by Washington, and the like.

The most discussed possibility for a "Democratic alternative" appears to be taking shape in the House Ways and Means Committee, whose chairman, Wilbur D. Mills of Arkansas, has expressed strong resistance to turning over $5 billion in Federal revenues, no strings attached, to the states—an important part of Mr. Nixon's plan.

Mr. Mills is said to be developing the idea of a Federal takeover of the state and local shares of the costly welfare program; this would satisfy his desire to retain Federal responsibility for Federal revenues and at the same time Mr. Nixon's demand for financial relief for the hard-pressed states and municipalities.

Thus, Mr. Nixon's landmark proposal, whatever its specific fate, already seems likely to produce useful results; Mr. Mills has not in previous years expressed much interest in a Federal welfare takover, and the President's initiative obviously was what stirred him to action.

Moreover, some reports suggest that Mr. Mills's alternative might even improve upon Mr. Nixon's long-standing proposals for reforming the welfare system. Under the President's Family Assistance Plan, an inadequate income floor of $1,600 for a family of four would be established. The Mills alternative might be able to raise that figure to a more nearly adequate level—$2,500 or $3,000—by taking over for welfare purposes the $5 billion Mr. Nixon has proposed for no-strings revenue sharing.

Even so, the Mills alternative is not necessarily to be preferred to the Nixon revenue-sharing program. For one thing, the state and local financial crisis is rather general, and stems more nearly from strained tax bases than from rising expenditures. While states and cities have many governmental sins to answer for, refusal to spend the money they have is not usually one of them; in most cases, taxes have been raised to the breaking point to pay for the rising costs of local government.

Therefore, while a Federal takeover would lift a major obligation off the hands of some state and local governments, it would not attack the root of the general problem. On the other hand, revenue sharing—under which each year a sum equal to 1.3 per cent of taxable personal income would be returned to the states—would provide a fund that would directly tap the growth of national wealth; presumably, in time, it would rise far above the $5 billion to be set aside the first year.

Moreover, as Representative John Anderson of Illinois pointed out in the House last week, the Mills alternative would not be as big a lift for most states and cities as it might seem, and would deliver its benefits in highly selective fashion.

Mr. Anderson calculated that California, New York and Massachusetts would collect 51 per cent of the benefits of a Federal welfare takeover because of their huge welfare loads and higher payments; but that under the Nixon revenue-sharing plan, those three states would get only 24.6 per cent of the benefits. Mr. Anderson said 37 states would get less from a welfare takeover than they would from revenue sharing.

Besides, the whole matter is viewed too narrowly if it is taken to be solely a dollars-and-cents question. One of the main purposes of Mr. Nixon's plan is to improve the initiative, responsibility and performance of state and local governments.

In no small part, the well-known inadequacies of these governments result from their financial dependence on a narrow tax base dominated by powerful parochial interests and over-burdened property owners. It is a stand-pat and fruitless attitude for liberal critics to complain that local government is no good, so giving it money is wrong; in fact, revenue sharing, properly conceived and administered, can be a remedy for what's wrong, not a reward to the culprit.

ELLICOTT CITY, MD.

Mr. MATHIAS. Mr. President, one of Maryland's many historic communities is Ellicott City, the seat of Howard County. Ellicott City was founded 200 years ago and has passed through good times and bad. It has been a small industrial community and a summer resort, and, most notably, it was the first terminus of the first railroad line in America.

The Baltimore & Ohio station, built in 1831, was at the end of the run when that first line was built from Baltimore to Ellicott City. It was on that line that the Tom Thumb, first steam locomotive, raced a horse-drawn wagon—and lost. The station is now a national historic landmark.

The charm of the community has been captured in prose by Judy Wiebe in an article published in the Sunday Star magazine of Washington of February 7. 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:

OUT OF TOWN

(By Judy Wiebe)

It took only one visit to turn me into an unofficial Ellicott City booster, and I have never been able to understand why everyone does not share my enthusiasm for the town's diverse charms. It has character and individuality. It has interesting hilly terrain; narrow, winding European-village-style streets: craft and antique shops; and a railroad station down by the Patapsco River which is the oldest train terminal in Amer-

ica. Then there are the clinchers. In what other town is the most Prominent Landmark the decaying remains of antebellum-styled building that had been a finishing school for young ladies during the Civil War? Where else can one find a town whose main street food market is fronted by cages containing noisy live chickens and rabbits? Or a town having a Greek restaurant of dubious ambience that serves what I consider to be the world's best cole slaw?

Historic Ellicott City is the county seat of Howard County and is located just 10 miles west of Baltimore. It was founded in the early 1770s by three Pennsylvania Quakers, John, Joseph and Andrew Ellicott, who chose land along the Patapsco River rapids as a location for their gristmill. According to an article written by Star historian John Claggett Proctor in 1939, the Ellicotts found the entire valley to be a wilderness covered with great trees, the growth of centuries, including oaks of different sorts, hickory, maple, gum, ash, chestnut, and all other varieties of trees common to that section of the country.

The location selected by the Ellicotts, at first a settlement called Ellicott Mills, soon became a bustling town with ironworks, a furnace and rolling mills, schools, with stores and houses built of granite from nearby quarries. In 1868, much of the town close to the river was wiped out by a flood, and rising waters also have created destruction in more recent years.

Many inventions, including a type of wagon brake, have been attributed to the enterprising Ellicott family. One of the more unusual inventions was a musical clock with four faces made by Joseph Ellicott. The clock played such tunes of the day as "The Hounds Are All Out," "Willingham Frolic," and "The Lass With a Delicate Air."

Someone, possibly an early chamber of commerce type, once referred to Ellicott City as the "Switzerland of America"—clearly a blatant bit of hyperbole. The person who dreamed up the label had the correct instincts, however. The town is built around, beside and even into steep granite hills. At some points along the several blocks of Main Street, huge boulders extend nearly to the edge of the sidewalk. Homes built more than 150 years ago from locally quarried stone appear to perch precariously on cliff edges and hug roads that curl up and down the rocky hills. Ellicott City conveys an impression of utilitarian oldness, and because of the solidity of its buildings, street width and terrain alone, seems vaguely foreign.

If Ellicott City is only somewhat alien, it has a definitely fusty flavor about it. In 1957, movie-makers searching for a locale to film scenes set in the 1930s for Paddy Chayefsky's screenplay, "The Goddess," chose the town as an ideal site. Changes have come more rapidly in recent years, but the aura of nostalgia remains.

To get a maximum benefit from an Ellicott City excursion, it helps to be at home with the friendly ghosts of the past. This is particularly true when contemplating the life and hard times of the Patapsco Female Institute, situated on one of the town's highest hills. It once was a magnificent white-pillared mansion with a commanding view of the entire town, but now it is a crumbling shell surrounded by long-untended flower beds, bushes and trees. When I first visited the institute, it was possible to walk around the buildings and grounds. Then, even amid the beer-can residue of teen-age trysts and the splattered signs telling that the "Class of 62" had been there, it was not difficult to imagine horse-drawn carriages rattling along the magnolia-lined curving drive and discharging dashing swains at the columned entrance as crinolined proper ladies peeked out from behind damask draperies. What fascinating stories of young joys and heartbreaks, one speculates, lie buried forever in the ruins?

The building has filled diverse roles over the years. As a finishing school, its famous alumnae included Jefferson Davis' daughter, Winnie, and Alice Montague, the mother of Wallis Simpson, who became the Duchess of Windsor. It was a hospital-school for returning veterans during World War I and, in the 1930s, was a professional summer stock theater. Plans have long been in the works to restore the mansion to its former elegance, but raising money has been a problem.

More recently, the property was fenced off, but visitors still can see the mansion's facade from the county courthouse parking lot, located below the remains, or view the rear of the building and grounds from Church Road, which curves past the site.

Recently, having neglected Ellicott City for a longer than usual period of time, I drove there with a friend to see what changes had been made. The most direct way to go is on U.S. 29, but the new road construction near the city of Columbia makes the drive a bit difficult. If you're not in a hurry, there are more scenic ways to get there.

The most attractive approach to the town is Columbia Road off Route 29, and we took this way. The road is level for a while, then winds down into the heart of Ellicott City and past the Quaker cemetery, where Andrew and John Ellicott are buried. Occasionally, a twist in the road provided a momentary glimpse of the courthouse on a hill or the old First Presbyterian Church, now the headquarters of the Howard County Historical Society.

Our first stop was Tongue Row, a series of stone houses clinging to the edge of a steep ravine that runs along Columbia Road. Built by a Mr. Tongue in the early 1800s as homes for millhands, the houses now are the site of the town's most interesting craft, fabric and antique shops.

The number and variety of stores on both Tongue Row and Main Street are sufficient to keep any antique hound happy. Fortunately for my pocketbook, it was a weekday, and many of the places were closed. (All of them are open on Saturdays and Sundays, but during the week the visitor must take pot luck, since many of the owners are not full-time dealers.)

Most of the stores specialize in smaller items—glassware, china, silver, lamps, some quilts and linens, etc.—rather than in large, expensive pieces of furniture. Prices are quite often below big-city antique shop prices, so the casual shopper can have fun browsing and then take something home without feeling as though his budget has been ruined forever.

At Mitzi's, a tiny Tongue Row shop where jewelry is the specialty, I learned of a woman on Social Security who recently shopped for more than three hours to find presents for all her grandchildren, and left satisfied after having spent a grand total of $5. On the other hand, Mitzi also sells some quite valuable jewelry, including lockets from ancient Greece in which warriors kept bits of garlic for luck. While I was there, I fell in love with a Victorian chatelaine, from which dangled a silver perfume bottle, rouge compact, mirror and pencil—all that a young lady needed to carry with her to a dance! And my friend saw a fur muff which she couldn't wait to get home to tell her husband about. As it was, our purchases amounted to one tin breadbox, which cost all of $1.

Nearly every store in Ellicott City is housed in a building of historic interest. The Iron Rail, where we looked at beautifully tinted old engravings, is in the Howard House, once an elite hotel well-known for its exceptional food back in the 1850s, when Ellicott City was a summer resort. Because the Howard House is built on the hillside and its fourth-floor front is about level with the ground-floor rear, people going to the courthouse used to enter the hotel from Main Street, climb three flights of stairs and walk out the back to get on the street level of the courthouse. The hotel's owner didn't mind, since many people would smell the food cooking in the restaurant they had to pass and would stay for dinner.

The Ellicott Country Store, smelling of spices, candles and herb-scented soaps, was originally the Walker-Chandler House, built in the 1790s as a private home but often used to house travelers when the inn was full. (There is a mystery about the house, because Mr. Walker fell to an untimely death from the second-floor porch which runs across the front of the building.)

Across the street is the shop run by Edgar E. Shaffer Sr., a derrick driver who retired in 1966 and has made a new career out of his hobby of repairing antique clocks. It would be easy to spend hours browsing in Mr. Shaffer's store, where all is quiet except for the soft clucking and click-tick-whirr of beautiful and unusual clocks.

Not all of the interesting shops in Ellicott City offer antiques. The Artists Son on Tongue Row sells leather goods, pottery and other items made by contemporary craftsmen. There are two well-stocked fabric stores, a small one on Tongue Row (with the most gorgeous array of trims and ribbons I've ever seen) and a large one on Main Street in what was once Disney's Tavern. Opened in 1840, the tavern was Ellicott City's social center and a stopping place for citizens called to town for jury duty.

In refreshing contrast to the musty reminders of the past is a new store which had opened only a few days before our visit—Appalachian Outfitters, featuring such fresh-air items as hiking shoes, lightweight packets of reconstituted trail foods, backpacks in all sizes and colors, climbing gear, foldout maps of the Appalachian Trail and books on camping and nature. Even here, though, history intrudes, for this new shop is located in one of the oldest buildings in town, the Old Emporium. The only building along the banks of the river to survive the flood of 1868, Radcliffe's Emporium was stocked with calicos and coal, lime for the fields and household staples. Where families once stopped to pick up town gossip along with needed supplies, the adventurous now can be outfitted for a kayak trip.

As a railroad buff, I made a point of strolling over to the old Baltimore & Ohio station, built in 1831 as the terminus of the first railroad in the United States. The line went from Baltimore to Ellicott City, and it was along there that the Tom Thumb, the first steam locomotive, raced a horse-drawn wagon—and lost. The station, now a National Historic Landmark, was used until 1949, when passenger service was discontinued.

Not far from the train station is Valmas' Restaurant, where we stopped for a late lunch before heading back to Washington.

Valmas', a curious combination of family restaurant, package store, bar, neighborhood coffee house and soda fountain, is operated by brothers John and Paul Valmas, who are of Greek parentage and have been in the business of feeding the town's citizens since the 1920s.

How to explain the Valmas' Restaurant? High-backed dark wood booths, which would offer diners some privacy, were it not for the penchant of the jovial brothers to tease their regular customers and to make strangers feel at home by striking up a conversation. Simple, inexpensive fare served in an atmosphere of friendly warmth. Endless talk of politics and the daily doings in town. In Valmas' Restaurant, Washington seems farther than a one-hour drive away, and events in the Nation's Capital are allotted less discussion time than are the glories and

agonies of Greece, which the brothers visit periodically.

If the menu of this restaurant-tavern-soda fountain is starkly basic (on a given day, the "special" might be meat loaf, potatoes and vegetables), it should be noted that some items are homemade and very good indeed. On this particular day, I had a tasty hot sausage sandwich while my companion happily munched on a thick hot pork sandwich. And both of us enjoyed excellent homemade soup and the homemade cole slaw, which I think is superb. The restaurant is open weekdays and Saturdays, and closed Sunday.

During the latter part of the 19th century, Ellicott City was a popular summer retreat for Baltimoreans, who traveled to it by train, and it remained a main stop on the expanding B&O line for many years. A streetcar line carried passengers to and from Baltimore County. And heavily traveled roads from Washington and Frederick passed through Ellicott City.

Beginning in the late 1930s, however, the town fell into an out-of-the-way obscurity marked by a severe economic decline. The automobile was the main culprit. Ellicott City eventually was bypassed by U.S. Route 40 and Route 29, and the town's role as a leading shopping area for Howard County diminished.

Now Ellicott City stands to benefit from the Howard County development boom sparked by construction of Columbia, and the area is becoming more popular yearly both as a place to live and to visit. Some of the town's oldtimers, among them the Valmas brothers, view the crowds of out-of-towners who tour the shops on weekends with mixed emotions. There is the threat that the place will become too popular and thus, to some people's way of thinking, spoiled. The town's streets one day may resemble those of Harpers Ferry on the Memorial Day weekend. But it hasn't come to this yet.

CREATION OF NEW SUBCOMMITTEE ON RURAL DEVELOPMENT

Mr. TALMADGE. Mr. President, I am very proud of my new assignment as chairman of the Committee on Agriculture and Forestry. I am conscious of my added responsibilities and the increased opportunities for service that have been afforded me, and I will endeavor to discharge my duties to the very best of my ability.

In organizing the committee, we created a new Subcommittee on Rural Development. I hope to make revitalization of the Nation's countryside and small towns a major thrust of the committee, in an earnest effort to achieve more of a balance between rural and urban America.

The distinguished Senator from Minnesota (Mr. HUMPHREY) will be the chairman of the subcommittee, and I know that he is also very much concerned with the rural-urban problem.

I am very much encouraged by the fact that there is also increasing interest in Congress and the Nation's news media. The Atlanta Journal-Atlanta Constitution of Sunday, February 14, 1971, contains a very fine editorial column on the need for rural development, written by Jack Spalding, editor of the Journal.

I bring this to the attention of the Senate and ask unanimous consent that it be printed in the RECORD.

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

THE RUSH TO THE CITY: CAN IT BE SLOWED?

(By Jack Spalding)

For better or worse we are an urban country and we grow more urban. The 1970 census shows 73.5 per cent of us live in urban areas compared with the approximately 70 per cent of 10 years ago.

If you're a sentimental Southerner or an agrarian you will be appalled to learn that the South is going urban rapidly. The percentage now is 64.4 per cent, up from 58.5 per cent the previous census.

This isn't particularly good news if you believe in balance and that a strong countryside helps make for strong cities. Nor is it cheering if you subscribe to the theory that city life is enervating, even for the well to do. Nor will it make you happier if you belong to the group which believes that crowding is a chief cause of the modern madness which may be described as man's hostility to his fellow.

Still, we remain an urban country and the trend is going to accelerate as there's not much left to keep a man on the farm. Bad as city life is, at least it can be said that social services can be found within the worst of our cities, whereas all too few of our rural areas can pretend to offer the sort of medical educational and legal aid the hard up require. So until the balance is redressed there's no reason to expect a reversal of this migration.

What holds true for the country and the South holds true for Georgia, and the scales have been tipped toward urbanity (in a manner of speaking) for a number of years. There seems no end to the future of the state's urban areas whereas the future of a number of rural counties with declining population and economic resources is a matter of worry.

Along with this urbanization comes a change in the racial balance. Many of the migrants to the cities are blacks who formerly drew their living from a system of agriculture which no longer needs them. Their hope is in the cities, wishful though this often is. Atlanta, however, offers a good example of blacks who have adapted to urban life and are prosperous, not to say rich. Atlanta also can offer more examples than it cares to of both whites and blacks who have moved to town to find even more misery and poverty.

The census also showed that Atlanta's black population now is 51.3 per cent as opposed to 38.3 per cent 10 years ago, a sharp indication of this immigration, considering that the city registered a small net gain in population during the period.

Urban societies, due to concentrations of poverty in isolated and overcrowded neighborhoods present a volatile political and social situation. As the nation grows more and more urban there's little hope that this is a problem which will take care of itself.

Acting on the assumption that we'd like to continue living in an orderly, peaceful society, reasonably voluntary in its adherence to law and order, our movers and doers have to find a way to redistribute the urban surplus (voluntarily) or find a way to merge its members into the productive end of urban life.

We've spent billions on the latter. We need a prophet with fresh inspiration.

Concerning redistribution, the idea is to make the country more attractive than the city and there are state and national beginnings on this one at this moment. Considering the money we've spent on the former method and the relatively negligible results, let's gamble something on an experiment in richer rural living.

A REPORT ON VIETNAM AND SELECTED SOUTHEAST ASIAN COUNTRIES

Mr. GURNEY. Mr. President, in November 1970, at the request of the distinguished senior Senator from Arkansas (Mr. MCCLELLAN), chairman of the Senate Government Operations Committee and the Permanent Subcommittee on Investigations, I visited Japan, Korea, Vietnam, Thailand, Kuala Lumpur, Singapore, and the Philippines. I was accompanied by my administrative assistant, Mr. Charles L. Mangers and three members of the subcommittee staff, Mr. Phillip W. Morgan, Mr. Carmine Bellino, and Mr. LaVern J. Duffy. The subcommittee's chief counsel, Mr. Jerome S. Adlerman, was unable to accompany us because of illness.

Our inquiry had four general aims:

First, to look into allegations of corruption in the operations of post exchanges, military service clubs, and black marketeering;

Second, to look into allegations of continued illicit currency manipulations in Vietnam;

Third, to observe firsthand the operations of the Agency for International Development programs in Vietnam; and

Fourth, to make a preliminary inquiry into the question of worldwide unrest and student disorders.

I have completed my report to the chairman on that trip and have formally delivered it to our distinguished chairman. I now ask unanimous consent to have several portions of my report reprinted into today's RECORD.

On this occasion, I again wish to express my gratitude to members of our subcommittee staff Messrs. Duffy, Morgan, and Bellino who gave me such great assistance on this assignment and to my own assistant, Mr. Charles L. Mangers, who made such a great contribution. I would also like to publicly express my gratitude to our diplomatic representatives in Asia who treated our party so courteously and with so much hospitality.

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

EXCERPTS FROM THE REPORT TO SENATOR JOHN L. MCCLELLAN, CHAIRMAN, SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS, REGARDING MATTERS IN VIETNAM AND SELECTED SOUTHEAST ASIAN COUNTRIES BY SENATOR EDWARD J. GURNEY (REPUBLICAN, FLORIDA), A SUBCOMMITTEE MEMBER

* * * * *

A. Vietnam

An appropriate beginning to this report, I believe, is to quote a portion of USAID Director Donald G. MacDonald's report to our Ambassador, dated January 1, 1970. In the introduction, Mr. MacDonald says:

"* * * The United States Agency for International Development—USAID—has the mission of implementing the United States Economic Assistance Program in Vietnam. In so doing USAID has been providing economic aid and advice to the republic over a period of 18 years, and by the end of 1969 had spent or committed something less than $4 billion dollars. U.S. economic aid to Vietnam, including Food for Peace (PL 480), reached a high of $646 million in FY 1967. It dropped

to $548 million in FY 1968 and to $408 million in FY 1969. Although small compared to U.S. military expenditures, American economic aid has changed and is changing for the better the everyday living of the people of Vietnam."

Because appropriated funds cannot always be expended during the time frame for which they are obligated, the actual figures for Fiscal Years 1966–1969 and their category breakdowns as presented to us were as follows:

[In millions of dollars]

General category	Fiscal year 1966	1967	1968	1969
Food for Peace (Public Law 480)	111.4	170.8	162.6	96.7
Commercial import program	397.0	202.1	160.1	130.0
Project program	176.5	273.4	220.6	158.6
Total	684.9	646.3	543.3	385.3

The amount for fiscal year 1970 and that planned for fiscal year 1971 were as follows:

[In millions of dollars]

	Fiscal year 1970	1971
Food for Peace (Public Law 480)	106.0	[1] 100
Commercial Import Program	240.0	[1] 300
Project Program	168.2	[1] 100
Total	514.2	500

[1] Estimated.

AID and State Department Officials stressed the need for a continuing amount of piaster generation through the Commercial Import Program in order to strengthen and maintain a viable economy for the Republic of Vietnam during the period of our troop withdrawals and to give them adequate foreign reserves at the same time. I shall discuss that subject at greater length in this report.

1. The U.S. Mission's Role in Vietnam

There are four main groups, or components, in the United States effort in Vietnam. They are the U.S. Embassy, which theoretically "runs" the whole mission, headed by Ambassador Ellsworth Bunker, who is assisted by Deputy Ambassador Samuel Berger; Civil Operations and Revolutionary Development Support (CORDS), headed by Deputy Ambassador William Colby; the Agency for International Development (AID), headed by Director John R. Mossler; and the Military Assistance Command (MACV), commanded by General Creighton Abrams.

As a member of the Senate Permanent Subcommittee on Investigations, I was principally concerned with examining allegations of waste and efficiency in management and operation of the military clubs and post exchanges which will be further referred to in a separate section of this report. In this section, I will consider the operations of the Civil Operations and Revolutionary Development Support and the Agency for International Development.

2. Civil Operations and Revolutionary Development Support (CORDS)

The report of the U.S. AID Mission to Vietnam to Ambassador Bunker, dated January 1, 1970, describes the work of CORDS:

"CORDS-pacification support

"The provision of adequate security remains the principal objective of the Government of Vietnam with the assistance of the United States and other Free World nations. Following security, and in many cases being an integral part thereof, is pacification. Under the United States Military Assistance Command (MACV), a combined military-civilian advisory group assists the GVN in the process of pacification. Known as Civil Operations and Revolutionary Development Support (CORDS) this group, staffed by U.S. Military and USAID civilians, carries out its activities in Saigon and in each of Vietnam's 44 provinces."

The Volunteers for Vietnam, a small, private organization that is headed by Congressman Fred Schwengel (R., Ia.), and which traveled to Vietnam in 1967 and in 1970 at the suggestion of Presidents Lyndon B. Johnson and Richard M. Nixon, have their own definition of "pacification".

It is:

"So far we have discussed different aspects of economic and social development. When put together along with political and security developments, you have what is termed pacification * * * Pacification is said to be built on a base of political support and combined with security and development." (Report of the Volunteers for Vietnam, dated August 12, 1970, page 5).

Pacification work has been going forward in the rural areas of Vietnam under the auspices of CORDS for about 2½ years, although earlier the development effort was completely under civilian control. While we were not provided with a budgetary figure, we found it important to note that, as of June 30, 1970, the AID mission employed some 1,800 direct-hire Americans in Vietnam. However, some 950 of these individuals were working for CORDS. These 950 civilians were complemented if not overwhelmed, by U.S. military personnel; that is, for every U.S. civilian working on pacification there were six U.S. military personnel doing the same thing.

The manner in which the combined personnel are distributed is also of interest. Organizationally, CORDS is a part of MACV. Administered from Ton San Nhut Air Force Base near Saigon, CORDS provides advisors for the Government of Vietnam (GVN) at practically all levels of the Vietnamese Governmental structure.

In each of the four major Corps areas of South Vietnam, a civilian is in charge of the CORDS operation. At the district level, practically all of the senior advisors are U.S. military officers, usually with the rank of Colonel, and at least one-half of the province senior advisors are also U.S. military officers.

It is important to note the distinction between district and province levels in the Vietnamese Governmental structure. The 44 provinces and the 6 major cities in South Vietnam within these provinces, have provisions under the 1967 Constitution for the election of province and city councils. The first elections under the Constitution were to have been conducted in 1968 but were not held because of the Tet offensive. Elections for these positions subsequently were held on June 28, 1970.

The provisions for province chiefs are different. At the present time, all 44 province chiefs are appointed and all are GVN military officers. This may be remedied fairly soon, as the Constitution of the Republic of Vietnam states that the President may appoint province chiefs during his first term of office, implying that they are to be elected at or after the President's election in 1971.

The same is true for district chiefs. We were advised that the district level of government has no standing as far as the Vietnamese Constitution is concerned. It supposedly is an administrative unit and the district chief is always a GVN military officer, appointed to the post. He theoretically is responsible to the province chief but, like the province chief, he has both civil and military responsibilities.

This type of an arrangement, without adequate safeguards, lends itself to a great deal of temptation. Commodities and funds made available by either the GVN or the United States Mission for military support or development purposes are dispersed by province chiefs. All commodities for villages within provinces must pass through district headquarters, on their way to the province chiefs. In effect, both categories serve two masters. Not only do they fall in the military line of command under the GVN military Corps Commanders, but they are also responsible for the civilian operations in their province and, to some extent, they serve the various civilian ministries as well. While it could be argued that this might result in a series of checks and balances, it seems to me that the system in operation tends to institutionalize inefficiency and permit, if not encourage corruption.

In addition, there was no evidence of an effective surveillance, audit, and inspection system to prevent corruption and misuse of such resources. In fact, we were told that there is disagreement among American officials concerning the responsibility for accounting for AID resources placed at the disposal of CORDS.

Corruption at the village and hamlet level is relatively minor, partially because the receipts and expenditures of those governmental entities are posted regularly for everyone to see. Another factor, I think, is that the villages and hamlets have been holding free elections to choose their leaders since the new Constitution was officially announced on April 1, 1967. We were advised that since May of 1970, 2,000 of a total of 2,552 villages, and 9,800 of a total of 10,552 hamlets are functioning under elected governments.

I would certainly encourage the elimination of the GVN province chiefs and district chiefs from their presently appointed roles. Once elected, these officials should serve in civilian capacities so as to be truly responsive to the wishes of their constituencies. It is entirely possible that once the security situation is stabilized, the position of district chief will disappear.

If the true elements of a successful pacification effort include economic, social, and political development, along with a secure environment in which these seeds can take root, then, it is important for the United States military role in the CORDS operation to begin to phase out as soon as possible.

The goals of CORDS, as we understand them, are admirable. They center on education, agriculture, and public health. The program stresses elementary education, and it is claimed that 83% of the eligible children are now in elementary school. The emphasis is on teacher training and quality education. Agriculture stresses the production of rice, poultry and pork. In public health, a great deal of the emphasis is on preventive medicine. A very significant part of this effort is directed towards training and teaching the Vietnamese to take over the various programs. We seek to have the Vietnamese capable of caring for themselves productively after we leave the country.

The goal of the pacification effort is indisputably good. But, the way it is operated seems questionable to me. CORDS personnel work closely with their GVN counterpart, the Ministry of Rural Development, which has the GVN responsibility for carrying out the pacification program. There also is an inter-Ministerial group involving all GVN Ministers in pacification work called the Central Pacification and Development Council (CPDC). CORDS provides advisory assistance to this Council as well.

These GVN Ministries are civilian-oriented and thus it seems sensible for the United States advisory and support effort in this regard to be civilian-oriented as well. In time, CORDS should be under civilian con-

trol, with MACV furnishing only such support as CORDS cannot otherwise provide.

Additionally, while the need for security in some areas of South Vietnam is paramount and undoubtedly is furnished to a considerable degree by the American military presence, especially in the smaller villages and hamlets, nevertheless it is also logical that the U.S. civilians working in the CORDS effort would be more skilled in Province Senior Advisor work than their military counterparts. Certainly, this would normally be true in educational and agricultural work. In public health, there might be corresponding degrees of expertise available from either source.

Finally, the role of U.S. civilians will be increasingly important as our military forces decline in strength through the troop withdrawal program.

The Director to the USAID Mission to Vietnam did not necessarily agree with my recommendations in this regard. He felt that security now is basic to everything we are doing and, therefore, CORDS should remain under military control. No one can quarrel with his concern for security. But, many other individuals with whom we talked felt that the time had come for our civilians to be dealing with GVN civilians, and that a change in the CORDS structure was imperative to accomplish this transition.

The Hamlet Evaluation System has been the subject of considerable controversy in the past, and there may be some question about the accuracy of its reports, which stated that at the end of 1968, some 92.7 percent of the population of South Vietnam was in reasonable secure areas. This is a marked increase since December of 1967 when CORDS reported to Senator Ribicoff that 67 percent of the Vietnamese population was under the control of the GVN. If these figures are reasonably reliable, security may not be the burning issue that it was previously. I believe, also, that the development challenge—economically, politically, and socially—becomes correspondingly greater as security increases.

In summary, relating to Vietnamization of the American effort in CORDS, I submit:

First, there are certainly some CORDS projects which can already be performed by Vietnamese rather than Americans. There should be a searching reevaluation of the necessity for all CORDS activities, and of the feasibility of accelerating the transfer of the essentia. undertakings to the Vietnamese.

Second, the Vietnamization of CORDS projects by Vietnamese civilians would be more readily assured if CORDS were a civilian-oriented United States organization. It seems to me that the demilitarization of CORDS is vital to the Vietnamization of rural development.

3. Agency for International Development (AID)

Donald G. MacDonald, former director in Vietnam of the Agency for International Development, in his report to Ambassador Ellsworth Bunker of January 1, 1970, described AID's role in Vietnam:

"* * * As the Government of Vietnam and USAID look toward the future there remains much to be done and much will be done. Improvements in public health services, education, agricultural production and public administration continue to be primary goals—'To Build a Nation' * * *"

The present AID Director, John R. Mossler, made the following points about the AID program to Vietnam in his discussion with us:

First, the Vietnam program is much bigger than any other AID program anywhere in the world.

Second, it is directed much more to short range results, in comparison with AID programs elsewhere.

Third, it is never easy to carry out an AID program to an underdeveloped country. An additional problem in Vietnam is that the AID program has been administered in a war-torn environment.

When Senator Ribicoff visited Vietnam in December of 1967, the main purposes of the AID program at that time were explained to him:

(1) Long-term development.—This includes the installation of an additional port facility in Saigon, known as Newport, which is supposedly a permanent structure to serve the Vietnamese when the emergency is over and when the existing port facilities become antiquated.

(2) War relief and support.—We were advised that AID's support to the total war effort amounts to about 60 million annually, principally through local currency (piasters) generated by AID's commodity import program and the AID-administered Public Law 480 (agricultural) program.

(3) Revolutionary development.—This is an overall program to secure the hamlets and to root out the Vietcong infrastructure. This program uses 59-man cadre teams of both United States and Vietnamese personnel. (Local criticism is that these civilian cadre teams offer an alternative to military service for sons of influential Vietnamese.) The purpose is to "restore the line" between the farms, villages, and province towns and the national ministries.

(4) Commodity import program.—The commercial import program (CIP) functions basically as a supplement to the foreign exchange resources of the GVN in financing imports for the private sector of the economy. As such, it contributes to the stability of prices, since commercial imports absorb piasters, that is, they satisfy inflationary demand. The program pays the foreign exchange cost of the commodities which it finances. The goods are paid for by the importer in piasters and these piasters, known as counterpart, are used for support of the GVN budget in projects and programs approved by the United States.

Of course, the Port of Saigon has been completed and revolutionary development has been taken over by CORDS. The three main categories of AID operations in Vietnam right now are:

Food For Peace (Public Law 480) Program.
Commercial Import Program.
Project Program.

Below is a chart from Mr. MacDonald's report of January 1, 1970, to which I will refer in discussing Food for Peace, the Commodity Import Program, Commodity financing under the GVN's own import program, and other AID matters.

IMPORT LICENSING BY SOURCE OF FINANCING

[Dollar amounts in millions]

	Fiscal year					
	1967		1968		1969	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
CIP	155	26	89	18	209	28
FFP (Title I)[1]	131	22	146	30	73	10
Total United States	286	48	235	48	282	38
GVN	306	52	248	52	463	62
Grand total	592	100	483	100	745	100

[1] Formerly Food for Freedom.

(a) Food for Peace (Public Law 480) program

This program has been in effect in Vietnam for some 12 years. Enacted by the 83rd Congress, Public Law 480, as amended, authorized the disposition of agricultural commodities in selected countries to offset reduced local production caused by war or other adverse conditions, and simultaneously to attempt price stabilization for such commodities in those countries.

This is accomplished through Title I of the Act. For Vietnam, Title I places certain commodities in the commercial markets for purchase with piasters. These commodities are intended to be used for personal consumption or manufacturing processes. The commodities include rice, wheat, flour, corn, tobacco, raw cotton and milk products. Title II of Public Law 480 provides for eight types of foods to be donated to refugees and other needy persons, and one commodity—corn—to be donated for use in livestock production.

These are purchase agreements for Title I commodities, although, as we shall see, the monetary benefits to the United States may be small. Commodities under Title II, however, are outright donations. A rough estimate for Vietnam indicates that U.S. dollars have been involved in Title I and Title II transactions in a ratio of 5-to-1 for the past several years. That is, for every $5.00 spent on purchase arrangements, $1.00 in commodities was donated.

The United States has had an agreement for some time with the Republic of Vietnam providing that 80 percent of the dollars involved under Title I are "plain counterpart" funds. That is, 80 percent of the piasters generated from the sales of Title I commodities are, by agreement, turned over to the GVN for budgetary support. Most, if not all, of these funds help defray the costs of the GVN military budget. The remaining 20 percent is reserved for unilateral U.S. uses, such as to cover administrative costs of the Embassy establishment. There are no counterpart funds involved in Title II transactions. Former AID Director MacDonald reported that about 50 percent of the edible commodities under Title II have been distributed through the GVN's own pacification program, with the remaining 50 percent passing through several social and religious agencies such as UNICEF, Catholic Relief Services, and the Vietnam Christian Service. A condition of delivery was that the commodities were to be used strictly for human consumption.

The eight commodities for human use that have been imported into Vietnam under Title II of the Public Law 480 program are bulgar wheat, rolled oats, rolled wheat, cornmeal, wheat flour, vegetable oil, nonfat dry milk, and a high protein combination called "CSM", which consists primarily of corn, soya, and milk. However, rolled wheat has not been imported into Vietnam under Title II for over a year.

When we met with AID Director Mossler, we were told of the benefits of the Public Law 480 program as a whole, and the need for piasters that it generates to help stabilize the Vietnamese economy. Specifically, we were informed that the Vietnamese are using Title I raw cotton in their rapid development of a promising textile industry, and that by next year they will be turning out some 70 million yards of finished cloth. Also, imported tobacco will provide the raw material for their own cigarette industry which, in turn, will increase the GVN's tax base. Most cigarettes are now imported.

We also were told that there has been enthusiastic response to the human use of wheat flour which has resulted in the completion and operation of two flour mills in less than two years. Finally, we were told of efforts in the agricultural field to develop livestock feed programs, under Title II, in order to give priority to the development of badly needed industries in poultry and pork.

We were led to believe by our AID officials that the Title II program was a resounding success. In December of 1970, however, representatives of the Inspector General's Office of the Department of State uncovered widespread abuses in the Title II program. Among these abuses was the distribution of food to war victims who, in turn, took the items to trucks to be carried away and sold. Some commodities were used for pig feed instead of human consumption. *It is possible that*

AID officials we talked to did not know of these matters, but they should have known. In fact, I have since learned that very late in 1970 AID's Area Auditor General conducted an audit of the Title II program in Vietnam which confirmed the State of Department Inspector General's finding that the program was riddled with widespread abuses.

As a result of the Inspector General's findings, the United States Mission has cancelled imports of bulgar wheat, corn meal, and rolled oats—three of the seven commodities heretofore imported in Vietnam under the Title II program. The shipments of *all* seven commodities under the Title II program have been curtailed for the autonomous city of Cam Ranh, as well as nine provinces: Dar Lac, Khanh Hoa, Tay Ninh, Binh Tuy, Chuong Thien, Vinh Lonf, An Kuyen, Vinh Binh and Chau Doc.

Ralph Blumenthal wrote about this incident in the New York Times and Washington Evening Star of Friday, January 8, 1971. I have had the facts in the story verified by the State Department Inspector General's Office, and I have inserted it in the Appendix to this report as Exhibit No. 1.

Mr. Blumenthal reports that these suspensions will remove an estimated $5 million from the $19.5 million for Fiscal Year 1970 for Title II of the Public Law 480 program.

(b) Commercial import program

The Subcommittee went into great detail concerning the operations of the Commercial Import Program in the public hearings in 1967. Suffice it to say that the program in Vietnam was initiated in 1955 following the signing of the Geneva Accords.

The program was designed to counter inflation by: (1) Helping to satisfy commercial demand for imports (with U.S. dollars in the presumed absence of adequate GVN foreign exchange reserves); and (2) Alleviating GVN budgetary deficits (by applying the piasters surrendered by importers of CIP goods to help underwrite the GVN military establishment and other priority budgetary requirements). The program is known, interchangeably, as the Commercial Import Program or the Commodity Import Program.

As can be seen, underlying all discussion of the Commercial Import Program is the proposition that the program is designed to counter inflation. It also should be pointed out that 100 percent of the CIP money goes into counterpart funds to assist the GVN, although the United States reserves the right to agree on the use of the funds. *This means, in effect, that our country is underwriting the whole program.*

The information that AID has given to the Subcommittee in the past, as well as to us recently in Vietnam shows the amount of money we have put into the Commercial Import Program since Fiscal Year 1962.

[In millions of dollars]

Time period	Commercial import program represented to subcommittee in 1967	Represented to subcommittee in 1970
Fiscal year:		
1962	97.8	
1963	95.0	91.0
1964	113.9	111.6
1965	152.8	149.3
1966	398.1	397.0
1967	160.0	202.1
1968		160.1
1969		130.0
1970		240.0
1971		[1] 300.0

[1] Proposed figure, used for planning purposes.

If we accept as reasonably accurate the figures in the columns where we have no corresponding figures, we can see the magnitude of the Commercial Import Program from Fiscal Year 1962 to date:

COMMERCIAL IMPORT PROGRAM

[In millions of dollars]

Time period	Represented to subcommittee in 1967	Represented to subcommittee in 1970
Fiscal year:		
1962	97.8	(97.8)
1963	95.0	91.0
1964	113.9	111.6
1965	152.8	149.3
1966	398.1	397.0
1967	160.0	202.1
1968	(160.1)	160.1
1969	(130.0)	130.0
1970	(240.0)	240.0
1971 [1]	(300.0)	[1] 300.0
Total	1,847.7	1,878.9

[1] Proposed figure, used for planning purposes. Included in total.

The main commodities that we are financing, generally considered essential to a stabilized Vietnamese economy, are:

[In millions of dollars]

Commodity	Fiscal year 1970	Fiscal year 1971 estimated
Chemical and plastics	36.0	43.0
Fertilizer	47.8	27.0
Yarns and fibers	22.4	30.0
Rubber	2.7	3.0
Iron and steel	39.3	45.0
Miscellaneous machinery	28.3	58.0
Electrical machinery	12.1	12.0
Transport equipment	4.3	9.0
Pesticides		3.0
Gypsum and asbestos		2.0
POL nonfuels		6.0
Pulp		6.0
Seeds and resins		5.0
Live animals and yeast		2.0
IDS		8.0
Animal feed supplement		12.0
Others	2.2	
Total	195.1	271.0

(1) CIP licensing procedures

The provisions of the Commercial Import Program require that import licenses, which are issued by the GVN's Ministry of Economy, be approved by AID commodity analysts in Saigon before they are issued to Vietnamese importers.

The Subcommittee was critical of lax licensing procedures during the 1967 hearings. In addition to showing many examples of kickbacks as well as excessive and ineligible commissions on AID-financed transactions, the Subcommittee found that there was no indication on the face of the license that it had either been approved or disapproved, nor was the license examiner identified in any way. AID officials originally claimed that as a matter of policy there was an attempt made to review CIP transactions prior to disbursement. Later they indicated that they simply did not have the personnel to handle the volume of licensing in 1966 and 1967, but that all CIP license applications thereafter would be individually reviewed and approvals or disapprovals so indicated by the analyst.

As a result of our hearings, AID initiated prior review of licenses, the CIP staff was markedly increased, and commodity analysts were added to the CIP section.

We were told that commodity analysts were added to insure minimum waste of the sudden large input of CIP resources, and to protect AID's traditional posture of non-interference in commerical business channels. The commodity analyst's function is to analyze both historical and current commodity procurement and inventory levels and to advise local importers on the soundness of proposed transactions, thereby attempting to forestall excessive purchasing.

The analyst, we were told, is expected to familiarize himself with developments in the local economy by maintaining contacts with importers and end-users, by reading local newspapers, GVN publications and trade papers.

The commodity analyst also reviews and keeps records on all Office of Small Business notices. The curtailment of licenses under $5,000.00 in value and the requirement that such offers to purchase be advertised in the Small Business Circular both resulted from the Subcommittee's hearings. The analyst checks the notices for accuracy of specifications and commodity eligibility; he keeps all license applications and amendments to determine eligibility of commodity, importer, supplier, and for price reasonableness and general conformity to AID regulations; he prepares requests and justifications for CIP obligations, and he reviews all requests for extensions in delivery dates for the commodity or commodities under his jurisdiction.

On November 13, 1970, I ask AID Director John Mossler whether checking of import licenses was done by Vietnamese nationals. Mr. Mossler replied, "They are checking, too—we are the guests of their country." When I said I realized that, Mr. Mossler continued, "on the final review, we have our commodity analysts putting their initials on every license." There apparently had been some 2,000 licenses utilized in 1970 up to the time of our visit.

I also asked whether the licensing procedures, as I have explained them here, are satisfactory. Mr. Mossler replied, "We did have problems because we just didn't have the staff. Now we are able to check before and after the fact. I feel very confident at this stage of the game that we have this part of the program well under control."

Mr. Mossler did not tell us, but we learned independently, that shortly before our visit three Vietnamese employees of the Commercial Import Program in the licensing section in Saigon were discovered running a racket by favoring certain importers in granting and expediting CIP licenses. These same employees published a monthly periodical pertaining to commodities, number of licenses granted, commodity prices and other information. They sold the publication to importers. Obviously, their information came from their employment. They received a percentage of the license fees when they favored particular importers. The three men have resigned but they probably are running their operation, through close contacts, almost as well on the "outside" as they were while working for AID in the Community Import Program.

In spite of protestations to the contrary, we saw no evidence of any measures having been taken to tighten up procedures which permitted the manipulation of import licensing approvals by the local employees. For example, supervision of local employees in the CIP office by Americans does not appear adequate to eliminate continued or recurring instances of this nature.

There have been certain improvements in the management of the Commercial Import Program. A 10-digit code now provides simple, but specific, commodity identification numbers. It is composed of the original AID 7-digit code (for general classification) and a 3-digit suffix (for specific commodities) and it is a handy device for most importers. Another program control innovation is the use of a positive list of commodities eligible for AID financing; any commodity not listed thereon is excluded. There also are improved suspension and debarment procedures. A new central importer file has been established which contains a wide range of information on importers, including the volume of their CIP business in prior years. World Trade

Directory background reports, information on suspensions, relevant AID audit or customs reports, and regular reports by commodity analysts. These innovations have all been accomplished in varying degrees, within the past two or three years.

In 1967, Senator Ribicoff and Subcommittee staff members were told in optimistic terms about a sophisticated Automatic Data Processing system to be placed in use at AID in Vietnam, particularly for the Commercial Import Program. AID at that time reported:

"In February of this year (1967), USAID placed into use the first pieces of what will soon be a sophisticated ADP center. Using punch card data obtained from the National Bank of Vietnam, the AID/W monthly disbursements report, as well as punched customs and arrival data, the ADP center began producing the initial series of data runs on the CIP. These reports cover licenses, letters, of credit, commodities in transit, commodities in customs, commodities released from customs, and a variety of miscellaneous reports (including a numeric and alphabetic listing of registered importers.)"

"On November 27, 1967, USAID received an IBM 360–30 computer. The program for the computer's applications is incomplete and debugging will no doubt take several months. *Nevertheless, USAID is confident of its successful application to CIP processes.* Some of the expected uses included annual commodity projections, detailed control and analysis of the CIP pipeline from initial obligation through customs clearance of the commodities, automatic verification of commodity, supplier, and importer eligibility. Another application we are working on is expected to provide automatic identification of, alterations, if any, to approved licenses." (Emphasis supplied.)

Former AID director MacDonald referred to this data processing in his report to Ambassador Bunker, dated January 1, 1970, in glowing phrases:

"Administration of the CIP has grown more complex as more Vietnamese importers and foreign suppliers participate in the program. To meet the challenge of planning and administering such a large program, USAID relies more and more on Automatic Data Processing. *It is now possible to have complete 'pipeline' data and to follow every individual import transaction from the license application stage through the opening of the letter of credit to the final commodity arrival and receipt stage.* At the same time, the data accumulated in the ADP system provide a more reliable base from which to evaluate past performance and project future requirements." (Report to the ambassador, Page 9.) (Emphasis supplied.)

Shortly before we left Washington, I was given a copy of a rather brief report from the General Accounting Office, dated October 22, 1970, summarizing the GAO's review of this automated arrival accounting system for AID's CIP program in Vietnam.

I am including this GAO report in the Appendix to this report (Exhibit 2), but wish to mention certain portions of it here.

In a section called the Background of the Report, the GAO says: *"In general, we found that USAID/VN has been virtually uninformed, on a consistent overall basis, about commodity import program (CIP) commodities in-transit, arrivals, releases and distressed cargo.* USAID/VN has maintained no formal overall manual system in this area since mid-1966. From inception of the automated system introduced in 1966 until June 1968 there were only unreliable reports available. Even now the reports must be used with some caution in order to minimize errors. *Since, during this period from 1966 to 1970, over $1 billion in CIP commodities were programmed through the system, the inaccuracies in accounting controls becomes particularly significant."* (Emphasis supplied.)

The GAO report indicated that the original automated system for arrival accounting was completed in the early part of 1967. However, the GAO found no evidence of a feasibility study or cost-benefit evaluation either prior to or during the installation of the automated system. Thereafter, in June 1968, USAID/VNAM suspended the use of the system because it was recognized that several features, including accuracy of input data and effectiveness of controls, were grossly deficient.

The AID mission to Vietnam then began work on a revised automated system for arrival accounting. A manually maintained ledger, as required by regulations, had been suspended from mid-1966 until April of 1970. AID told GAO it did not have the manpower to both reconstruct the general ledger manually and to collect input data for a revised system. Therefore, AID/VNAM chose the latter course. Work on the revised system dragged through 1969. In early 1970, the report indicates that AID/WASHINGTON thought the system was operational. However, when Washington requested some arrival accounting reports, AID/VNAM said the system was again under revision. In April of 1970, AID/WASHINGTON sent a computer expert to Vietnam to help out. The contractor who installed the system began to phase out, and the in-house talent that has been revising and updating data in the licensing area of the system was expected to complete this segment by mid-September of 1970.

However, in the conclusion to its report, GAO cautioned AID in these words:

"In our opinion, although much progress has been made toward developing an acceptable and accurate automated arrival accounting system, *USAID/VN thus far, has not achieved complete success nor can any dependable estimate be made of the date on which success may be achieved.* The existing system is not now operational nor has it been since inception." (Emphasis supplied.)

When confronted by this report, AID Director John Mossler told us that the study behind the report was completed some time ago, AID/VNAM has made improvements and they are now "in pretty good shape". Also, "With any computer you are going to have some bugs. We think we have the bugs out."

Apparently, this over-optimistic approach has prevailed in the AID/VNAM offices for sometime. For example, we learned that when staff members of the Foreign Operations and Government Information Subcommittee of the House Committee on Government Operations were in Vietnam in October of 1969 they asked if the automatic data processing system was operational, and when it had become operational. H. E. Kosters, of the Financial Management section of the AID mission, said that it was, and that it became fully operational sometime in July of 1967.

There was a great dea' of optimism about the system expressed at AID/VNAM even before that. When Messrs. Morgan and Adlerman first went to Vietnam in October of 1966, they were told by Harry Ulinski, then the AID Commodity Import Division Director, that the computer would be arriving and many of the previously mentioned management techniques would be put into effect "in two weeks".

And yet, I have learned independently of the GAO that, as of late 1970, the AID mission's automated system of arrival accounting could not be said to provide any assurances concerning the arrival of AID-financed commodities. At best, it might give a reasonable account of licensing of imports and disbursements of AID monies for commodities. This casual approach might be acceptable if we were dealing in petty sums. But, when we consider that amounts involved here are enormous, I find this "catch-as-catch-can" approach entirely intolerable.

(c) Comparative GVN-AID/CIP commodity financing

The information provided us in Saigon gives us a comparison between the amount of commodity financing undertaken through AID's Commercial Import Program as compared with the Government of Vietnam's own commodity program, for Fiscal Years 1969 and 1970, with an estimate for Fiscal Year 1971. All of these are in terms of millions of U.S. dollars.

The information is as follows:

[In millions of dollars]

	Fiscal year		
	1969	1970	1971 estimate
A. Aid CIP:			
Carrying	109.8	28.3	74.0
Funding	130.0	238.5	254.0
Total availabilities	239.8	266.8	319.0
Licensing	205.9	190.4	293.0
Deobligations (excluding prior year reclosings)	5.6	2.4	2.5
B. Government of Vietnam: Gross licensing	463.0	377.8	335.0

I have previously mentioned the types of commodities that are being brought into Vietnam under the caption, "Commercial Import Program". Now I will mention those that are coming in under the GVN's own import program. These will be for fiscal year 1970, and the estimates for fiscal year 1971. They are, in millions of U.S. dollars:

[In millions of dollars]

	Fiscal year	
	1970	1971
Commodity official rate:		
Sugar	41.3	35.0
Petroleum fuels	50.0	50.0
Cement	12.8	12.0
Pharmaceuticals (including Chinese medicine)	25.8	27.0
Chemicals	6.2	5.0
Machinery and parts	40.5	10.0
Yarns	8.1	5.0
Agricultural equipment	8.4	15.0
Seeds, day-old chicks	2.5	2.0
Book and periodicals	1.1	2.0
Medical and dental equipment	1.9	1.0
Tobacco	1.2	1.0
Beverage materials	4.1	5.0
Milk solids	8.9	2.0
Newsprint	3.4	3.0
ARVN commissary items	13.1	20.0
Total, official rate	229.3	195.0
Commodity parallel rate:		
Food products	12.0	15.0
Radio TV, phonographs, and movie equipment	10.3	20.0
Electrical goods, air conditioners	6.7	12.0
Finished textiles	8.0	16.0
Vehicles:		
Passenger cars	3.0	5.0
Motorbikes	10.5	15.0
Pickups, lambrettas		6.0
Engines	1.6	3.0
Parts and tires	2.4	20.0
Buses and taxis		1.0
Paper products	3.9	5.0
Pulp	6.2	3.0
Bazaar, cosmetics, sports	6.1	6.0
Glassware, ceramics	3.6	4.0
Nonferrous metals	6.0	7.0
Miscellaneous metal manufacturers	3.5	2.0
Others	64.7	
Total, parallel rate	148.3	140.0
Total, official rate	229.3	195.0
Total, parallel rate	148.3	140.0
Grand total, GVN	377.6	335.

What these charts tend to show is that there was a considerably larger amount of

commodity importation under the GVN's own program in Fiscal Years 1969 and 1970 than under AID's Commercial Import Program. What the charts *do not* show is that, as we learned in 1967, a considerable amount of the GVN's own financing is not done in or from the United States.

Senator Ribicoff pointed out that only $17 million of a total of $306 million was purchased in the United States during Fiscal Year 1967 through the GVN's own import system. Although things have improved somewhat, the GVN is still not buying anything like 50 percent through its import program from the United States. Charles Cooper, Economic Attaché at our Embassy in Saigon, indicated to us that the GVN is willing enough to purchase more from us but that we are, in effect, fighting an economic problem at the same time. That is, United States goods are not always competitive with those of foreign countries. He gave as an example a comparison of U.S.-manufactured tractors versus those made in Japan. He said the customs tax on the Japanese tractors is about 100 percent as compared with 20 percent on the U.S. machines.

However, the Japanese tractors are smaller and more adaptable to practical use in Vietnam. Therefore, the importers pay the higher perequation tax because the Japanese tractors are more in demand. Cooper felt that each purchase had to be treated in a case-by-case basis.

I agree with Senator Ribicoff that when we consider our tremendous commitment to the Republic of South Vietnam over the past several years, and the fact that U.S. AID is the principal source of the GVN foreign exchange, the South Vietnamese Government could, and should, direct a larger share of its commercial procurement to the United States.

AID Director John R. Mossler did admit to some duplication in the purchase of commodities. He said that this is because certain brand-named items are preferred. However, he pointed out that, as the GVN foreign exchange earnings go down, USAID is trying to put much of the commodity listing on the AID side if the prices are anywhere comparable.

The most obvious duplications of commodities were in three categories, namely:

[In millions of dollars]

Fiscal year 1970	AID/CIP	GVN
Chemicals and plastics	36.0	6.2
Yarns	22.4	8.1
Machinery	40.4	40.5

There is a distinction in the importation rate for these two programs. The AID Commercial Import Program items, under a recent monetary reform which I will subsequently describe, will still be imported at the old rate of 118 piasters to the U.S. dollar, but they will be assessed for import tariff purposes at the pre-June 1966 rate of 80 piasters to the dollar.

The GVN-financed imports, on the other hand, will be imported into Vietnam either at 118 piasters = $1 U.S. or at 275 piasters = $1 U.S., with the higher or "parallel" rate to pertain to those items which are certified as luxury imports. Approximately $150 million was spent for such luxury items in Fiscal Year 1970, and an estimated $140 million will be spent in Fiscal Year 1971. In theory at least, it will cost a lot more piasters—and thus an absorption of same—to import these non-essential items.

Concerning the overall import program, there is another factor to consider when the two programs are added together.

[In millions of dollars]

	Fiscal year—		
	1968	1970	1971 estimate
AID's commercial impact program	205.9	190.4	293
GVN's own import program		377.8	335
Total, both programs	(1)	568.2	628

[1] Figures are incomplete.

This seems to be a tremendous amount of money to be putting into a commodity import program for a small nation of 17+ million. Additionally, the proposed $293 to $300 million for the AID/CIP alone for fiscal year 1971 seems to be an extremely large amount. It may be that this is needed to offset the loss resulting from withdrawal of our troops, as we were advised. It is also possible, however, that distressed cargo might pile up at the Saigon port and at the customs warehouses due to oversupply, or that the inventories in bank warehouses may continue to rise—as they did in the summer of 1970—unless the Commercial Import Program is watched very carefully.

Mr. Mossler did indicate that, as the GVN foreign exchange earnings go down, USAID is trying to put much of the commodity listing on the AID side if the prices are anywhere comparable. But, in practice, since the monetary reform went into effect in October of 1970, it is my understanding that the rate of CIP license applications is well below the projected AID level. This may be coincidental, but it also may be because AID/CIP financing has stricter controls attached to it than does the GVN program. Merchants interested in illicit gains could be expected to prefer using GVN funds which are subject to little or no controls.

In addition, I have learned that AID has offered to renew the financing of cement through the Commercial Import Program. At approximately the same time, the GVN issued a tender, or offer, to purchase some 300,000 metric tons of cement through their own import program. I understand that there really is little need for this large amount of cement at this time. Also, the Vietnamese Trade Community has reliably reported that a kickback of $2.00 per ton is involved in this contemplated purchase. If so, that is $600,000 to line the pockets of some greedy officials.

The real problem, then, is the integrity and honesty (or lack thereof) of the importers involved. As it now stands, they have the opportunity to transfer from one program to the other of their own unjust enrichment. And, it seems to me that there is some question whether we should allow commodity transfers between programs at all, as we shall see in our discussion regarding the GVN's foreign reserves.

(d) GVN foreign exchange reserves

The topic of great concern to the planners, the programmers, and the economists with whom we talked in the AID mission was the adequacy of foreign reserves for the Government of Vietnam, particularly now that we are engaged in a phased troop withdrawal. The contention is that the large buildup of 1965 created new demands on the local economy, represented by the U.S. Department of Defense's spending of piasters which were purchased with DOD dollars, many of which went into the GVN foreign exchange fund.

The AID mission now claims that the Vietnamization program will compel an increase in AID funds for the Commercial Import Program. The reasoning goes that the withdrawal of our troops will reduce the GVN dollar earnings which are associated with the U.S. military presence and purchase of piasters—with Department of Defense dollars—for local costs. They say that the expected drop in GVN foreign exchange reserves will reduce the Government of Vietnam's ability to finance imports essential to combat inflation. Thus the United States will have to "take up the slack" with increased AID funds.

It is not always easy to understand the reasoning of the economists. In 1966, both AID and U.S. military officials in Vietnam told Subcommittee staff members that, while individual troop spending had theretofore been relatively high, American military personnel in Vietnam were encouraged to participate in a special 10 percent interest savings plan. On subsequent visits, representatives of our Subcommittee were informed that large numbers of our servicemen were taking advantage of the plan.

In 1967, Senator Ribicoff and staff members were told that the average serviceman spent less than $15.00 per month of his own money for purchases "on the economy". In May of 1968, Senator Ribicoff in his report estimated that to be less than $100 million annually.

We also were told that in the early days of the large troop buildup in Vietnam in 1965, the U.S. military had lived off the local economy to a great extent until their own logistical supplies caught up with them. Price increases averaged about 125 percent between May of 1965 and July of 1966. On our recent trip, we were advised by Economic Attache Charles Cooper that inflation through the Republic of Vietnam has averaged 30 to 35 percent in the last five years.

I have taken statistics released by the Department of Defense about the numbers of our military personnel in Vietnam at different times, and I have averaged the annual increase in prices at 32.5 percent. I find an interesting set of figures:

Troop strength	Date	Vietnam inflation [1]	Amount of GI spending per year
485,600	Dec. 31, 1967	[2] $15.00	$87,408,000
536,100	Dec. 31, 1968	[2] 19.88	128,732,000
475,200	Dec. 31, 1969	[2] 26.34	150,301,000
332,500	Dec. 31, 1970	[2] 34.90	139,376,640

[1] 32.5 percent per year.
[2] Per man per month.

The foregoing figures do not include any determination of the amount of troop support that might be involved either individually by the G.I., or by the military collectively. However, it is clear that while the foregoing troop spending figures are significant, they do not seem to be the one critical item upon which the GVN foreign reserve balance is predicted.

Nor am I persuaded that any great increase in CIP funds is absolutely necessary. For one thing, the withdrawal of our troops should also signify a reduction in monetary demand represented by the purchases made by the Department of Defense for facilities and by the servicemen themselves for Vietnamese goods and services. Furthermore, the recent monetary reforms, if enforced, should exercise a dampening effect on imports and import demand because they certainly increase the piaster costs of imports and make the licensing process much more difficult, economically speaking.

I believe that AID officials properly represented to us that U.S. funds through the Commercial Import Program should be used only *if* GVN dollars to finance imports are not available. But it is my understanding that GVN foreign exchange reserves are still substantially in excess of the level considered necessary for the security of the Vietnamese economy.

As a matter of fact, I understand that in fiscal year 1967, the GVN foreign exchange reserves were climbing so high that they became an embarrassment in some quarters. In attaining this high point, AID had shifted so much of its CIP financing over to the GVN that the AID CIP licensing in FY 1968 actually fell to about $90 million.

Then, in fiscal year 1968 the Government of Vietnam drew down on its reserves in the following manner:

(1) By financing goods such as POL (petroleum, oil, and lubricants), sugar, cement, and pharmaceuticals, etc., all of which had formerly been financed under CIP.

(2) By financing some rice imports.

(3) By financing imports, in questionable amounts, such as pharmaceuticals, a field in which previous experience has shown that kickbacks abound.

In fact, the GVN's foreign reserves were drawn down rapidly during this period, from an approximate high of $375 million to something over $200 million. Concerned by this, some economists recommended a return to AID's Commercial Import Program and "all out" spending through the CIP in Fiscal Year 1970. Now these same people are embarrassed again because CIP licensing has been running at a lower rate than expected while the GVN foreign reserves have stabilized and, in fact, have increased somewhat since the recent reforms.

I think the time has come whereby we should make every effort to assure a sensible GVN import program, too, since both programs have been so interwoven in the past. The manner in which the GVN uses its foreign exchange has a bearing on its own reserve position. Is it too much to ask the GVN to apply some austerity to their expenditures, and to watch for waste in their program at the same time? Let me give an example of what I mean.

In 1967, our Subcommittee hearings brought about the withdrawal of AID from the financing of pharmaceuticals to Vietnam under the Commercial Import Program because we showed that the prices of drugs and the amounts ordered were questionable and far beyond the demand for the occupants of that country. However, I have since learned, not from AID but from other sources, that the GVN has, in fact, claimed to have imported more than $40 million worth of pharmaceuticals in the past year. Our hearings showed that the $16 million spent by CIP for pharmaceuticals in one year was excessive. This represents both an example of waste and of a built-in atmosphere for collusive kickbacks, in my opinion, along with a lack of responsibility on the part of those persons in charge of GVN's import program coupled by poor advice, or none at all, from our AID officials.

Some of the burden of financing Vietnam's future should be shifted from AID's Commercial Import Program to the Government of Vietnam. The conventional weapons of fiscal policy can properly be used now to curtail excessive demand. If the security has risen to the point where the Viet Cong are no longer a threat in most of the country, the Government of Vietnam should begin collecting taxes where once the VC were the main collectors of such internal revenue.

I believe that we should seek answers to such questions before automatically agreeing to increased Commercial Import Program appropriations.

(E) Inflation

After the House Foreign Operations and Government Information Subcommittee and staff members went to Vietnam, their basic report of October 12, 1966 recommended that a series of controls be initiated to attempt to deter inflation and to put Vietnam on a typical wartime austere economy. Without debating the merits of such a proposal, it is safe to say that it was rejected completely by the position to administer the U.S. involvement into the Vietnamese economy at that time.

Instead, Leroy Wehrle, the young economist advising the U.S. Mission, recommended the use of the Commercial Import Program, primarily, to combat inflation by providing funds to meet the market demand at whatever level for commodities approved for financing by AID. Thus, the underlying philosophy was to flood the Vietnamese markets with a super abundance of AID commodities to match the demand, which was in turn inflated by that portion of the demand represented by over-pricing, worthless goods, and other irregularities. This was supposed to contribute to the stability of prices in Vietnam as well.

In 1967 we were told that the Commercial Import Program was established to counter inflation from deficit spending in support of a large military establishment. Then AID Director MacDonald reported to Ambassador Bunker on January 1, 1970, that:

"The Commercial Import Program (CIP) continued in 1969 as a major weapon in the Government of Vietnam-USAID battle against the wartime inflation facing the Vietnamese economy. Assuring that adequate supplies of basic commodities are maintained in the market continues as the CIP's primary objective." (Report to the Ambassador, p. 7)

There have been two major changes in the monetary exchange rate in the GVN's fight against inflation. The first, in June of 1966, changed the accommodation rate from 80 piasters=$1U.S. to 118 piasters=$1U.S. The second exchange rate revision changed the accommodation rate from 118 piasters=$1 U.S. to 275 piasters=$1U.S. These have both been tools to fight inflation. However, in spite of this, I repeat that Charles Cooper told us inflation in Vietnam has averaged 30 to 35 percent a year for the past five years.

It may be late in the game, but it seems to me that we should reexamine our economic policies in Vietnam, particularly those relating to the Commercial Import Program. Certainly, the economists were incorrect in their approach to the problems in 1966 and 1967.

Perhaps it is more technically correct to say that their theory to combat inflation, as above described, was correct but their theory was based on at least two false assumptions:

(1) They assumed a perfect market in spite of the unrealistic piaster-dollar rate. They did not take into account that dishonest merchants and the Viet Cong were not readily identifiable from the anti-Communist South Vietnamese and that under such conditions corrupt merchants and the VC could easily divert funds and commodities, many of which went right to and from the open market.

(2) They assumed that the mere threat that more CIP dollars would be poured into the market would be enough of a deterrent to prevent speculative hoarding or the withholding of goods from the market. Such was not the case. In fact, powerful merchants did withhold goods, force up prices, and expect AID to counter by increasing CIP allocations to combat inflation.

All of this prompts me to repeat what Senator Karl E. Mundt, Ranking Minority Member of the Subcommittee, said when the Subcommittee concluded its hearing concerning AID Commodity Import Program to Vietnam. I repeat these words, because I believe them to be as pertinent now as when they were spoken:

"In closing, I want to say that I realize the administration of AID in a war-torn country such as Vietnam, is not an easy task. However, because it is not, even greater diligence than usual must be shown. We must not forget that the commodity import program portion of AID alone on June 30, 1967, cumulatively climbed over the $1 billion mark for the past 6 years to Vietnam. When we consider the possibility of increased taxation (in this country), particularly to finance the Vietnamese conflict, *we must remember that we don't want to be put in a position of increasing taxation in this country in order to keep inflation down over there.*" (Emphasis supplied.)

(e) Project program and personnel

(1) Project program

This is the third main category of the AID program to Vietnam.

The dollar involvement in the project program over the past several years, has been:

[In millions of dollars]

Fiscal year:	Amount
1963	32.9
1964	48.9
1965	68.3
1966	176.5
1967	273.4
1968	220.6
1969	158.6
1970	168.2
1971	105.3
1972 (projected)	106.0
10 year total	1,358.7

Both AID Director John R. Mossler and Economic Attaché Charles Cooper said that, in effect, the project program became extremely ambitious in Fiscal Year 1967. Mosler said about the project program then, "It went off in a wide variety of activities." Cooper, putting it another way said: "I think we were trying to do too much in the earlier years. In 1966 or so, we were involved in programs pertaining to health care, education, social security, well-digging, etc. Thereafter AID apparently tried to cut back on the programs but there were many pressures on AID to continue them, many of the pressures being political." This, coincidentally, was at the time that Cooper's predecessor, Wehrle, was expounding the theory that we should freely spend AID dollars—through the Commercial Import Program and otherwise—to avoid inflation in Vietnam.

Mr. Mossler did feel, however, that there had been a decline in this program over the years and that there would have been a steady decline through FY 1970 except that $15 million was put into a land reform program. He explained the decline by saying that in the early days there were all kinds of things that had to be done. AID was obligating funds for such programs as a water project for Saigon, a power project, and a badly needed port project. In other words, the basic infrastructure had to be settled first and these funds were used to do it. The whole program really was one of Vietnamization—that is, in bringing our people in to train the Vietnamese, who were then sent to take over in their particular geographic areas with the skills that we taught them. A considerable number of Americans were needed during those days. Now, however, the emphasis is increasingly on Vietnamese takeover in every category. The Americans are reduced in force and have been assuming an advisory role. While Mr. Mossler referred primarily to AID's role, I assume his statement could be equally applicable to the overall American presence in Vietnam.

Mossler again explained the decline in dollar expenditures but said that part of it is because we finished our job in those certain areas—construction and training—and, also, as we gained in stabilization, AID looked harder at the projects, particularly as to Vietnamese cooperation and support, before venturing into them.

When Senator Ribicoff was at AID headquarters in Saigon, three years ago, he asked then-Director Donald MacDonald how many projects they had in operation at the time. Mr. Morgan was present as was R. L. Culbert-

son, then-AID Associate Director for Land Development. Culbertson answered, "From a dozen on up to eighty-five depending upon classification." Culbertson indicated the absolute maximum, including "activities," as "around 200." When Senator Ribicoff asked, "How many can be eliminated?", his question was met with complete surprise, if not actual shock. Director MacDonald answered, "Not many." Mr. MacDonald said that he had cut the staff of the Land Reform Section from 26 to 2. Senator Ribicoff advocated a "Close down Czar" for AID projects, and said, "This is a step in the right direction." Of course, land reform is once again in the AID budget, which calls for funds in this category in the following amounts for the particular years:

Land reform

Fiscal year:	
1970	$274,000
1971 (planned)	16,561,000
1972 (estimated)	16,398,000

The AID officials otherwise must have heard Senator Ribicoff's recommendations. When I asked for a project list, they certainly had the "package" much more organized. Mr. Mossler presented me with a document which listed 16 types or categories of projects, and within them, a total of approximately some 44 to 56 project titles. The listings varied somewhat depending upon the particular fiscal year. I offer a summary of these projects and the amounts of money involved:

[Dollar amounts in thousands]

Project type	Number of projects and year					
	Fiscal year 1970		Fiscal year 1971		Fiscal year 1972 (projected)	
	Number	Amount	Number	Amount	Number	Amount
1. Agriculture	5	$5,425	5	$21,324	5	$20,481
2. Education	9	6,160	5	4,526	5	3,738
3. Engineering	7	10,233	9	8,819	8	10,550
4. Industry	1	406	1	838	1	612
5. Joint U.S. Public Affairs Office	1	538	1	1,312	1	1,048
6. Labor	2	843	2	858	2	642
7. Logistics	5	10,947	4	6,830	4	5,633
8. Public Administration	6	3,302	6	2,285	6	3,073
9. Public Health	10	19,506	8	17,605	8	15,460
10. International Voluntary Services	1	384	0		0	
11. Technical support AID	1	16,728	1	14,377	1	13,295
12. Community Development	2	7,234	2	2,181	2	1,487
13. Public Safety	3	11,455	3	11,502	3	11,628
14. Saigon Civil Assistance Group	1	563	1	2,046	1	91
15. War victims	1	3,482	1	6,287	1	4,582
16. Technical support, CORDS	1	13,941	1	14,447	1	13,073
Total	56	111,147	50	115,237	44	105,031

Mr. Mossler explained a few of the items. For the "Agriculture" category he mentioned the Agricultural Extension and Information Service, the Agricultural Credit and Agricultural Organizations, Crop Production, and Animal Production.

Director Mossler also discussed Education. He said the concentration has been on elementary education and on better training for the teachers. He indicated 83 percent of the elementary-eligible school children actually are in school. The Vietnamese are aided in both education and pacification as the program reaches the populace of the country.

I was disturbed when Mr. Mossler told us about the training of Vietnamese medical doctors. They receive essentially the same amount of training over the same period of time as doctors here in the United States. Actually, while the Vietnamese doctor requires only 1 year of undergraduate college training, he needs 6 years of specialized medical training, including a year of internship.

It is a noble-objective to train professional persons to the hilt. But, a look at the short supply of doctors in Vietnam, and the small number who graduate each year, makes it worthwhile to consider the possibility of shortening the training time period in the national emergency.

The House Foreign Operations and Government Information Subcommittee spent some time on this overall problem and their report. dated October 8, 1970, gave the following pertinent conclusion:

"Although an increased number of medical teams have been providing direct medical care and health services because of the shortage of Vietnamese medical personnel, the role of U.S. personnel has been generally restricted to assisting, advising, and supporting GVN provincial health chiefs. U.S. medical personnel have been given no direct responsibility for medical programs; and, consequently, they have little or no authority to direct that actions be taken by the Ministry of Health to correct known deficiencies." (Report, P. 18)

The House Subcommittee also said:

"In developing countries, AID has traditionally assumed the role of an advisor and has worked to strengthen and build governmental and private institutions. In Vietnam, because of the size of the various programs, AID has been requested to go beyond its traditional role and become more involved in the operational and management aspects of its programs. Because of the importance placed on the medical program and the deficiencies (including inadequate personnel, facilities, and supplies) found during its investigation, the subcommittee recommended that the United States play a more active role in all aspects of the civilian medical program."

The House Subcommittee's attention was focused on the subordinate role U.S. medical personnel play in Vietnam and the fact that AID in Vietnam should do more and should become involved in the operational and management aspects of the medical program because of the inadequacies of the program and the lack of trained Vietnamese personnel. AID-financed Public Health programs are funded at $19.5 million for Fiscal Year 1970, $17.6 million for Fiscal Year 1971, and a proposed $15.5 million for Fiscal Year 1972.

The House Subcommittee also found that AID had entered into a contract with the American Medical Association whereby educators from the United States were brought into Vietnam to assist and advise Vietnamese in training new doctors and upgrading the medical schools. Essentially the same is true of dentistry, although here there has been some participant training in the United States for dental instructors. From the fall of 1966 to July 1969, 59 medical educators spent an average of 9 months in Vietnam under the contract, and since July of 1967, 15 dental educators have come to Vietnam, under the AID contract with the American Dental Association, for periods also averaging 9 months.

AID Director John Mossler told us there are only about 1,200 medical doctors in all of Vietnam, and that about 60 percent of those are either in the military or are associated with the military. The House Subcommittee said there were about 1,000 doctors in 1966 and that there could well be as many as 1,400 doctors by 1970 in Vietnam. Of the 1,000 in 1966, the Subcommittee found that approximately 700 were in military service. Of the remaining 300 doctors, about 100 were in private practice treating pay patients only; about 100 were either retired or employed in fields other than patient care, and *only 100 doctors remained to work with an indigent population of 10 million* (based upon a 1966 population estimate of 15 million then.) It is clear then a crash program to provide more physicians is needed.

Further, both Mr. Mossler and the House Subcommittee reported that some 200 medical doctors are graduated each year from the two medical facilities in Vietnam: the Faculty of Medicine at the University of Saigon and the Hue Medical School. But almost all of them go immediately into the military. In 1967, AID set a ratio of 1 doctor per 4,000 persons and 1 dentist per 40,000 persons as the minimal needs of the Vietnamese population. The House Subcommittee, with GAO assistance, found that if, in fact, *the number of doctors increased at a rate of 10 percent a year, and the annual population growth rate remained at a level of 2.6 percent a year (House Subcommittee estimate), it would conceivably take Vietnam over 18 years to achieve a ratio of 1 doctor for each 4,000 persons, the AID objective.*

The same is true for dentistry. AID's 1967 objective was to have one dentist for every 40,000 persons. On the basis of an estimated 16.9 million people in mid-1969, this would mean a need exists for approximately 448 dentists. However, indications in July of 1969 were that there were only about 150 dentists in Vietnam. On the basis of the current capacity of the dental school, *it will take over 10 years to attain the established AID objective.*

The need for a condensed medical training program in Vietnam is readily apparent, as far as I can see. As a matter of fact, several doctors who are respected members of the American Medical Association have told me privately that the training period for medical doctors in this country is too long. Why should we not then work with the GVN's Ministry of Health and its Ministry of Education to attempt to expedite this training for the overall good of the country, both in wartime and in future peacetime? The American Bar Association, working with State Bar Associations and the American Association of University Law Schools helped to speed up the law schools both in World War II and the Korean emergency. Law schools were operated on a year-round basis, and a student in his senior year frequently had final exams waived. More often than not, the student was not required to take the state bar examination of his resident state.

Vietnam is a war-torn country unable to give enough medical attention to its civilian population. Its people have a very low life expectancy rate under the most favorable conditions. The House Subcommittee found that Vietnam in the fall of 1970 was still ranked among the lowest of developing countries in the number of trained medical personnel relative to total population. I must stress my feeling that the Vietnamese Government should concentrate on a crash program to teach its medical students the basic medical needs in a much shorter time on a year-round basis until this critical need for local medical doctors has been met. I also

suggest that the American Medical Association urge strenuously that the Vietnamese Ministries of Health and Education adopt this policy.

In Vietnam I asked AID Director Mossler to talk with our medical people about the matter and to write me thereafter. I include a copy of his letter dated December 8, 1970, as Exhibit 3 on the Appendix of this report.

His reply was not satisfying to me. He emphasizes the fact that many nurses have been trained and that paramedical personnel are being trained, along with midwives. He also refers to public health paramedical training for district health workers and the establishment of laboratory assistant schools.

The House Subcommittee indicated that the training of nurses has been satisfactory, and that is reassuring. I also commend Mr. Mossler for the efforts being made in these areas. However, I think the approach is incorrect because *I believe there is no substitute for a crash program starting at the top, to teach medical doctors and dentists their basic needs in a concentrated period of time.* I have summarized my reasons for this belief in Exhibit 4 of the Appendix to this report.

* * * * *

(g) General comments on aid to Vietnam

(1) Economic stabilization, including currency devaluation

AID Director John R. Mossler told us that 54 percent of the total AID effort is directed toward stabilization, and relates to troop withdrawals and the resultant loss in GVN foreign exchange. Mossler said that the GVN is exporting only about $20 million of commodities per year while they are now earning about $350 million of foreign exchange per year. However, a good 60 percent of their budget is directed toward security activities. We have been working with the GVN to increase tax collections, to increase customs collections, and other income sources, but, as Mr. Mossler says, the GVN still does not generate enough revenue to go forward on its own, and, in his opinion, need supplements for the local currency through Public Law 480 or the Commercial Import Program. In the CIP, the Vietnamese importer puts down piasters to buy the additional foreign exchange that we make available. In many instances, he also pays import taxes on the commodities.

We were advised by economist Charles Cooper that in late October 1970, the U.S. Mission had worked out another agreement with the GVN to combat inflation. It is called a "new multiple exchange rate" and is part of the new stabilization package. It took time to work out because the executive branch of the Vietnamese Government had no clear authority to carry this out. Therefore, the plan had been tied up in the Vietnamese Assembly for some time.

Basically, there have been four major changes. They are:

(1) Change in the interest rates. The previous legal maximum in Vietnam was 13.8 percent. The new rate structure will put most interest on loans for commercial activities at 24 percent. At the same time, rates of time deposits have been increased, from 4 percent to a scale ranging from 10 percent to 20 percent, depending upon the length of the deposit. Cooper said there has been an increase in the money supply in Vietnam and that commercial banks have money available now. He thought the new rate was fair for depositors and that the 24 percent interest rate for borrowers would tend to cut inventory speculation by importers as well as the hoarding of goods. He credited the present Minister of the Economy with the innovation.

(2) Change in import licensing procedures. We were told that, in the past, Vietnamese importers were required to make few if any deposits on imports at the time of licensing. The new schedule under the stabilization package, pertaining to *both* the Commercial Import Program and the GVN's import program, will require deposits ranging from 100 percent of the foreign exchange involved to as high as 400 percent, particularly on speculative goods, depending upon the level of perequation taxes and customs duties. The deposits will be held for at least three months. A few items, considered essential, will be exempted from advance deposits. Periodic reviews will be made to measure the effects of both the advice deposit rates and the upward adjustments in interest rates. It is anticipated that the advance deposits device will have a deflationary effect because of the absorption of the money supply required for deposits. It is also hoped that the combined measures will make speculation and hoarding of imported goods less attractive.

(3) Change in the exchange rates for importers.

(4) Devaluation of the piaster, as of October 4, 1970.

Combining my comments on these two changes, we find that the GVN has established a "parallel exchange market" with the rate set initially at 275 piasters=$1 U.S. This will be used for the conversion of dollars to piasters for individuals, called the personal accommodation rate, and also for exports except for exchange conversions to send Vietnamese students abroad and for official Government transfers. They will include about 20 percent of the financing of GVN imports, generally in the luxury item classification.

The GVN will make selective adjustments in the "perequation taxes," which are similar to customs duties, on some of the imports which are retained at the 118 piaster rate. The weakest portion of the package, it seems to me, is the part that states U.S. Government official purchases of piasters will be continued at the 118 piasters=$1 U.S. rate. This is because the 118 piasters our government will be using to pay for rents and services, a portion of the salaries of Vietnamese employees working for the U.S. Mission, administrative costs, etc., will be competing against the 275 piasters that private individuals will be receiving as their accommodation rates for the exchange of a U.S. dollar.

It is thought that these devices will dampen inflation by absorbing more piasters through the import process. It is hoped that a more open licensing system will evolve which will in turn reduce mark-ups importers are able to charge. Prices should go down. Thirdly, it is hoped that the increase in the accommodation rate—which will narrow the difference between it and the black market rate of approximately 440 piasters = $1 U.S.—will lessen the incentive to use illegal money markets for personal conversions of dollars to piasters.

What effect will this have on those commodities that were ordered, or ordered and are in-transit before this stabilization package was announced? There is some confusion in this regard, but apparently all licenses requiring advance deposits were cancelled and had to be resubmitted. This, of course, would be another reason for a slowdown in CIP financing.

What will be the overall effect of this stabilization package? Mr. Cooper hopes it will be effective but said they really would not know for at least three months. He candidly stated that the new rate was great in theory, but that it has not been in effect long enough to determine whether it will work.

I feel that these reforms should be watched carefully for activities such as those of the three fired Vietnamese who had been giving preferential treatment to certain importers while working for the commodity analysis. Privileged importers using GVN foreign exchange could conduct their business by falsifying commercial documents and then drawing down dollars in exchange for relatively worthless piasters, through fraudulent commercial transactions. This has happened in the past. The managers of AID's Commercial Import Program and their Vietnamese counterparts who are in charge of the GVN's import program must make absolutely certain that GVN foreign reserves are not fraudulently drawn down by collusion. If this happens, I feel that the reforms will have little or no value.

(2) Resources, possible future exports and need for foreign investments

There are many different answers to questions about the future, although everyone agrees that Vietnamese resources have to be developed so that exports ultimately can help the country gain its economic independence. Foreign investments from the free world nations can materially assist the GVN in accomplishing this goal. I previously stated that Vietnam is importing about $800 million a year and exporting only about $20 million. This is a tremendous imbalance.

A few years ago, Vietnam was a rice-exporting nation. There was optimism two or three years ago that it would be again. Rice has now been produced in such abundance that it is likely Vietnam will be able to sustain itself on domestic production in 1971. Unfortunately, rice is being grown at the same increased pace everywhere in the Far East so that there is little likelihood of any foreign demand if Vietnam once again becomes a rice surplus nation. For instance, Japan has a surplus of 800 million metric tons of rice.

Therefore the GVN will have to turn to other exports. Agriculture is one of the basic strengths of Vietnam. My briefers agreed with me on that. I noted that the Volunteers for Vietnam have found that although about 40 percent of the population of Vietnam was in the cities, nevertheless, at least 70 percent of the population depends upon agriculture to make a living. However, officials felt that agricultural research was very limited and they recommended that a new agricultural university and research center be included in the long range planning for Vietnam. However, AID has contracted with agricultural exports from the University of Florida to attempt to broaden this field and it is hoped that some commodities for future export trade will be emphasized.

Resource development in Vietnam has been fashioned on a basis of priorities. That is, the rice deficit had the first priority. Thereafter, the increase in poultry and hog production was the second priority. Progress is being made, although there are still considerable imports of feed for livestock. Domestic grain production eventually will replace the imports.

Mr. Mossler thinks there is a good possibility of growing bananas in quantity for export. Japan imports millions of dollars worth of bananas from Taiwan and from South America each year. Therefore a ready-made market for the fruit seems assured as soon as security conditions allow more concentrated production.

Mr. Mossler hopes for the development of enough fertilizer plants in Vietnam to provide the 400,000 metric tons that are required for the production of IR–8 "Miracle Rice." Such a project is going forward rapidly in Indonesia, and he and his associates feel it is not a complicated manufacturing process.

There seem to be other potentials for agricultural commodities. Production of coconuts, sugar and sorghum also offer possibilities of commodities for export. Mr. Mossler feels that fishing and shrimping offer good potentials for economic development. There appears to be a tremendous supply of timber available once the security conditions improve. Related industries such as pulp and paper mills could follow. The development of textile plants and sugar refineries progresses. Mr. Mossler includes the need for industrialization in the long-term needs for Vietnam. He said that the Vietnamese textile factories,

using Public Law 480 cotton, will turn out 70 million yards of high quality cloth next year. The export of rubber in the future also seems likely. Many of the rubber plantations are in contested areas. There is an obvious manpower shortage, and many of the plantations are French owned. They currently offer small benefits to the Vietnamese. It takes 7 years for a rubber tree to mature, but Mr. Mossler says trees have been obtained from Malaysia and Indonesia and the Vietnamese are starting afresh.

The overall potential is there, certainly much more than ever was indicated in Korea, which is a hard-working, self sufficient nation—prospering through perseverance and against great odds. To develop the Vietnamese potential, there is great need for putting together an inventory of natural resources. The proper utilization of these resources, consistent with the war effort, is a "must," in my opinion.

A small industrial complex has been started at Bien Hoa about half an hour northeast of Saigon. About 20 plants are in operation there. This is an excellent beginning. Much more may come of this as Vietnam turns more toward a postwar course.

Closely related to all of this, of course, is the strong need for foreign investments in Vietnam from the Free World. The Australians have just stepped up their program of Vietnamese assistance, and New Zealand is doing the best it can within its own capabilities, although our advisors were rather vague as to the amounts involved. The World Bank, too, has expressed an interest in assisting in the Mekong Delta area now that it has become relatively secure.

Japan is the real key to foreign assistance to Vietnam, in my opinion. The Japanese have been assisting some, primarily in support of hospitals, preventive medicine and by participating in World Health programs, in the approximate annual amount of $10 million. However, I think we should encourage the Japanese Government to do much more.

Japan has profited, economically, from the Vietnamese conflict as the bulk of the GVN purchases through its import program has been from Japan, ostensibly because Japan is closer and their commodities are cheaper. Japan has also supplied many goods, materials and supplies under our AID program when exceptions to the "Buy American" policy were made because of a specific requirement that certain badly needed items be expedited to Vietnam.

Japan is to be commended for having put some $125 million in investments into Indochina per year for several years now. As the present economic leader of the Free World nations in the Orient, I would hope that the Japanese would express a similar interest insofar as investment into Vietnam are concerned. I would also hope that their assistance would either be in the form of a direct grant, as so much of ours has been, or at least that any loan or loans they might make would be for a long period of time and on very favorable terms.

There are some indications that Japan is moving forward in this direction. We were told that our Mission has been very active in getting the Vietnamese to encourage the Japanese to come in and that the Japanese Government in October of 1970 sent a team, representing all of their leading Ministries to Vietnam to study the prospects.

Such a proposed participation by the Japanese Government is all to the good. It will be of considerable assistance to the Vietnamese, it will lessen the load of this country in Vietnam, and it will inure to the benefit of Japan itself in terms of prestige and in future foreign trade. I expressed an interest in this regard when I first came to the Senate. I sincerely hope that it will be accomplished very soon.

Forty percent of the Vietnamese population live in the cities of Saigon, DaNang, Nha Trang, Delat, Hue and Can Tho. Most of these cities are terribly crowded. Shacks and makeshift homes are common in Saigon and new home building is pitifully slow. AID has done an excellent job in developing water mains, sewer systems, and street lighting—things we take for granted. Yet public utilities remain basic problems in DaNang and the other cites. The people who move to the cities do not receive any special benefits as refugees and there is no form of training program.

Some type of urban advisory program would help. So would a program of advising rural persons that, security permitting, they are much better off in the countryside.

(3) Rice and land reforms

Charles Cooper and AID Director Robert Mossler indicated to us that ravaging floods and increasing military activity in 1965 and 1966 caused a considerable decline in rice production in Vietnam, to the extent that some 800,000 metric tons had to be imported in 1967. Most of this came from the United States under Title I of the Public Law 480 program.

The U.S. Department of Agriculture's Experimental Station as Los Banós in the Philippines developed some years ago high-yielding rice varieties known as IR–8 and IR–5 "miracle rice." These were introduced to some 35,000 Vietnamese farmers during the growing season of 1968–69 and the immediate goal to plant 44,000 hectares (one hectare equals approximately 2.5 acres of land) was attained.

We were advised that the average yield per hectar was more than 5 metric tons compared to the national average yield of 2 metric tons for local varieties theretofore. The net production increase for the year was 132,000 metric tons of unmilled (paddy) rice.

The 1969–70 planting goal is 200,000 hectares, which will result in a net production increase of some 600,000 metric tons next year. The next goal is 500,000 hectares for crop year 1970–71. Cooper estimates the yield will be 4 million metric tons of unmilled (paddy) rice. Mossler felt that fertilizers and pesticides were of great assistance in bringing these results. Both officials felt that Vietnam would be self sufficient and thus there will be no need to import any rice by the end of this year. It should be remembered that some 400,000 metric tons of fertilizer are still being imported to make this possible. Pesticides, too, are imported into Vietnam for this program.

Consistent with my understanding that the farmer in many instances is better off than the city dweller is the fact that he is now getting a good price for his rice. There was great concern in 1966 and 1967 when indications were that the farmer was receiving only 7 piasters per kilo. Subcommittee representatives then wondered whether the farmer should be subsidized to encourage him to continue working. This was not done, but by 1967 the farmer's price had grown to some 12 to 13 piasters per kilo for high grade paddy rice.

Because of the shortage of domestic rice and the consequent need for imported rice, we learned that the large amounts that were being shipped in late December of 1967 cost $175.00 per metric ton for medium-grain rice and $195 per metric ton for long-grain rice. Practically all the rice came from the United States. Both types carried $30 per metric ton freight cost. Obviously, some of this cost had to be offset by subsidies.

Mr. Cooper said the rice farmer now receives about three times as much as he did five years ago, between 21 piasters and 36 piasters per kilo for Number One 25 percent broken milled rice. The price to the consumer throughout Vietnam is approximately 50 piasters per kilo. Mossler's goal is to eliminate the declining subsidy altogether.

If the program continues to succeed, it is incumbent for the Vietnamese to provide for their own rice needs now, to relieve AID of expenditures of about $100 million annually. Rice exports, perhaps impracticable because of rice surplus in many Asian countries, would help to build up foreign exchange and to finance import needs if they could be attained.

The objective of land reform is to relieve the farmer of rent requirements. Under the Land-to-Tiller law, proposed in 1969 and passed by the GVN National Assembly in 1970, there are provisions to transfer all privately-owned land from the landlord to the actual cultivator, at government expense.

AID has agreed to provide the GVN with $10 million of imports against the initial piaster payments the government would make to the landlords, ostensibly to offset the inflationary aspects of the law. AID has asked for an additional $30 million in import support for fiscal year 1970, to be used when justified by the amount of piaster payments made to landlords under the law, for the same purpose.

Additionally, under the decree announced in June of 1970, which serves to implement the law, farmers no longer need pay rent on the land they are occupying until such time as the rather chaotic land titles in Vietnam affecting the farmers are cleared up. The result should be the generation of revenue for the governmental unit in which the farmers operate because the farmers should be in a position to tax themselves for schools and other local improvements.

Under the land reform law, a landlord may retain 15 hectares of land, provided he cultivates it himself. The government purchases his other land, with payment to be made over a stated period of time.

Within three years, about 900,000 of a possible 1.3 million hectares should be distributed through the land reform program.

Land reform is now an integral part of the GVN's pacification effort. This should counter the VC propaganda that the GVN is dominanted by absentee landlords. The hope is that successful implementation of the land reform program will turn the desire for land ownership into broad-based rural support for the Government of Vietnam.

4. Overall U.S. Mission Activities

(a) Interministerial GVN committee

We met in Saigon with Deputy Ambassador Samuel Berger in the absence of Ambassador Ellsworth Bunker. Ambassador Berger appeared to be a "no-nonsense" type of individual and I was impressed by his candor as we discussed various topics concerning our efforts in Vietnam.

Ambassador Berger told us that our mission has been influential in formulating a GVN Inter-Ministerial Committee—with our Embassy representatives serving as advisors—to attempt to deal with the very urgent problems of smuggling, corruption, black market activities, illegal trafficking in currency, and tax evasion.

The Committee emanated from the Prime Minister's office and is comprised of the Ministers, or their alternates, from the Ministries of Economy, Finance, plus Customs Service, Immigration Service, and the National Police. The main thrust of several meetings held thus far has been to impress GVN officials with the importance of taking much more vigorous action in the problem areas, not only to remedy them but to also gain some badly needed revenues for the Government of Vietnam. This is tied in closely with the foreign exchange reserves that I have discussed.

(1) Tax controls

The GVN Inter-Ministerial Committee, with U.S. Embassy assistance, worked on a series of practical controls. In one instance, the U.S. Mission honored a GVN request for a list of all landlords with whom the

U.S. Government had military and civilian leases and the amounts of rent we have been paying. Another list included contractors with whom the U.S. Mission has been doing business. The purpose is to help the GVN to collect from these landlords both income and "super rent" taxes and appropriate taxes from the contractors.

Our Mission representatives told the Ministry of Finance that its tax collection machinery was inadequately manned. In a joint effort of the Ministry of Finance and the Ministry of Defense, some 150 experienced tax collectors, who had been called into the military as a part of the general mobilization draft of 1968, were returned to their civilian pursuits. Additionally, the Finance Ministry is training more tax collectors.

Our advisors have been working with the GVN Director General of Taxation and we have 5 tax experts, plus 1 British tax expert provided by the United Nations, to help improve tax collection procedures, train a staff, and work on a general recodification of tax laws.

The GVN's new tax collection technique includes a campaign to collect taxes due from medical doctors, lawyers, importers and other persons who have access to considerable sums of money per annum.

Economic Attache Charles Cooper had previously told us that the GVN tax revenues came from three sources:

(1) Import taxes.
(2) Domestic sales taxes.
(3) Income taxes.

Cooper said that the import taxes are not domestic revenue taxes, and noted that the POL (petroleum, oil and lubricants) tax was shifted recently, from the import tax category to the domestic tax category.

Ambassador Berger told me that the GVN collected about 27 billion piasters in taxes last year, and that they hope to collect about 37 billion piasters this year. They have a goal of some 50 billion piasters for next year. Cooper indicated that some 10 billion of this year's amount will be in income taxes, but that the new tax collection system may triple the amount in the income tax category. Cooper said that there is a real property tax, but it is very poorly administered, and effects mostly urban areas. He felt much improvement could be made.

I am pleased with the new approach of the Government of Vietnam regarding taxes, although I feel that such positive steps should have been taken long ago. I do recognize that a complete taxation system is new to the citizens of Vietnam and recognize the adversities under which the Minister of Finance has operated in a wartime environment. But an adequate and fair tax system is basic to a better democracy.

Mr. Cooper informed us that a new tax package will be presented to the GVN Assembly this year. It primarily pertains to income taxes and includes a revised system for dunning people, apparently on the basis that everyone should pay some taxes and the wealthy should proportionately pay more than the others. Cooper said that both the GVN and our advisors felt that the old tax rates were too high.

If everyone paid his fair share in Vietnam, inflation could be countered, the GVN's foreign reserves could be increased, and the need for an AID program might be eliminated. I commend the GVN Minister of Finance and his associates for their efforts, and I emphasize my hope that they will continue to make strenuous efforts to collect the taxes to which the Government of Vietnam is rightfully entitled.

(2) Smuggling

Ambassador indicated that within a few days after the establishment of the Inter-Ministerial Committee, instructions were issued for immediate tightening up of arrival and departure procedures at Ton San Nhut Air Force base near Saigon. Previously black marketeers went to Bangkok, Singapore or Hong Kong for two or three days and brought back suitcases full of goods purchased on the trip. They were given only cursory examination by GVN Customs, paying nominal charges along the way.

However, after the instructions were issued and with cooperation and advice from the U.S. Customs officials, including those working with the GVN Fraud Repression Section, several seizures were made. One big ring engaged in transporting U.S. dollars was uncovered. A Vietnamese Army Major was apprehended and was charged with the serious GVN crime of participating in economic activity damaging to and against the best interest of the Government of Vietnam.

As search procedures were tightened and travel to and from Vietnam was restricted—and unofficial travel to and from Bangkok and Hong Kong was practically eliminated—more customs violations were detected. A Deputy of the Lower House of the Assembly was apprehended taking out a few thousand dollars while going on a trip abroad. A raid on the Saigon main post office occurred. Another currency ring involving postal employees, among others, was uncovered. Ambassador Berger told us that several companies had been found engaging in currency and customs violations. Their books were being examined when we were there.

Ambassador Berger stated that strict anti-smuggling enforcement has been going on in Vietnam since March of 1970. The Vietnamese are trying but the job is difficult. For one thing, there are many small ports on the coast of Vietnam and GVN Customs patrols cannot cover every area.

Thomas Naughton, Assistant to AID Director Mossier and an active member on the U.S. Mission's Irregular Practices Committee, stated that one of the big problems in the smuggling field is the amount of under-invoicing. Naughton said this cannot continue if the person who is checking the commodities against the invoice is honest. The practice is well known. Mr. Naughton agreed with me that the addition of several trained personnel paid reasonable salaries might be the solution to this problem.

(3) Black marketing and currency manipulations

My discussion of this subject centers on both the black marketing of commodities and the black marketing, or illicit manipulations, of currency.

Our Subcommittee held public hearings on this subject in November of 1969. We found that the illicit trading of currency and other commodities in the black market in Vietnam was an extreme problem. While it was very difficult to estimate the actual amount, testimony suggested it was at least $150 million annually. This money is drained from legitimate pursuits and is irretrievably lost from any possible increased GVN foreign reserve balance.

Ambassador Berger obviously was well aware of the black market's existence and was most concerned about doing something about it.

There is little question about the black market's existence. Messrs. Adlerman and Morgan told me that they were approached by Vietnamese money changers in the main section of Saigon in 1966. Charles Mangers, my Administrative Assistant, and I were similarly accosted in November of 1970. The offer was something in the neighborhood of $500 U.S. for the piaster equivalent of $1,250 U.S. The transfer of currency was not to take place on the street but, instead, at a business address in downtown Saigon. We passed the building which appeared to be a legitimate place of business. We had not been downtown more than 20 minutes when the offer was made.

Ambassador Berger said U.S. officials have been working closely with the Vietnamese in this field. Heretofore, we have tried to control the amount of money available for use in the post exchanges, in the purchase of postal money orders, and in the disallowance of the purchase of travelers checks. But we were told that the real problem arises from the discrepancy between the pre-October 20, 1970, exchange rate of 118 piasters equal $1 U.S. and the black market rate, which has been as high as 440 piasters equal $1 U.S. One of the essential reforms was to raise the accommodation rate, which was done in October 1970, bringing it to 275 piasters equal $1 U.S. Mr. Cooper indicated that this had the immediate effect of equalizing the military payment certificate (MPC) rate, because of the troop withdrawal, to a similar 275 rate, so that there now is no percentage of gain for the traffickers to engage in this particular type of exchange. Military payment certificates are scrip issued by the U.S. Department of Defense in the same denominations as a U.S. dollar, up to a $20 bill. Military personnel and authorized civilians use MPC's in post exchange, commissaries, clubs and messes as another device to attempt to combat inflation. The scrip is called in at irregular intervals and new scrip issued, again to discourage illicit currency trading. Mr. Cooper also said he thinks that although the "piaster-to-green" black market rate was as high as 440-to-1 in July of 1970, he felt that it had fluctuated from a low of 390 ps equal $1 U.S. to a high of 420 equal $1 U.S. in December of 1970. This still provides a good margin for the fraudulent manipulator.

When I asked if officials were able to identify operators in the illicit money market, Ambassador Berger said the GVN authorities know who many of them are. They have gone after some of them but they are not doing enough in this regard. Their emphasis is more on fining a culprit, once apprehended, and then releasing him back into their society. Mr. Berger feels there should be more emphasis on the part of the GVN in getting non-Vietnamese citizens involved in currency manipulations out of the country.

I asked if the GVN Assembly had passed a law against black marketing in Vietnam, with particular reference to street stalls that openly sell at black market prices GI clothing, cigarettes, liquor, post exchange items and almost any small item made in the United States. No one was certain of this, except to say that the Vietnamese police frequently "sweep the streets" to confiscate these goods and materials.

Ambassador Berger feels that the Vietnamese, particularly since the spring of 1970, have the will to control black marketing and that they have made some progress in this regard. More must be made. As he said to us, "It is an absolute requirement, on their side and in our own interest. These dollars are going out the back door and they can't expect us to replace these dollars, and the message has got through to them." Coupled with this is the increasing crescendo of criticism of the government—both by Members of the Assembly and members of the press. A great deal of this is manifested in demands for correction of existing conditions, and demands for investigations in such areas as black marketing.

I understand that the GVN Minister of the Economy and the Minister of Finance—the two officials who are the most responsibly concerned—are well aware of this problem, and that they have a sincere desire to remedy it. That is good, because I don't believe it can be impressed upon the Government of Vietnam enough that it is incumbent upon them to put a stop to these illicit currency manipulations and to curtail smuggling as well. This is so because the mood of our

Congress for the past several years has been to spend less and less on AID, particularly when we know that it is simply plugging a gap in a country's domestic program that has been caused by the siphoning of some of its needed currency through a black market operation. It is important for the GVN to know that AID does not receive its appropriation money from an everflowing horn of plenty. It also is obviously to the Government of Vietnam's benefit to straighten out these nefarious practices once and for all.

(b) Irregular practices committee

Robert R. Parker, an attache of our Embassy and assistant to AID Director Donald G. MacDonald from September 1967 until October 1969, was also Chairman of the Irregular Practices Committee of the American Embassy in Saigon. This was a committee established by Ambassador Ellsworth Bunker on August 30, 1967 with the purpose of dealing with a number of problem areas, not the least of which were black marketing and currency manipulations. Although the enabling memorandum indicated GVN concern over the same subjects, the Committee's charter called for the development of ways and means to prevent the involvement of U.S. personnel in any activity contrary to United States or GVN laws or regulations.

Interestingly enough, Ambassador Bunker's comments in his document setting up the group still are of concern to us today. He said:

"I have become increasingly concerned by reports of irregular practices involving illegal currency dealing, contracts calling for payment in U.S. dollars although piaster payment would be less expensive, *diversion of Post Exchange into the private sector of the Vietnamese economy and illegal activities of PX concessionaires.*" (Emphasis supplied).

Mr. Parker testified that the committee did not handle individual cases, nor did it promulgate regulations. Instead, it considered ways to identify problems and to take action to correct them. That is, the committee suggested policy and actions but looked to the individual agencies to implement same in accordance with their own procedures. The committee has considered many actions to carry out its assignment, from initiating changes to tighten currency controls, to working out arrangements for the suspension and debarment of contractor personnel engaged in black market or other illicit activities. More stringent post exchange service and commissary regulations have been included in their activities.

Mr. Parker indicated that an intensive enforcement effort against the black market was undertaken in the summer of 1968 and was still very much in force when he departed in the fall of 1969. This included close liaison between the GVN customs and their American Customs advisors, the military investigative services, the security section at our Embassy, and AID.

Thomas Naughton told us, that although the original committee had military representation, this has been increased to include representatives from MACV J–1, MACV Protocol, the Adjutant General, Provost Marshal, and the Head of Procurement for MACV, the latter because of the number of Defense-financed contracts in Vietnam. It includes those who would be directly responsible for diversions from the post exchanges. Ambassador Berger felt that this committee was of particular importance so that someone from the Embassy should chair it and he has been chosen to do so.

The Consul General, the Chief of the U.S. Customs team, the Chief of the Internal Revenue Service, and similar persons of equal importance are either members or alternate members to the Committee.

It appears to me that this Committee serves an important interdepartmental function, with particular emphasis on coordination among the various departments and agencies involved. It should be remembered, of course, that its jurisdiction is really limited to American involvement in Vietnam but it hopes to utilize its expertise for effective work with the broader jurisdictioned GVN Inter-Ministerial Committee.

Several of these problems—smuggling, black marketing, debarment of U.S. civilians engaged in such practices, the need for more effective GVN tax collections—came up in our hearings on November 18, 1969. Immediately thereafter, by letter dated November 19, 1969, I wrote to the Secretary of the Treasury and the Secretary of State about these matters. I received replies from both Departments by letters dated December 10, 1969. I am inserting those letters into this record, in the Appendix as Exhibit Number 5.

In the intervening year, the GVN Inter-Governmental Committee and the U.S. Mission's Irregular Practices Committee have been putting forth what they consider to be strenuous efforts to correct the conditions. However, the problems seemed to have been as prevalent and pernicious when I was in Saigon in November of 1970 as they had been the year before when I wrote to the Secretaries about them, and they have not been corrected today.

(c) Need for coordinated American effort

The Volunteers for Vietnam discussed a subject in their report which bears repeating.

Initially, AID was active in Vietnam and then, in 1967, CORDS was created. Today, AID is busy coping with the problem of stabilization and reform in the GVN. As such, it carries the major responsibility of advising to the GVN Ministries in Saigon. It does not work to the extent that it should in pushing GVN Ministries to pursue development programs in the countryside, or even in the cities for that matter.

CORDS, on the other hand, provides advisory staffs for the GVN in the field—at the Corps, Province and District levels. Although CORDS headquarters is near Saigon, CORDS does little GVN Ministerial advising. As such, CORDS has little appreciation of the problems encountered at the Ministerial level.

I recommend a single agency, or at least a new position with rank of Deputy Ambassador who is capable of running both agencies, both away from the control of MACV, except for support assistance. This approach would obviously be much better for the purposes of long-range, development planning, if both agencies were centered under one head. It is apparent that there is much to be done in regards to overall planning for the future of Vietnam—including the establishment of priorities of programs and localities. The common sense approach would be to shore up the agencies into a strongly led organizational structure under the direction of one person.

(d) Post exchanges

On Thursday, September 27, 1966, Mr. Frank A. Bartimo, then the Assistant General Counsel for Manpower and Reserve Affairs, Department of Defense, briefed Messrs. Adlerman and Morgan just prior to the first Subcommittee trip to Vietnam.

At that time Mr. Bartimo explained there were only 28,000 Military Assistance Group (MAG) personnel in Vietnam in early 1965. And there was only about $1 million of post exchange business transacted yearly then. Also, the post exchanges were operated by the U.S. Navy.

However, when the buildup began in late 1965, General Westmoreland decided that the post exchange situation was beyond the Navy's normal capability, so an orderly transition to joint Army-Air Force control commenced and by December of 1965 the latter joint force was completely in charge.

Mr. Bartimo advised that, at the time of the meeting, the volume of post exchange business in Vietnam had grown to about $11 million per month for some 300,000 U.S. troops, 30,000 Free Force personnel, and 1,800 eligible U.S. civilians in June of 1966, and that they anticipated this volume to climb to some $17 million monthly within a month or so.

Mr. Bartimo stressed the amount of harbor congestion, particularly at the Saigon port, at that time, unguarded warehouses due to the congestion, with pilferage resulting. He then stressed the attempts to prevent pilferage by instituting Military Police and dog patrols, joint surveillance patrols with Vietnamese security police, and guards placed on truck convoys from the ships to the post exchange warehouses. Mr. Bartimo felt that increased surveillance and closer accounting and auditing procedures would keep the loss in what had been a rather confused situation theretofore down to the 4% that the Army-Air Force normally provided for through their reserve fund.

Mr. Bartimo placed a considerable amount of emphasis on the controls that had recently been introduced into the PX system in Vietnam to make sure that only those who were properly eligible would be purchasing commodities from the post exchanges and then only for their own use. This was important to keep such items from showing up in the street stalls on the streets of Saigon where they would then easily enter the blackmarket. As such Bartimo mentioned punch out PX cards which would control the number of special items sold to eligibles, such as liquor, cigarettes, and camera film. Secondly, the use of watermarked PX identification cards which would be very difficult to duplicate, to fall into unauthorized hands. Thirdly, the use of sales slips for purchases over $10.00, which identified the buyer, and which were compiled so that it could be readily determined if there was any particular pattern of purchasing by one person or a group acting in combine.

Thus, Mr. Bartimo was satisfied the sales-to-customers aspect of the post exchange business in Vietnam was in good hands.

The one area that was not covered, by Mr. Bartimo, was the manner and method of procuring these post exchange items. That is to say, the way in which the vendors, suppliers and their agents and the items they were carrying, were presented to and selected by the officials of the post exchange system. And if this had been done, I believe the responsible individuals would have uncovered "a sleeping giant" in a situation that I will describe in more detail in the next major section of my report.

B. Korea

Unfortunately, our party's stay in Korea was extremely brief. But in the short time that was available to us, we were able to meet with Ambassador William Porter, AID Director Howard E. Houston, and several members of the U.S. Mission including representatives from the 8th U.S. Army stationed in the capital city of Seoul.

We found Ambassador Porter to be a candid and obviously capable career diplomat, very much on top of his difficult assignment. He was personally conversant with both the broad sweep and the technical details of the American establishment in Korea, including the military situation (which is sort of an omnipresent concern for South Korea officials), our foreign aid program and the economic situation in the private sector. It was apparent to us that Ambassador Porter admires and appreciates the strength and aggressiveness of the Korean people, and their ability to work extremely hard on all levels to overcome what many people only a few years ago thought were insurmountable obstacles.

Korea, which in English means "The Land of the Morning Calm," is a mountainous peninsula in northeast Asia separating the

Yellow Sea from the Sea of Japan. The Republic of Korea is located south of the 38th Parallel. It was established in 1945 when the first free elections sponsored by the United Nations were held. Thereafter, Dr. Syngman Rhee was chosen President on July 20, 1948, and the republic was formally proclaimed on August 15, 1948. South Korea is about the size of the State of Indiana.

1. History

The history of Korea spans some 4,300 years. It began with the legendary Tangoon, who unified a number of primitive tribes into a single kingdom in 2333 B.C. Many kingdoms rose and disappeared in the ensuing years. In 668 A.D. the Silla Kingdom (founded in 57 B.C.) united the entire country for the first time. This kingdom remained until replaced by the Koryo Dynasty in 918 A.D. The Koryo Dynasty instituted a system of civil service examinations, laws were codified, and in 1234 A.D. movable metal type began to be used for printing.

When the Koryo Dynasty was replaced by the Yi Dynasty in 1392, Hangul—the Korean alphabet—was invented, accurate rain gauges were used to furnish crop estimates, and literature and the arts flourished. In the same Dynasty, in 1952, Admiral Yi Sunshin defeated an invading Japanese fleet by using ironclad warships for the first time in the history of the world. In 1628 a shipwrecked Dutchman became the first Occidental to enter Korea, and after spending several years he returned to Holland to write the first book on Korea to be published in the Western World.

As time passed, Korea, composed of a homogeneous society dominated by Chinese and Confusian heritage, came under the domination of the Japanese. The Portsmouth Treaty, which concluded the Russo-Japanese War of 1904–1905 and which was mediated by President Theodore Roosevelt, recognized Korea's complete independence. Korean historians, however, feel that this treaty gave Japan a free hand in Korea, to the point that through a series of usurpations, Japan annexed Korea in 1910. Although the Koreans stubbornly resisted this oppressive rule, Japan continued to dominate them until Japan itself was defeated in World War II by the Allied nations.

At the Cairo Conference in November of 1943, it was agreed that all of Korea should be "free and independent." However, at the Potsdam Conference in July of 1945, the 38th Parallel was designated as the line dividing the Russian and United States occupation of Korea. The occupation was ostensibly to facilitate the surrender of the defeated Japanese army. United States troops entered Korea on September 8, 1945, and by June 29, 1949, our troops had been withdrawn. Russian troops entered Korea on August 10, 1945. They then proceeded to organize the Socialists and Communists and blocked efforts to let the Koreans unite their own country. United Nations representatives who were to supervise a free election in 1948 were denied entrance to North Korea. Instead, a puppet Communist government was set up.

Finally, on June 25, 1950, the North Koreans—instigated, armed and urged on by the Russians—invaded South Korea. Thereafter the United States and fifteen other United Nations members, responded in varying degrees to the call of the UN General Assembly and Security Council, and sent all types of military aid to the beleagured nation, until the war was ended and an armistice signed at Panmunjom three years later.

The war left the southern portion of the peninsula in shambles. Beginning with the armistice, the Koreans have accomplished a truly remarkable recovery, with our help. In late 1953, many economists thought of Korea as a permanent "economic basket case" which the United States would have to "carry" indefinitely. This, fortunately for all concerned, has not been so. While the United States has put a great deal of money into Korea—some $5 billion in military assistance and some $4 billion in economic aid—it is apparent that we have jointly succeeded in rebuilding a nation of the free world.

A great deal of credit for this success story must be given to the Korean people. They accepted the challenge and, through their initiative and perseverance, they have successfully rebuilt their country and have moved forward into a competitive trading position with many other countries of the free world. From its postwar ruins, the country has progressed exceptionally well and in such a relatively short period of time. This recovery occurred in a country almost devoid of natural resources. The poor soil requires a great deal of limestone to reduce the acid content; the coal is of poor quality, and there are practically no iron deposits. A modern Korea, however, has emerged from this unlikely setting.

2. Agency for International Development

Our AID program to Korea has been a remarkable success. In fact, it has moved along so well that it is now in the phasing out process. In 1964, for instance, there were more than 600 full-time Americans in Korea working for AID. At the beginning of fiscal year 1971, however, there were 92 Americans in the Korean AID program and by next July the number will be down to 70 persons, with the expectation that it will be down to 35 people in 1972. Perhaps AID Director Howard E. Houston is the man who could be the "Close-down Czar" that Senator Ribicoff was speaking about.

Mr. Houston informed us that our AID mission last summer signed the last "supporting assistance" agreement with Korea, in the amount of $10 million. This is an outright grant agreement which has been used extensively, to help that country in the past. Additionally, we still have a technical assistance program running at the rate of about $3.4 million annually. This is used primarily for industrial productivity to send medium-level industrialists to the United States to learn quality control, manufacturing "knowhow," and to assist Korean industry in moving from its present, small scale, non-precision base to heavy industry geared to the assembly line concept and requiring high levels of engineering output. This is believed necessary for Korea to realize its full economic potential. Some $25 million in development and program loans also was requested for the current budget, to be used in the agricultural area. It is to be paid back in dollars but the Koreans believe they need it for agricultural equipment, to purchase farms, to direct future programming toward improved research techniques and to formulate long range agricultural policy. Fiscal year 1970 showed some $76 million in Public Law 480 commodities, including some $40 million in dollar credit sales. This is because Korea still imports a considerable amount of foodstuffs, including about 10 percent of its annual rice need, as only about 26 percent of the land is arable. Even so, they hope to become self-sufficient in rice production in 3 or 4 years. Finally, some $800,000 annually is used for family planning. The average population increase has been about 2.1 percent heretofore but the family planning program apparently has served to decrease the population growth rate to 1.9 percent. The Government's goal is to decrease the annual growth rate to 1.5 percent at the end of its third five-year plan which would be in 1977.

3. The Economy, Including Exports and Imports

Our Embassy works very closely with the Economic Planning Board of Korea, and the relationship has been a very close and productive one. Korea has embarked on its second five-year economic development plan, which commenced in 1967. Indications are that it has achieved most of its goals some two years ahead of the target date.

Once chiefly an agricultural country, Korea has made a rapid transition to a society based on industry organized around the free enterprise principle. Approximately half of the population is now engaged in other than agricultural endeavors. A large portion of the industrial base is concerned with the import of resources and the subsequent export of the resources in the form of finished products. In this manner, textiles, plywood from logs imported from the Sumatra and the Philippines, and wigs are the principal exports competing successfully in the international market. Electrical machinery, yarns and fabrics also are exported but to a lesser degree. Because of all this, industrial growth was at an all-time high in 1969–70.

Prior to that time, Mr. Houston said, the Korean Government really "got down to brass tacks" in 1964 and 1965 when they instituted a lot of major reforms. They devalued the Won, the local currency, which was very helpful. They also changed their tax system and they instituted a rigorous tax collection system, which increased their tax revenues by almost 40 percent per year for the last five years, and they also have been concentrating on their export program.

By 1969, the per capita GNP was $228.00, or something over $7 billion in U.S. dollars for the entire country. This represented an increase of 13.4 percent over the previous year and the Korean Government estimates the GNP growth to be at 9.7 percent for 1970, making the necessary downward adjustment for inflation, which is a problem there as well as here at home. In fact, the wholesale price index went up 9.1 percent in 1970 with Seoul being hit even harder, with a 12.7 percent increase. As part of the industrial increase, it should be noted that in the manufacturing industries, there was a 17.6 percent increase for 1970. This is a very impressive figure. *Additionally, the 9.7 percent increase* in the GNP growth rate for 1970 is the first time since 1966 that the rate *of growth has slipped below 10 percent.* And all of this has been going on with a budget that has been kept in balance since 1964.

In 1969, Korea's exports totaled $623 million, representing an increase of 37 percent over the previous year. Of this amount, $312 million of exports went to the United States, an increase of 33 percent over the previous year. Korea had to import some $1.8 billion of commodities, however. Of this amount, some $530 million in goods came from the United States. This represented an increase of 18 percent over the 1968 level. Principal imports were wheat, which is used principally for bread and noodles, non-electrical machinery, cotton, and iron and steel scrap.

Unfortunately, because of Korea's urgent need to develop an even greater industrial base and also because of its lack of self-sufficiency in food production, the country experienced a trade gap in 1969 of about $1 billion, as imports exceeded exports by some $1.2 billion. Korea, at the end of 1969, had a foreign exchange reserve of about $549 million, although part of this represented extensive use of credits. As the level of exports increases and the rate of imports decreases, merchandise imports and exports are projected to balance out by 1976. The deficit on goods and services and on current account are projected to be reduced to reasonable amounts of $349 million and $551 million, respectively, at the same time. The economy of Korea appears to be in good shape.

4. Education

Educationally, enormous strides have been made. Out of a total population of 31 million, there are 6½ million youngsters enrolled in more than 8,400 primary and secondary schools. There are also 500 persons per 100,000 enrolled in the nation's 171 uni-

versities and colleges, including 103 junior colleges. About 3.5 percent of the total GNP is spent on education.

The City of Seoul in many ways epitomizes the Korean postwar experience. The Korean Government has deliberately set out to make it the showcase city of the Orient. It was, of course, almost totally flattened during the war. It is now a stunning metropolis of high rise buildings, with elevated roads and neat and attractive suburbs. It has been beautifully planned. In spite of the modern skyscrapers, it has retained many of the charming older buildings: gates, temples, and at least three palaces of the former kings. The population of Seoul has quadrupled in the two decades since the war. It now has 5½ million inhabitants. City planners in the District of Columbia and its environs would find it interesting to know that Seoul will commence work on a subway in 1971.

5. The future of the country

Insofar as the future of the country is concerned, the Koreans have a great deal of faith in themselves. They have changed their theme from "Korea in the Far East" to "Korea in the world" for the late 1970's. Their economic planners believe the Korean economy will indeed be listed in the upper group of the advancing nations by that time, and they anticipate the economy to far exceed $500 annually per capita income. The nation's exports are also expected to increase to more than $5 billion annually by then. From my brief but pleasant exposure to this country, this would not surprise me in the least.

As a visiting American, I could not help but be impressed by the warmth and genuine esteem with which Koreans regard Americans. We spilled our blood and our treasure in Korea and the Korean citizenry have not forgotten. We sought nothing in that war but to help a friendly nation, under the guns of its aggression-minded neighbors, Russian-dominated North Korea and Red China. I think the Koreans appreciate that fact and their obvious affection for America is very heartening to me.

C. The Philippine Islands

Our party arrived in the Philippines on November 16, 1970. For my Administrative Assistant, Mr. Mangers, it was a familiar scene because he had served in the Navy during the Philippines Campaign in 1944 and 1945. When he was last in Manila in 1945, he saw the city in rubble. It has been happily restored to its original beauty and twenty-five years intervening saw expansion and modernization that is truly amazing.

The Republic of the Philippines occupies an archipelago in the western Pacific, some 500 miles from the southeast coast of Asia and some 7,000 miles from San Francisco, California. It is composed of 7,100 small islands with eleven major islands comprising the bulk of the country. The nation is about the size of the State of Arizona.

1. HISTORY

Manila Bay is one of the finest harbors in the Far East. Quezon City is now the official capital of the Philippines but, pending its completion many of the government offices remain in Manila. Historically, the archipelago was visited by Magellan in 1521 and seized by the Spanish in 1571 as a part of their overseas empire. The islands, named after King Philip II of Spain, were ceded to the United States by the Treaty of Paris on December 10, 1898, following the Spanish-American War. The United States paid Spain $20 million for the territory at that time. By Act of Congress in 1934, the Philippines were to gain their independence in 1946.

The Japanese attacked the Philippines at the same time that they attacked Pearl Harbor in December of 1941. General Douglas MacArthur and a force of 15,000 Americans and 140,000 Filipino regulars and reserves gallantly defended the area, hopelessly outmanned, until Bataan and Corregidor fell in May of 1942. Independence was proclaimed for the Philippines according to schedule on July 4, 1946.

2. Resources

The Philippines Island resources include agriculture, manufacturing, mining, lumbering and fishing. Some 42 percent of the land area is covered by forests. The islands are also rich in mineral resources such as gold, silver, lead, zinc, nickel, copper, iron, coal, chromite, asbestos and manganese. The chief agricultural products are manila hemp from abaca, copra, sugar, corn, tobacco, and, of course, rice. The latter has been tremendously successful by virtue of the "Miracle rice" high yield strains that have been developed and that I will discuss more thoroughly at this point.

3. International Rice Research Institute and "Miracle Rice"

During our stay in Manila, we met with Mr. Thomas C. Niblock, Director of the AID Mission for the Philippines. He is an Asian specialist having served with AID in South Korea, Afghanistan, and for 5 years as a Special Assistant to the President of the United States on Economic Development in Southeast Asia.

Mr. Niblock explained that the International Rice Research Institute was established at Los Baños, a short distance from Manila, by the Ford and Rockefeller Foundations in the early 1960's. The Center has been funded jointly by the two foundations to the extent of some $23 million, $8 to 10 million of this having been put into plant facilities and the remainder into annual operations. Only recently AID has been asked, and has agreed, to share in the annual budget, on a one-third basis with the Foundations beginning in the past year. The total budget is $2.2 million annually.

The Institute, as we learned in Vietnam, has accomplished a great deal in its short existence. Scientists working out of the Institute developed several strains of hybrid rice, IR–8 "miracle rice" being one of the first and better known, which promises to take the "Green Revolution" very much out of the talking stage and into the real world.

Headed by Dr. Robert Chandler, formerly the President of the University of New Hampshire, the Institute has an international staff of agronomists, biologists and agricultural specialists, approximately 70 percent of whom are Asians.

The "new rice" the institute helped to develop not only has a higher per-acre yield but it also can yield three crops per year instead of two where local growing conditions permit. There is a continuing process involved in improving the rice varieties and in gradually moving into other things on a minor basis, as well. For instance, as the rice supply becomes sufficient in country after country, the need to continue to increase the rice yield will decline. At that point, the Institute's emphasis will be on multiple croppings and other agricultural improvements. The Institute has done a useful job in developing small farm tools for seeding and planting, threshing and drying, and harvesting purposes. AID has assisted this program to the extent of some $2 million in the past four to six years.

We were advised that we really don't know at this stage what the implications of the Institute's work are. Certainly, if the "new rice" can be cultivated throughout Asia it could well be the solution to the constant shortage of rice and the resultant hunger that haunts the Asian world. But, its development has cultural and political implications as well which are presently difficult to assess, taking into consideration the geographical and population magnitude of Communist domination in Asia.

I cannot help but marvel and rejoice at the Institute's accomplishments to date. Armed with a sum of money which compared to our military expenditures is an insignificant amount, these scientists have, in only a few years, developed something which has the potential of being at least a partial cure for the chronic hunger which has plagued Asia for centuries.

Traveling to Asia fresh from our Subcommittee's second series of public hearings into the TFX airplane contract award, I could not help but wonder what enormously good things we could have accomplished had we been able to channel even a portion of the funds which we frittered away on that ill-conceived aircraft into projects like those conducted by the IRRI. By way of comparison, I note, for instance, that our Subcommittee witnesses estimated the United States Government spent some $375 million on the F–111B contract, which was the Navy version of the TFX, before the Congress ordered it scrapped as unsatisfactory for carrier use. *That represents* more than *15 times the amount of money spent by the International Rice Research Institute in more than 8 years of work.*

The investment in the F–111B had a return of near zero (except for some research and development technology that could be passed on to later types of aircraft); we cannot yet calculate the benefit to Asia and indeed to mankind that will flow from the $23 million wisely invested by the Rockefeller and Ford foundations and our Government in the work of the IRRI over the last decade. But we can safely say that it is truly an impressive piece of work and one of which we, as a nation, can be justifiably proud.

4. Agency for International Development

Mr. Niblock told us that AID to the Philippines was first established in the early 1950's. Although not going into detail, he said the program then was considerably larger than it is today.

At present, we have a fairly small AID program and one which, in Niblock's judgment, is extremely effective. We have a total staff of about 80 Americans, 8 of whom work perhaps 200 Filipino employees.

Total annual expenditures are now at the $10 million level, about double the size they were 5 years ago, with about $5 million of this going to Family Planning programs, and the remainder committed to an increasingly concentrated technical assistance program in agriculture and provincial development, with continuing activities in public safety and health, especially malaria gradication.

The Family Planning Program in the Philippines is the second largest that AID is supporting. It is a relatively new phenomenon in that country, having been in existence for perhaps two and one-half years. However, it was brought to the Philippines at the request of that government and the Government is fully behind it, recognizing it as both a social and an economic problem, notwithstanding the Catholic traditions of the country. Mr. Niblock indicated that the newspapers, too, have given particularly strong support to the program with some aspect of it being discussed almost daily.

The program is based heavily on the private sector, with AID supplying most of the funds. There are some 25 separate groups that are actively engaged in some type of family planning in the Philippines. These include the Family Planning Organization of the Philippines, the national affiliate of the International Planned Parenthood Association with some 50 clinics in country plus training programs, and the Institute of Maternal and Child Health Care, an existing organization headed by a Filipino woman and a past President of the Medical Association of the Philippines. This is a clinic that was in existence before family planning started,

but it now supports some 150 clinics in the family planning program. AID has several project agreements with these groups, all of which are approved by the Philippine Government. All in all, there are some 400 clinics in existence throughout the Philippines, with some 200,000 acceptors of some form of birth control reporting to these clinics. Where there were few such persons a few years ago, it is now anticipated that there will be some 500,000 acceptors utilizing the services of some 800 clinics by July of 1971.

While the Republic of the Philippines has little Government money to place in the program, it has some official participation through services in kind. In addition, President Ferdinand E. Marcos, who established a Population Commission about a year ago, has made several strong public statements in support of the program. Mrs. Marcos, too, has stated that she wants to give special emphasis and sponsorship to the program. She would like to see the development of a Population Center to bring the several organizations under one roof and to create some degree of coordination among them while leaving the main leadership of the program in the private sector.

Two bills were introduced into the Philippine Congress last year calling for formal status for the Population Commission as a Legislative-approved body, and also to provide the Commission with some operating funds. While the proposals were not approved, Mr. Niblock indicated the Chairman of the Population Commission—who is also the National Secretary of Education—the Secretary of Social Welfare, and the Executive Director of the Population Commission have been working on the draft of new legislation in this regard, and that they have been discussing it with key Congressional leaders in the hopes that the Commission will be formalized in 1971.

Mr. Niblock also said that a great deal of research is being conducted in the program as well. AID has backed a contract between the University of Chicago and the University of the Philippines wherein Chicago University evaluates the monthly reports from the clinics. This rather sophisticated reporting system is maintained at the Department of National Defense Center at Camp Aguinaldo on the outskirts of Manila. The clinics presently interview the acceptors but it is hoped that an independent, social worker type of interview will be forthcoming soon to help in this evaluation procedure. Niblock felt that in a few years, they would have enough data to determine the effectiveness of the present course, or any possible redirection thereof.

Closely related to the reporting procedures are the accounting system that AID has put into the program. AID has also contracted with a well known Filipino management consultant firm to develop a reporting manual for all of the participating organizations, to conduct a training program for the managers of the clinics and the auditors who check them out, and to work in conjunction with members of the Population Commission staff to do end-use reporting, observing and spot-checking. The AID mission also has its own audit program in addition to frequent visits by the Area Auditors.

All of this is concentrating on a reduced growth rate for the Philippines. At present the growth in population is between 3.2 percent and 3.5 percent, which Niblock describes as "still one of the highest growth rates in the world". The present goal is to reduce this to 2.5 percent.

Mr. Niblock then said that the AID mission in the past few years has cut out a great many activities that it had been supporting in the past. For example, we are not in the educational advisory field directly at all although some teachers are provided in the rural areas through our Peace Corps.

Conversely, by concentrating our efforts in just a few fields, he thinks that we are able to collaborate effectively with the "new look" that is talked about for AID. Thus, instead of attempting to do everything, the number of bi-lateral programs in the Philippines has expanded and the role of the international agencies, such as the World Bank—for public projects—and the Asian Development Bank has increased. I want to study the "new look" approach in greater detail but certainly, on the surface, Mr. Niblock is to be commended for speaking in this way.

In closing our interview, we asked how Niblock would compare the people of the Philippines in their attempts to try to help themselves, with those of the other areas we had been in. His response was a very optimistic one. He is enthused about the potential for development in the Philippines in the decade ahead. Recalling his service with AID in Korea, he said that 15 years ago few economists could forecast a viable economic future for Korea. However, as we have found, the Koreans defied those pessimistic forecasts and accomplished their own national recovery.

5. The Future of the Country

Mr. Niblock said the process of modernization of technicians has proceeded rather uniformly in many of the free nations of Asia, so that many of them have a large body of well trained technicians to start a young developing nation on the right track and to make that government work. The Philippines are equally as fortunate and in recent years President Marcos has turned over many of the economic portfolios and important affairs of the government to these people with fine educations, ten years or more of experience, and with youth on their side. Also, the Philippines are more fortunate than most developing countries in regard to the high level of literacy and the growth strength of the private sector. Mr. Niblock sees a concerted effort on the part of the Filipinos to do as the Koreans did but with more "pluses" to commence with. We join him in that hope.

D. Conclusions—Part I

What is the future of Vietnam? The Volunteers for Vietnam, speaking of the excessive bureaucracy, the sustained levels of terrorism on the part of the Communists, the inflation and other economic problems, and the moral decay which stems from every war, are guardedly optimistic at best. AID officials, on the other hand, are quite optimistic about the pacification and stabilization efforts and turning over existing facilities and projected potentials to the Republic of Vietnam, once the emphasis on a strong military force has diminished. However, AID is concerned with an economic base sufficient to pay the country's way both domestically and in the international market.

I think personally that it all boils down to the will and determination of the Vietnamese people. The United States has gone into Vietnam upon the invitation of that country's government, and with our blood and our dollars, we have enabled the Vietnamese to stand upon their own feet. Whether they now proceed to walk forward into the community of free nations depends upon their own desire and resolve individually, as free citizens, and collectively, as citizens of the Republic of Vietnam. It is up to them. All of us hope they will succeed.

Insofar as our own great country is concerned, we have proven once again the lengths we as the most powerful country in the world are prepared to go to further the cause of human dignity and international justice. But at what price? This tragic war has been the most divisive of any in our history, save the Civil War. It also has been the longest, certainly one of the costliest in terms of effort expended. It is rapidly closing in on World War II—a global conflict—in terms of actual costs.

We should take a long hard look, it seems to me, before we pursue any such undertaking again. I say this with particular reference to our country's involvement in the unique experience of "tearing down" a country, militarily, while seeking to destroy the enemy, and "building it up," economically, politically and socially at the same time. This has been a tremendously costly undertaking in money but more importantly in American lives, and I do not think that we can afford ever again to get involved in such a concomitant exercise of extremes.

I recognize that it is difficult to put a time-table on the phase-out of technical assistance. There also is the desire on the part of the AID officials to keep the Commercial Import Program, or something similar that would generate piasters, at the $300 to $400 million level annually so long as the Government of Vietnam needs to finance its military at the present high level, particularly because of the anticipated drop in foreign exchange earnings when our troops withdraw.

We have learned that we should have particular concern for fiscal year 1972. I have discussed that point extensively in my earlier comments under the heading "GVN Foreign Reserves," beginning on page 19 of this report. I believe that although some AID money will undoubtedly be needed for the gradual transition from a peacetime to a wartime economy, we should proceed very cautiously in this regard, and we should watch carefully our annual expenditures as we go along.

We found that AID officials in Vietnam were somewhat defensive in their presentation to us. They did not at any time volunteer information about any of the faults of the program which I have pointed out in this report. They spoke in glowing terms, but at the same time, they seemed to be somewhat apologetic as they discussed the dollars that they need to continue the program. One gains the impression that a lot of their efforts have been conducted on a "trial and error" basis. *I think they would get along better with the public and the Congress if they would recognize their mistakes, point them up, take criticism in the constructive manner in which it is usually offered, and then set out to correct the errors.*

I have spoken of our AID program to Korea as being the shining example of how an AID program in the Far East, coupled with national determination, brought a country back from the depths. I am sure that mistakes were made in that AID program, but it certainly stands as an example of the way our foreign aid programs should work and I commend those that were directly responsible for its success.

I am particularly interested in AID's enthusiasm in assisting the Philippines Government to make itself eligible for some financing through the World Bank, the Asian Development Bank, and perhaps other international monetary institutions. This, as I understand it, will be part of the "new look for AID" package which the Administration will soon present to the Congress. It will include, among other things, economic development through multi-lateral agencies and technical assistance to underdeveloped countries through AID on a bilateral basis. This proposed legislation is expected to reach the Congress in the next few months.

We did not stop at Cambodia on our trip because I felt that the Cambodians, and our own people in nearby countries supporting Cambodia's efforts, had enough to do to contend with the series of unprovoked attacks that have been waged by the North Vietnamese and the Viet Cong against that country. However, since my return it has been announced that some $70 million in AID has been promised to that war-torn country. While it appears that there is a definite need

for a determined, anti-Communist Cambodian Government to obtain guns and ammunition to defend themselves against their aggressors, I am primarily concerned with the manner in which our AID program is administered there. I understand that the first $10 million at least is to be handled on a cash grant basis, and that the money for the purchase of goods, materials and supplies will be paid out as soon as the documentation recording the purchase is presented. *There will be no particular determination about the loyalty of the supplier in the area and there will be no surveillance of the purchase and use of the items.* Those close to the scene tell me importers in Cambodia are dealing with the same suppliers—many of whom are considered to be Communist-oriented—with whom they did business before the program came into effect.

Suggestions to administer the program from Saigon, Vietnam, where experienced AID personnel are located, thus far have fallen on deaf ears. This is particularly ludicrous when one sees the magnitude of the AID presence in Vietnam, coupled with the clear understanding that many of the goods needed in Cambodia will be shipped via the Mekong River from Vietnam. I also have been advised that the gentleman who made such a mess of our AID program to Vietnam in its early stages is now managing the AID program to Cambodia from a neighboring country. *Haven't we learned anything from our experiences in Vietnam?*

I hope that the Inspector General, Department of State, and his staff will continue to keep a close look at our AID programs in Southeast Asia—and world-wide, for that matter. They have done a good job in the past, but if they are unable to bring about changes when they find the need for them, I hope they will report such irregularities to the appropriate committees of Congress.

Finally, I recommend that our Subcommittee renew its inquiry into the AID program wherever it operates abroad. Not only do I anticipate that great savings and many recoveries could result, but, in light of the anticipated proposal on the part of the Administration to revamp AID's structure, I think we have the duty to study AID as it now operates in order to make an enlightened comparison with what is proposed. I think we would render an invaluable service to the Congress by carrying out that duty.

III. IRREGULARITIES IN POST EXCHANGE PROCUREMENT AND CONTINUING INTEREST IN FRAUD AND CORRUPTION IN MANAGEMENT OF MILITARY CLUB SYSTEMS

A. General comments

At our first stop in Honolulu, Hawaii, we were given a briefing by Brigadier General James A. Bailey, USAF, Commander, Pacific Exchange System, and members of his staff on the morning of November 5, 1970.

The headquarters for the Army-Air Force Exchange Service (AAFES), operating throughout the world wherever our Armed Forces are located, is at Dallas, Texas. The Pacific Exchange System (PACEX), has been delegated the responsibility and authority for procurement from sources located in the Pacific area by the Dallas headquarters. This procurement authority given to PACEX has been further redelegated to the Director of Procurement who operates nine purchasing offices, one in each of the areas where PACEX regions are located, plus Hong Kong. The 8 regional areas are as follows:

1. Hawaii.
2. Guam.
3. Japan.
4. Korea.
5. Okinawa.
6. Thailand.
7. Philippines.
8. Vietnam.

These offices are staffed with procurement specialists. The Chiefs of the offices and a limited number of contracting specialists have been appointed contracting officers. Additionally, the Office Chiefs are all members of the PACEX staff, and report directly to the Director of Procurement at PACEX even though physically located elsewhere.

The post exchange operation is certainly no small business undertaking: the dollar volume in direct sales for the last fiscal year (which ended on January 31, 1971) for Vietnam alone was $764 million. In 1969 and 1970, the totals came to about $550 million and $675 million.

We can expect for the present year, ending in January of 1972, a drop of about 25 percent in Vietnam as our troops withdraw. Vietnam almost equals the total amount of dollar sales in all of the other areas in which the Army-Air Force Exchange System does business in the Pacific. It should be remembered, however, that the Navy does a large and separate business in many of these areas. The Marines, too, have their own Post Exchange system.

General Bailey informed us that there are about 27,000 people in the system, 900 of whom are career exchange employees. There are some 750 military personnel presently in the system, some 675 of whom are in Vietnam. PACEX employs about 400 persons, with only 10 actual military personnel. General Bailey said that most of his people in Vietnam rotate after one year there, although PACEX does offer them a maximum extension of one more year. At other posts, however, some people do stay as long as three years. Of course, some people are considered "immobile" in that they are usually low level, local employees performing routine tasks.

General Bailey carefully distinguished procurement operations in Vietnam from the other regions. For example, because of the many problems they have had in Vietnam in the earlier days in particular, they have a separate inventory management system altogether. There also is a procedural difference in the way in which post exchange items from the United States are ordered. In the other seven PX regions, the purchase orders go directly to the Army-Air Force Exchange System headquarters in Dallas, Texas, where the items are then purchased by and through the Dallas office. However, from Vietnam the purchase orders are channeled through PACEX for review, and are then forwarded to the Dallas office where they are again reviewed, after which the purchases are made.

Auditing of the exchanges is done, by region, out of the national office in Dallas, Texas. Until just a few months before our meeting, General Bailey had 28 auditors assigned to him. Twelve of these had been assigned to Vietnam on a permanent basis. There also is an annual audit throughout PACEX headquarters and the respective regions by a certified public accounting firm located in Honolulu. Financial statements are prepared monthly by each region which compare the actual results to the proposed programs, as well as the monthly results with those of the year before.

When the PACEX Procurement Office was opened in Vietnam in June of 1967, we were advised that about 97 contracts—many of them being carry-over contractors from the days when the Navy operated the exchanges—were transferred to the new office. By then the accelerated troop build-up had placed a heavy demand upon concessionaire-type services such as laundry and dry cleaning, tailoring and alterations, barbershops, photo processing, packing and wrapping services, etc.

But supply sources to meet these new demands in wartorn Vietnam were practically nonexistent. As a result, the military units—particularly in the fields—made their own, sketchy, "arrangements." This made the use of normal procurement procedures inapplicable. Top officials of the Post Exchange therefore decided to "capture" the so-called "contractors" employed by the troops at all levels, and to convert those informal agreements into formal contracts as a starting point in order to attain some semblance of control. This, in turn, enabled the Exchange to standardize the quality of the service rendered and the prices for them, as well as to establish some accountability to the transactions. This was accomplished, in spite of limited personnel and serious communications problems.

We were also advised that by June of 1969, conditions had stabilized sufficiently in Vietnam so that the "capture" program was replaced with the normal, competitive bid type of negotiation for such contracts. The few exceptions were "sole source procurements" wherein the particular contractor was the only source capable of producing the requirement. This would include such things as a potable ice contract, where military sanitary requirements are strict, and a bakery where tools, equipment and skilled labor would be scarce. The number of units in the exchange system in Vietnam has grown to 180 retail outlets, about 50 food outlets, and some 1,500 service outlets, more often known as concessions, in 1970.

While the procurement officials in the Vietnam Regional Exchange (VNRE) undoubtedly did a good job in regulating the myriad of concessions that had sprung up with our increased troop presence in Vietnam, it is difficult for me to understand why it took the Army so long to do this. Post exchanges have been an integral part of the services rendered our military forces both at home and abroad, certainly since World War II. The post exchange system also had the experience of the Korean War. It would seem, then, that they should have been right on top of the problem when the troop build-up occurred in Vietnam.

We were shown a USARV directive, dated 10 September 1969, which, in turn, referred to USARV Regulation 60–5, dated 29 September 1968. I am inserting the memorandum into the Appendix of this report. (See Appendix, Exhibit No. 7.) The memorandum indicates that all unauthorized revenue producing merchandise and services activities are prohibited except when authorized by the Vietnam Regional Exchange.

We saw from our hearings in 1968 that the concessions operated outside the Post Exchange system, such as the various clubs and messes, were in great abundance in Vietnam. They made a natural setting for chicanery of all sorts between the concessionaire, the military custodian, and the U.S. civilians backing the operation. If the Vietnam Regional Exchange had been "on the ball" at the very outset, this unfortunate state of affairs would not have arisen.

B. Beer and class VI alcoholic beverages

We learned of some other differences in the handling of beer and other alcoholic beverages as between Vietnam and the rest of the regions under the Pacific Exchange System.

1. Beer

Beer is sold by the post exchange in all regions, including Vietnam. However, the criterion regarding brand selection differs between the two. In all PACEX regions *except Vietnam,* monthly beer requirements are calculated in PACEX and are *based on sales performance,* which means, based on *demand.* These requirements are then submitted to the Army-Air Force Exchange Service headquartered in Dallas, Texas, for stateside procurement. Although procured through the regional Post Exchange Procurement Offices, the beer is used for resale in Exchange beverage outlets for consumption in clubs and messes and in cafeterias and snack bars.

In Vietnam, however, PACEX calculates the

total beer requirement each month and forwards it to Dallas. In Dallas, AAFES uses a formula *based upon sales performance of national brand beers in the U.S. as published by the Marketing and Communications magazine.* Only national brands are procured. This is quite different from purchasing on the basis of local demand in Vietnam. The distinction is of considerable interest to us. In the first instance, where local demand is the criterion, it is possible for a sharp operator to develop an artificial set of "demand figures." The second criterion seems to be the more realistic one. But while the Pacific Exchange System seems to point with pride to this formula "to avoid any criticism that the Exchange is favoring any particular brand," as the briefing materials state, PACEX did not tell us how long this formula had been in effect or whether there had been any unsatisfactory experiences with the "demand" formula before the "sales performance of national brands" criterion replaced it. I think this is something that we will be able to discuss in greater detail within the next few weeks when we go into public hearings on the matter. Beer procurement, at retail prices, amounted to $5 million monthly in 1969 (11 January 1969–10 January 1970) and totalled some $3.6 million for the first six months of 1970.

2. Class VI Alcoholic Beverages

"Class VI" is the designation for alcoholic beverages other than beer. According to Army regulations, the Exchange Service normally does not engage in the sale of Class VI items. Instead, this is frequently handled by what appear to be quasi-governmental entities known as "Locker Funds." The Army operates locker funds in Japan and Korea, the Air Force in Thailand, and there is a joint Army-Air Force operation in the Philippines. The funds handle alcoholic beverages exclusively, including the purchasing and warehousing for all eligible units in their region. They operate on a relatively small profit but, even so, they have built up relatively large assets over the years.

In Vietnam, again we have an exception. Class VI items had been sold by the Navy System before the Army-Air Force Exchange System transition. In order to avoid two separate logistics channels and to save on space resources and personnel, the Board of Directors, Army-Air Force Exchange in Vietnam, acting at the request of the Military Assistance Command Vietnam (MACV), approved the operation of Class VI stores by the Vietnam Regional Exchange (VNRE) in October of 1965. The Exchange in Vietnam operates resale package stores and also supplies Class VI items to clubs and messes. In fact, the Exchange has been the sole supplier since about the time we commenced our investigation in the late spring of 1968.

We were told that Class VI stock assortment of alcoholic beverages in Vietnam is based upon "popular sales preference of alcoholic beverages as reported by Marketing and Communications Magazine." This really becomes a mixture between national ratings and local demand. But I think we shall see here as well some concerted efforts to artificially establish some local demand statistics in order to influence the procurement. Again, we are not talking in small amounts because PACEX advised that in 1969 Class VI procurement averaged $2.1 million per month, with about $750,000 of this to be sold to clubs and messes. And from February through July of 1970, the amount has averaged almost $2 million monthly with almost $700,000 of this having been sold to clubs and messes. All calculations are at the selling price.

C. Star Distributing Co.

At the time of the Subcommittee hearings from November 18–21, 1969, we learned that the Star Distributing Company had a monopoly on news distribution of all magazines and periodicals to our Armed Forces in Vietnam, including the *Stars and Stripes* and *Overseas Weekly* newspapers. We also learned that the Star Distributing Company, operating in Okinawa as well, had run some $58,000.00 through a large currency manipulation account several months earlier. The account, functioning in Saigon and in New York, amongst other places, was known as *Prysumeen.*

When Mr. John Serviatis, President of the Star Distributing Company, was interviewed by a Subcommittee staff member in Okinawa in July of 1969, he admitted the unlawful currency transaction but, he refused to assist the Subcommittee further by identifying his contact with the Indian money-changer operating the account in Saigon. We also learned that no action had been taken by the military on this contract in spite of the derogatory information that our hearings had uncovered.

Therefore, I wrote a letter to Melvin R. Laird, Secretary of Defense on November 20, 1969, pointing up that our GI's who are found engaged in illegal currency transactions are subject to courts martial and that American civilians and firms found to be likewise so engaged are routinely denied PX privileges *plus the right to do business in American establishments.* Because of this, I asked Secretary Laird what he was going to do about the Star Distributing Company contract.

After a brief acknowledgement to my letter, dated December 5, 1969, on the 19th of December, 1969 I received a written reply from a Brigadier General Leo E. Benade, USA, Deputy Assistant Secretary of Defense. General Benade's letter enclosed an informational letter from Brigadier General George E. McCord, USAF, the then-Chief of the Army-Air Force Exchange Service in Dallas, Texas. In effect, General McCord's letter minimized the black market activities of Star Distributing Company, indicating "its alleged involvement in illegal currency transactions in Vietnam is its only known contract violation," and emphasized the contractual relationship between Star and the two Exchange Systems, the difficulty of terminating same, and the excellent service that Star had performed under the contract. Both General McCord and General Benade also concluded that the Dallas office does not exercise command control over PACEX, but, instead, this would be exercised by the Commander-in-Chief, Pacific.

While at PACEX headquarters, Brigadier General James A. Bailey, USAF, informed us that when I first inquired into this matter on November 20, 1969, he asked Colonel Ebner A. Thomas, Jr., USA, head of the Vietnam Regional Exchange, to conduct an investigation into Star Distributing Company and the members involved. I was informed, again by General Benade, by letter dated May 7, 1970, that an Army CID investigation as to some of Star's officers was opened on October 30, 1969, and was still continuing. At about the same time, the Office of the Inspector General, U.S. Military Assistance Command, Vietnam (MACV) conducted a separate inquiry into Star's activities. This inquiry did not find any conclusive indications of criminality but "there were divulged sufficient contract irregularities to justify not renewing the contract with the company, which expired on 31 March 1970."

I really don't know what further "contract irregularities" the Army needed as a basis of action. I subsequently learned that when the contract expired, except for an agreed to 90-day extension to give the Exchange System time to "tool up" to take over the operation, the Star contract in Vietnam was not renewed. The same was true of Okinawa when that contract expired in July of 1970. Notification to that effect was given Star Distributing there in May, 1970. The Exchange System has taken over the operation of the business in both places.

I am going to enclose the series of letters to which I have referred in the Appendix of the report for your information. (See Appendix, Exhibit 6.)

The Internal Revenue Service, fortunately, did not reflect the same indecision that we found in the Army. I have been advised that on November 19, 1970, immediately after I questioned the practices of the Star Distributing Company, the Internal Revenue Service looked into the tax status of that company. Finding the company to be substantially in arrears in the payment of its income taxes, the Internal Revenue Service then filed a jeopardy assessment in excess of $2 million against the Star Distributing Company, and, at the same time, entered into an escrow agreement with the Pacific Exchange System whereby any money due and owing Star by PACEX would be put into the escrow account, pending the determination of the tax liability.

D. Vietnam travel restrictions

I think another interesting adjunct to the work of the Internal Revenue Service in its Office of International Operations is that their agents, by virtue of a State Department Order dated July 22, 1966, were prohibited to travel into Vietnam except when permission to do so was obtained by an Under Secretary of the Department of the Treasury. There are only two such Under Secretaries.

This senseless ban was not lifted until October 8, 1969. The IRS now has 3 agents in Vietnam on a permanent basis, along with some others who are there on temporary duty assignments. I understand that they had several hundred cases under investigation in Vietnam at the time of our visit.

The fallacy in this arrangement is that an unscrupulous vendor, or vendor's agent, could be in Vietnam supplying our military forces through the clubs and post exchanges engaging in kickbacks, bribes, payoffs, and other forms of tax evasion, while the honest IRS agent was, for all practical purposes, denied the opportunity to go into the same country and attempt to make the tax collection. We have seen several examples of this type of vendor in our 1969 hearings and I suspect that we will see several more in the next phase of our hearings.

E. Pending public hearings

It would not be proper to discuss in detail the specifics of our findings because the public hearings are imminent. It is not my purpose to divulge the details of the case in advance of its presentation. But, we can in general terms, state what we hope to accomplish in these upcoming hearings.

In the new hearings, the Subcommittee will continue to document certain glaring failures in the operations of our government overseas.

The 1969 and 1970 hearings showed widespread corruption in open mess systems on U.S. military reservations. Also exposed was the size and impact of the black market in dollars that flourishes in Vietnam, which robs that ravaged nation of precious financial resources and wastes valuable American aid.

When the hearings resume this month, more corrupt and questionable activities will be shown to exist under the umbrella of nonappropriated funds. But the emphasis will be on the operations of U.S. military post exchanges.

In addition, the Subcommittee will trace the operations of certain well known American vendors and sales representatives who have lived, worked and prospered in Asia since the end of World War II by selling their wares to U.S. clubs, messes and exchanges.

Always insisting on their rights as full fledged American citizens, these brokers have corrupted U.S. officials, military and civilian,

broken or sidestepped laws whenever it pleased them and, in short, created and promoted a climate of compromise and conspiracy within which criminality thrived.

These brokers and sales agents were well known. All the military services investigated them many times. The IRS and other U.S. agencies were aware of them. Their "MOs" were predictable. Yet they continued to prosper and profit—like predators of the animal world they prospered most in times of adversity: their "best" years were the war years 1965–1969, during the massive buildup of U.S. troop strength in Vietnam.

The war is winding down now. But their profits have been made at the expense of the GI whose hard earned money was spent in clubs and messes. It is unfortunate that the Executive Branch of our government has not been capable of controlling these brokers who found the tragic Vietnam war—and the nonappropriated funds it generated—so much to their liking.

I am confident that the work the Subcommittee is doing will lead to meaningful reform in the ability of our government to control American citizens who violate American laws in foreign countries.

Our earlier hearings demonstrated time after time that this nation has no system for bringing to justice its own citizens who are living abroad. Before this is finished, I hope our Subcommittee will find some legislative solutions for these problems.

Our hearings have also shown, and will continue to show, that much of the corruption existing in nonappropriated fund activities was related to slot machines.

From Augsburg, Germany, in the early 1960's to Vietnam in the early 1970's the presence of "one armed bandits" has been an important contributing factor in the corruption that we found.

Why, therefore, will not the Department of Defense simply prohibit the sale and use of slot machines on military reservations everywhere?

Slot machines are banned in this country everywhere but Nevada. They should be forbidden abroad on U.S. installations as well.

It is not the better paid officer cadre which makes slot machines profitable. It is, instead, the enlisted men who play them—and the American GI, most of us will agree, is the most underpaid employee there is.

What is the hold that slot machines have on the overseas Army? What is so essential—so sacrosanct—about them? Clubs and messes operate adequately well in the U.S. without profits from slots. I don't offer this suggestion in any pious fashion, nor do I think that gambling is evil *per se*. I am rather approaching this from a practical angle: the revenues which clubs and messes and other military installations abroad earn from slots is more than offset by the corruption, actual and potential, necessarily surrounding their presence. All too frequently, the firms and individuals who install, service and profit from these machines are not of the sort with which the U.S. Government should deal.

Clubs overseas can operate adequately well without slots. Furthermore, by eliminating slots, we will be ending the temptation to steal that these machines pose.

I have written to Secretary Laird on this subject, urging him to consider prohibiting the sale and use of slot machines on all U.S. military reservations throughout the world. My letter will be found in the Appendix as Exhibit No. 8.

I have also advised the Chairman of the Subcommittee, Senator McClellan, and the Acting Chairman for this inquiry, Senator Ribicoff, of my action on this matter.

F. Conclusions—Part III

In this report, I have been critical of many aspects of the military's operation in Vietnam, and I hope this criterion is received in the fashion in which I offered it—constructively. I have no intention of being either accusatory or petty. I feel it is the responsibility of our Subcommittee to point up shortcomings when they come to our attention.

I regret to say that the cooperation we received from the military was something less than wholehearted. Frequently, I had the feeling that "adversary" would be a more descriptive adjective than "cooperative." It was apparent to me and to the staff members who accompanied me that too often questions were avoided or evaded rather than being answered. Our Subcommittee's hearings last year should have alerted the military to the abuses in the PX and club system and should have led to immediate reform. When we consider the enormous amounts of money and material involved in the PX's club messes and locker funds, prudence would demand a more orderly system and more built-in protective devices. There certainly have been reforms, but too often they have been superficial and jury-rigged reforms. This became apparent when we probed anywhere beneath the surface. The potential for abuse in these systems is still present. The brokers and the sharpers who bilked the GI's and the military in the past are a sophisticated and resourceful crew. What they lack in scruples, they make up for in sheer nerve, guile and boldness. They can find angles and ruses and deceptions that honest men can't even imagine. These individuals working through a multitude of paper corporations, phoney names and maildrops have embarrassed the military and our Government no end. In my judgment, the military has been too slow to react and not diligent enough in protecting its own interests. For that reason, as I say, the potential for abuse remains and the military, as a class, is reluctant to talk about these problems candidly. In the end, this turning inward, this overly protective attitude, can only hurt the military. I had hoped that in cooperation with our Subcommittee, the military could have moved to weed out the bad apples and bring about certain obvious reforms. That needed cooperation has been slow in coming.

FIFTY-THIRD ANNIVERSARY OF LITHUANIAN INDEPENDENCE

Mr. HARTKE. Mr. President, for centuries, men have fought and died for the right of self-determination and have resisted all encroachments on that right. In the United States, this victory was won almost 200 years ago and the basic freedom is now taken for granted; the right to choose is simply a matter of course. In the last 10 years, we have witnessed the assertion of independence by many of the African colonies, now nations. However, there are still those people in this world who do not have that prerogative; we are only too aware of those in Southeast Asia. But, we tend to forget about the quietly lost countries; quiet because all evidence of existing injustice is suppressed.

Today we direct our attention particularly to the Baltic countries of Lithuania, Latvia, and Estonia. We are celebrating the 53d anniversary of the independence of Lithuania, a victory after centuries of conflict and of alien domination. Russian involvement in Lithuania goes back nearly 300 years with several attempts to completely annihilate her language and culture and replace it with the Russian. Strong resistance from the Lithuanians forced the abandonment of this policy in 1905. Finally, in the aftermath of World War I, Lithuania saw the chance to assert her independence and seized it. What a day of rejoicing that must have been and, yet, how tragically short-lived.

In 1939, after only 22 years of self-rule, the long arm of Hitler swept across and encompassed the Baltic States, despite their attempts to remain neutral. At the same time, the Russians forced a mutual assistance treaty on Lithuania permitting the establishment of Soviet bases and the admission of Soviet forces within the Lithuanian territory. At the end of the war, the Germans were expelled but the Soviets remained. In 1940, Lithuania was publicly declared a part of the USSR, destroying all hope of independence.

However, while her physical freedom was lost, the Communists have been unable to quell the spirit of Lithuania. Despite an attempt to disperse the people throughout the Soviet empire, they have persisted in the belief that freedom and self-determination is the only acceptable course and that the struggle will not cease until that goal is realized.

The United States has never recognized the forced incorporation of Lithuania by the Soviet Union. Consistent with that concept of freedom upon which our country is founded, despising all forms of tyranny, our Government has maintained diplomatic relations with the former free government of Lithuania. Therefore, it is appropriate on the occasion of the 53d anniversary of Lithuania's independence, that we express the insistence of all Americans that the imperialist Soviet oppression of the Baltic States must cease—and that these brave people be granted the independence and freedom for which they have long and courageously struggled.

DESPICABLE DEMANDS UPON CZECH AND SLOVAK REFUGEES

Mr. HRUSKA. Mr. President, on two occasions in recent weeks I have called to this body's attention the despicable practice by Czechoslovakian Communists of demanding money from Czech and Slovak refugees in this and other free world countries.

You may recall that some of the blackmail letters were submitted for the RECORD. The letters notify the refugees they are being tried in absentia for the crime of leaving the state. The refugees are further notified that their sentences may be minimized by retaining legal counsel and sending fees—in hard cash—in advance.

Needless to say, the bombardment of these blackmail letters on thousands of refugees, already sick at heart over the fate of their native land and the welfare of friends and relatives, has created a cry of outrage throughout the free world.

One of the principal spokesmen in bringing this matter to the public's attention has been the Czechoslovak National Council of America. The American Bar Association has instigated a study of the situation. Governments, including our own, have taken action to stop the distribution of the letters. They have filed formal complaints with the Czech Government.

In the meantime, the Czech Commu-

nists apparently considered they had a lucrative scheme for extracting free world dollars from their expatriates. Letters came to light demanding child support payments. Now I am in receipt of another letter by Mrs. Anna Faltus, secretary of the Czechoslovak National Council, which cites a new blackmail scheme.

In the latest effort, the government-operated travel agency is seeking travel advances from exiles in the United States and Canada for the purpose of bringing their relatives out of the puppet country.

These letters, being sent to Czech nationals who have relatives in this country, promise that if passports cannot be arranged for them to leave the country, the money will be converted to food and goods certificates in government-operated stores. Under such circumstances, of course, the travel agency would first deduct appropriate fees.

Need I suggest that in all likelihood there will be no passports issued. But if Czech and Slovak exiles succumb to the temptation of bringing their loved ones out of the country, they will lose more hard earned free world dollars to the Iron Curtain.

There is fortunately, a bright side to this sordid picture. I am pleased to report that this morning's New York Times carries a Reuters story in which the Czech Communist Party Leader, Gustav Husak, says he has ordered lawyers to stop trying to raise so-called defense costs in free-world countries.

His comment that he was unaware of the activity may be taken with a grain of salt. Nevertheless, he does acknowledge that the furor raised in this country and others by the despicable practice had brought things—in his words—to a "boil."

That was certainly our intention, Mr. President, and I congratulate all who participated in creating the "boil" which apparently has been successful. It is my earnest hope that having discovered the error of their ways, the Czech Communists will now cease and desist with other similar clumsy blackmail attempts.

Mr. Husak's concession on this matter is highly encouraging to me, Mr. President. It not only demonstrates that united action prompted by the leaders among some 70,000 Czech and Slovak exiles in the free world was responsible for stopping a very serious infringement upon their rights as free men; it demonstrates, perhaps more importantly, that the Communists are still subject to the pressure of world opinion, as they proved to be in the Czech uprising of 1968.

Perhaps this reaffirmation that even the hardened Communists are subject to outside pressure will encourage a redoubling of our efforts to secure fair treatment and ultimate release of our prisoners of war.

I ask unanimous consent to have printed in the RECORD the story from today's New York Times announcing Czech Communist plans to end the harassment of Czech and Slovak exiles, and a news release reporting the actions of The International Council of Voluntary Agencies in the matter.

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

HUSAK INSTRUCTS CZECH LAWYERS TO HALT DUNNING OF 1968 EXILES

PRAGUE, February 16.—The Czechoslovak Communist party leader, Gustav Husak, said today that lawyers had been ordered to stop sending refugees in the West demands for money to pay the defense costs at their trials in absentia.

Mr. Husak said in a speech at Pardubice that the dunning letters were unreasonable and that neither he nor Premier Lubomir Strougal had known they were being sent out.

The letters prompted an official complaint from Australia and charges in the United States and Canada that Czechoslovakia was trying to blackmail the 70,000 Czechoslovaks who fled to the West after the Soviet-led invasion in August, 1968.

In at least some cases, the lawyers said they would seek the $70 to $100 in legal fees from relatives in Czechoslovakia if the emigrés did not pay.

"I did not know anything about it and Comrade Strougal did not know anything about it, so I asked what's going on that has brought about nearly all of Western Europe to a boil," Mr. Husak told a gathering of party members.

"Well, whoever flees abroad without permission commits a felony, and they give everybody a lawyer, and the lawyers in their offices said to each other 'let's let the defendants know and make them pay for it.'

"In my opinion, it was not very reasonable because if somebody runs to the West, one would not think he would pay for legal representation.

"But the lawyers did not ask anybody. And now there is a big campaign and some governments even took action so that these letters would not be delivered and so on. So we put our heads together and told the lawyers: 'Comrades, don't do it, there's no sense in it anyway. Now, because of your foolish action, they are slandering the whole regime.'"

Mr. Husak, who devoted part of his hour-long speech to Western propaganda attacks against Czechoslovakia, denied that there were any splits in the party leadership and reiterated that political trials would not be held.

NEWS RELEASE OF INTERNATIONAL COUNCIL OF VOLUNTARY AGENCIES

According to a news report received from Geneva (Switzerland) The International Council of Voluntary Agencies condemned Czechoslovakia for intimidating and blackmailing refugees.

Thousands of Czechoslovak Refugees in North America and Western Europe have received letters from lawyers—acting on instructions of the Prague Government—saying that court proceedings have been brought against them for illegally staying abroad. The letters warn that their relatives in Czechoslovakia will be held responsible for legal fees unless the refugees send the money; they further inform the refugees that they are liable to punishment ranging from six months to five years imprisonment or confiscation of property. They request payment within fifteen days of a deposit toward costs of trial. The deposit generally amounts to $140.00 to be transmitted by the refugee in the currency of the country of residence to a designated bank in Czechoslovakia.

In a statement issued in Geneva on February 1, 1971, the International Council of Voluntary Agencies, which included all major voluntary bodies working on behalf of refugees, called the letters "illegal" and "intimidating". The Council's Commission on refugees and migration said the action "is a threat to the status of persons as refugees and a form of blackmail directed against the individual refugee in his country of asylum."

In calling the letters illegal, the Voluntary Agencies said that threatening the refugee with action against his relatives appears to be without basis under internal Czechoslovak law. They add that contrary to universally accepted standards of conduct between nations, the Czech authorities chose not to go through official channels in the countries of asylum, deliberately contacting refugees directly.

The refugee agencies point out that the sending of the letters violates the jurisdiction of the countries of asylum since they infringe on their rights to grant full protection to refugees fleeing from political persecution.

Accordingly, The International Council of Voluntary Agencies is asking all governments to see what steps might be taken to stop the sending of intimidating letters through the mails and to protest to Czechoslovak Authorities against their violations of the rights of refugees.

REPRESSIVE GREEK GOVERNMENT

Mr. McGOVERN. Mr. President, when the administration decided to resume arms shipments to the Greek junta, it justified its decision with the statement that a "trend toward constitutional government" had appeared. For an administration which has repeatedly displayed its talent for finding benign phrases to describe bad results of misbegotten policies, this has to rank as a stellar performance. While reports from Greece have indicated a continuing and intensifying policy of arrests, torture, and intimidation, the administration talks of a trend toward constitutional government. Regrettably, here is one more instance of a failure to be honest with the American people on critical matters of foreign policy. As in the case of the continuing Asian adventure, the administration fails to recognize that the first obligation of representative government is to be honest with its own people.

I have received from Andreas G. Papandreou, a leader of the Panhellenic Liberation Movement—PAK—a copy of a letter smuggled out of prison by Panagoulis, the young man charged with attempted assassination of Premier Papadopoulos. It tells a chilling story of torture that shows a complete absence of due process of law in the State Department's reported "trend toward constitutional government." It makes clear that the only trend within the present Greek regime is the further desecration of the glorious tradition of liberty which is Greece.

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

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

I am writing with the hope that my letter will reach every human being who feels his duty to be indignant about crime and to fight for its abolition. With the hope that the support of the world public opinion for the struggle for freedom, democracy, justice and progress will become more substantial. I am writing with the confidence that the progressive powers of all the world will help the many prisoners of the junta and with their assistance prevent our physical destruction. I am writing lastly so that from the isolation of a prison of the junta the

anathema of someone who suffers reaches all the world and hits all those who help the completion of the crime that is perpetrated against our people. At the same time I want our gratitude to reach all those who stand by us at this terrible moment.

For two years now I am in absolute isolation. I have been subjected to terrible tortures. In summary I report:

Whipping with wire and wire rope all over my body. Beating with clubs on the soles of my feet with the result that my right heel was fractured. Beating with iron bars on my chest and on the ribs with the result that two or three ribs were broken. Burns with cigarettes on my hand and genitals. They put a long metal needle (wire) inside my urethra and heated the extended part of the needle or wire with a cigarette lighter. With their hands they closed my mouth and nostrils (ways of breathing) almost until the point of asphyxiation. Kickings. Punching with the fist. Pulling the hair. Beating of my head against the wall and floor. Preventing me to sleep. (The protagonists: Major Theofyloyannakos, Police Officer Mallios and Babalis). Brutal and torturing ways to force feed me by Dr. Panagopoulos. I was permanently handcuffed. I was refused every possibility of defending myself by their refusal to allow me to see the brief of the prosecution prior to my trial and their refusal to allow me to see my lawyer except once on the eve of the trial and this in the presence of officers of the junta. Threats and pressure by Theofyloyannakos during the trial. Withholding the charges I made and submitted to the Military Tribunal against Major Theofyloyannakos and Hadzisis for forging (which is proved) my supposed defense plea produced in the brief of the prosecution. Document which is not valid and has not got my signature. These all before the trial.

After the "trial" transfer from KESA (Centre of Training of the Military Police) in gangsteristic way 20th of November 1968 to the arsenal (NAFSTATHMOS) and from there in a naval boat under the signal R.25 (P.25) to a cell at the back of the prisons of Aegina (Island of Aegina). They notified me that I would be executed the next morning and asked me if I wanted to ask for pardon. I refused. At dawn a detachment came outside my cell and I could hear orders being given—after a while the detachment left. I was notified that they would execute me the following day because "Today is the Annunciation of the Virgin Mary and executions cannot take place." I refused again their suggestions that I should make confessions and ask for pardon. In the morning of the 22nd of November I was told again that the execution would take place on the morning of the 23rd. In the afternoon I was transferred to NAFSTATHMOS with the naval boat P-21 and from there to the special questioning department of ESA. A Sergeant (surely under orders) told me that the newspapers had announced that I had been executed adding that now "they are going to question you as they like." At dawn on Nov. 23rd they put men in a car telling me "Now all this gimmickery is over and we are definitely going for the execution." And we went to the prisons of Boyati. They threw me in a cell without a bed. The walls were damp and green with mold. Still permanently handcuffed. I started a hunger-strike, or rather I continued it because from the day after the trial I was not taking any food. The hunger-strike lasted until the 21st of Dec. when they allowed my mother to visit me and promised amelioration of the conditions of my imprisonment. However, I remained handcuffed and on the floor until the end of March. My wrists had ulcerated and pus was running from them. My cell smelled so badly that the guards couldn't stand outside the door. Inside the cell there was a hole which I had to use for all bodily functions. From the 20th of March it was impossible for me to bear the handcuffs (because of the wounds) but all they did was to remove them for 2–3 hours in the morning daily. From the 8th of May after I had been on a hunger-strike since Easter, they put a bed in my cell and a table. And they accompanied me for 15–20 minutes in the prison yard when they had closed the other prisoners into their cells. On June 15th I escaped. I was betrayed by Patitsas and Perdikaris and I was arrested on the 9th of June. I stayed handcuffed in a cell in the Security of Neo Ioania. I refused to make any testimony. I went on hunger strike. I was transferred to KESA (Centre of Training of the Military Police) on the 13th of June, they removed the handcuffs. They locked me in a cell. On the 20th of July I went again on a hunger strike. On the 24th of July I was transferred to Boyati in strict isolation. I continued the hunger strike until the 5th of September (47 days). Then they promised that they would allow me to get out in the yard when I could walk and that I would get food from home and newspapers. I started taking food. On the 10th of September I started again a hunger strike because except for the newspapers, there was no amelioration. On the 24th of September they gave me food that my mother had sent and I started eating again. On the 18th of October I was arrested while trying to escape. Handcuffs, chains at my feet, removal of the bed, no newspapers, no cigarettes, no food from home—I started a hunger strike. I was absolutely exhausted; from the 13th of November they started subjecting me to different tortures, psychological pressures, etc. The sort of the tortures I reported to the Representatives of the International Red Cross who visited me on January 16th. I have no room and I need to write many things to give you a clear picture. My hunger-strike ended on December 21st (44 days) when in a coma they put me on a bed they brought into the cell. And they removed the handcuffs, and they gave me newspapers. It took many days for me to recover. On the 16th of January the International Red Cross visited me. On the 19th of January, transfer to KESA, strict isolation and tortures!! 9th of February transfer again to Boyati to a special cage-cell of cement 3 metres by 1½ in dimension, other conditions known to the International Red Cross. They went on tormenting me. I am writing in summary so it is difficult to give a full picture of the conditions I face. Now I am coming to the most tragic, for me, and more telling event for the criminal mentality of the junta!

9th of April—attempt to murder me. After the failure the junta tried to present it as an attempted suicide. I told, in as clear a way as I could, all that had to do with the attempted murder to the Representatives of the International Red Cross on the 1st of June. I asked to see the Public Prosecutor at the hospital where I was transferred, still ill. This was refused. They also refused to allow me to get in touch with my lawyer.

To protect myself from similar acts of the fascistic junta who have not for a moment left their murdering intent, I make this accusation publicly. With the hope that this letter of mine will be a testimony with the power and the ability to protect also the life of other prisoners who are in strict isolation. I certify on my word of honor and on oath the truth of my denunciation. I would not have done this publicly if I didn't know that, as perfectly as the junta had prepared my murder, they did make one mistake. When there will be justice in our country again I will bring all the evidence and testimonies which prove this criminal act. From the personnel of the prisons only one or two people are involved in this. From the 22nd of April until the 21st of May (30 days) I did not take food. They brought in the Military Doctor Panagoloulos who repeated his tortures on the 20th of May. On the 21st I was told they would allow me to see my mother and I accepted food.

Let the world's morals and sense of justice protect us.

Signed,

A. PANAGOULIS.

THE DEFINITION OF GENOCIDE

Mr. PROXMIRE. Mr. President, since former President Truman sent the Genocide Convention to the Senate of the United States for its favorable action on June 16, 1949, opponents of this convention have argued that "genocide" is poorly defined.

What specific acts are comprised in the definition of genocide? Article II of the Genocide Pact states:

In the present Convention, genocide means any of the following acts committed with intent to destroy, in whole or in part a national, ethnical, racial or religious group as such:

a. killing members of the group;

b. causing serious bodily or mental harm to members of this group;

c. deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part;

d. imposing measures intended to prevent births within the group;

e. forcibly transferring children of the group to another group.

Some opponents of the convention have asked for a concise definition of the meaning of "deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part."

Certainly this would include the concentration camps of the Nazis, and those of Siberia, slave labor camps, the deliberate starvation of people, the death marches of military or other prisoners such as on Bataan. We can help prevent such destruction by ratifying the Genocide Convention.

Ratification by the United States will encourage other nations to adhere to the convention and implement its provisions. This is especially true of newly independent countries which take U.N. conventions as a model. Without the support of the United States, these agreements may appear insignificant to many other countries. If we do not consider it important here in this body to act favorably on this convention, why should other nations think so? Why should they implement the convention?

Ratification will put the United States in a better legal and moral position to protect infringement of these rights in countries that have ratified the convention but have failed to implement it in practice. As Roy Wilkins said almost 3 years ago, if these provisions have any meaning, they must carry their thrust across national boundaries.

Ratification will increase U.S. influence in the continuing U.N. process of drafting legal norms in the field of human rights. Ratification will dissipate the embarrassing contradiction between our failure to ratify this convention and our traditional support of the basic human rights.

The United Nations was begun with the aspiration that it would bring us to respect and comply with world law through understanding, not through the exercise of police power. We must make human

rights real in the communities here and overseas.

We can continue our effort by ratifying the Genocide Convention. I ask that the Senate give its overwhelming consent to ratification.

GEORGE H. B. BUSH

Mr. DOLE. Mr. President, I wish to express my commendation of the Senate's confirmation of the nomination of the Honorable George H. B. Bush as U.S. Ambassador to the United Nations.

President Nixon has made an exceptionally wise choice for this position. A young man with a positive, progressive record in business, public service, and community affairs, George Bush came to the House of Representatives in 1966, and in recognition of his past achievements and glowing potential, his colleagues assigned him to the important and prestigious Ways and Means Committee. He served with great distinction in the House and was returned to his seat without opposition in 1968. George and I were colleagues during his first term, and I can attest to the respect he earned from his fellow Members in that brief time. That respect was founded on recognition of his intelligence, diligence, and on his understanding of the crucial importance which human factors and concerns must have in the conduct of governments.

The United Nations is an institution representing the hopes of the civilized world for survival and betterment of mankind. Since it was founded a quarter century ago, it has often been a point of frustration, frequently a subject of concern, but always it has been a source of hope that our world will not again be plunged into war. The importance of the United Nations to this country and to the community of nations demands the very highest intelligence, capability, and understanding of those who represent the United States in its councils. Our country has been fortunate, indeed, to have had so many able members in our delegations as well as to have been served by a succession of extremely able Ambassadors, most recently Charles Yost.

I am sure that George Bush will quickly establish himself as one of the most valuable and influential representatives of the United States. He has the confidence of President Nixon and Secretary Rogers, he has proven abilities, and he is a man of great vision who is firmly dedicated to the principles upon which the United Nations was founded. More than being a representative for this country, our Ambassador to the U.N. is a messenger to the peoples represented by the member nations. In this respect, George Bush is supremely suited as our ambassador. He is articulate, forceful, and experienced as a spokesman for the values and ideals of America, and he will bring his impressive reserves of energy and enthusiasm to bear on the responsibilities which come from this office.

Mr. President, George Bush will serve with honor and distinction as Ambassador to the United Nations. I congratulate him on his confirmation and wish him well in the mission he is undertaking in behalf of his country and the hope of peace throughout the world.

MICHIGAN'S CONCERN FOR PRISONERS OF WAR

Mr. HART. Mr. President, today, in a joint session of its legislature, the State of Michigan will observe a Day of Concern and Tribute to Our Men Held as POW's in Southeast Asia.

Because of a conflict in dates, I was unable to attend that session.

However, my able colleague from Michigan (Mr. GRIFFIN) kindly agreed to read a message from me at the session.

Mr. President, for emphasis I would like to make the same statement on the floor of the Senate.

If it were not for a Senate hearing which will determine the scope of the activities of the Antitrust and Monopoly Subcommittee for the next 2 years, I would be in Lansing today.

No one should interpret my absence as an indication that our Nation is divided in its concern for the health and safety of our men held prisoners of war.

As many of us in Congress have in the past—through speeches and letters to officials of the Hanoi government—we must continue to try to make clear just how deeply this Nation feels about the treatment of our men, treatment which runs counter to the basic human considerations set forth in the Geneva Convention.

While there may be sharp disagreements over the conduct of the war in Southeast Asia, our country is, for all intents and purposes, united in its belief that regardless of the policy, top priority must be given to the safe return of those men.

We must continue to hope that events such as this will transmit that message to Hanoi, and that Hanoi will respond not only with improved treatment of our men, but by permitting their safe return.

JUDGE D. K. McLAUGHLIN

Mr. MATHIAS. Mr. President, the State of Maryland has lost an outstanding jurist with the recent retirement of Judge D. K. McLaughlin after 16 years on the bench of the Washington County Circuit Court. Judge McLaughlin recounted his colorful career in public service as a lawyer, legislator, and judge in a recent interview with the Baltimore Sun. A former school dropout who was noted for his self-deprecating and sharp-tongued manner. Judge McLaughlin summed up his tenure on the bench in a phrase which might well describe the proper goal of any judge. He put it in these words:

> I never did anything worthwhile on the bench except sit up there and beat my brains out trying cases.

Jurists such as this man who, as he put it, "beat their brains out trying cases," are the basis of the American judicial system.

In tribute to this man, and the thousands like him who make our system of criminal justice work, I ask unanimous consent to have printed in the RECORD the interview published by the Sun.

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

VETERAN HAGERSTOWN JURIST CALLS IT QUITS; JUDGE D. O. MCLAUGHLIN REFLECTS ON LIFE, 16 YEARS ON COURT

(By Michael J. Clark)

HAGERSTOWN, January 21.—Judge D. K. McLaughlin, an outspoken jurist with craggy features and wavy silver hair, has quietly left active service as chief judge of the Washington County Circuit Court.

The judge, 66, has spent 16 years as a circuit judge and has stepped down for reasons of health, awaiting only the appointment of his successor by Governor Mandel before retiring officially.

COMMUTED FROM FLORIDA

For several months, he has commuted from his "retirement" home in Fort Lauderdale, Fla. to Hagerstown, the county seat of Washington county; to hear cases.

Looking back during an interview recently, he clearly was not awed by his experience as a judge.

"I made quick decisions based on native intelligence and common sense rather than what is in the law books," he said.

Occasionally propping his feet on his desk and twiddling his black-rimmed eyeglasses, the judge evaluated his career in his typical self-deprecating, sharp-tongued manner.

"I never did anything worthwhile on the bench except sit up there and beat my brains out trying cases," he said off-handedly.

"COLORFUL" CAREER

He noted without boasting that his career as a judge, was none the less "colorful. I usually speak my mind," he said.

The judge recalled that he nearly missed out on the law altogether. He dropped out of school at 15 "to help my family by getting a job and because I wasn't imbued with school."

Three years later, he went back for more schooling, getting a football scholarship at the old Gettysburg (Pa.) Academy. After that, he graduated from the Dickinson School of Law in Carlisle, Pa., "I always wanted to be a lawyer," he said without giving a reason why.

His first job as a lawyer was with a Baltimore bonding firm, which he quit after a year. "They gave a raise to another lawyer in the same office, but wouldn't give me one to match it. So, I borrowed $5 from a fellow and took a bus back to Hagerstown," the judge said.

"IT WAS DAMN ROUGH"

He opened a law office here in 1929. "It was damn rough. So rough, I made $300 the first year. My practice was making collections and handling police court cases," he said.

In the early 1930's, his practice picked up after "winning a bootleg case in Federal Court. I got a lot of prohibition cases," he said.

He also became active in the Republican party, stumping Washington county. "That was how a trial lawyer learned," Judge McLaughlin said.

In the early 1930's, he ran for state's attorney but lost in his party's primary. He kept at local politicking though, he said, and he became chairman of the Washington County Republican State Central Committee.

After a tour as a Navy aviator during World War II, returned to Hagerstown and was elected to the State Senate serving two terms.

He was elected to a third term in 1954, but a vacancy occurred in the judgeship in the county Circuit Court. He was appointed to the post by Governor McKeldin in January, 1955.

His last courtroom case January 15 involved the sentencing of a long-haired youth, an epileptic, who was charged with possession of marijuana.

BRIEF LECTURE

Judge McLaughlin noted in a brief lecture that he recently had given other "users" of marijuana a sentence of probation without verdict. But he had said publicly at that time that the next time such cases came before him he would mete out jail sentences.

The defendant's lawyer said the youth was married and was the father of a 4-month-old child. He was attending college part-time.

Before passing sentence, Judge McLaughlin said: "Sometimes judges suffer more than the defendants when they have to hand down a jail sentence."

He then told the youth that he must serve four months in county jail "starting at night only when school is over."

FINANCIAL STATEMENT OF SENATOR WALTER F. MONDALE

Mr. MONDALE. Mr. President, I ask unanimous consent that a statement of my estimated net worth as of December 31, 1970, be printed in the RECORD.

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

FINANCIAL STATEMENT OF SENATOR WALTER F. MONDALE, DECEMBER 31, 1970

ASSETS

Residence in Washington	$63,000
Automobiles:	
Chevrolet	2,750
Oldsmobile	3,270
Subtotal	6,020
Household and personal goods	5,000
Cash value of life insurance	2,456
Personal contributions to Federal employees retirement system	15,427
Total assets	93,396

LIABILITIES

Mortgage on residence in Washington	38,981
Personal loan (C. A. Nickloff Agency, Hibbing, Minn.)	3,866
Miscellaneous personal bills	800
Total liabilities	43,647
Estimated net worth	49,749

DR. MILTON S. EISENHOWER DISCUSSES PROBLEMS OF VIOLENT CRIME

Mr. MATHIAS. Mr. President, an outstanding American, whom I am proud to claim as a Marylander, is Dr. Milton S. Eisenhower of Baltimore. Dr. Eisenhower is a former president of the Johns Hopkins University and served as Chairman of the National Commission on the Causes and Prevention of Violence.

Last fall, the undergraduates at Johns Hopkins organized a Milton S. Eisenhower symposium in Dr. Eisenhower's honor, and invited him to give the opening address. In that speech, Dr. Eisenhower, from his perspective as Chairman of the Commission on Violence, gave a broad overview of the severe problem of violent crime in America and the multifaceted dilemma we face in trying to reduce it.

I would like to call Dr. Eisenhower's remarks to the attention of the Senate and ask unanimous consent that they be included in the RECORD at this point.

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

VIOLENT CRIME: AN OVERFLOW

(By Dr. Milton S. Eisenhower)

We live in an urban society. We live in an affluent society. And we live in a society that is violent.

In the convergence of those three characteristics lies a central problem for America in the 1970's.

In the metropolitan areas, where two-thirds of the American people live, violent crime is rising, and fear is rising in its wake. Fear is manifested in the locked doors, the empty streets, the growing number of guns bought for self-protection, the signs on public buses that say: "Driver does not carry cash." It is the neglected conditions in American cities that help to account for the rise in violent crime, but violent crime is the cancer that may kill the cities and paralyze the suburbs as well.

The potential products of American affluence—flights to other planets, supersonic transports, rebuilt cities, effective systems of mass transit, clean air and water—all these will be hollow achievements if, at the same time, we ignore the despair and alienation of a large portion of our citizens who do not share adequately in America's affluence. The price of ignoring their situation will be ever-mounting rates of violent crime—and ever-spreading fear, with its paralyzing results.

Dr. Norval Morris, Professor of Law and Criminology, University of Chicago, said to the Commission on Violence: "Crime for the first time is a threat to the quality of life in this country," and Dr. Price M. Cobbs, the distinguished black psychiatrist, said, "If violence continues at its present pace, we may well witness the end of the grand experiment of democracy."

And the Commission on the Causes and Prevention of Violence, after obtaining the unprecedented help of two hundred of the nation's leading scholars in history, law, sociology, criminology, psychiatry, and other fields—after obtaining public evidence from some 150 individuals, ranging from student radicals to police chiefs, from scholars to the head of the Federal Bureau of Investigation—and, after considering this complex problem among ourselves for a year and a half, said to the President of the United States: "We solemnly declare our conviction that this nation is entering a period in which our people need to be as concerned by the internal dangers to our free society as by any possible combination of external threats."

II

The best estimate of the number of serious crimes committed in the United States each year is ten million, of which more than 1,200,000 are violent crimes: homicides, aggravated assaults, forcible rapes, and robberies. According to another estimate, more than 1 out of 100 Americans commit a major violent crime in any one year. Many more, of course, commit a serious crime some time in their lives.

This violence in our midst earns us the distinction of being the clear leader in violent crime among the modern, stable nations of the world. Thus, the United States, with 200 million people, averages fifty times as many gun murders a year as do England, Germany, and Japan combined with their total population of 214 million.

This appalling statistic calls to mind other salient features of our culture. The more than 90 million firearms privately owned by Americans give us the distinction of having the highest—far highest—gun-to-population ratio of any nation on earth. About half of all American homes have a firearm, and many have more than one. About 25 million of those weapons are *concealable handguns*, and these are the firearms used in virtually all aggravated assaults and robberies involving firearms and in three-fourths of all gun murders.

Parenthetically, let me add that I continue to be perplexed by the blind, emotional resistance that greets any proposal to bring this senseless excess under control. We lag behind every other civilized nation in the world in failing to have a comprehensive, effective national policy of firearms control. Yet when the Commission on Violence, after careful weighing of all the relevant facts and arguments, recommended a policy of restrictive licensing of handguns and a simple identification system for long guns, vitriolic mail began to pour into my office in Evergreen House. I was labeled with every epithet I'd ever heard—and some I'd never heard before—from "you shame the Eisenhower name" to "fascist" and even to "Communist" (these last two covering quite a spectrum). Vociferous opposition of this sort has kept this nation from instituting a sane, effective policy of firearms control. In the meantime, the senseless tragedies repeat themselves: the domestic quarrel or argument between friends turns into a homicide because a gun is available for acting on the rage. Guns are handy to support the yearnings of the sex maniac. Guns are available to those who hold up banks, filling stations, savings and loan associations—and too often the guns are used as more than a threat. So merchants are leaving the city in fear of their lives. Residents are fleeing to the suburbs and there installing every known type of protective device. And in the meantime, police in most parts of the country are without an effective legal maneuver against the criminal who possesses a pistol, unless they catch him in the actual act of using it in a crime.

If, on the other hand, we had restrictive licensing of handguns, similar to the Sullivan law of New York State, police could, with the use of modern electronic equipment, spot a metallic object on a suspect and, even under recent Supreme Court rulings, frisk a suspect. If the suspect is found with a gun and lacks a license, he can be convicted and sentenced on that evidence alone. There can be no doubt that in a few years the right law would have a profound effect in reducing the crimes of armed robbery, aggravated assault, and homicide.

Guns *alone* do not give us the distinction of being the most violent of the advanced societies of the world. Controlling firearms would greatly reduce fatalities and discourage many criminal careers, but international comparisons show that our capacity for acts of rage and rapacity is impressive, whether or not firearms are involved. Thus, aggravated assault—which often is just a murder which didn't work out—occurs in the United States at a rate twice that of England and Wales, eighteen times that of Canada. Rape occurs at a rate three times that of Canada, twelve times that of England and Wales. Our robbery rate is double that of Canada, nine times that of England and Wales.

To complete the picture of America the Violent we would have to sketch in the riots that have erupted in American cities in recent years, the firebombings of campus and public buildings by a lunatic radical minority, the attacks by mobs on peaceful demonstrators, and the outrageous killings of students by law enforcement personnel.

By cold statistics, group violence has not been a major problem compared to individual acts of violent crime. A Commission on Violence study looked back over five years and counted 190 deaths and 9,100 injuries from group violence, mostly ghetto riots; in that same five-year period, 53,000 Americans were victims of reported murders; more than a million were injured in aggravated assaults. And if it is fair to extrapolate from a Har-

ris Poll conducted for the Commission, then 62 million Americans have been punched or beaten at some point in their lives, and 24 million have been threatened with a gun or actually shot at.

While group violence is the secondary problem, its prevalence and high visibility in contemporary America does help to shape attitudes which encourage violent crime—a matter I will return to momentarily.

III

We will have to look at the picture of violence in America more closely—to see where violent crime is concentrated—if we are to begin to understand its causes and know where to invest our social resources to reduce its incidence. The National Commission on Violence found:

First, that violent crime is heavily concentrated in the larger cities. There the rate of crime per unit of population is eight times the rural rate, six times the smaller town rate. The 26 cities with more than half a million residents each account for only one-sixth of our nation's population, but almost one-half of our total reported violent crimes. If you live in a metropolitan area today your mathematical chances of becoming a victim of a homicide, a rape, an assault, or a robbery are one in 125 *each year*. If you live in the city of Baltimore, your mathematical chance of becoming a victim of one of these four violent crimes is one in 49 each year. So, during his lifetime, the odds are *in favor* of a Baltimore resident's becoming a victim of a violent crime.

Second, violent crime in cities is overwhelmingly committed by males.

Third, violent crime in cities is concentrated among youthful offenders. By far the highest urban arrest rate for homicide occurs in the 18 to 24 age group. For rape, robbery and aggravated assault, arrests in the 15 to 24 age group far outstrip those of any other group—indeed they are three times as high as for any other age group.

There have been disturbing increases in arrest rates among youngsters 10 to 14—a 300 percent increase in assault between 1958 and 1967, and 200 percent in robbery in the same period.

Fourth, violent crime in the cities is committed primarily by individuals at the lower end of the socio-economic scale.

Fifth, violent crime in the cities stems disproportionately from the ghetto slums where most Negroes live. Where discrimination is added to low socio-economic status, in other words, violent crime rates are especially high. To describe violent crime as primarily a ghetto phenomenon is to make a statement about social and cultural conditions, not about racial characteristics. I emphasize that all evidence indicates that one race is no more criminogenic than another. Professor Marvin Wolfgang, the eminent sociologist and criminologist who served as co-director of research for the Commission on Violence, recently published a book on this subject. Solid research conducted over a long period of years shows no correlation between race and crime. The correlation is between the total environmental and human conditions in which some people live and crime.

Sixth, the *victims* of violent crimes in the cities generally have the same characteristics as the offenders—that is, they tend to be males, youths, poor persons, and blacks. Against the dangerous myth that violent crime is a kind of interracial warfare, I cite the fact that nine out of ten urban homicides, aggravated assaults, and rapes involve victims and offenders of the same race. An exception is robbery. Our studies showed that 45 percent of urban robberies involve Negroes robbing whites—very often young black males robbing somewhat older white males.

Seventh, with the exception of robbery, violent crimes tend to be acts of passion among intimates and acquaintances. This is true in almost half the cases of rape, and the great majority of cases of assault and homicide. Robbery, on the other hand, is committed by a stranger eight out of ten times.

Finally, the greatest proportion—by far—of all serious violence is committed by repeaters. In a study of 10,000 boys in Philadelphia, 627 boys—*only 6 percent of those studied*—accounted for 53 percent of the homicides, rapes, and assaults known to the police and *71 percent* of the robberies.

In sum, violent crime in the cities is committed primarily by males rather than females, youths rather than older people, by the poor and unskilled rather than the more successful, by ghetto blacks rather than residents of more affluent sections of the city. The highest rates of violent crime occur in the population where these characteristics all intersect: the young, poor, Negro male.

I add the caveat that violent crime is not exclusively a province of ghetto youth. Alcoholics and drug addicts who are a danger to their fellow citizens come from all strata of society. The thin shell of civility that houses our aggressive impulses has been known to crack open and splay violence in some of the so-called "finest families" in America. On the other hand, the social pathology that exists in the ghetto does not turn every poor, young Negro male into a criminal, nor even a majority of them.

We need to focus our attention on the inner-city ghetto because that is where the major problem of violent crime exists. That is where the socially destructive forces are at work breeding violent crime, which hastens the decay of our cities, which in turn breeds more crime.

There are certain dispositions in American thinking that tend to block our understanding of ghetto problems. We are a hardworking people. We believe hard work is important because we believe success—however we choose to define success—is the inevitable reward for hard work. We tend to regard as morally inferior those who are failures. We tend to say: They have only themselves to blame.

We tend also to forget how, for hundreds of years, the realities of American life have made a cruel mockery of the work-for-your-reward ethic for the black segment of our population. We boast of what our immigrant ancestors were able to accomplish while ignoring the fact that their assimilation came easier because they were the "right" color. We forget that they came from Europe with some skills, and at a time when industry thrived on labor, not science and technology, and welcomed all the white workers it could get. We forget that the white immigrant ghettos had their high rates of crime until they were assimilated into the larger society, a process that often required several generations. Indeed, the success of white immigrants still isn't all we boast it to be; there are still twice as many whites living below the poverty line as non-whites.

Many who acknowledge that blacks have been pounded to despair by discrimination—and many who don't—assume that Negro parents do not bother to discipline their children and take no interest in their moral development. Yet, as Robert Coles, the well-known Harvard psychiatrist, has pointed out, "Negro children probably receive more punitively enforced reminders of what is right and wrong than any other segment of our population."

But consider how hollow the maternal admonitions begin to sound once the realities of the ghetto start to impinge on a black youngster's awareness. Like every American mother, she says: "Work hard in school; it is the only way to get ahead." What measure of reality does that have for the ghetto youth? There are no examples of educated, successful men in his immediate experience. His father—if he has one—and the men up and down the block sweat at menial and intermittent jobs. The one across the street with the fancy convertible isn't working for the sanitation department; he's pushing drugs or robbing corner grocery stores.

In the crowded apartment there are no quiet places for study, no books or serious magazines, no conversations to stimulate the intellect. On the other hand, there is the constant lure of the television set. The average young ghetto resident, by the time he is 18, will have spent more time watching television than he spent in school. There is also the lure of the street where the other children are running and playing, often deep into the night, and where a youngster may have to engage in crime or the use of dope to be accepted by his peers. Here is what Professor Wolfgang calls the sub-culture of violence.

The neighborhood school, dilapidated and poorly equipped, has accommodated itself to defeat. It asks only for a modicum of discipline, ignores the strivings of eager students and the indifference of rebellious students, and automatically promotes to the next higher grade every student just so it can have room for the next crop of under-educated and unmotivated children.

If the ghetto youth has the determination to swim against the tides all the way to a high school diploma—and, of course, many do not—he may find job or further educational opportunities waiting for him. In the past few years, barriers to advancement for high-school educated blacks have been falling. If he drops out, as so many do, he may find the doors to meaningful job opportunities closed to him. In the American value system he is now a full-fledged failure, and he is quite aware of it. All those material comforts displayed and advertised on the television screen are not to be his—at least not by legitimate means.

And why not use violence to get what he needs to be somebody? He has little to gain by playing according to society's rules and little to lose by not. He is familiar with violence. In the disintegrated community of the ghetto, violent quarrels, brawls, and careers in crime are commonplace. Violence is also a way of proving manliness, especially in the street gangs of the inner city. The larger society apparently does not find violence abhorrent; violence is a constant theme in television dramas, and violence is touted in American folklore. Americans love their guns: they have, as I've said, the highest gun-to-population ratio of any nation in the world.

Considering the pressures, frustrations, and temptations at work on the youth in our ghettos, the wonder is that violent crime rates in the cities are not higher than they are.

And yet, conditions in the ghettos have been improving. During this past decade incomes of Negroes in cities increased, the percentage of blacks completing high school rose, as did the percentage entering universities, and unemployment rates dropped significantly. We are faced with an apparent paradox: While conditions have been improving for inner-city blacks, rates of violent crime among them have been soaring. As closely as the Commission on Violence could determine, the combined rate of violent crimes—per unit of population—has increased 100 percent during the last ten years.

A partial answer to this paradox is that real gains for blacks have still left significant gaps between their conditions and those of whites. Thus, for example, the Negro unemployment rate continues to be about twice that for whites. And unemployment among black teenagers in cities has actually been increasing. Last year it stood at 25 percent, which was two-and-a-half times the unemployment rate for white teenagers.

But secondly, demographic changes in this

country would lead one to expect an increase in violent crime. The age group most involved in violent crime, 16 to 24, has soared both in number and proportion of the total population—from 20 million ten years ago to 29 million today, and from 11 percent of the population to almost 15 percent. The increasing urbanization of our society also helps to account for the rise in violent crime. Actually, in the past ten years, the spectacular growth has taken place in the suburbs. Middle-class, mostly affluent whites, have been moving out of the cities, leaving them increasingly to the poor, black population, which suffers inadequate services financed by a declining tax base. Another demographic trend of some bearing is the increasing instability of American families. Divorces and separations are on the rise in every segment of the population, but nowhere as spectacularly as among poor blacks in our cities. At present, only 22 percent of the poor black children in the central cities live with both parents. Ten years ago, half of the children in that category lived with both—a sad circumstance that should have been improved, not permitted to grow worse. This is probably a major consequence of our anachronistic welfare system.

A third factor has been a vast increase in the number of firearms in private hands. Sales of long guns, the Commission on Violence found, doubled from 1962 to 1968. In that same period, sales of handguns quadrupled.

Fourthly, we are living in a time of profound changes—technological, occupational, social and cultural. Times of great change alter how we work, think and live. They set us adrift from our moorings and create tensions and uncertainties. If American parents seem unduly permissive, if they appear to be unsure about the values to encourage in their children and the standards to impose, perhaps it is because American society has already changed greatly since their own childhood and is destined to change even more in the future. In the absence of clear-cut expectations and standards, the traditional social controls have lost their grip, and violence is one result of the breakdown. This may explain why violence is rising among youth in affluent, middle-class homes, as well as in the ghettos.

A fifth and related change: Events in the 1960's have served to diminish the respect accorded the institutions of government. The spectacle of governors defying federal court orders, of policemen beating demonstrators, of mobs looting stores with impunity, of some college students destroying property and then demanding amnesty, of elected officials exposed in corruption—all these, and more, have served to encourage a cynical disrespect for law and law-making institutions.

Besides encouraging the attitude that lawful behavior is "just for suckers," such events tend to give direct legitimacy to violence. The deep divisions within our country set off tensions and anger, but the readiness with which some groups give violent expression to their anger and impatience creates an appealing, contagious, but very dangerous object lesson. Urban riots had a powerful lesson for ghetto youth: that it is perfectly all right to vent one's dissatisfactions in acts of violence. More recently, violence—as distinguished, of course, from peaceful protest or demonstration—on the nation's campuses has probably had an effect even more powerful. If the most privileged young people can have their violent donnybrooks, a ghetto youth is entitled to ask, "Why shouldn't I?"

Of course the frustrations of ghetto life are very real. The frustrations in recent years have been especially deep because of the so-called revolution of rising expectations. Life for Americans generally has grown more comfortable and rewarding, there have been noticeable improvements for the poor, but delivery of improvements in the ghetto has not kept pace with the political promises or with what the poor and disadvantaged have come to expect. It is hardly surprising that the resulting frustrations give rise to violent crime.

There remains one very obvious reason for mounting crime in our society: the increasing failure of law enforcement agencies to cope with it. Consider the grim statistics. Probably ten million serious crimes were committed in the United States last year. About half of these crimes were never reported to the Federal Bureau of Investigation. Only 12 percent of those ten million crimes resulted in the arrest of anyone. Only 6 percent resulted in the conviction of anyone, and this 6 percent included many pleas to lesser offenses. Only 1½ percent resulted in the incarceration of anyone. And of those who were incarcerated, most will return to prison another time for additional offenses.

As Lloyd Cutler, eminent lawyer and Executive Director of the Violence Commission, remarked of these statistics: "It would be hard to argue that crime does not pay. The sad fact is that our criminal justice system, as presently operated, does not deter, does not detect, does not convict, and does not correct."

As crimes go unpunished, and as criminals go through the corrections system changed for the worse instead of better, it is no wonder crime is on the increase.

IV

Police departments in American cities are understaffed and underequipped. Police are undereducated and undertrained. Juvenile courts have failed to live up to their humane ideal. The lower courts in which most adults are tried too often have crowded dockets, inadequate procedures for investigating the defendant and circumstances, and necessarily shoddy ways of dispensing justice. The jails in which indigent defendants sit awaiting trial have been aptly described as "rabbit warrens." Prisons have earned the label "schools for criminals." Inside prison walls are terrorist societies ruled more by prisoners themselves than by guards. Lacking equipment and sufficient professional staff, prison training programs are outmoded and rehabilitation services are wholly inadequate. At the end of their terms, most prisoners are thrust out on the street without meaningful help in readjustment.

The Crime Commission studied the deplorable conditions of our criminal justice system and, in its 1967 Report, made dozens of thoughtful recommendations for improving all its aspects—police, courts, corrections. The National Commission on Violence added a few recommendations of its own, mostly having to do with improving coordination among the various agencies of the system. We recommended that urban governments form Offices of Criminal Justice to improve coordination at the local level. We urged citizens to form advisory groups in local areas to help with that effort. We suggested that leading citizens be invited to form a privately financed National Citizens Justice Center to encourage improvements in the criminal justice system at all levels, through private citizens' groups as well as government agencies.

This is not the occasion for detailing the recommendations of either of the two commissions. But I do want to call your attention to one additional recommendation of the Violence Commission—namely, that we as a nation "give concrete expression of our concern about crime by a solemn national commitment to double our investment in the administration of justice as rapidly as such an investment can be wisely planned and utilized."

At present, our entire criminal justice system in this country—federal, state, and local—receives less than 2 percent of all government revenues and less than three-quarters of one percent of our national income. We spend less on this pitifully inadequate system than we do on federal agriculture programs and little more than we do on the space program.

Responsibility for police, courts, and corrections has resided mostly with state and local governments. That is as it should be. But these governments do not have the financial resources to deepen their investment in improving the criminal justice system. The financial commitment must be a federal one. The federal government, after all, takes the lion's share of tax revenues; it ought to take the major financial responsibility for deterring crime, administering justice fairly, and bringing wrongdoers back into a productive role in society.

The Council of Economic Advisers estimates that 19 billion dollars annually will be freed for domestic programs once our military engagement ends in Southeast Asia. A host of long-neglected needs at home will be competing for these dollars. The criminal justice system is only one of them. We ought to proceed now to plan the use of those future dollars wisely. A firm commitment now, in the form of the organic legislation, to increase greatly our expenditures on the criminal justice system would permit planners within the system to make effective reforms once the money becomes available.

V

I do not mean to suggest that the criminal justice system should be given priority over all the other competing needs of our society. Quite the contrary. In our report to the President, the National Commission on Violence spoke of the twin objectives of making violence "both unnecessary and unrewarding." Neither corrective approach will succeed without the other. Making violence unrewarding is a job for law enforcement agencies. Making violence unnecessary is nothing less than the task of giving all Americans a satisfactory stake in the life of the community.

We must seek to eradicate poverty where it persists, improve education where it is deficient, and provide health care in areas of the community where it is inadequate and beyond the financial reach of citizens. Efforts to remake our cities must include steps to eliminate the ghettos, to provide decent housing for everyone, to build effective mass transits (especially for those who cannot afford automobiles), and to assure adequate measures for the upkeep of every neighborhood. Our national goal should be the dignity of work for every citizen capable of work. Our overriding goal, in all such programs, should be to provide every citizen a stake in the community. The citizen who has much to gain by living by the rules and in concert with his fellow citizens has much to lose by defying the rules and rebuking the community.

I add the caution that we ought not to pursue these social measures merely in the name of crime eradication. The high correlation of the outward symbols of deprivation—bad housing, low educational achievement, high unemployment—with violent crime does not mean that improvements in the former will lead inexorably to complete elimination of the latter. Physical conditions can be changed by concerted effort, but attitudes and habits will change only through inner enlightenment. The human animal is complex, and there is more to violent crime than a simple reaction to alienating circumstances.

We ought to undertake these social reform measures, rather, because they are the proper, humane things to do. Reordering our national priorities to give new emphasis to the quality of life for every citizen is a realistic goal for this affluent society. It is a worthy new phase for a nation that has subdued a continent physically and accomplished so much technologically.

These are matters not to be left to government alone. It is the job of all of us, as private citizens, to seek deep understanding of the problem of violence in our society, to voice concern over the deficiencies in our society that give rise to violence, and to help remedy these deficiencies in our private capacities. It is the job of local schools, churches, and citizen-groups to emphasize and transmit, more effectively than they have in the past, the values that will make our society more humane and less violent. It is also their job to lend encouragement to youth to participate creatively in the society. It is the job of our nation's scholars to seek a better understanding of the roots of violence, and to design and evaluate more effective measures for discouraging violence. And it is the job of all of us—but especially of those privileged by education—to repudiate violence and live by the precepts of tolerance, reasonableness, and civility, so that others may see that violence is unnecessary and—measured by the highest standard—truly unrewarding.

I conclude this overview of a troublesome national problem with two quotations from the report of the Violence Commission to the President: We said:

"Order is indispensable to society, law is indispensable to order, and enforcement is indispensable to law."

And then, to make the thought complete, and legitimate, we added:

"The justice and the decency of the law and its enforcement are not simply embellishments, but rather the indispensable condition of respect for law and civil peace in a free society."

THE DUMP-THE-DRAFT TALK IS DOUBLETALK

Mr. McGOVERN. Mr. President, the proposal for a volunteer military to replace our current draft is accepted by just about every Government and military leader as a preferable course. It has been studied and restudied by Presidential commissions, by Pentagon officials, by private organizations, ad infinitum. We have reached the saturation point on this issue. It is time to act—not 1 year from now, not 2 years from now, not in the next fiscal year or the fiscal year after that—but now.

One of the best expositions of the concerns expressed on both sides of the issue is contained in an article written by J. Robert Moskin, foreign editor of Look magazine, and published in Look for February 23, 1971. Both for its depth and its clarity, the article deserves careful attention in our consideration of the military service issue. I ask unanimous consent that it be printed in the RECORD.

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

THE DUMP-THE-DRAFT TALK IS DOUBLETALK—UNCLE SAM STILL WANTS YOU, KID

(By J. Robert Moskin)

Don't count on the end of the draft when the Selective Service law expires this June. The Pentagon brass and their political allies are ganging up to keep their good old red-white-and-blue draft alive. After 22 years, they are not about to let go. They say they need more draftees for mudslogging combat jobs. Uncle Sam still wants you, kid.

It's not fair, I suppose, to remember a presidential candidate's promise more than two years after he is elected, but Richard Nixon has not forgotten that on October 17, 1968, he told the nation he would end conscription. He may someday; but now, his National Security Council, Joint Chiefs of Staff, Office of Management and Budget, etc., are all busy figuring how to extend the draft again this spring.

Although Mr. Nixon, as President, has repeated his promise, he has always whiffled on timing. He has pulled 206,000 men out of Vietnam, but he still insists the draft must be renewed. He agrees—in principle—that we can manage with an all-volunteer armed force, but, in fact, he gives the nod to the generals.

Left to themselves, the generals would never dump the draft, and pressure from those who oppose it cannot match the big guns of the Pentagon-political alliance. Sen. John Stennis of Mississippi, the chairman of the crucial Senate Armed Services Committee, believes "the finest thing that can happen to these young men" is to force them to learn close-order drill, KP and rifle firing. And Rep. F. Edward Hébert of Louisiana, chairman of the powerful House Armed Services Committee, says, "I don't think you'll ever have an all-volunteer army. . . . History shows you can't have one . . . a volunteer army is a dream."

The draft's opponents range, surprisingly, from conservative Sen. Barry Goldwater to liberal Sen. Mark Hatfield, and from the right-handed youth group, to the left-handed National Council to Repeal the Draft. The White House Conference on Youth is against it. But some kind of miracle would be needed for the opposition to win the coming congressional battle. The Administration and the draft lovers hold the high ground.

Everyone realizes the draft is dangerous for young people and other living things. It has distorted the lives of millions of young men. Since 1965, more than 1.5 million young Americans have been inducted for 24 months' service, and countless more have enlisted under the draft's threat. At least 30,000 have gone into exile, hundreds into jail. In Vietnam, an Army draftee's chance of being killed or seriously wounded has been almost twice as high as that of an enlistee. Well over half the Army's enlisted dead have been draftees.

When the Johnson Administration used the Gulf of Tonkin incident to justify its massive 1965 buildup in Vietnam, it made a horrendous mistake—a mistake Nixon has never corrected. It rejected using the nation's military reserves because, being older and being voters, they had too much political clout. Instead, it used the draft law already on the books, increased draft calls and ordered reluctant young men to fight and die.

The decision seemed smart. The youngsters threatened with conscription were unorganized. Who would make a fuss? But this decision tore the nation apart. It was one reason for the violent and impassioned opposition to this war. It helped popularize the peace movement, disrupt the nation's colleges, destroy Lyndon Johnson and put the Republican party in the White House.

Promising to end the draft as soon as the Vietnam involvement allowed it, Candidate Nixon said in 1968, "Today all across our country we face a crisis of confidence. Nowhere is it more acute than among our young people. They recognize the draft as an infringement on their liberty, which it is. To them, it represents a government insensitive to their rights, a government callous to their status as free men. They ask for justice, and they deserve it." Nixon won the election by just over 500,000 votes out of 73 million; his anti-draft pitch helped.

Hatred of conscription is as old as the nation; uncounted Americans came here to escape European conscription. Only in our own time, the era of the cold "war," the Korean "war" and the Vietnam "war," has the United States accepted a draft without a major, declared war. For most of our history, we have had freedom from conscription. We've lost it.

White House adviser Dr. Martin Anderson, the 34-year-old Dartmouth ROTC graduate who first interested Richard Nixon in the draft problem, says, "The draft is the last vestige of involuntary serviture we have left in the country." He adds, "We don't draft policemen. Why draft people into the armed forces?"

Two months after his inauguration, President Nixon created a special Commission on an All-Volunteer Armed Force to tell him how to end the draft and set up a volunteer armed service. He chose a distinguished group headed by Thomas S. Gates, chairman of the executive committee of the Morgan Guaranty Trust Co. and former Secretary of Defense. It included two former Supreme Allied Commanders in Europe, Gen. Lauris Norstad and Gen. Alfred Gruenther.

The Commission reported to the President last February. Its recommendation was unanimous and crystal-clear: End the draft by July 1, 1971. And create an all-volunteer military force and reserves, primarily by raising the pay of enlisted first-termers and by using manpower efficiently.

The Commission concluded straightaway: "We unanimously believe that the nation's interests will be better served by an all-volunteer force, supported by an effective stand-by draft, than by a mixed force of volunteers and conscripts. . . . We have satisfied ourselves that a volunteer force will not jeopardize national security, and we believe it will have a beneficial effect on the military as well as the rest of our society."

Again, President Nixon whiffled. He agreed with his Commission—in principle—but rejected the July 1, 1971, date to end the draft. He has been commanding an armed force of nearly three million and fighting a war for which, he fears, not enough Americans would show up. He said, "No one can predict with precision whether or not, or precisely when, we can end conscription."

Last April, President Nixon promised to recommend to Congress $2 billion for additional military pay and benefits, especially for those serving their first two years. But this pay raise would not begin until fiscal 1972, *after* the present draft law expires.

In the civilian bureaucracy of the Pentagon, the Nixon Administration started Project Volunteer, to find out how future pay increases should be applied and how to make military life more attractive. Project Volunteer studied 500 ideas and decided better pay, better housing, better educational opportunities, better use of men are among the most serious needs.

Despite the shuddering doubts of many senior uniformed officers, a variety of "radical" experiments are now being tried, and annoying "Mickey Mouse" rules scrapped. Reveille and bed checks are out; beer is permitted in barracks; hair may be worn longer. Belatedly, the Army is trying to clean up its barnyard. For the present generation, it may already be too late. Says Selective Service Director Dr. Curtis W. Tarr, "You could break your back appealing to people who are now 19."

Of course, it is easier to raise an armed force with a draft than to have to make a military career appealing. But we could demand that the generals get off their duffs and do their job without resorting to the threat of prison for 19-year-olds.

The top Pentagon chiefs have publicly sworn their loyalty to the new ideas, pressed on them by Assistant Secretary for Manpower and Reserve Affairs Roger T. Kelley. "I believe deeply in the all-volunteer concept now. I didn't earlier. A conscripted army has an almost unlimited tolerance for wasting people," Kelley told me. "If you can go to the well as often as you wish, it makes it easy to misuse human resources." He adds, "An all-volunteer organization should be a better-managed organization, a smaller organization and a higher-paid organization

than what we have now." But then Kelley does the Pentagon flip-flop and supports the push to renew the draft: "Certainly nothing less than a two-year extension makes sense. From a national-security viewpoint, I'd like to see a longer extension."

The Army, which has the greatest recruiting problem, has appointed Lt. Gen. G. I. Forsythe, a veteran Vietnam commander and University of Montana ROTC graduate, as Special Assistant to the Chief of Staff for the Modern Volunteer Army. Says General Forsythe, "I don't want to get rid of the draft. Neither does General Westmoreland. The draft has to be extended this year. It is inherent in our national value system to have a [draft] law on the books." Others in the Pentagon told me candidly that the military must demonstrate some movement toward an all-volunteer force not so much to end the draft as to make its renewal easier politically.

If one looks at the figures coldly, the draft's value may seem highly exaggerated. The great majority of men on active duty in our armed forces today volunteered. Of the total active-duty force of 2.9 million, only 368,000 are actual draftees. All 900,000 men with more than four years' service are professionals, and so are at least a third of those with fewer than four years. The rest are draftees and draft-induced volunteers.

"True volunteers" (not draft inspired) now total 250,000 a year. To man an all-volunteer force of 2.5 million, only 75,000 more men must volunteer from the qualified 1.5 million who turn 19 each year. And the Administration hopes to be slightly below the 2.5 million force level by mid-'72.

Those who love the draft push more emotional arguments: "I did my time; why shouldn't they?" "It's their duty to their country." "Let's put some of those hippies in uniform." "We can't have our armed forces dependent on blacks and poor." But as Martin Anderson says, when he talks of officers who voice pride in their uniform, "One could ask them: 'Sir, do you think your profession is so bad you have to force people to join it?'"

Those who want to end the draft fought their first pitched battle in Washington's sticky heat last August. Senators Hatfield and Goldwater combined their disparate forces to try to put the Gates Commission pay recommendations into effect immediately, so that the draft would become unnecessary by June. Senator Stennis, a staunch friend of the military (but then so is ex-Major General Goldwater), manned the ramparts, labeled the proposal "half-baked" and "a picked chicken in a hailstorm" and asserted, "I do not buy all of this volunteer-army concept, by any means." The White House and the Pentagon massed behind Chairman Stennis and won the day. The result wasn't close, but 35 senators did vote for the Gates Commission recommendations. Clearly, the fight isn't over yet.

In all the double-talk, there are two phrases to watch carefully. One is "the end of the draft," and the other is "zero draft call." President Nixon uses them interchangeably, but there is a vital difference.

To end the draft means to take away the right of the executive branch to order young men into uniform. This can be done in two ways. One is to repeal the 1948 Selective Service Act, which set up the draft machinery. The Selective Service System, 4,102 local draft boards, the lottery, etc., would all be abolished. Nothing would remain. Senator Hatfield favors this tactic. The other way is for the Congress to refuse to renew the Military Selective Service Act of 1967, which gives the President the power to induct draftees. The Selective Service System would remain, but no one could be drafted after June 30.

Zero draft call is quite another matter. It means that the Selective Service System stays intact, and the President keeps the power to induct young men at will, but he chooses not to draft anyone for a particular month or longer period. (The last time this happened was back in 1961.) If the President decides that draftees are needed, for whatever reason, he has the power to call them up instantly without Congress's approval. For every young man, the threat remains.

Obviously, the zero-draft-call approach would suit the military best. They are candid about that. Secretary of Defense Melvin Laird has said U.S. troops will not be in ground combat after this summer, but he still sees July 1, 1973—nearly two and a half years from now—as the "goal" for getting draft calls down to zero. That is far enough into the future to be pie in the sky—and on the safe side of the next presidential election.

The congressional battle this spring will be fought furiously on three fronts: 1) draft reform, 2) renewal of the President's power to induct draftees and 3) a money package for an all-volunteer force.

DRAFT REFORM

President Nixon has already tried to make the draft fairer. He set up the lottery and stopped deferments for reasons of occupation, fatherhood and most graduate study. Now he wants Congress to wipe out deferments for future undergraduate students.

If undergraduate deferments are eliminated, a college student with a low lottery number would be called up in his sophomore or junior year. There is no plan to hold the lottery so that a young man gets a number when he is 16 or 17 and, if he draws a low one, can do his military service before starting college. Selective Service Director Tarr, himself a former college president, says, "I don't think it hurts to interrupt a college education."

A Pentagon official told me, "You have a lot of people in universities who want to avoid the draft. A lot of trouble on campuses comes from these people." Tarr, who favors ending the undergraduate deferment, says, "I think we're going to get it."

But draft reform won't solve the basic problem because the military can take a scant fraction of the young men available. Only 163,500 were inducted last year, and even fewer are supposed to be drafted in 1971.

Those who want to avoid the draft have grown sophisticated. They now find escape hatches in the regulations for physical standards for induction. They avoid the draft with such relatively minor defects as braces on their teeth, asthma, acne, high blood pressure or a nervous stomach. One draft official admitted, "If a guy wants to strongly enough and has time and money, he can get around the draft." As Candidate Nixon said two years ago, "In the long run, the only way to stop the inequities is to stop using the system. It does not work fairly, and given the facts of American life, it just can't."

THE PRESIDENT'S INDUCTION POWER

That this battle comes in an odd-numbered year is no accident. No President or congressman wants to renew the draft in an election year.

Earnest draft lovers prefer to extend the induction authority for four more years. They will probably have to settle for two years—or for one, if we will really get out of ground combat in Vietnam this summer.

The alternative to renewing the President's induction authority is, by definition, an all-volunteer military. All the arguments against a voluntary force will be dragged out again now. "It exposes the brave, the foolhardy, the patriotic, the poor/black. It favors the non-venturesome, the ungrateful and the well-to-do," Gen. Maxwell Taylor, former chairman of the Joint Chiefs of Staff, told me.

It is charged that an all-volunteer force will attract too many blacks and poor. The Gates Commission studied this accusation and decided it was not true. The military seem to agree, because, they say, many poorly educated blacks cannot meet the military's mental standards.

Some fear a volunteer force will create a military class. But most enlisted men today, plus the vast majority of officers, are "true volunteers" already. Drafting reluctant privates will not prevent the rise of a military elite. That has to be done by civilian control at the top.

The Army's toughest job is to find 5,000 enlisted men a month for combat jobs; only 800 now volunteer. As a result, 88 percent of the infantry riflemen in Vietnam for the last couple of years have been draftees. The Army would like to give fat bonuses to men who volunteer for combat specialties, but it has run into heavy resistance from the Air Force and Navy, who must compete for such men.

The entire draft issue separates those who prize duty to the state above all and those who must give priority to individual freedom, the freedom to organize your life as you see fit. Some certified liberals, rather surprisingly, oppose the all-volunteer idea. Sen. Edward Kennedy, for one, believes every young man should be liable to be drafted to fight for the nation.

The trickiest ground is in the middle, where President Nixon stands, supporting the all-volunteer idea in principle but repeatedly stalling on putting it into action. Randal Teague, the 26-year-old executive director of the conservative Young Americans for Freedom, says, "A lot of our people are very disenchanted. Nixon made this a major campaign promise to get the youth vote. In all honesty, I wonder if President Nixon really wants a volunteer military."

The reasons for Nixon's distress are easy to spot. Politically, the draft and the war it supports are vastly unpopular. And now with 18-to-20-year-olds able to vote in national elections, opponents of the draft will be reinforced. Nixon also inherited worldwide military commitments; 300,000 uniformed men still in Europe as part of an obsolete NATO commitment; 53,000 men in Korea nearly 18 years after that armistice; the prospect of keeping at least some forces in Vietnam indefinitely, and a military establishment grown accustomed to $75 billion budgets.

There is a theory that if a nation has a large standing army, it is tempted to use it. The Vietnam war suggests this is true. Two years from now, as draft calls decrease with our piecemeal withdrawal from Indochina, the odds are that effective opposition will be defused and the conscription law will stay on the books, ready for some future President to use again. And one lesson from Vietnam will have been lost.

THE PAY PACKAGE

The double-talk over the cost of the draft versus an all-volunteer force is shrill. End-the-draft advocates argue that an all-volunteer force will actually save the country money. Pro-draft partisans shoot out figures as high as $17 billion for the cost of a volunteer force over a mixed force that includes draftees. The Gates Commission figured that an all-volunteer force of 2.5 million would cost about $3 billion extra initially. Pentagon insiders say privately that the Gates estimate is very close to accurate.

The pay debate centers about a simple idea. Draftees and new enlistees are paid very little, and as long as draftees are available by just whistling, there is no need to pay them more. This keeps the budget down, but it means that enlisted men must pay for part of our standing army out of their own hides. Within the past year, 50,000 married young men in uniform were, shockingly, on relief.

The Gates Commission argued that a recruit should be paid something closer to what he would earn in civilian life (and extra if he is assigned to risk his life against

an enemy). This sounds reasonable and fair. The additional cost would have to be carried by the taxpayers, but the slower turnover of volunteers, compared to draftees, would mean lower recruiting and training costs and a more skilled and efficient armed force.

In his new book, *The Military Establishment*, former Special Assistant Secretary of Defense Adam Yarmolinsky says: "No other institution, private or public, is now authorized to use compulsory processes to make up its manpower deficit. . . . The United States has experienced and is experiencing critical shortages of health services personnel, teachers and teachers' aides, and police officers. . . . But the nation has never assumed a responsibility for ensuring that these shortages are met."

In the end, the two strongest arguments for the draft don't hold up. First, the military claim they cannot attract enough volunteers. One thing is certain: They never will as long as the draft is around. You can bet on that. And second, an all-volunteer force will cost the taxpayer more. If the nation needs these young men—and is not fighting for its own survival—the nation should pay them a decent wage for the job they do.

Money will be loudly debated in the coming battle over the draft, but it is not the heart of the problem. If we are going to let our military establishment spend $60 to $75 billion a year, we can find the five or six percent of that sum needed to pay our youngest volunteers properly—if we want to.

The real heart of the problem is whether we now truly want a conscripted standing military force or whether the draft is demanding a human price of compulsion and disruption that we do not want to keep on paying. Today, we neither need—nor can afford—conscription if this nation is to be both secure and free.

ADDRESS BY SENATOR CASE BEFORE NEW JERSEY CHAMBER OF COMMERCE

Mr. MATHIAS. Mr. President, on February 4, the senior Senator from New Jersey (Mr. CASE) spoke out on the importance of public understanding and support of major policy decisions, particularly in the foreign affairs field.

In his address to the annual congressional dinner of the New Jersey State Chamber of Commerce, Senator CASE also underscored the important role that Congress plays in the development of public consensus.

I commend Senator CASE's words to the attention of the Senate and ask unanimous consent that the text of his address be printed in the RECORD.

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

REMARKS BY SENATOR CLIFFORD P. CASE

I listened to the President's recent State of the Union message with even more attention than usual. For the President's theme, "Power to the People," was the one I had been planning for my brief remarks tonight.

It seemed an interesting coincidence, though the focus of the President's address was domestic problems whereas I planned to discuss, in the main, foreign policy. But the underlying thought is the same in both cases, namely, that the best answers we can get to the great questions facing us will be those that reflect the broadest general consensus of the American people.

This is true for two reasons. First, such answers, ninety-nine times in a hundred, will be intrinsically the soundest. Second, such answers will be assured of public support in their implementation. Without such support it is generally immaterial whether a proposed policy is wise or not; it simply won't be carried out.

The latter point needs no elaboration. Public policy without public support is no policy at all. The people, in a democracy at least, really do make policy.

The point I want to emphasize is that they *should* make policy. For the people, collectively, if they are informed, have better judgment than any single man or group of men, however humane, intelligent, expert and well-intentioned he or they may be.

I have the greatest respect for the intellectual and the expert. I have found them of invaluable help in analyzing problems and in presenting the pros and cons of possible solutions. But we cannot expect the experts to run the show for us. Indeed, I venture to suggest that when it comes to the determination of concrete courses of action, there are no experts. For example: A recent critique of the Nixon doctrine, when it gets down to the nitty-gritty, comes up with the somewhat less than helpful suggestion that United States policy should be to encourage each Asian country to seek its own accommodation with Peking.

Another learned discussion of the same general subject suggests that if we really want peace in Asia all we have to do is stop resisting the aspirations of Communist China and, (1) grant her diplomatic recognition and unqualified admission to the UN *and* a permanent Security Council seat, (2) affirm a one-China policy even allowing the eventual accession of Taiwan to the mainland, (3) remove all United States military presence from Asia without substituting a naval cordon, a ring of nearby island bases, a host of Asian mercenary armies, or a nuclear-trip wire. Perhaps this barbarian will be permitted to doubt whether such total acceptance of the modern version of the Middle Kingdom's conception of itself is necessary or even conducive to a more peaceful Asia.

Nor do I find helpful guidance in another earnest suggestion that the President do "what no President has had the courage to do so far, namely, face and tell the American people: that Vietnam was lost to Vietnamese national Communism many years ago and that nothing short of perpetual war might retrieve that loss, that the loss doesn't matter anyway and never has in terms of American security interests."

On the other side, the unacceptable solutions are perhaps even more numerous, ranging from proposals for a preemptive nuclear strike and bombing the enemy back into the stone age to suggestions for the use of tactical nuclear weapons in limited war and a variety of plans for total victory produced in think-tanks over the years, including such ideas as subversion and terror campaigns against the Soviet Union. Particularly gruesome is a suggestion made several years ago that all-out thermonuclear war would not lead to world annihilation, irrespective of the military course of events, and that a reasonable semblance of pre-nuclear war conditions could be restored quite rapidly, in from one to ten years.

No, we cannot avoid the burden of hard decisions by transferring it to the pundits. Nor can we in Congress or in the country at large avoid our responsibilities by blind reliance upon the Executive branch of our government.

There is great knowledge and expertise within our military establishment and within the Department of State and the other branches of our government dealing with questions of foreign policy, defense and national security. And our Presidents, every one of them, have been, at least in my time, able, dedicated men.

But I don't know anyone who believes it would be even thinkable to turn over policy-making to our great bureaucracies. And the increasing burdens and responsibilities of the Presidency more and more isolate the occupant of that office. In the nature of things, the counsel available to any President comes almost wholly from a handful of advisors who can scarcely forget the limited tolerance which exists for the expression of adverse judgments in the rarified atmosphere in which they must operate.

What I say is not critical in any personal way. The inability of the Executive branch, even of the President, to provide infallible guidance upon the questions of national security, even of survival in the modern world, is due to no failure of good intentions, no weakness of character and no lack of intellectual capacity. It is structural, as the saying goes. It is inherent in the nature of our institutions and the problems which we face.

As a brief aside, I cannot refrain from noting the fascinating turn recently taken in the attitude of political scientists toward the American Presidency.

For a very long time the main thrust of political thinking in the United States was to build up the President and to downgrade the authority and prestige of Congress. The "strong President" was much admired.

This had a good deal to recommend it, especially in domestic matters on which a national point of view is often superior to the least common denominator of sectional or parochial views. But a by-product was to blind the nation to the potential danger of the power center it was creating in the White House.

More recently, aroused by the Vietnam War, there has been a spreading awareness of this danger. Many people who used to poke fun at President Eisenhower as the good-natured fumbler who reigned but did not rule, have since discovered a good deal to admire in his "intuitive" sense of restraint.

And it was none other than Richard Neustadt, author of *Presidential Power*, who confessed last year that, "This is a hard turn to come to—to be here urging Congressional intervention which two or three weeks ago we would have regarded as unacceptable."

Be that as it may, if we expect the people to provide the answers which we cannot look for from the experts or the pundits, or from the Executive branch of our government, or even from the President, we have got to be sure that the people understand what the problems are and are given all possible information relevant to their solution. And I have come to believe that of all the duties resting upon us as members of Congress none is more important than that of seeing that this information is made available to the general public to the fullest degree.

Congress has attempted to meet this responsibility in various ways. Hundreds of laws require periodic reports by the Executive on specific matters. A landmark bit of legislation was the Freedom of Information Act of 1967, which I had long co-sponsored.

The press, of course, performs an invaluable function in digging out and highlighting vital information which would otherwise be buried in the mounting stacks of public reports.

In recent years Congressional Committee hearings have come to be an increasingly used, and I believe useful, means of public education as to problems of foreign policy and, of course, other national problems as well. I am thoroughly aware that the Committee hearing can be abused and that it sometimes is abused, that pettiness, petulance, grandstanding and other manifestations of human frailty on the part of Committee members have taken place. But the public are quick to spot such shortcomings and thus they provide their own best corrective. On balance, Congressional hearings, in my view, have contributed enormously to

the enlightenment of the general public on the great questions of our time.

The so-called "Commitments Resolution," adopted by an overwhelming vote in 1969 expressing the sense of the Senate in regard to the manner in which our government's commitments might arise, is, of course, intended to give the Congress and, through it, the public, a greater share in this vital area of foreign relations. The abortive Cooper-Church amendment in regard to aid to Cambodia and the legislative restrictions actually adopted as a result of that effort reflect direct concern for a broadening of public participation in decisions as to United States involvement in Southeast Asia.

My own recent proposal to require that the President give 30 days advance notice to Congress of increases in aid programs to Cambodia is directly intended to permit public scrutiny of such action in advance. Last week I introduced legislation to require that any government funding of Radio Free Europe and Radio Liberty would have to be done in the ordinary way of open appropriation rather than covertly as has been the case in the past.

For most of our history foreign policy was a relatively unimportant matter. Until World War I, the United States cut a very small figure on the world stage, but since that time things are completely changed. Now, and from now on, what we do or don't do as a nation will affect not only our own security but the wellbeing of the whole wide world. In a very real sense, the great questions of American foreign policy and our involvement in the vast external realm beyond our borders bear increasingly on the survival of mankind.

The responsibility is an awful one, in the literal sense of the word. I am confident that the American people will meet it if they are given the chance to do so. It is up to us in the Congress and, if I may be so presumptuous, up to all concerned citizens like yourselves, to see they are given that chance.

TRADE UNION VIEW OF INFLATION

Mr. PROXMIRE. Mr. President, one of the ablest economists in the country is Mr. Nat Goldfinger who is the director of the AFL–CIO Department of Research. His insights into economic events and activities, and his judgment as to the causes of the severe unemployment and inflationary problems, are both timely and farsighted.

May I also say that, over the years, he has supported issues and ideas in the economic arena and in the public interest which go far beyond any narrow or parochial view of the AFL–CIO's interests.

In the January 1971 issue of the Federationist, Mr. Goldfinger has published an article entitled "A Trade Union View of Inflation." What he points out most clearly is that the working men and women of this country, and those who represent them, were prepared at an early date to accept curbs and limitations on the increases in their wages provided only that such burdens and sacrifices were distributed fairly and evenly to all groups in the society.

I think this history of the present inflation and a trade union view of it is a very important part of the record.

I ask unanimous consent that the article be printed in the RECORD. I hope that it will be read by all groups—employers, industrialists, consumers, government officials, and economists, as well as working men and women.

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

A TRADE UNION VIEW OF INFLATION

(By Nat Goldfinger)

In February 1966, as military expenditures were accelerating, the AFL–CIO Executive Council declared that if the President determined the effort to control inflation needed an overall stabilization effort, he would have the support of the AFL–CIO—if the stabilization controls were even-handed on all costs, prices, profits, rents and executive compensation, as well as the wages and salaries of employees. This viewpoint has been repeated by AFL–CIO convention resolutions and Executive Council statements on numerous occasions since then.

The same policy declaration of February 1966 rejected "the government's wage guideline policy as unfair and unworkable." It concluded: "We are prepared to sacrifice—as much as anyone else, for as long as anyone else—so long as there is equality of sacrifice."

The reasons for these views are to be found in the AFL–CIO's analysis of the inflation of the 1960s in the United States, as well as its conviction that the decentralized employer and employee institutions in America's heterogeneous society and continental economy preclude the effective operation of a "voluntary guideline" approach.

The inflation problem that has plagued the country in the past few years had its origins in the early 1960s—in an unsustainable capital goods boom, based in part on a sharply rising flow of after-tax cash to corporations, government encouragement and government subsidies. In 1962, for example, the 7 percent tax credit for business investment in equipment was instituted and the depreciation of plant and equipment was accelerated. These two actions resulted in the annual addition of several billion dollars to the after-tax cash-flow to corporations, which fueled the fires of an inflationary and unsustainable rise of business investment in plant and equipment during most of the period between 1963 and 1969.

The theory of the New Economics group, which pushed this program, was that such regressive fiscal measures were required to spur economic growth and increased employment after the near-stagnation of most of the 1950s. By 1965—after adoption of the additional and major stimulus of a large, general tax cut to boost demand—economic growth had stepped up and unemployment had declined, but the national economy was unbalanced by a one-sector capital-goods boom. In the mid-1960s, this one-sector boom was beginning to create localized and sectoral price pressures in the economy.

Simultaneously, in the early 1960s, the government promulgated a so-called wage-price guidepost policy. Average increases in wages and fringe benefits were supposed to be limited, voluntarily, to the trend-figure of rising private output per manhour in the previous five years—a percentage that was soon nailed down to 3.2 percent and, with the passage of time, developed into a rigid 3.2 percent fixation.

On the other hand, the "voluntary guidepost" for prices was a vague theoretical truism, devoid of policy implications. The price level would remain stable if prices of rapidly-rising productivity industries would decline, while prices of other industries would remain stable or increase, depending on their productivity increase in relation to the national average.

So the "voluntary guidepost" policy contained a precise percentage guideline for increases in workers' wages and fringe benefits. But there was no effective guideline for prices. And there was no guideline at all for profits, dividends, executive compensation and other forms of income.

For a time, the wage guideline appeared to hold down wage increases—the public pressure of the guideline was reinforced by continuing high levels of unemployment and the high priority of the trade union membership on job security. In the absence of anything like an effective guideline for prices, the Administration engaged in occasional, ad hoc actions to prevent or curtail some specific price increases. But there was no effective policy—and no ad hoc actions—to reduce prices of industries whose productivity was rising very rapidly. Price cuts did not offset price increases and the price level moved up slowly.

As a result of these inherent difficulties, the "voluntary guidepost" policy did not work from its very inception—in terms of a stable price level. It did work, however, to reinforce the regressive fiscal measures in shifting the shares of an expanding Gross National Product to private savings and investment.

Wages and fringe benefits increased only modestly in this period. After adjustment for rises in living costs, the increases of real employe compensation were less than the 3.2 percent guideline.

Unit employment costs in manufacturing declined slightly in the first half of the 1960s, while the wholesale price level of manufactured goods moved up slowly—widening profit margins. In the total private economy, there was a similar trend—slight increases in unit employment costs while the Consumer Price Index rose slowly, but more than twice as fast as unit employment costs. With other unit costs relatively stable or declining, profit margins widened and with the rise of production and sales, total profits shot up—reinforcing the fiscal measures to accelerate the rise of the corporate cash-flow and the business investment boom.

From 1960 to 1965, the rise of real employe compensation per manhour lagged considerably behind the increase of productivity. While total private output per manhour increased at an average yearly rate of about 3.6 percent, the buying power of employe compensation per hour, in the private economy, increased only about 2.9 percent per year. The lag for non-supervisory workers was even greater.

When the textbook theory of a "voluntary guidepost" policy was translated into action in the real world, it was hardly more than a sophisticated, largely one-sided pressure to hold down wage increases. But the difficulties with the textbook theory—which can be stated so elegantly on a blackboard—were not only inequitable results. The theory also attempted to ignore wages as workers' incomes, the size and diversity of the American economy and the nature of American institutions.

Wages and salaries are not merely a cost to employers and a factor in the price of goods and services. They are also income to workers and the major source of consumer buying power.

Emphasis on the cost side of this issue, to the exclusion of the income side, represents a lack of objectivity, as well as social and political insensitivity. Any objective view must include consideration of both sides of this issue—wages are both income to workers and a cost to employers.

Moreover, the wages and salaries of employes are not the only costs to business. There are many other costs—such as the salaries, bonuses, expense accounts and stock options of executives; the costs of raw material; depreciation write-offs; interest payments on loans and many other costs, as well as taxes. In addition, there are profits and dividends to stockholders. But the "voluntary guideline" ignored these other costs and incomes.

Also, the setting of wages has built-in restraints that are not present in other economic factors.

In companies whose employes are not represented by trade unions, wages and salaries are set unilaterally by the employer. Where employes are represented by unions, wages and salaries are determined through the process of collective bargaining with the employer—and with the effective restraint of employer resistance, except in localized instances of very tight labor markets for specific skills.

In addition, millions of employes are covered by long-term agreements that require extensive periods of time before they are subject to renegotiation. Even short-term collective bargaining contracts "lock in" the agreement's provisions for a year.

What's more, the reopening of renegotiation of contracts usually requires advance notice to the employer 60 to 90 days before the expiration date of the contract or its reopening. Frequently the union states its demands before the negotiations begin. As a result, the union provides advance notice—available to the public and the government, as well as the employer—of its desire to change the terms of a contract.

Where prices are concerned, however, equal restraints do not exist. In several key industries, prices are set by the top executives of the dominant corporations—to provide high profit-returns on investment. The other companies in such industries usually follow along rather rapidly on the change in price.

In many other industries, prices respond quickly to immediate market opportunities—to what the traffic will bear.

Wage determination, then, is subject to employer resistance and to the time-lags and advance notice that are part of the collective bargaining process, as well as to the influence of economic conditions. Price-setting, on the other hand, has no such built-in restraints, except for the influence of changes in economic conditions. And in several key industries, the major corporations so dominate their industries that they set prices with little if any, effective price competition.

Moreover, the United States is a huge country of continental size, with tens of thousands of different markets, industries and occupations. Each of them has a large number of specific and different conditions, a multitude of tangible factors and real problems that have to be met.

For example, a number of industries have wage inequities and some industries or companies have substandard wages. In many industries, technological changes are displacing jobs, changing job content and skill requirements and shifting job classifications, wage rates and lines of promotion or downgrading; and the cost of living is rising, eating into workers' buying power. These issues are real and tangible to both workers and employers and they require workable solutions.

For these reasons, no one single "magic number" can be imposed as the precise limit for all increases in hourly compensation of all employes throughout the varying and different markets, industries and occupations. Moreover, an attempt to base such a single "magic number" on one economic factor alone—such as productivity—makes the idea even more unworkable. The professors who promulgated the "voluntary guideline" approach know this full well for their own interests—witness their advice to workers while they are actively supporting or accepting silently the successful efforts of the American Association of University Professors to obtain increases more than double the wage guideline.

Productivity figures are not precise; at the best they are estimates. In addition, they are subject to frequent revision. No such single figure can be appropriately applied to the wages and salaries of millions of workers who are confronted by varying conditions in their different places of work.

The structure of the American economy also makes such a "magic number" guideline unworkable. Actual decisions affecting wages and salaries are made either unilaterally by tens of thousands of different employers or through collective bargaining between a multitude of national and local unions on one side and tens of thousands of employers and employer associations on the other side.

No single national employers' association can set prices or wages for all employers or even for the vast majority of employers. Neither are there even a half-dozen centralized employers' associations than can determine the wages and prices for most companies.

On the employe side, only a minority of wage and salary earners are represented by trade unions. And this organized group of employes has no single, national collective bargaining representative. The AFL–CIO is a federation of over 100 autonomous national and international trade unions; it has no authority to bargain with employers on behalf of the members of its affiliated unions.

As a result of the pluralistic and decentralized nature of American society, wage determination is also decentralized. About 150,000 different collective bargaining agreements cover tens of thousands of employers and over 100 national unions and their 70,000 locals. Moreover, even where master agreements cover the employes of multi-plant corporations, there are usually supplemental plant agreements affecting wages, salaries, fringe benefits, seniority and other issues.

Therefore, the AFL–CIO determined that the so-called wage and price guidepost policy—with its precise "magic number" for wages—was unworkable as well as largely one-sided and inequitable. And the AFL–CIO has maintained this view to the present time.

Toward the end of 1965, the acceleration of Viet Nam expenditures was super-imposed on a government-encouraged, one-sector capital goods boom, with its localized price pressures building up. And in the offing was the impact on the federal budget of the delayed-fuse operations of the vast social and economic reform programs enacted in 1964 and 1965. What was needed were pinpointed policies and measures to reduce specific pressures. What was needed was not simply a tax increase in itself—but a fair and equitable tax increase, an increase aimed at curbing the soaring rise of after-tax profits, to remove the 7 percent tax credit subsidy for investment in equipment, to curtail the sharp increases of dividends and capital gains. The primary objectives should have been to redress the regressive shift of income distribution and to curb the one-sector capital goods boom, which was the only sector of the private economy in an inflationary rise.

In this setting, as military spending was beginning to accelerate, the AFL–CIO Executive Council also stated that if the President determined the necessity of an overall stabilization effort, the AFL–CIO would cooperate—if the controls were even-handed on all costs, prices, rents and incomes.

But the Administration made no major effort for a tax increase until 1967 and there were no moves at all for an overall and equitable stabilization program.

The federal budget deficit soared, in a period of increasing economic activity, increasing employment and declining unemployment. At the same time, the government-encouraged capital goods boom continued. And the Federal Reserve applied a temporary dose of very tight money and high interest rates in 1966—resulting in a temporary money crunch, a temporary slowing of the economy and a temporary slowdown of the capital goods boom. But the deficit continued up—applying pressures in the money markets as a great volume of federal securities was floated, while business loans to finance the capital goods boom and business mergers also shot up.

One should recall here that the latter 1960s saw the biggest wave of business mergers in American history—increasing the concentration of economic power and increasing the price-raising ability of the dominant corporations in key industries.

So interest rates moved up in the latter 1960s, the price level rose, the cash-flow to corporations continued up. Workers, whose buying power was being eroded by the accelerating rise of consumer prices, sought larger wage increases to try to gain some improvements in living standards. And unit labor costs rose, after their relative stability in 1960–1965. But prices moved up at an accelerated pace—and in the entire period between 1960 and 1969, real employe compensation lagged considerably behind productivity, with an even greater lag in the real compensation of non-supervisory workers in the private economy.

The tax increase, belatedly adopted in mid-1968, was hardly progressive and it was not directed at the economy's pressure spots. The 10 percent surtax was applied to all corporations and all individuals alike, except the poor. And the tax increase was combined with a hold-down on federal expenditures, which Congress coupled with the tax increase.

An economic squeeze began in December 1968, when the Federal Reserve tightened its monetary policy, and in January 1969, when the Nixon Administration took office and reinforced the squeeze. By May and June of 1969, the government's squeeze on the economy tightened. The nation's money supply hardly increased at all between June 1969 and February 1970; interest rates skyrocketed to the highest peaks since the Civil War; federal construction projects were cut.

Skyrocketing interest rates raised costs and prices all along the line, from the farmer and manufacturer to the wholesaler, retailer and consumer. Soaring interest rates were also increasing the costs of federal, state and local governments. Moreover, these peak interest rates built in high costs and prices for years to come—on long-term residential mortgages, for example. The economic slowdown suppressed the rise of productivity, adding pressures on unit labor costs. The rise of the price level accelerated.

Although this economic squeeze was supposed to be socially neutral, the record clearly shows it was not. Commercial bank lending was not effectively curbed. The large commercial banks evaded the tight-money policy—through the use of Euro-dollars, for example, and commercial paper loans of their holding companies. While available funds dried up in 1969 and early 1970 for residential construction, state and local governments and smaller businesses, increased bank loans were extended to the big corporations and wealthy families—for plant and equipment investment, business mergers and conglomerate takeovers and investments in foreign subsidiaries. And the squeeze on the economy produced a recession, with rising unemployment.

The AFL–CIO repeatedly urged the government to adopt selective, pinpointed measures to curb the specific causes of inflation, without creating a recession and rising unemployment.

The AFL–CIO urged adoption of selective credit controls and the allocation of available credit to curb the causes of price pressures and to expand housing and other social priorities. It also repeatedly urged the government to plan for a swift and socially useful conversion from military production. If the government had followed such policies, it would have curbed the amount of credit going to the blue-chip corporations for mergers, conglomerate takeovers, gambling casinos and investments in foreign subsidiaries. It would have provided the means for the needed flow of money into housing. It would have provided offsets to declining defense production and there would have been no

severe tight-money, high-interest-rate squeeze on the entire economy. But the Administration chose to choke off economic expansion.

In 1970, the AFL–CIO has stated on a number of occasions: If the President determines that the situation requires overall stabilization measures—after the establishment of selective credit controls—the AFL–CIO will cooperate. But such mandatory controls must be equitably placed on all costs and incomes, including all prices, profits, dividends, rents and executive compensation as well as employes' wages and salaries.

These views do not stem from a predilection for mandatory controls—they derive from the AFL–CIO view of the economic issues, problems and institutions.

Wage increases have not been a major problem in the recent inflation in the United States, as the record of events clearly indicates. They were no problem at all in the first half of the decade; they were a secondary problem in the second half. Attempts to draw analogies with other countries are hardly convincing. The continental and diverse American economy, with its decentralized institutions, is neither Sweden nor Holland. Moreover, variations of a "voluntary guideline" approach have failed even in small countries, with higher degrees of institutional centralization.

It was hardly rational to expect workers and unions to accept a largely one-sided attack on them. And it was hardly any more rational to expect decentralized employer and worker institutions to voluntarily agree to police self-inhibiting measures on their independent and autonomous constituents.

But, to the extent that wage increases were a part of the inflationary problem, then, an overall and equitable mandatory stabilization program probably could have helped—if it were accompanied by selective measures to get at specific price pressures, including those that emanated from the supply side, as in the soaring costs of medical care. For at least a temporary period, government stabilization regulations could have accomplished what decentralized private institutions should not be expected to do. This is what the AFL–CIO suggested as early as February 1966 and has repeated on numerous occasions since then.

Policy choices are rarely easy these days. But textbook responses that attempt to ignore institutions, income distribution and changes in economic sectors and structures are not even in the ball park of serious choices.

BASKETBALL AT MARYLAND

Mr. MATHIAS. Mr. President, at times, one wishes that it were possible to reproduce photographs in the RECORD. As I am sure many Senators from other States in the Middle and South Atlantic region know, the University of Maryland is building a powerhouse basketball team, and that team has become a major focus of attention of the people of the State.

The Terrapins' basketball team is playing to capacity crowds at Cole Field House in College Park. The Terrapin freshmen were featured on the CBS Evening News last Saturday with a special report by Heywood Hale Broun. And what it called "The Madness at Maryland," was the subject of a photographic essay in the Sunday Star magazine, "Washington," on February 7.

The photographs by Ken Heinen illustrate dramatically the tension and the triumph of Maryland's recent 31 to 30 overtime victory over the team then ranked No. 2 in the Nation, South Carolina. Mr. Heinen has captured with his lens the emotions etched on the faces of the fans, the leaping action of the players, the style of Coach Lefty Driesell.

Although photographs cannot be reproduced in the RECORD, I commend the essay to the attention of the Senate and ask unanimous consent that the article written by Woody West be printed in the RECORD.

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

THE MADNESS AT MARYLAND

(By Woody West)

Dismal and lugubrious—thus is defined the recent history of major sports at the University of Maryland. But on Saturday, Jan. 9, in a yet unsullied new year, the Terps gave 14,312 fans in Cole Field House a moment of frenzied joy as they dropped South Carolina's No. 2 ranked basketballers 31 to 30 in overtime.

Hold it—31 to 30, and 4 (four) to 3 (three) at the half. Basketball? Ol' Lefty (Coach Driesell, if you please) sent his half-clad legion against the Gamecocks with a numbing but effective stall. For the balance of the evening, the fans were treated to a seemingly endless exhibition of dribbling by Howard White. But it worked. Quarrel with that, baby.

The overtime had elements of the classic. The hustling Terps, down by 5 points with 15 seconds to go, indulged in two larcenies that would have drawn the admiration of Willie Sutton. Stealing two Carolina inbound passes, the Maryland lads converted both, the last a superb nine-foot jump shot by Jim O'Brien with two seconds on the clock.

That was a shot. The 6'7" sophomore from Falls Church arched into his leap as the crowd howled and, in that fraction of a second before he released the ball, O'Brien achieved a moment of perfect stasis—every muscle, every reflex poised in tense immobility between contending forces of energy. It was glorious. It was what athletics, finally, is all about.

THE HIGH RATE OF UNEMPLOYMENT

Mr. RIBICOFF. Mr. President, despite recent affirmations of faith in the economy, there is little evidence to support the hopes and claims of the administration. Just last week the Labor Department announced that 5.4 million men were out of work—the highest number in 10 years.

In my State of Connecticut, the situation is grave. Since November, the unemployment rate has climbed from a seasonally adjusted rate of 7 to 7.9 percent in mid-January. Both figures are far above the national average. Last year at this time the rate was 4.1 percent. A doubling in the rate of unemployment in 12 months is hardly proof of a healing economy.

In many sections of Connecticut, unemployment has reached epidemic proportions. In Bristol, for example, the figure has risen to 19.8 percent by mid-January. That means that almost 1 out of every 5 employable workers is idle. In the period of 1 month—December to January—22,700 Connecticut workers have lost their jobs. The total has now reached 116,700—the largest number since the post-World War II recession.

Connecticut is not an isolated case. Across the Nation there are similar pockets of misery where the unemployment rate has climbed past 10 percent. These areas have to be helped and helped soon. As their numbers increase, the local economy worsens and the municipal and State governments are hard pressed to continue to provide many essential services.

The distinguished chairman of the Senate Committee on Public Works (Mr. RANDOLPH) has introduced a measure, which I have cosponsored, that can provide much needed relief for localities where the unemployment rate has risen to 150 percent of the national average. By updating the Accelerated Public Works Act, which proved successful in responding to a similar employment crisis in the early 1960's, this bill will channel immediate relief into these needy localities.

No one conceives this as a permanent solution to unemployment. Rather, it is an effort to "prime the pump" by helping towns and cities build much needed public facilities or improve older ones. Such action will put men to work, stimulate local industrial development and make the area a better place to live and work.

Simply stated, the bill provides 80 percent grants-in-aid for communities which have a firm plan for badly needed permanent public facilities, are able to finance the local share of construction, and can guarantee that a high percentage of the construction cost will be labor.

I hope that the Senate will quickly approve Senator RANDOLPH's proposal. It can mean that thousands of men who are ready and eager for work can once again lead productive lives. Not only will the bill provide help for the workers, but through their efforts their communities will share the benefits.

Mr. President, in order to demonstrate the intensity of the present recession and need for relief, I ask that an article by Joseph B. Treaster, published in the January 14, 1971, New York Times, and Haynes Johnson's article on February 12, 1971, published in the Washington Post, be printed in the RECORD.

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

[From the New York Times, Jan. 14, 1971]

CONNECTICUT SEEKS A WAY OUT OF MIRE OF UNEMPLOYMENT

(By Joseph B. Treaster)

HARTFORD, January 13.—Five hundred persons laid off at the Olin Corporation in New Haven, three hundred at the Anaconda American Brass Company in Ansonia, 200 more at Sikorsky division of the United Aircraft Corporation in Stratford.

Nearly every week another company in Connecticut announces a cutback in personnel, and unemployment continues to climb steadily in the state as the United States role in the Vietnam war diminishes and the national economy worsens.

Countless companies have been "furloughing" workers for a week or so each month and the average number of hours worked a week has declined over the last year.

100,000 ON JOBLESS PAY

With the start of the new year, the Connecticut Department of Labor reported that

more than 100,000 workers were collecting unemployment insurance, the highest number in the state's history.

Renato E. Ricciuti, the State Commissioner of Labor, says he is hopeful that total unemployment will level off by the end of the month at about 115,000. But former State Senator William B. Stanley, who is co-chairman of the Connecticut General Assembly's Peacetime Economy Commission, speculates that as many as 140,000 may find themselves jobless this spring.

In eight Connecticut cities the unemployment rate exceeds 8 per cent and in Bristol, which has a population of about 50,000, the rate is 17.5 per cent—nearly three times the national figure.

"I don't think it can get much worse," said Mrs. Winifred Coker, the manager of the state unemployment office in Bristol. "There's a limit even to unemployment."

Because Connecticut is one of the most heavily industrialized states in the country and has been a leader in military production, it is particularly vulnerable to slumps in the national economy and reductions in Pentagon spending.

"When the national economy prospers we go way up—we're super prosperous," Mr. Ricciuti said. "But when the national economy goes down we go down below bottom. We really hit with a thud."

UNITED TRIMS FORCE

Over the last year, the state's largest manufacturer, United Aircraft, which supplies helicopters, planes and components for the airlines of the world as well as the armed forces, trimmed its labor force by about 5,500. At the turn of the year, United employed 60,000 in Connecticut.

Gov. Thomas J. Meskill addressed himself to the unemployment problem in his inaugural address and offered some suggestions to the General Assembly. But so far no concrete solutions have emerged.

Mr. Ricciuti said that he and other state officials had been trying to improve the employment situation. "But," he added, "there's not a great deal an individual state can do. A great deal depends on the national picture."

Mr. Stanley, who believes that Connecticut should move away from its dependence on industry and expand in the service field by creating giant airports and harbors for regional use, is convinced that, whatever the answer, it must be dramatic.

"Whatever we do," he said, "must be big and bold, I don't mean reckless. But we're not going to cure cancer with aspirins. We've got a real problem and it's not just going to go away. We've got to do something about it."

Among the recommendations that Mr. Stanley said his commission might make to the General Assembly next month was the creation of public works projects similar to those undertaken by the Works Progress Administration during the Depression.

Somewhat surprisingly, economists across the state report that while the sale of homes and automobiles has fallen off, business in general in Connecticut has dropped only slightly. Savings, as in much of the rest of the nation, also remain relatively high.

Some economists believe the impact of the present unemployment in the state may be less dramatic than, say, the recession of the late nineteen-fifties because the size of the labor force has grown. They point out that in 1958 the unemployment rate of 10 per cent was based on a labor force of 900,000, compared with the present rate of about 8 per cent with a force of 1.4-million.

In Bristol, the hardest hit city in the state, Gordon Kilduff, the manager of the State Employment Service office there, said he found few signs of "the hard times."

"You don't see any guys hanging around street corners, you don't see anybody selling apples," he said. "But if a guy's out of work, for him it's a depression."

The number of jobs he has to offer has dropped sharply over the last year and many of them on his books are for clerical and service specialties, which do not match the skills of the laid off factory workers.

Across the open bay in the State office building, Mr. Kilduff's counterpart in unemployment, Mrs. Cocker, works past quitting time these days, surrounded by stacks of pink, blue, salmon and yellow compensation claim forms. She said she has added four girls to keep up.

"THERE'S NO WORK"

Her ledger shows the Bristol office paid out more than $5-million in compensation in 1970, compared with a little less than $1.4-million for the previous years.

Outside the office, a truck driver, shivering in a padded hunter's vest and sweater torn at the elbow turned away angrily from the conversation with two newsmen.

"I've got enough trouble," he barked, jamming his hands into his pants pockets. "I don't need my name in the newspapers. I'm not here 'cause I like it. I've been looking, but there are no jobs. There's no work."

After two and a half months of collecting unemployment, Al Canu, a metal press operator, said he was being taken back on by New Departure-Hyatt Bearings, a division of General Motors that manufactures ball bearings and is the largest employer in Bristol, but he ran through a list of a dozen friends who were still "hanging around."

"Every place you go there's people laid off," Mr. Canu said.

Across Main Street from Bristol's second largest industry, the Associated Spring Corporation, business has picked up a little at Leone's bar and restaurant.

Nathan J. Mafale, the stocky owner of Leone's, folded his arms on the edge of the bar and leaned closer to an inquisitive drinker.

"Where's a guy gonna go when he's out of work?" Mr. Mafale asked. "Is he gonna go to church? When he can't go to work, the bar's the logical place."

TOOLMAKER DESPERATE

Halfway across the dimly lit room, a bit apart from the other customers, John Putnam Jr., a toolmaker, sipped a beer. During the six months he has been out of work, Mr. Putnam said, other jobs have come along, but he has let them go.

"They offered me a dollar, a dollar and a half less than I was making before," he said. "They want me for nothing. They figure everybody's unemployed they can give you what they want. I'm gonna have to take one pretty soon, though, or sign up for welfare. I've got two kids."

In Bridgeport, 15,200 people are out of work, just 2,200 fewer than in Hartford, the capital and largest city in the state. The unemployment office at 67 Washington Avenue is overflowing with jobless.

For Al Santi, a sheetmetal worker, waiting in line and at least an hour and a half away from the pay counter, the situation looks hopeless. He was laid off by an aircraft company 11 months ago.

"It's very bad, very bad," he said. He has tried unsuccessfully for several jobs. "You just fill out an application and that's as far as you get," he said.

Not far away, stood a portly chef whose dream of having his own restaurant had dissolved 11 months ago and a car salesman who could personally testify to a slump in his field.

Bad business caused Mrs. Rose Orio of West Haven to lose her job in a pet shop, just as it had caused the Saxony Coat Company in Hamden to shut its doors leaving Louis Forte, the 62-year-old manager, with nothing to do.

Although the unemployment rate in New Haven is only 5.5 per cent, the total number out of work is more than 10,000.

Nate McClam, a machine operator, was laid off by the Olin Corporation last November. Later, when the Pentagon announced that it would not renew its contract with the New Haven firm to produce ammunition for the M–16 rifle, hundreds followed Mr. McClam into the street as the plant closed permanently.

Mr. McClam had found a part-time job driving a truck, he said, but the money was not enough to support his wife and two children.

"We've cut down on everything," he said, "but we've just had to let the bills go."

[From the Washington Post, Feb. 12, 1971]

A FACTORY TOWN FOUNDERS

(By Haynes Johnson)

BRISTOL, CONN.—Smoke curls from the factories, the streets are lined with shoppers, there are no long lines of men vainly searching for work. And it's all deceptive. You can't go into the public library, on Main and High streets, without being reminded of the true situation. Next to the check-out counter they've placed a new sign across the top of the bulletin board. "Looking for Work" it reads. The list of odd-jobs available is neither long nor impressive.

Hard times are here, all right, and like the country at large it's everything all at once—the layoffs, the cutbacks, the rising prices, the lengthening rolls of the unemployed.

Above everything else, it is the uncertainty.

Standing in front of the unemployment office, check in hand, Ray Konopaske tried to put into words a feeling that other Americans have been experiencing. He was confused. Too many things have been happening too fast to take in; it makes you wonder where we're going.

"I sat down with my wife, not to reiterate a lot of things," Konopaske said, "but I mean, well, look, I'm 30 years old and look what I've already seen in my 30 years. Like a blackout on the Eastern coast, assassination of a president, unemployment and an almost lackadaisical inflationary period.

"It's unbelievable. I mean, I'm only 30. And these people older than I am! I say they're walking death. They're retiring them, you know, one right after the other to make room for the younger people. Well, it's really bad. Really bad. It really is. I don't know what more I can say.

"And I don't actually say it's the Nixon's administration or the war in Vietnam that's to blame. It's just everything."

Konopaske seems typical of the workers here in the heart of industrial Connecticut where nearly 20 per cent are unemployed. Like him, they don't seem angry or resentful. They are more bewildered than bitter.

What's happened in Bristol is not only a reflection of the economic distress throughout New England today, where mills are closing and unemployment is rising. Bristol's problems are a microcosm of the country. They are an example of communities that came to rely so heavily on government spending during the boom days of the '60s.

It raises anew the old question: Can we Afford Peace?

Here, it wasn't government spending for some single glamorous new industry, like the aero space business that soared and fell, leaving devastated areas on the West Coast.

In Bristol, they make ball bearings, roller bearings, precision springs, clocks, screw machine products, brass and aluminum forgings, brass sheets and other machine tools. As defense spending spiraled upward throughout most of the '60s, everything was booming here: Employment and incomes were up. Workers were drawn from other

areas. Bristol, like other Connecticut factory towns, prospered.

It was typical in another important respect. Most of its workers were engaged in manufacturing. In a state where 26 per-cent of the manufacturing was tied to Pentagon contracts, a substantial portion of Bristol's prosperity hinged on war spending.

Defense cutbacks dealt a crippling blow here and across the state. Just a year ago, less than 4 per-cent of Connecticut's work force was idle. Now the figure has doubled, giving Connecticut the third highest unemployment rate in the country.

Bristol was especially hard hit. At the end of May, as the economic situation worsened, 1,784 persons were filing unemployment claims here each week. Today that total has risen to 5,225.

What keeps the present crisis from being a catastrophe are the state's unemployment benefits. In Connecticut, it's possible to draw benefits for as long as a year. After that—it's anyone's guess.

That sense of doubt colors every conversation. The businessmen will tell you that it's all temporary. Everything's going to get better. When? Soon. Why, a man in the Chamber of Commerce office said, he noticed lots of people getting their cars washed at the most expensive place in town. Things couldn't be that bad; it was a good sign. A chicken in every pot and a car in every garage.

The workers themselves try to put on a brave front. But the uncertainty comes through clearly.

"When I come here three, four years ago, it was a good place to come," said James Cookson, 27, from Portland, Maine. "But now—well, it's nothing. All the shops are laying off. In Maine I used to haul wood and then goof around in the winter, but in Connecticut I don't think they even know what trees are.

"You put money in the bank in the summer, and it's all gone by now."

Today, he makes the rounds of possible jobs; then he returns home. He sits, drinks coffee and voices a common complaint: "I'll tell you, you just go crazy sitting at home."

Many say they are thinking of leaving, but few know where it might be better. Even fewer want to uproot their families from schools and homes and risk moving into an area they know little about.

Like it or not, they have no choice but to wait it out. They are hoping for good times again.

As an unemployed iron worker named Paul Holmes put it: "We ain't going nowhere."

He was speaking only of a geographical move. At 25 years old, Holmes still believes he has a long way to go yet in Bristol.

SENATOR PERCY HONORED AS MAN OF THE YEAR

Mr. JAVITS. Mr. President, the distinguished senior Senator from Illinois (Mr. PERCY) was honored as "Man of the Year" at the Israel bonds annual dinner in Chicago on December 9, 1970. On that occasion, he delivered a speech calling for Soviet withdrawal from Egypt and expressing his continued support for the longstanding policy of the United States for the freedom and inviolability of Israel.

It was a privilege for me to join in the tribute to Senator PERCY at that occasion.

Mr. President, I commend the Senator's address to the attention of my colleagues and ask unanimous consent that it be printed in the RECORD.

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

SPEECH BY SENATOR CHARLES H. PERCY

I accept this honor, realizing that the honor should really go to the American Jewish community which contributes immensely to this country, but also recognizes and accepts its responsibility to its beleaguered co-religionists in Israel. Those of you here tonight have shown by your purchase of Israeli bonds that you are prepared to make sacrifices so that Israel may live.

I am particularly honored and pleased by the presence of Ambassador Rabin whom I met in Israel after the Six-Day War when he was Army Chief of Staff. Since he has been in Washington, we have become firm friends and have worked together on many occasions to assist Israel in its task of survival and development.

One must say "survival and development" in that order because survival must come first for a nation with enemies on every border. And it is Israel's survival which requires our daily attention. As a United States Senator, my first duty is to the security and well-being of America and Americans, and I do my best to do what is right for this country. However, I recognize that this great land of ours is not an island, that its fortunes depend not only on itself and its resources, but on the state of the world and the welfare of other responsible nations. There is an interdependence of the free which requires our concern for other free men and nations.

Therefore, it is in our own national interest to assist free men when they are threatened by external forces. The emphasis of the so-called Nixon Doctrine is on such assistance. And that assistance is best when it is given in time to forestall aggression against a free nation. That is why President Nixon has requested massive additional assistance for Israel now: to keep Israel so strong that her enemies will be deterred from attacking her.

I encourage and I support the half-billion-dollar assistance program for Israel. To plan for early passage of this measure, I have met personally with the President and with top Defense and State Department officials. And I predict that the Congress, both Senate and House, will approve it.

For a decade I have defied and fought the Arab boycott of American companies doing business with Israel. I have sought to explain to non-Jews the importance of Israel as an idea and as a reality. I have pressed Soviet and East European officials to allow emigration of Jews to Israel. I have worked to obtain a more liberal Export-Import Bank policy on credits for Israel, and we have been successful. I have counseled steady, consistent and unswerving support for Israel at the highest level of our government.

But, in all candor, I have not been supportive of Israel only because it is in our own national interest to do so, or because Israel is a democracy, or because Israel is a Western outpost in a hostile region, or even because Israel blocks Soviet dominance in the Middle East. All of those things are true, but for me they are not the most compelling reasons.

In the great heritage of the Judaic tradition there emerged a code of what is right and what is wrong. With very minor modification that code has been passed down the line of history for thousands of years into the Christian Era. And every child in every religious school and Sunday school is exposed to it. There *is* right and wrong; sometimes they are obvious, sometimes they are veiled.

In today's Middle East, right and wrong are highly obvious, remarkably apparent, absolutely clear. There can be no question of who is right and who is wrong when military dictators and feudal despots determine to drive a free people into the sea. Simple morality requires us to be supportive of Israel, a free people. I do what I can to preserve the free people of Israel, not for political or geopolitical reasons, but because it is the right thing to do.

So let it be said loud and clear: *this* is a moral issue!

Fortunately, Israel is *not* in a helpless situation. If Israel's position were helpless, the final onslaught against her would have been completed by now. On the contrary, Israel is strong.

The strength of Israel is in her leadership—Golda Meir, Yigal Allon, Moshe Dayan, Abba Eban, Yitzhak Rabin. Leaders of vision and courage!

The strength of Israel is in her incomparably effective armed forces which have amazed the world.

The strength of Israel is in the friendship and the material assistance of the United States Government which has made the decision that Israel will *not* be abandoned, but will be sustained.

The strength of Israel is in the commitment of the American Jewish community to sacrifice so that Israel may live. For generations Americans have contributed heavily for the well being of the people in the "old country", whether the old country was Italy or Ireland or Greece. But never has an American ethnic community responded to need as has the American Jewish community in the past 25 years. Your own presence here tonight symbolizes the dedication of American Jews to the survival of Israel.

The strength of Israel is in the determination of her people to live. As the Lord said, "I have set before you life and death, blessing and cursing: Therefore choose life, that both thou and thy seed may live." Israel chooses life, and Israel will live.

In 1966 my brother-in-law and I were driving from Tel Aviv to Jerusalem and we gave a ride to a young girl in military uniform serving at that time under General Rabin. I asked her how she liked being in the Army at such a young age. I shall never forget her reply: "For two reasons I like it. First, the Army discipline is less strict than that of my Orthodox parents. Second and most important, I *want* to serve. You know, there are 60,000,000 of them and only 2,500,000 of us and we all must be prepared to defend our country." I am pleased to have her tonight as my special guest, and am proud to present to you now and to General Rabin for the first time, Susan Karni. Would that all soldiers were so pretty!

The late Senator Robert Taft said in 1953 that the State of Israel had put into practice its faith in liberty. Taft said that Israel had given clear evidence of its determination to resist regimentation from within and to resist physical aggression from outside. He added, and I quote, "There is little wonder today that aggressive Communism bestows upon Israel the honor of its hatred."

Senator Taft's words are even more compelling today, 17 years later, when the Soviet Union has 10,000 military men in Egypt, when it emplaces missiles targeted at Israel, when it flies cover over the Egyptian desert.

The direct intervention of the Soviet Union in the Middle East in recent years has escalated the Arab threat to Israel and has endangered the balance of power in the region. It has heightened tensions and has threatened a big-power confrontation in the area. It is extremely dangerous, not only to Israel and to peace, but also to the Soviet Union itself which has squandered billions of dollars in war materiel and brings Soviet forces to the brink of battle.

A more prudent course for the Soviet Union now that the missiles are emplaced and the Egyptian pilots trained, would be to start the withdrawal of her forces from the area, and I call on her to do so now in the interest of world peace. The Soviets have failed in their objectives of influencing Mideast oil policies,

of opening the Suez Canal, and of gaining supremacy in the area. Most Arab nations are still independent of Soviet manipulation and are determined to remain so.

In consideration of Israel's will to defend herself and America's goal of peace and security for all nations in the area, it would be wise for the Soviet Union to deescalate her military role in Egypt. Surely a nation that has lost 25 million people in warfare in this century should know better than any of us the futility of war and the dangers of confrontation.

If the Soviet Union wants to help the Arabs, she should help them to develop their economies and to improve their living standards. It is no help to the Arabs to encourage their preoccupation with war when the real need of their people is for a decent life in peace.

No longer are Soviet technicians required to install and man Egypt's antiaircraft missile bases and radar. Egyptians are trained to the task. A sort of "Vietnamization" or, shall we call it "Arabization", has taken place, and now initial Soviet withdrawals would be in order.

I suggest Soviet withdrawals from Egypt without any conviction that they are imminent or even likely for some time. But I do believe that discussion of the advantages of Soviet withdrawals, in the interest of peace and indeed in the interest of the Soviet Union itself, could increase the likelihood of such withdrawals.

The benefits of Soviet withdrawals from Egypt would help reverse the new hardening of East-West relations and would cause a reduction in tension which would increase the chances for meaningful East-West cooperation at the SALT talks, in Berlin, and elsewhere. It would help avoid a head-on collision of the super powers and the possibility that a conflict would be brought on by a third party acting in an irrational manner.

As we note the Soviet presence in the Middle East and the intransigence of the Arabs, particularly the fedayeen, a great yearning for peace wells up within us, just as it does in the hearts of the people of Israel. It brings to mind the Talmudic prayer, based on the priestly benediction and older than the Christian Era, which says for Americans and Israelis alike:

"Grant us peace, Thy most precious gift, O Thou eternal source of peace, and enable Israel to be its messenger unto the people of the earth. Bless our country that it may ever be a stronghold of peace, and its advocate in the council of nations. May contentment reign within its borders, health and happiness within its homes. Strengthen the bonds of friendship and fellowship among the inhabitants of all lands. Plant virtue in every soul, and may the love of Thy name hallow every home and every heart. Praised be Thou, O Lord, Giver of Peace."

This beautiful prayer sums up our hopes for America, for Israel and for the world. It should stand as our ideal. It should inspire our efforts. It should be the goal of life.

Shalom!

ROSE HILL AND RICHFIELDS

Mr. MATHIAS. Mr. President, the State of Maryland, settled in the 17th century, abounds with fine examples of more than 300 years of American architecture. Two such examples in Frederick County, only about 50 miles north of here, were featured in the Washington Post column entitled "An Architectural Approach," published on Sunday, February 14.

I invite the attention of Senators to the article about Richfields and Rose Hill, which the author James C. Wilfong, Jr., describes as superb examples of early Maryland building, and invite them to visit this unusual house, just an hour from the Capitol.

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:

AN ARCHITECTURAL APPROACH: HISTORY ABOUNDS AT THIS ROSE HILL

(By James C. Wilfong, Jr.)

The oldest Maryland architecture lies well to the south of Washington and understandably so. On the other hand, Frederick County has notable houses dating back to the nation's early greats.

Architectural historians and sightseers would be hard put to separate physical interest from the historical. Two of these houses are structurally dissimilar but historically inter-related.

North of Frederick, Market Street becomes Route 15 and extends toward Thurmont, Emmitsburg and Gettysburg through fertile farmland with a mountain backdrop. From this distinctly inland setting one of the Navy's Admirals left a pleasant rural countryside to achieve fame at sea—Winfield Scott Schley. His home was at Richfields, a few miles north of Frederick on the east side of Route 15.

Born there in 1839, he became known as the hero of Santiago, where he bottled up and destroyed Cervera's fleet in the War with Spain in 1898.

Present day owners of Richfields have thoughtfully placed a sign at their entrance gate, describing their home as Admiral Schley's birthplace and listing the date of his birth and death.

An older historical marker nearby tells of some earlier history associated with the same property. This was also the home of Thomas Johnson, who loomed large in early Maryland.

The destruction of the earlier house—presumably by fire—occurred too long ago for a likeness to exist today. It is known that in 1794 Mr. Johnson moved to the beautiful Rose Hill, a few miles south, where his daughter Anne was living. This date is probably significant as the year that tragedy obliterated Richfields, Mr. Johnson continued to live at Rose Hill until his death in 1819.

Today's rebuilt Richfields is a large white brick structure, fairly plain and undistinguished with an almost flat roof sloping from front to back. It is not square, as it appears to be from the highway, but is an L shaped house with the short side toward Route 15 forming the base of the L. Across the rear is an interesting two-story frame porch, a feature often seen on Maryland homes of the early 19th century.

Despite the fairly early settlement north of the Monocacy and its continued expansion from outpost to settlement to town to county seat, there were some early inhabitants who saw fit to create and maintain their residences beyond the limits of the town of Frederick.

Maj. John Grahame of Calvert County came to the Frederick area in 1767 and soon set about building himself a house in keeping with his economic stature, which must have been considerable. He called the completed structure Rose Hill. It was a mansion house, measured by the standards of the 1760s or the 1970s. Its dimensions are generous but not huge: 60½ by 29½ feet. The bulk of the first floor is given to living room and dining rooms—each a generous 22x27 feet. Between the two a center hall leads from front door to rear, 12 feet wide and 27 feet long. The kitchen and a service room fill the wing that graced the west side of the mansion.

Within the gate, the driveway divides and circles the lawn in front of the columned two-story porch. It is a magnificent porch with fluted columns, ornate entablature and pedimented roof with half moon window under the hip.

With such a household in his background, perhaps Maj. Grahame had little competition for the hand of the daughter of Thomas Johnson of Richfields, a few miles north of Rose Hill.

When Mr. Johnson left Richfields for Rose Hill he entered one of the most elegant mansions in northern Maryland. Nor all of its interest is centered in the mansion house. There are outbuildings for the most avid antiquarian. One is of brick with a pattern of bricks omitted from the walls below the eaves.

A fence of slag stone, unmortared, extends picturesquely across the rear lawn behind the house. Some very old boxwood shows damage from storms or cattle.

Richfields and Rose Hill are superb examples of early Maryland building. They represent two eras and stand beside a busy highway to tell their stories to strangers as well as Marylanders.

KENTUCKY—THE BASKETBALL CAPITAL OF THE WORLD

Mr. COOK. Mr. President, in the most recent national poll of sportswriters and broadcasters conducted by the Associated Press, four basketball teams from the Commonwealth of Kentucky were ranked among the top 20 teams in the country.

These teams are Western Kentucky University, the University of Kentucky, Murray State University, and the University of Louisville. In addition, Kentucky State College and Kentucky Wesleyan have consistently been ranked at or near the top of the small college division poll this year. No other State can claim such an achievement.

Kentucky has gained a national reputation and great prestige through its basketball accomplishments. Thousands of fans annually crowd the many gymnasiums throughout the State to support their favorite teams. The NCAA has selected Louisville's Freedom Hall as the site of its championship tournament on more occasions than any other site in the country, and Kentucky has placed more teams in the NCAA tournament than any other State.

It is, therefore, my great privilege to offer my congratulations and commendation to these six highly ranked Kentucky basketball teams, and to salute publicly these teams and all the other fine Kentucky teams that have made Kentucky the "Basketball Capital of the World."

OPPOSITION TO EXTENSION OF KENNEDY AIRPORT RUNWAYS

Mr. JAVITS. Mr. President, the National Academy of Sciences, the National Academy of Engineering, and the Port of New York Authority are all to be commended for their participation in the recent report released by the Environmental Study Board of the Academies on the uses of Jamaica Bay. The port authority especially is to be commended for its decision to request expert and impartial advice on this vital question

and for its willingness to abide by the decision reached by the outside study group. The Academies made a thorough examination of the problem of extension of the runways and their recommendations covered all major aspects of the problem; they are against extending the J.F.K. runways.

The report makes several interesting suggestions regarding present airport congestion due to poor scheduling and excessive use by general aviation. These recommendations deserve earnest consideration and action by all appropriate authorities.

The report also recommends an immediate examination of prospective sites for a new regional jetport by the Department of Transportation and the States of New York and New Jersey. This is one of the highest priorities for public bodies in the New York area.

Most importantly, the report makes many recommendations concerning the environmental problem of Jamaica Bay and the surrounding population areas. These include completion of the sewage treatment facility at Spring Creek and other facilities to keep raw sewage from being discharged into the bay during heavy rainfalls; cessation of dredging operations in the bay, and reexamination with a view toward halting the hurricane barrier project planned by the Corps of Engineers for the bay. The report also makes several important recommendations with regard to noise pollution which I believe should be given immediate consideration by the Department of Transportation. This includes the speeded-up development of a new quiet engine to be put into new airplanes by 1975; and the use of acoustically treated engines in all present aircraft. According to the report this could very materially cut down on the noise affecting those residents living in the J.F.K. Airport area.

The report also makes important recommendations as to the recreational facilities for the community. However, I disagree with its conclusion that much of Jamaica Bay should not be included within the proposed Gateway National Recreation Area. As one who has been greatly interested in and an advocate of the gateway project, I feel that the report is not on sound ground when it recommends that the city keep much of the Jamaica Bay area and develop it on its own as a recreation area. The city already has indicated that it would like to see that area included in the gateway project and does not have the financial resources to develop the area to the extent needed. Thus I believe the area would benefit more in the long run if it is included in the gateway project.

LITHUANIAN INDEPENDENCE

Mr. RIBICOFF. Mr. President, this month Americans of Lithuanian descent commemorate two very important occasions in the history of Lithuania. They are observing the 720th anniversary of the original formation of the Lithuanian State, and they are marking the 53d anniversary of the establishment of the Republic of Lithuania on February 16, 1918.

During the 89th Congress, House Concurrent Resolution 416 was adopted, calling for the freedom from Soviet domination of Lithuania, Latvia, and Estonia. In the light of this clear expression by the Congress, I would hope that our Government will continue to treat the illegal occupation of the Baltic States as an important unresolved issue between ourselves and the Soviet Union.

Our diplomatic representatives at the United Nations and elsewhere should take every opportunity to remind the world of the Soviet Union's naked acts of aggression against the Baltic States when Soviet spokesmen accuse our own country and our allies of "imperialism." The issue of Baltic independence is a question which surely deserves to be brought before the United Nations.

The American public in recent months has been aroused by the desperate attempts of individual Lithuanians to escape from the prison the Soviet Union has created for them in their own country.

The abortive attempt by a young Lithuanian and his wife to flee his country and the tragic episode of the attempted defection of Simas Kudirka are stark reminders that the people of Lithuania still yearn to regain their freedom.

I am pleased once again to take part in the commemoration of Lithuanian independence.

I hope that the coming year will bring important progress in the struggle of the Baltic States to regain their liberty and independence, and that a brighter future will be in store for all the peoples of the Baltic States.

I ask unanimous consent that House Concurrent Resolution 416, agreed to by the Senate on October 22, 1966, be printed in the RECORD.

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

H. CON. RES. 416

Whereas the subjection of peoples to alien subjugation, domination, and exploitation constitutes a denial of fundamental human rights, is contrary to the Charter of the United Nations, and is an impediment to the promotion of world peace and cooperation; and

Whereas all peoples have the right to self-determination; by virtue of that right they freely determine their political status and freely pursue their economic, social, cultural, and religious development; and

Whereas the Baltic peoples of Estonia, Latvia, and Lithuania have been forcibly deprived of these rights by the Government of the Soviet Union; and

Whereas the Government of the Soviet Union, through a program of deportations and resettlement of peoples, continues in its effort to change the ethnic character of the populations of the Baltic States; and

Whereas it has been the firm and consistent policy of the Government of the United States to support the aspirations of Baltic peoples for self-determination and national independence; and

Whereas there exist many historical, cultural, and family ties between the peoples of the Baltic States and the American people: Be it

Resolved by the House of Representatives (the Senate concurring), That the House of Representatives of the United States urge the President of the United States—

(a) to direct the attention of world opinion at the United Nations and at other appropriate international forums and by such means as he deems appropriate, to the denial of the rights of self-determination for the peoples of Estonia, Latvia, and Lithuania, and

(b) to bring the force of world opinion to bear on behalf of the restoration of these rights to the Baltic peoples.

RULES OF THE SELECT COMMITTEE ON EQUAL EDUCATIONAL OPPORTUNITY

Mr. MONDALE. Mr. President, section 133(b) of the Legislative Reorganization Act of 1946 as amended by the Legislative Reorganization Act of 1970 requires the rules of each committee to be published in the CONGRESSIONAL RECORD not later than March 1 of each year.

Accordingly, I ask unanimous consent that the rules of the Select Committee on Equal Educational Opportunity be inserted in the RECORD at this point.

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

RULES AND PROCEDURES OF THE SENATE SELECT COMMITTEE ON EQUAL EDUCATIONAL OPPORTUNITY, ADOPTED FEBURARY 9, 1971

1. Committee meetings:

(a) The Chairman of the Committee, or if the Chairman is not present, a member designated by the Chairman, shall preside at all meetings.

(b) The regular meeting date of the Committee shall be the second Friday of each month at 10:00 a.m. The Comimttee shall convene at the call of the Chairman at such times as are necessary to transact Committee business. The members of the Committee shall be given written notice of all meetings of the Committee.

2. Executive sessions:

(a) For the purpose of conducting an Executive Session, a majority of the Committee shall constitute a quorum. No measure or recommendation shall be reported from the Committee unless a quorum of the Committee is actually present at the time such action is taken.

(b) Proxies will be permitted in voting upon the business of the Committee by members who are unable to be present; a proxy, to be valid must be signed and assign the right to vote to one of the members who will be present.

(c) There shall be kept a complete record of all Committee action. Such records shall contain the vote cast by each member of the Committee on any question which a "yea and nay" vote is demanded.

(d) The Clerk of the Committee, or his assistant shall act as recording secretary of all proceedings before the Committee.

(e) No person other than members of the Committee, members of the staff of the Committee, and members of the staffs of members of the Committee shall be permitted to attend the Executive Sessions of the Committee, unless authorized by the Committee or the Chairman.

3. Hearings:

(a) The Chairman of the Committee may initiate a hearing on his own authority or at the request of any member of the Committee, but if a member of the Committee objects to such hearing, the Chairman shall convene the Committee in Executive Session and the Committee shall rule upon such objection. The Chairman shall make every effort to assure the attendance of members at all hearings.

(b) Any witness summoned to a hearing may be accompanied by counsel of his own choosing who shall be permitted while the

witness is testifying to advise him of his legal rights.

(c) No confidential testimony taken or confidential material acquired by the staff of the Committee or presented in an executive hearing of the Committee or any report of the nature of such material or of the proceedings of such an executive hearing shall be made public, either in whole or in part or by way of summary, unless authorized by a majority of the members of the Committee at a meeting duly called for that purpose.

(d) Any member of the Committee shall be empowered to administer the oath to any witness testifying as to fact.

4. Legislative Reorganization Act: The Committee's procedures shall be governed by the applicable requirements of the Legislative Reorganiaztion Act of 1946, as amended.

CONCLUSION OF MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, I ask that the morning business be concluded.

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

AMENDMENT OF RULE XXII OF THE STANDING RULES OF THE SENATE

Mr. SCOTT. Mr. President, on behalf of myself and the distinguished senior Senator from Kansas (Mr. PEARSON), I move that the Senate proceed to the consideration of Senate Resolution 9.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Pennsylvania.

Mr. ALLEN. Mr. President, I had hoped that the proponents of the motion to proceed to the consideration of Senate Resolution 9 would state their case to the Senate. We have been considering this general subject since January 26, and of all of the debate that has taken place on the subject, only about 15 or 20 minutes has been consumed by those Senators who support Senate Resolution 9.

Mr. President, Senate Resolution 9 was offered by the distinguished Senator from Idaho (Mr. CHURCH) and the distinguished Senator from Kansas (Mr. PEARSON). It would seek to amend rule XXII of the Standing Rules of the Senate so as to reduce the required number of Senators to cut off debate from two-thirds of the Senators present to three-fifths of the Senators present.

Under the rules of the Senate, as the junior Senator from Alabama understands them, the motion of the distinguished Senator from Pennsylvania (Mr. SCOTT) is debatable, and we will discuss that motion itself.

Rule XXII of the Senate has been a rule, insofar as it seeks to limit debate, since 1917. Actually the rule does not provide for extended debate. It provides a method of cutting off debate.

Mr. President, we are operating under the rules of the Senate as they existed in the 91st Congress. Rule XXXII of the Standing Rules of the Senate provides that the rules that exist in one Senate continue over to the next Congress and continue to be the rules of the Senate until they are amended as provided by the rules of the Senate.

If Senate Resolution 9 should ever come to a vote in the Senate, it would take only a majority of the Senators present to change the rule. However, the matter of discussing that rule change and the limiting of debate on that discussion requires a two-thirds vote.

I am very pleased, Mr. President, that apparently there is no inclination on the part of the proponents of the rule change to try again the attempt that was made at the start of the 91st Congress to contend that a majority of the Senate can invoke cloture and cut off debate when the rules provide that it takes a two-thirds vote. That effort was tried; that effort was made at the beginning of the 91st Congress. I believe the vote in the Senate on the question, "Should the debate be brought to a close," resulted in a vote of 51 Senators voting to cut off debate and 47 Senators voting not to cut off debate.

The contention was made, Mr. President, that under section 5 of article I of the U.S. Constitution giving both Houses of Congress the right to make their own rules cloture had been invoked. The then Vice President, now the junior Senator from Minnesota (Mr. HUMPHREY), ruled that cloture had been invoked, theorizing that section 5 of article I of the Constitution allowed the majority of the Senate to cut through any obstacles in the way and to set their rules.

Well, Mr. President, we are operating under these rules. We have been operating under these rules in the 92d Congress since the 21st day of January. This very cloture motion that is going to be voted on at approximately 1 o'clock tomorrow afternoon was filed under Senate rule XXII. If we did not have Senate rule XXII there would be no way in the world to stop an extended debate in the Senate. Nowhere else is provision made for cutting off that debate. We are proceeding to a vote one hour after the convening of the Senate on the second calendar day after the filing of the cloture motion that the Senate is in session. All that is done under rule XXII.

Apparently the contention is not going to be made as it was 2 years ago that a majority can cut off debate in the U.S. Senate. The right to extended debate in the Senate is the right, the attribute, the quality of this body that sets it apart from all other legislative bodies. It is a quality, attribute, or factor that makes this body the greatest deliberative body in the world.

As I stated earlier, I regret that those Senators who favor this rules change are not here on the floor of the Senate giving their reasons, if any, why this rule should be changed. They put in the resolution, they make a motion with respect to it, and they leave the Senate Chamber. They do not offer any reasons why the amendment should be made.

Mr. President, I want to say that this is the most benign and the most benevolent filibuster that I have seen, if it could even rise to the status of a filibuster. It is an extended discussion, but Senators have had no difficulty whatever in getting consideration of any other matter they want to bring up. At any time anyone has wanted to speak, introduce a bill, bring up confirmations, he has been allowed to do so. The distinguished Senator from New Hampshire (Mr. COTTON) made some remarks in the Senate Chamber just a few minutes ago. No one objects to anyone else speaking. If anyone wants to come in and speak on behalf of Senate Resolution 9, the junior Senator from Alabama would be delighted to yield the floor.

Why have extended debate in the U.S. Senate? What good is it? Well, the Senate has evidently thought it is good, because up until 1917 there was no way to limit debate in the Senate; and in 1917 rule XXII—which made some other type of provision and not a limitation of debate—was amended to provide that two-thirds of the Senators can cut off debate. Originally that rule did not apply to cutting off debate on a motion to bring up a bill or a measure. Debate could be cut off only on debate on a measure. As the junior Senator from Alabama recalls from reading the history of the rules of the Senate, this was changed to provide that debate could be limited on a motion to bring up. Then, the rule was changed to provide that it would take a constitutional two-thirds of the elected membership of the Senate; and under the present number of States, if we had that provision today, it would take 67 votes to cut off debate, but that was changed so that now it is only two-thirds of Senators present.

So this is not an impossible requirement whatsoever on a meritorious, or for that matter nonmeritorious, measure for cutting off debate. Theoretically, if a quorum of 51 Senators is present, two-thirds of that number would be 34. Thirty-four Senators, with only 51 present, voting to cut off debate, 17 Senators voting not to cut off debate, cloture, or the cutting off of debate, could be applied with only 34 Senators.

Mr. President, under our system of checks and balances, with the legislative branch of our Government, the Congress, being one of those branches, and the Senate and House each being coordinate parts of that single branch, with the executive and the judiciary constituting the other two branches, this separation of powers in our Government is what makes our form of government the greatest form of government in the world. This separation of powers should be maintained.

Mr. President, in the other body, debate is generally limited to 3 minutes for a Member of that body. The House has power to invoke on themselves a rule that no amendment can be offered to a bill. Legislation can go through the other body without too much consideration on the floor of the House. So when the measure comes to this body, many times it needs to be slowed down, to give the Senate an opportunity to study that bill, to give the country an opportunity to find out what is involved.

Mr. President, if we are going to make it easy to cut off debate, if we are going to do away with the right of extended

debate in the U.S. Senate, we are going to have more ill-considered legislation passed in this body. We are going to have measures passed here before the country has any idea that the bills are even pending.

Mr. President, it is possible, under ideal circumstances, if they might be called ideal—but ideal for the purpose I am going to suggest—to pass a bill, to enact a law, in 1 day's time; pass it through the other body by unanimous consent; bring it over to this body; pass it here that same day by unanimous consent; have it signed by the President, all in 1 day's time. So we can move rapidly in the Congress when conditions require it.

The two-thirds rule for cutting off debate has not stopped the enactment of civil rights bills. It has been suggested in the news media that this is a southern filibuster. But the Senate has had no difficulty in invoking cloture, cutting off debate, with respect to every matter of legislation dealing with civil rights.

There is much more involved here than that. That is not involved at all, Mr. President, but the matter of the loss of separation of powers in our Government is involved.

I am not speaking with respect to the present executive department, any more than I am speaking with respect to subsequent administrations, but if the executive department gets to the point where it can have legislation passed here in the Senate and have debate cut off, next with a three-fifths vote, later with a majority vote—and that is where we would be heading if we go the three-fifths route at this time—we would find the executive department completely taking over the legislative branch of our Government. The right to extended debate, which sets the Senate apart as the only legislative body having that right, is the best protection that any minority could have from being overrun by a ruthless and arrogant majority.

Let me say to the majority that the present majority may not always constitute the majority. The minority may later take over and become the majority. So those who are temporarily in the majority and have no fear of doing away with the two-thirds rule may well consider the fact that they may not always constitute the majority.

Yes, Mr. President, the right to extended debate is the best protection that a minority has. It is the best protection that the people of this country have against Federal bureaucracy, against big government getting bigger, against the mushrooming of the Federal bureaucracy.

So, Mr. President, if we are to protect the minority, if we are to protect conservative thought in this country, if we are to protect the country from spendthrift legislation, if we are to protect the legislative branch from a takeover by the executive department, we need to preserve Senate rule XXII intact.

Mr. President, I have pointed out as I have discussed this matter that rule XXII came into existence in 1917, more than 50 years ago. It has served this country well as written; and those who favor a change in rule XXII have been challenged repeatedly by those who oppose any change to point out one single piece of constructive, worthwhile legislation that failed of enactment because of extended debate, and was not subsequently enacted.

Mr. President, at the end of the 91st Congress, it was said that the Senate had a great logjam of pending legislation caused by a series of filibusters against legislation. It has been said that there were about six or seven separate and distinct filibusters. I do not think there were that many. There were several actual or incipient filibusters, but not one single filibuster was being carried on or, as far as I recall, participated in by a Senator from any of the Southern States.

The major filibuster that I recall was the filibuster by the distinguished Senators from Wisconsin (Mr. PROXMIRE and Mr. NELSON), and they were filibustering against the conference committee report on the SST. And while I did not participate in that filibuster, and I wanted to vote on the matter under consideration and get on to something else, I was unwilling to see that debate brought to a close by a vote of the Senate. It proceeded on. Mr. President, I dare say that that filibuster would have been brought to a close had the change in the rules contemplated by Senate Resolution 9 been accomplished at that time.

Senators will recall the status of that legislation. The SST appropriation was a part of the Department of Transportation appropriation bill, providing for the Interstate System, for Federal aid to highways, and even—of all things—the Coast Guard was a part of that appropriation. It was passed by the House of Representatives and came to the Senate, and the distinguished Senator from Wisconsin (Mr. PROXMIRE) offered an amendment knocking out the appropriation of some $290 million for the SST.

I voted with the distinguished Senator from Wisconsin on that issue, because I did not feel that that was a proper expenditure of the funds of the taxpayers, spending billions of dollars to cut some 2 or 3 hours off of the length of time it would take to fly from this country to Europe, and with the thought in mind that the SST could not fly over land on account of its sonic booms.

So the provision was knocked out of the appropriation here in the Senate, but when it went to conference it got back in, in a somewhat reduced amount. When the conference report came back, it had the entire appropriation for the Department of Transportation, including the SST, so it was necessary to kill the whole conference report if they were going to kill the SST. An agreement was made on it, however, that allowed the bill to be passed, a continuing resolution agreed to, with another vote to be held under the agreement that was reached. As I understand, it will be taken before the end of next month, and we will get the opportunity to vote up or down on that question.

Had the Senate been able to invoke cloture on that matter and cut off debate, the taxpayers of this country would be saddled with the SST program. As it is now, we are going to have another vote up or down on that one question, not included in the $2 billion-odd appropriation for many other purposes.

The social security bill that was under consideration in the closing days of the 91st Congress was and is a popular bill. The absence of a rule to the contrary in the Senate allows the using of a popular pending bill as a vehicle to add nongermane amendments. So the President's family assistance program was sought to be added to the social security bill.

The trade bill—the import quota legislation, so-called—was sought to be added to the social security bill. The distinguished Senator from New York (Mr. JAVITS) and the distinguished Senator from Minnesota (Mr. MONDALE) were opposing the trade bill. They served notice that they were going to talk at length against that bill.

Finally, in the closing days of the session, we were able to strip the social security bill of the family assistance plan and the trade bill, in order to try to get the social security bill enacted. We did finally pass it in the last few days of the session. It was a bill of several hundred pages, with many complicated provisions; and the House of Representatives very properly, in the judgment of the junior Senator from Alabama, refused to consider the matter by taking it to conference and trying to work out the differences in the press of time.

Mr. President, that was what caused the logjam—the debate on the SST and the adding of controversial measures to the social security bill. The social security bill could have been passed long before that, had these other measures not been added.

The distinguished Senator from West Virginia, the assistant majority leader of this body, has proposed changes, not to rule XXII but to rule XVI, that would allow the cutting off of debate, with a reduced number of Senators voting in favor, with respect to appropriations bills and conference reports on appropriations bills. The junior Senator from Alabama would support that. He hopes that some type of compromise can be reached on that. But if there is any danger of the Government of the United States being brought to a halt because appropriations bills are not passed, some consideration should be given to liberalizing the rule on cutting off debate with respect to appropriations bills and conference reports on appropriations bills.

However, under the existing practice, in the short time that the junior Senator from Alabama has been in this body, I do not believe that we have passed any—and if we have passed any at all, it is very few—appropriations bills prior to the end of the preceding fiscal year. In other words, we would go out on an uncharted sea, with no appropriation whatsoever, if Congress did not use the method to which I referred earlier in my remarks about passing legislation in one day's time. We pass continuing reso-

lutions for the fiscal year ending June 30, the new year starting July 1. If we do not have the appropriation bill for the ensuing fiscal year, the practice has been to pass a continuing resolution. It takes no time to get that measure passed. We have gone right up to just a few hours from the lapse of the appropriation, as the junior Senator from Alabama recalls. No one wants to stop the operation of the Government of the United States.

Mr. President, I have had to digress on several occasions, but I have been trying to get back to the matter of the history of this phase of rule XXII and, in connection with that history, not only the matter of limiting debate but also the matter of a takeover of legislative powers and functions by the Executive.

Congress is the only one of these three equal rank branches of our Government that time and time and time again will cede its powers and functions. We always are setting up rules and regulations to be brought into being when the President sees fit.

In the news today, for example, we hear that the President is going to set up wage and price controls, possibly—or, this is being discussed—in the construction industry. Whether he does that or not, that is acting under power ceded to him by Congress. So we are going to find the executive branch of Government taking over all the power it can get. Again, I am not talking about the present administration, any more than I am talking about the administrations in the past or future administrations that may exist. But the executive department is going to take over all power that is not nailed down. We can rest assured of that.

The judiciary, the Supreme Court, is going to take over all the power it possibly can, and it has demonstrated that time and time again. It has set itself up as a super government, in effect, in enacting laws, when instead it should be passing on the legality or the constitutionality of laws passed by Congress.

Take the matter of forced desegregation of the public schools in the South.

Where do we find the statutory authority for the Supreme Court, the Federal judiciary, taking over the public schools of Alabama and the South?

Where do we find statutory authority for a Federal district judge becoming, in effect, the superintendent of education of the public schools of a city or county in the South?

I point these things out to show that the other two departments, the other two branches of Government, the executive and the judiciary, are not at all timid about taking over authority that belongs to Congress.

But whom does Congress have to blame for this?

It has itself to blame, Mr. President.

The Senate will have itself to blame if it makes it easier for debate to be cut off in this body.

Prior to 1917, debate could not be cut off in the Senate. Only public opinion could bring debate to a close and that is not provided in the Senate rules. Only public opinion could bring debate to a close in the Senate prior to 1917.

What happened then?

War clouds were gathering. We were close to entry into World War I. President Wilson had been reelected President in 1916 over Associate Justice Charles Evans Hughes, the Republican candidate. Because he thought he had carried California, Hughes went to bed that night thinking he had been elected President, only to wake up the next morning to find that President Wilson had been reelected. President Wilson had been elected on the slogan, "He kept us out of war."

So, the war clouds were gathering. The German Government had inaugurated its submarine blockade of American shipping and President Wilson felt that if American shipping should have to go through this submarine blockade, it should at least be armed. He sent a bill to Congress to empower him to arm the merchant marine.

The bill passed the House and it came to the Senate. There was a group of Senators who defeated the bill by debate. They were not southern Senators. I believe Senators O'Gorman of New York, Stone of Missouri, Clapp of Minnesota, and Senator La Follette of Wisconsin were some of the Senators as well as others who today would be classed as liberal Senators. They talked the bill to death.

But, Mr. President, today, if the President—any President—were confronted with a similar situation, he would issue that order to our American ships without consulting anyone. He would do it without a moment's hesitation. He certainly would not call on Congress to enact a measure. That illustrates, as I have been trying to suggest, Mr. President, the great growth and power of the executive department, such as President Franklin D. Roosevelt's lend lease, which was an accomplished fact before approval by Congress.

President Wilson called this group of men a little group of willful men, representing no opinion but their own, who had brought the great Government of the United States to a halt. The junior Senator from Alabama recalls that one of his predecessors, the U.S. Senator from Alabama, the great Senator Underwood, who was the Democratic leader in the Senate at that time—I believe the change in the rules was recommended and actually put in by Senator Martin of Virginia but it was supported by Senator Underwood who enjoyed the distinction of having been the Democratic leader in the House and later the Democratic leader in the Senate—saw the necessity of some provision by which irresponsible debate could be cut off in the Senate.

Mr. President, I was somewhat surprised to note the listing of several Senators among the 51 Senators who are cosponsors of Senate Resolution 9, but I feel that even though a Senator is a cosponsor of Senate Resolution 9, it does not necessarily mean that he will find it necessary to vote to cut off debate on this motion to proceed to the consideration of this change.

In other words, Mr. President, if the resolution comes up for a vote, all Senators who signed the resolution as cosponsors naturally, I would feel, would vote for the resolution; although there have been occasions—the junior Senator from Alabama is advised—when some sponsors of legislation have actually voted against the legislation that they have cosponsored when they had considered the matter more fully and more completely. So the question on tomorrow is whether or not this debate shall be brought to a close.

I saw one of the distinguished sponsors of Senate Resolution 9 in the Chamber a moment ago, and I had hoped that he was going to explain the reason or the necessity for this rule change. The junior Senator from Alabama has stated and reiterated that he is ready and willing, but not anxious, to turn the floor over to any proponents of Senate Resolution 9 who wish to speak on the case that has been made out, or that has failed to have been made out, with respect to Senate Resolution 9. There has been a lack of interest on the part of those who are supposedly in favor of Senate Resolution 9. They have not come to the Chamber. They have not given any reason why this resolution should be adopted and why a rule of more than 50 years' standing in this body should be changed. Because they have failed to make out a case, the junior Senator from Alabama does not see how much support could be given by Members of the Senate to this effort to change the rule.

Mr. President, I alluded earlier to the effort that was made 2 years ago to change this rule. Efforts have been made in the last six or eight Congresses—I suppose certainly they have been made for the last six Congresses—to change this rule. Those efforts have been voted down each time.

Those who favor Senate rule XXII as it now exists have stated their opposition to the measure. The distinguished Senator from North Carolina (Mr. ERVIN), a great constitutional lawyer, has pointed out the efficacy of this rule and its constructive nature. He has drawn a parallel between the two-thirds vote required to cut off debate in the U.S. Senate and the two-thirds vote required by our basic governmental document, the Constitution of the United States.

Under the Constitution it take a two-thirds vote to override or to pass over the veto of the President any piece of legislation previously passed by Congress. So a two-thirds vote is not just a figure that has been taken out of the thin air and brought into the Senate rules. It is a figure that is used by our Founding Fathers as a proper number to pass on matters of great consequence being decided in this body and in the other body.

So, whereas a simple bill can be passed by a majority vote in the House and in the Senate, when the President vetoes a bill and it comes back to the Congress, first to the House in which it originated, it takes a two-thirds vote in that body to even send it to the other body. So, it takes a two-thirds vote in both Houses. And if it fails in either body to get a two-thirds vote, then the bill is defeated.

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

Mr. ALLEN. I would be glad to yield to my distinguished colleague, the senior Senator from Alabama (Mr. SPARKMAN).

Mr. SPARKMAN. Mr. President, the

Senator has been detailing some of the things which the Founding Fathers in writing the Constitution recognized as being in need of protection from what some people call the tyranny of the majority.

Mr. ALLEN. The Senator is correct.

Mr. SPARKMAN. Is it not true that all of this is a part of that remarkable mechanism that was worked into our basic document of government, the Constitution of the United States, that we usually refer to as checks and balances?

Mr. ALLEN. The Senator is correct. That is a part of our system of checks and balances.

Mr. SPARKMAN. Mr. President, to show how our Founding Fathers, who were still smarting under some of the injustices and insults that they felt they had received from the British Government—going back through the pages of history—wanted to make certain that no one could be unduly harmed when it came to the matter of charges against an official for the dereliction of his duty of office, they provided another part of our system of checks and balances. The matter has to come up in the House of Representatives, and the House of Representatives must find and state that there has been a violation of his duties which renders him susceptible to removal from office. That is the impeachment proceeding which corresponds to the indictment of a grand jury.

Mr. ALLEN. The Senator is correct. That requires a two-thirds vote in the Senate.

Mr. SPARKMAN. However, even that does not remove him from office.

Mr. ALLEN. The Senator is correct.

Mr. SPARKMAN. The matter then comes to the Senate, and the entire Senate sits as a body and listens to the evidence as presented by the managers on the part of the House, who are elected by the House and become more or less prosecuting attorneys.

When that evidence is all in and the books are closed, he still, under our system of justice, has the mantle of innocence thrown around his shoulders.

Mr. ALLEN. That is correct; until he is proved guilty.

Mr. SPARKMAN. And in order to find him guilty there is required not a simple majority but two-thirds of the Senators present and voting.

Mr. ALLEN. That is correct.

Mr. SPARKMAN. And the Senator recalls very well, as I do, how when passions were running high at the close of the War Between the States Andrew Johnson had incurred the wrath of some of those leaders of the government in power because, I think it is fair to say, he believed in pursuing the policies of Abraham Lincoln in reconciling the Nation back into unity.

Mr. ALLEN. The Senator is correct.

Mr. SPARKMAN. When they tried Andrew Johnson the impeachment failed by a single vote. Is that correct?

Mr. ALLEN. Yes. The Senator is correct.

Mr. SPARKMAN. Is that not one of the best examples to be given in our system of government of the eagerness of our forebearers to make certain the majority does not run ruthless over a minority?

Mr. ALLEN. The Senator's point is well taken.

Mr. SPARKMAN. One reads many articles by columnists and listens to many commentators because many people speak on this subject. To hear some people talk one might think that the rule requiring a two-thirds vote to cut off what the Constitution says every citizen should have, the right of free speech is exercised only in the Senate when, as a matter of fact, our Government is shot through with different provisions and measures guaranteeing and seeking to guarantee that a ruthless majority will not override a minority. Is that not correct?

Mr. ALLEN. The Senator makes a good point.

Mr. SPARKMAN. I thank the Senator for yielding.

Mr. ALLEN. I thank my distinguished colleague. My distinguished senior colleague (Mr. SPARKMAN) has made some very fine points with respect to other two-thirds requirements set forth in our Constitution. The distinguished senior Senator from Alabama, in discussing the impeachment trial of President Andrew Johnson mentioned that President Johnson was seeking to carry out the reconstruction policies of Abraham Lincoln.

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

Mr. ALLEN. For a question I am delighted to yield.

Mr. BAKER. For a question. Is it not true that the point which the distinguished Senator from Alabama has just made with respect to the requirement for a two-thirds vote in this instance, in the case of impeachment, and in the case of overriding a veto, is properly characterized, as it is from time to time, as the only protection the American people have against the tyranny of the majority?

Mr. ALLEN. That is correct.

Mr. BAKER. Is it not true that in the history of America after the Civil War, and the elaboration and extension of civil rights and in terms of so many important measures we observe, that the majority of the moment often becomes the minority, and that the minority, more often than not have become the majority.

Mr. ALLEN. That is correct.

Mr. BAKER. Would the Senate agree that there should be some place in the federal system for the minority to protect itself and to protect the right to hold its views, at least temporarily until a public viewpoint can be expressed?

Mr. ALLEN. I agree with the Senator.

Mr. BAKER. Would the Senator agree that rule XXII is the only provision in the Senate, in the body of the statute law, or the Constitution, which codifies such protection?

Mr. ALLEN. The junior Senator from Alabama certainly agrees with the Senator from Tennessee on that point.

Mr. BAKER. I ask this further and final question, which is not directly relevant to the point so ably and eloquently made by the Senator from Alabama, but the Senator might indulge me this question in the form of an observation. Would not the Senator agree that in his reference, and the reference of the senior Senator from Alabama, to the impeachment of President Johnson that when one looks back on this trial we conclude that it was brought about really by the radicalism of stern reconstruction.

Mr. ALLEN. Yes, indeed.

Mr. BAKER. And the requirement for a two-thirds vote in the case of impeachment as in the trial of President Andrew Johnson, prevented us from starting in what might have been a very different direction and the Republic might have developed in a different and less desirable way.

Mr. ALLEN. Yes, indeed. It could have broken down our system of government.

Mr. BAKER. I thank the Senator for yielding.

Mr. SPARKMAN. Mr. President, will the Senator yield further to me?

Mr. ALLEN. I am delighted to yield.

Mr. SPARKMAN. I have had some thoughts in connection with this question of the able senior Senator from Tennessee. He mentioned that President Johnson came from "up in his neck of the woods," as we say down our way. Many is the time I have driven through the area where the distinguished Senator from Tennessee lives. By the way, he lives at Huntsville, Tenn. That is a familiar name down our way.

Mr. ALLEN. Yes; it is one of my favorite cities.

Mr. SPARKMAN. I had the pleasure to serve in the House with the Senator's father. I have driven through that area many, many times to and from Washington. I never go through there but what I think of Andrew Johnson and the difficult time he had as a young man, trying to get an education, and the many miles he walked in order to get some training. I have always admired him. I think he has been one of the most maligned men in American history who ever lived.

Mr. BAKER. Mr. President, will the Senator yield to me on that point?

Mr. ALLEN. I yield.

Mr. BAKER. I thank the distinguished senior Senator from Alabama for those remarks. I entirely agree with him that President Andrew Johnson is a much maligned figure in the history of the Republic, and I think unjustly.

I think our former colleague, the former senior Senator from Florida, Mr. Holland, would not be offended if I repeat part of the conversation I had with him recently. As he talked with me on the telephone a few days ago, he inquired if I was going to make my appointed rounds in "the bosom of Abraham," referring to the Lincoln Day dinners we Republicans indulge in at this season of the year. He pointed out that his father had been a Civil War veteran. It brought a sense of immediacy to the conversation when he stated that he and his father always felt that the reconstruction of the seceding States would not have been so harsh and that the outcome might have been very different if the humane and generous attitudes espoused by Lincoln had not been snuffed out by an assassin's bullet and if President Andrew Johnson had

not been the victim of radicalism following that assassination.

It seems to me, in reflection on Andrew Johnson, that the requirement of a two-thirds majority had much to do with the direction of government following the Civil War.

I might also remark that, as the senior Senator from Alabama has pointed out, as one drives through the Johnson country, so to speak, in east Tennessee, and Greeneville, I noted that until recently the Andrew Johnson Memorial museum, park, and cemetery were under the stewardship of Andrew Johnson's granddaughter. So in my part of the country there is great feeling for the contribution of Andrew Johnson. It is a pleasure to me to hear his trial alluded to, as the two distinguished Senators from Alabama have done, in defense of something more than a simple majority for all legislative purposes and as illustrative of the protection needed against the occasional tyranny of the majority.

Mr. ALLEN. I thank the Senator from Tennessee.

Mr. SPARKMAN. Mr. President, will the Senator yield further?

Mr. ALLEN. Yes; I yield further.

Mr. SPARKMAN. I am sure the Senator will agree with the statement made by the distinguished Senator from Tennessee that many of the troubles developed over the fact that Lincoln was killed. I think we have absolute confidence that had Abraham Lincoln lived, he would have put into effect a program that was in line with his second inaugural address, in which he certainly indicated he wanted to work things out equitably between the two sections of the country and pull them back together. I have often thought that the bullet that took the life of Lincoln brought years of oppression to the South.

By the way, one other point I want to make about Andrew Johnson. I do not know whether my colleague knows this, but Andrew Johnson was an apprentice tailor at Mooresville, Ala. Mooresville is a small town in the northern part of Alabama, not far from my hometown of Huntsville. Certainly it is one of the oldest towns in Alabama. Huntsville is the oldest English-speaking incorporated city in Alabama, but Mooresville may have existed before Huntsville. Andrew Johnson served as an apprentice tailor in Mooresville, Ala. I think the tailor shop is still standing. It is a quite antique town. If the Senator from Tennessee gets down there, I hope he will drop around and see some of the old buildings and places that have been in existence through the years.

A thought just occurred to me. It is not new; I have thought about it many times in the past. Everybody thinks of southerners as being those who insist on the two-thirds rule; and we do generally. I wonder if that did not grow out of the oppression that we felt for almost 100 years following the Civil War, and particularly in those years from 1865 at least until 1876, when the great compromise was worked out so that Hayes, although he was not elected, became President and withdrew the occupying forces from the Southern States and gave us a chance once more to breathe freely. I know in 1876 George S. Houston—I think his first name was David—from Athens, Ala., was elected Governor of Alabama. That was the first time we had had home rule in the State of Alabama since the end of the Civil War.

By the way, I may say to my friend and neighbor from Tennessee that not only do I know his territory, but my mother's father came from that section of Tennessee. My father's father came from farther west in Tennessee, and he was a stanch Democrat. I need not say about my grandfather who came from the mountains of east Tennessee. One can guess what he was.

Mr. BAKER. Mr. President, if the Senator will yield further, it occurs to me that inquiry would disclose the fact that the grandfather of the distinguished senior Senator on that side was a Tennessee mountain Republican.

Our respective viewpoints on Reconstruction and on the assassination of Lincoln and on President Johnson pose a unique paradox for Republicans, especially east Tennessee Republicans, because east Tennessee, that part of the country from which I come and from which a part of the distinguished Senator from Alabama's family originates, was Union country in the Civil War. Tennessee has the unique statistical history of contributing more troops to the Confederacy than any other State save one, and more troops to the Union Army than any other Southern State, which is somewhat indicative of the paradox and ambivalence of the people there in that troubled time.

East Tennessee has always been Republican—Lincoln Republican—and was always in favor of liberal policies of reconstruction, because it knew the extent of the suffering of the people at that time. It suffered with Andrew Johnson and others when radical reconstruction was imposed on the South which, in my opinion even 100 years later, was inhumane and which retarded the growth and success of the Union.

Republicanism in Tennessee and the South was a strange admixture of these qualities; but, if I may be permitted to do so, what has characterized Lincoln republicanism was that it stood, first and foremost, in resistance against tyranny of the majority and stood stanchly in defense of the rights of the minority and the right of the minority to convince a majority of the people of the Union of their point of view. That, in essence, I think the Senator would agree, is the essence of the issue as to whether we shall have a simple majority determine all legislative issues or whether we shall require a higher degree of proof in certain cases.

Mr. SPARKMAN. Mr. President, as the Senator has just said in the latter part of his remarks, a higher degree of support is sometimes needed, which were almost the very words expressed by our forebearers when they wrote the Constitution of the United States and provided in so many instances against the tyranny of the majority—a ruthless majority.

Mr. BAKER. I thank the Senator.

Mr. ALLEN. Mr. President, I thank the Senator.

Mr. President, I ask unanimous consent that I might make a parliamentary inquiry without losing my right to the floor and without the resumption of my remarks being considered a second speech.

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

The Senator will state his parliamentary inquiry.

Mr. ALLEN. As the junior Senator from Alabama understands, at this portion of the morning hour, and lasting until 2 o'clock, whereas at this time we are discussing Senate Resolution 9 itself, at 2 o'clock the resolution, if it has not been acted upon, will fall and it will take a motion to proceed to the consideration of the resolution, which will be debatable, in order to bring it before the Senate again.

The PRESIDING OFFICER (Mr. STEVENSON). The motion to proceed with the consideration of Senate Resolution 9 is pending now, and is debatable. That motion will not die at the end of the morning hour, because there is no unfinished business. The motion would therefore, continue to be debatable.

Mr. ALLEN. I thank the Chair. In other words, the Chair is stating that during the morning hour a motion to proceed to the consideration of a resolution is debatable?

The PRESIDING OFFICER. The Chair will read paragraph 3 of rule XXII:

> The provisions of the last paragraph of rule VIII (prohibiting debate on motions made before 2 o'clock) shall not apply to any motion to proceed to the consideration of any motion, resolution, or proposal to change any of the Standing Rules of the Senate.

Mr. ALLEN. Very well. In other words, the motion to proceed to the consideration of the resolutions will not change in status at 2 o'clock; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. ALLEN. Would a motion at this time with respect to the pending motion to proceed to the consideration of Senate Resolution 9 be in order?

The PRESIDING OFFICER. Any of the other motions permissible under the Senate rules would be in order if, of course, made by a Senator who has been recognized.

Mr. ALLEN. I thank the Chair for his clarification of the rules. Mr. President, as I stated at the outset of my remarks, there will be no vote on this motion prior to 2 o'clock as long as I have the floor.

I have been very much interested in the colloquy that took place between myself, the distinguished Senator from Tennessee (Mr. BAKER), and the distinguished senior Senator from Alabama (Mr. SPARKMAN):

Earlier this morning, as the distinguished Senator from Tennessee and I were riding over on the subway car, he inquired if I had been back to Alabama, and I stated that I had. Then, jokingly, I assume, the distinguished Senator from Tennessee asked if I had been making any Lincoln Day speeches in Alabama, to which I replied that I may have made

a speech on Lincoln Day, if we could find out what day that is now under the combination of the birthdays of Lincoln and Washington, but that it would not have been a so-called Lincoln Day speech, because thus far the junior Senator from Alabama has not made any such speeches.

But, I believe possibly to the surprise of the senior Senator from Tennessee (Mr. BAKER), I went on to say that President Lincoln, in my view, was one of the greatest Presidents that we have ever had in the history of our country, and that I greatly admire President Lincoln; and I do join the Senator from Tennessee and the senior Senator from Alabama in the belief that the policies of President Lincoln, if carried out in the South following the War Between the States, would have provided a much more lenient reconstruction of our Southern States.

I remarked about the impeachment trial of President Johnson, and wondered aloud to the distinguished senior Senator from Tennessee as to what might have happened to President Lincoln if he had sought to implement those policies with regard to the Southern States; would the radical Republicans—and I used that term as it is used in history, not as being applicable to my colleagues on the other side of the aisle—have proceeded against President Lincoln in the same way that they proceeded against President Johnson?

I believe the changes are that they would have. It has long been my theory that the greatest thing that happened, tragic though it was, insofar as the name and fame and place in history of President Lincoln is concerned, was his assassination, because we do not know what would have taken place if President Lincoln had lived out his second term and had had to face the radical Republican leadership that had control of Congress at that time. The distinguished Senator from North Carolina (Mr. ERVIN), in commenting on President Andrew Johnson, stated that he would go down in history as one of this country's great Presidents. I dare say that he will, when the final verdict of history is written.

It takes two-thirds of the Senate to convict on impeachment charges. It takes a two-thirds vote in either House for the expelling of a Member of that body. It takes a two-thirds vote to approve a treaty, and we have two treaties that are to be approved this afternoon, one a convention with Nicaragua, and then another treaty on extradition with Spain.

But, as I pointed out earlier, this filibuster, if it should rise to that dignity rather than merely a discussion of the issue, has been such a benign, benevolent type of filibuster that there has been no difficulty whatsoever in bringing other matters before the Senate, and the leadership, with all confidence, has set the consideration of those treaties for this afternoon, knowing full well that those who are discussing this proposed rules change have not, and certainly I shall not, use any obstructionist tactics in preventing other matters from coming up. We will be happy and delighted to allow these treaties, or any other matter, to come up for consideration.

I make that point to show that the business of the Nation, the business of the Senate, is not suffering at all by the carrying on of this extended discussion with regard to the rules change.

Mr. President, I have discussed the logjam, and it has been cited by some who favor changing the rule as being an impelling reason why they are going to vote for a rules change. That is the logjam that developed in the 91st Congress, toward the end of the session, when it was said that we had many important pieces of legislation that failed of enactment because of the right to extended discussion.

We have been in session now almost a month. We went into session on January 21, and if it had been so important, we could have convened on January 3, because that is the time set by the Constitution, unless Congress sets a different date.

If these matters had been so important, of such vital interest and concern to the Nation, why did we return on January 21 instead of January 3? Where are the measures that it is said the filibuster has killed? Bring them out. Let us work on them.

Mr. President, the extended discussion is not delaying a single item off proposed legislation. There is no pressing need to cut off this discussion. We go through this charade every 2 years, at the start of every Congress. I do not know why this is brought up every time. It would seem that it would afford some Members an opportunity not to be on the Senate floor and would allow those who are opposed to the amendment to the rule to carry on the discussion. I should like to hear from someone who favors this rule change. I should like a case to be made, if there is one, and I have issued that challenge time and again on the floor of the Senate. No one comes out and offers any impelling reason for this rule change.

So it appears to the junior Senator from Alabama, newcomer that he is to the U.S. Senate, that this exercise in forensic skill on the part of some of the Senators opposing this change is about all we get out of these discussions, other than saving rule XXII, which is a matter of vital importance.

Mr. President, 2 years ago we went through the same charade, as I mentioned earlier in my remarks on the matter of holding up business in the Senate by this discussion, and we are going to vote tomorrow on the cutting off of debate.

Listed under "General Orders Under Rule VIII" on our calendar are three matters pending before the Senate. The first is Senate Resolution 9, which we are discussing now. The second is Senate Joint Resolution 17, by Mr. MANSFIELD and others, a joint resolution to establish a Joint Committee on the Environment. That can pass at any time. The third is S. 670, by Messrs. SPARKMAN, BENNETT, and TOWER, a bill to authorize further adjustments in the amount of silver certificates outstanding, and for other purposes. We are ready, at any time these matters are to be brought up, to stand aside and allow the other two matters on the calendar to be taken up. So the extended discussion has the constructive effect of saving rule XXII and maintaining the rights of the minority.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield for a question?

Mr. ALLEN. I yield.

Mr. BYRD of West Virginia. Mr. President, is it not also a fact that the second and third items on the calendar to which the Senator has alluded have passed the Senate in a previous Congress?

Mr. ALLEN. Yes; that is true. That is why the junior Senator from Alabama suggested that he would be glad to stand aside, and it would take a matter of minutes to pass both of them.

I appreciate the information furnished by the distinguished Senator from West Virginia.

Mr. BYRD of West Virginia. If the Senator will yield further for a question, is it not a fact that the second and third items on the calendar are substantially in the same language and form as passed by the Senate heretofore?

Mr. ALLEN. Yes. That is the understanding of the junior Senator from Alabama. I appreciate the distinguished Senator calling it to my attention.

With respect to the logjam of legislation that is said to have existed in the Senate in the closing days of the 91st Congress, all those measures had to have been approved by the Senate committees. Of course, the junior Senator from Alabama understands that they have to make this trip through the committees again. Having once been considered to the point that they came before the Senate and be up for final passage, it would indicate that the committees at one time or another had given their stamp of approval to the proposed legislation.

So if the filibuster killed any important legislation in the 91st Congress, now would seem to be the time to bring it up, when nothing is before the Senate that would require more than just a few minutes to dispose of it.

The junior Senator from Alabama was discussing the same matter as it came up 2 years ago, and the second speech that the junior Senator from Alabama delivered in this body was with regard to the same question we are talking about at this time. He made some ad lib remarks at that time.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the speech I delivered on January 15, 1969, with respect to rule XXII.

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

RULE XXII DEBATE

Mr. ALLEN. Mr. President and Members of the Senate, I rise to speak on this question because I believe it is one of the most important issues that will come before the Senate during the 91st Congress. In fact, I believe it is the most important issue that will come before the Senate.

The only method by which the people of Alabama, some 3½ million in number, can be heard on the floor of the Senate is through her two U.S. Senators. As the junior Senator

from Alabama I have been in the Senate for less than 2 weeks, but I do feel constrained to speak out on this question.

I do not believe that I would be disclosing any secrets of what went on in the first Democratic conference which I attended on the 3d of January at 10 o'clock if I stated that at that meeting the distinguished majority leader of the Senate—whom I greatly admire and who I believe is one of the great Senators in this body—and my admiration for him has gained by leaps and bounds since I have been here—welcomed the new Democratic Senators to the Congress. He welcomed us to a Senate of our peers, and he invited us to participate in the proceedings of the Senate. I have felt that, as the junior Senator from the State of Alabama, I should, even though I have been here only a short time, speak out on the great issues that come before the Senate.

I do not rise to excoriate the Vice President for his ruling, or his statement of his intention to rule. I do not rise to praise him, either. I do have great admiration for the Vice President, for his service as a public servant. I had the pleasure of meeting the Vice President for the first time on January 3.

I do not say that the action that he has taken, or is threatening to take—and I use that word advisedly—is political inspired. I will not say that it is tied in with presidential politics. I will not say that it is tied in with political ambitions. I will not say that it is a sop given to certain elements in this country. But I will say that this anticipated ruling on the part of the Vice President is not supported by logic, it is not supported by the rules of the Senate, it is not supported by the precedent—not even the precedent of the Vice President himself.

Twice already during this debate the ruling of the Vice President some 2 years ago, I believe, when this question came before the Senate last, has been put into the RECORD. His former ruling was that any appeal of his ruling to the Senate, to which he states he is going to submit this question, will be debatable; whereas his present ruling is to the effect that such appeals are debatable.

I say, Mr. President, that the issue under discussion at this time is whether we are going to have rules in the Senate or whether we are going to have rule by the gavel. Yes, we say that in our country we have a government of laws, and not of men. Certainly in the Senate, this great deliberative body, the greatest in the world, we should have rule by rules, and not rule by men.

If this anticipated decision, this announced decision of the Vice President, is allowed to stand, and he rules that a majority of the Senate—a simple majority of those present and voting—can impose cloture, stop debate in the Senate, then a new rule has been written by the Vice President.

The Vice President is without authority to write rules for the Senate. He is without authority to rule, as he says he is going to do, on the constitutionality of this rule. Nowhere in the rules of the Senate, nowhere in the Constitution, nowhere in any statute is the Vice President given the right to rule on the constitutionality of a Senate rule. And when he seeks to rule on the constitutionality of a Senate rule, and when he imposes his own rule, he is doing something that the Senate rules require a two-thirds majority of the Senators to do. He arrogates unto himself the power of a two-thirds majority in the Senate.

Some 3 years ago, Mr. President, while the junior Senator from Alabama was serving as Lieutenant Governor of the State of Alabama, and presiding officer of the Alabama State Senate, a matter somewhat similar to the one before us came before that body. Our State constitution requires a three-fifths vote of both houses of our legislature to submit a constitutional amendment to the people of Alabama. The State senate rules which governed the presiding officer provided that it took two-thirds vote to impose cloture. The fractions are the same as the ones we are discussing here today.

The constitutional amendment, submitted in the Alabama House, provided that the Governor of Alabama would be allowed to succeed himself as Governor. There was at that time a prohibition in our constitution against the Governor or any of several constitutional officers succeeding themselves. The proponents of that measure were not able to impose cloture. They were unable to get the 24 votes needed in the senate.

The contention was made, however, that since the constitution of the State of Alabama required only a three-fifths vote to submit a constitutional amendment, the two-thirds cloture rule was unconstitutional, as being opposed to the provision on the submission of constitutional amendments.

The suggestion was made to the presiding officer that the senate rule was unconstitutional. As presiding officer of the Alabama State Senate, the present junior senator from Alabama, stated that he had the power, but not the right, to impose such a rule. He had the raw power to do it, just as indications are will be done tomorrow.

The contention is made that rule XXII is unconstitutional as requiring a two-thirds vote, whereas it is contended that the Constitution of the United States requires only majority action. All section 5 of article I of the Constitution of the United States has to say about a majority is that a majority of each House shall constitute a quorum for doing business—merely a quorum for doing business. It does not say what percentage of that majority might be required for any particular action of either House.

Of course, a majority of each House has to be there before they can transact business, but that does not give any special power to a majority or to a majority vote.

Then the same section gives to each House the right to determine the rules of its proceedings. Rule XXII was not made in derogation of that section of the Federal Constitution; it was made in strict conformity with it. The Constitution gives to the U.S. Senate the right to make rules. They can set what rules they wish, and they have set a rule requiring a two-thirds vote to invoke cloture.

It seems to me, Mr. President, that the proponents of this rules change, and the Vice President himself, would use every single provision of rule XXII, except the one requiring a two-thirds vote. Without rule XXII there is no method of cutting off debate. That rule was adopted, as the junior Senator from Alabama understands, in 1917. So there was no way to stop debate prior to 1917, and I suppose it was the great debate on the armed ships bill, where President Wilson sought to arm the merchant marine, and where the little group of willful men, as he referred to them, representing no opinion but their own, had brought the great Government of the United States to a stop.

Certainly there ought to be some provision for stopping debate; and the two-thirds provision required by rule XXII certainly has provided the necessary machinery for stopping debate on many occasions in the Senate since the present rule was adopted in 1959—some eight times, as Senators will recall. So on every great question, where two-thirds or more of the Senators are of one mind, there has been no difficulty in imposing cloture. There has been no difficulty in applying rule XXII.

The Vice President has no authority to rule on the constitutionality of rule XXII and the two-thirds provision. He accepts all of the provisions except the two-thirds requirement, and he says, "I am going to cut that down to a majority."

By what authority can he do that? Either he is under rule XXII all the way, or he is not under it at all. If he is not under it at all, there is no way to stop debate. If he is under rule XXII, proceeding as those who seek to amend the Senate rules are doing, then a two-thirds vote is required to cut off debate.

We hear a great deal about protecting minority rights—the rights of minorities throughout the country. Here we are running roughshod over the rights of minorities in this august body. We are running roughshod over the people of the States represented by the minority Senators. The new proposed rule, I assume, the Vice President would declare unconstitutional, since it requires, not a simple majority to stop debate, but a vote of 60 percent of the Senators. Why is not the new rule unconstitutional?

I state very candidly that I have always had great faith in the Members of the Senate. The Senate is one of the greatest bodies in the free world. It is the greatest deliberative body in the world. I certainly want to keep it that way. I would not have sought to come to the U.S. Senate. I would not have asked the people of Alabama to send me to the Senate, if I had known that this effort was going to be made by the Vice President and that it would succeed, because I believe that it is a step in the direction of rule by a ruthless majority.

If this rule is allowed to be changed by the Vice President, and if there is to be cloture by a majority, which is the effect of the Vice President's ruling, this body will cease to be the greatest deliberative body in the world. It will be a body in which a ruthless majority can govern the proceedings, a body in which minorities will have no protection, a body in which a ruthless majority can run roughshod over minorities.

As I understand the ruling by the Vice President, the vote will take place 1 hour after the Senate convenes tomorrow, and if a simple majority of the Senators vote to cut off debate, then the proposed rules change would have been ordered up for consideration by the Senate. Then I assume we would go through the same procedure again.

A majority vote according to the Vice President, will cut off debate subject to an appeal from the ruling of the Chair. But the junior Senator from Alabama is hopeful that at that point, if a majority of Senators vote to impose cloture, but not a two-thirds majority, many of the same Senators voting for the imposition of cloture will not go along with the ruling of the Vice President that the cloture motion has carried if it carries by fewer than two-thirds of the Senators. Therein, I believe, lies the hope of those who hate to see the right of a minority of Senators cut off, who hate to see rule by the gavel, who hate to see rule by a ruthless majority in the Senate.

I am hopeful, first, that fewer than a majority of Senators will vote to impose cloture; but if some number more than a simple majority vote to impose cloture, and the Vice President declares that the cloture motion has been agreed to, I am hopeful that enough Senators who have voted to impose cloture will vote to overrule the Vice President on his ruling. The effect of any other action would be far reaching.

What is the need for this change? What bill is sought to be passed? Every civil rights measure that has been sought has been obtained. I assume that almost any other one could be obtained, so what is the need for this action? I wish some Senator would enlighten the junior Senator from Alabama.

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

Mr. ALLEN. I yield to the senior Senator from Florida.

Mr. HOLLAND. I do not pretend to state the objectives of others, but I note from the written statement of the Senator from Michigan (Mr. HART) and the Senator from New York (Mr. JAVITS), who are the powers behind the throne in this matter, that what

they are hoping for is to have established a precedent under which from now to the end of time, at the beginning of every Congress, there will be a debate such as this in the Senate as to whether one rule will be changed, whether there will be a complete rewriting of the rules, so that a transient majority of the Senate, as, for instance, we have on this side of the aisle right now, a small majority, can, dissatisfied with its inability to pass certain legislation otherwise, change the rule in such a way that it can pass the legislation in which it is interested.

The real objective of the two Senators whom I have named, as the Senator from Florida undertands it, as is made clear from their written statement, which I have placed in the RECORD, is to establish a principle to be ingrafted in the Senate records that at the beginning of every Congress the Senate by a mere majority vote can rewrite the rulebook. It is that desire to establish a precedent that is the driving force in this effort, in the opinion of the Senator from Florida.

I thank the Senator from Alabama for his able remarks, and have at least stated to him what I understand is behind the drive at this time.

Mr. ALLEN. I should like to propound this question to the Senator from Florida. Could not the precedent which is sought to be established, to which the Senator has referred, be used in the future to reduce the 60 percent or three-fifths requirement still lower, possibly down to a majority cloture?

Mr. HOLLAND. The two Senators whom I have mentioned make it clear by their statement that this is their hope. But this goes much further than that, because the procedure of rewriting the rules by a simple majority at the beginning of every Congress applies not only to rule XXII, but to all 40 rules of the Senate, and perhaps to the unwritten rules of the Senate, as, for example, the rule requiring a two-thirds vote to suspend the rules. That is not in the written rules. But the adoption of any new rule that a transient majority, a simple majority, at the beginning of a new Congress might desire could, if this principle be established, be accomplished. It is that against which at least the Senator from Florida is fighting with all his strength, because he thinks this kind of principle engrafted into the practice of the Senate means that the Senate will lose much of its essential character as a stable arm of the Government, as a continuing force. This is an attack upon the continuing character of the Senate, under which the Senate has proceeded since the organization of our Republic, and which was stated by the Founding Fathers, for instance in the Federalist papers and otherwise, as being their objective in setting up the Senate; to have a stable, continuing body which can carry along with continuing force, which cannot be accomplished in one session, and can act as a stabilizing force in the Congress as a whole and for the whole country and in the interest of the whole country.

The Senator from Florida is fighting as hard as he can to prevent such a precedent from being established, because he thinks it strikes at the very roots of the functioning of the Senate in the way in which it was supposed to function.

I thank the Senator from Alabama for yielding.

Mr. ALLEN. I thank the distinguished Senator from Florida and appreciate very much his able leadership in this matter. I feel certain that having heard his speeches on the Senate floor, Senators will not vote for the adoption of this amendment and that a majority of votes will not be cast in favor of the three-fifths majority rule.

I should like to ask the Senator from Florida another question.

The junior Senator from Alabama noticed, when this inquiry about majority cloture was propounded of the Vice President by the Senator from Idaho, that the Vice President appeared to pull out some two or three or four sheets of paper from which he read. Would that seem to indicate to the Senator from Florida that this was a spontaneous inquiry on the part of the Senator from Idaho or that this was all by prearrangement?

Mr. HOLLAND. The Senator from Florida has no specific information on that. But considering the existence of this long, written memorandum, and considering the fact that the distinguished Presiding Officer made a ruling which is not the same as he and other Vice Presidents had made before, and considering the fact that the Vice President himself said he had given long study and thought to the pronouncement he was going to make to advise the Senate as to what he intended to do—for which I thought he should be commended—I would say that the whole program evidently was well thought out and arranged beforehand.

Mr. ALLEN. I thank the Senator.

Mr. ALLEN. Rather than read it at length, I have asked that the speech be printed in the RECORD.

The question at that time, as I stated earlier, was exactly the same question we have here, with the exception that the Vice President had announced in advance that if a majority of Senators voted to cut off debate, that is to apply or invoke cloture, he was going to rule that cloture had been invoked, even though this would be a constitutional question and no statute gives the Vice President that authority and no rule of the Senate gives him that authority; yet he announced that he was going to declare cloture had been invoked.

Well, if a similar rule would be announced now, we might as well proceed on to that point because 51 Senators have signed this resolution as cosponsors.

The distinguished Senator from Florida, Mr. Holland, was directing with great ability, the battle of those who sought to defeat the rules change, and just as soon as the Vice President announced that cloture had been invoked and debate would be cut off—and the question carried by 51 to 47—51 cloture votes and 47 no-cloture votes—just as quickly as that decision was announced by the Chair, the distinguished Senator from Florida, Mr. Holland, appealed that ruling.

I stated at that time that I believed the vote on overriding the Vice President was the most important vote that was going to be cast in the 91st Congress. I do not know how many votes we are going to have on the question of the rules change here. I do not believe that cloture will be invoked on tomorrow. I do not believe that two-thirds of Senators are going to vote to invoke cloture when only 51 voted last time for cloture. But the final vote, whenever it comes, or this series of votes collectively, will constitute the most important vote that is going to be taken in the 92d Congress, because the Senate will lose its distinctive feature if the rules are changed. It will cease to be a deliberative body and will become a rubberstamp body.

I am advised that the Senate, with its extended debate, passes more bills than does the House, which has a 5-minute limit on speeches.

Considerably more than three-fourths of the actions taken in the Senate are by unanimous consent; but when important legislation comes before the Senate, the Senate should have the right to consider that legislation and seek to improve it. I have never seen legislation in this body that was subjected to extended debate and that was compromised that did not end up as a better piece of legislation than it started out.

The very thought, the very fact, that there can be extended debate on a question makes the proponents of legislation more amenable to a compromise, and in the give and take on agreeing on legislation, the proper answer can be reached.

If, on the other hand, the majority knows that they can cut off debate, then they would, in ruthless fashion, steamroller the legislation through.

When the appeal was taken 2 years ago from the Vice President's ruling, there were six Senators who had voted to apply cloture who could not go far enough to say that cloture had been applied.

Six Senators—among them the distinguished lady from Maine (Mrs. SMITH), the distinguished majority leader (Mr. MANSFIELD), the distinguished Senator from Vermont (Mr. AIKEN), the distinguished Senator from Tennessee, Mr. Gore—that is four of the six and I do not recall the other two at the moment—they voted to override the Vice President on the ruling that cloture had been invoked, when the rules very plainly say that it takes two-thirds vote to invoke cloture. So the 47 became 53 and the 51 became 45 and the Vice President was overruled by a 53-to-45 vote and cloture was not invoked and debate continued. Finally the resolution was set aside.

Mr. President, I hope that when some items of business are built up on the calendar other than the two items in addition to the one we are talking about now, when we do have a little something built up on the calendar, the majority leader will set this resolution aside and let us proceed on to the discussion and consideration and taking action upon other matters.

Right now, we are not inconveniencing anyone except those Senators who are willing to come here hour after hour and discuss this iniquitous rules change.

Mr. President, one of the greatest speeches on this subject that has ever been delivered was delivered on January 12, 1967, following the same pattern I mentioned of every year going through this charade. Inasmuch as I have been here only 2 years, this is only the second such occasion for the playing out of this charade that I have witnessed.

Mr. President, the late Senator Richard B. Russell, of Georgia, delivered a great speech on this subject. I should like to read from it. First, however, I ask unanimous consent that it be printed in full in the RECORD.

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

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

ADDRESS OF THE LATE SENATOR RUSSELL

This proposal goes much deeper, Mr. President, than the right of an individual Senator or a group of Senators to engage in a prolonged discussion that might be labeled a

filibuster. The real issue, the real nub of the question before the Senate, is whether we are to alter the role and the position of this body in our great scheme of government.

Mr. President, it was said on the floor of the Senate yesterday that the Senate is the only parliamentary body in the United States where a Senator could not rise to his feet and make a motion that could be carried by a transient majority of one, to gag the other Members of that body and prevent them from speaking. It was said that rule existed in all other parliamentary bodies on earth, including the House of Commons on the British Parliament, by which a motion carried by one vote would gag the remainder of the body. And that statement is true.

It is true, Mr. President, because the Senate has individuality. It has qualities that are different from those of any other parliamentary body ever created by the mind and ingenuity of man.

Mr. President, the greatest difficulty confronted by the Constitutional Convention that wrote our basic charter—a charter which receives rather short shrift these days, not only in the courts but here in the Congress and at the hands of the executive departments, and indeed, at the hands of some of the teachers of political science—the greatest difficulty they encountered in reaching agreement and accord on the basic charter of our liberties and the bulwark of our rights, the Constitution of the United States, was on the question of the composition of the parliament of this country, or, as they designated it, the Congress of the United States. The little States would not go along with the proposition that it should be based purely on population, and it took a long time to work out a compromise.

The compromise they eventually reached places on this body an indelible stamp that differentiates it from any other parliamentary body on earth; because under that agreement, the smallest State has the same representation in this body as the largest and most populous.

That is true today. Not only did they make that provision, but they provided the only limitation in the Constitution that is not subject to amendment without the consent of the States, because they went further and said in article V:

"And that no State, without its consent shall be deprived of its equal suffrage in the Senate."

So when Senators speak lightly of invoking a gag rule in the forum of the States of this Union, on the ground that it is different from other parliamentary bodies, I say Mr. President that there is the strongest reason for not tampering with these rules, and for not shutting off or stifling the voice of any representative of any state, be it great or be it small, until he has had an opportunity to discharge his responsibilities here.

Why do men wish to be U.S. Senators? Why, Mr. President, do Members of the other body, which is a coordinate branch of this Congress with the Senate, so often desire to offer for the Senate of the United States? Why do men desire to come from Governors' chairs to the Senate of the United States? I submit that it is because of the very differences that distinguish this body from every other legislative body on earth.

Yet we are told that because the Senate is different, we have got to change it and make it like all the others, even though to do so would be a serious invasion of the whole theory of our republican form of government as contemplated by the Founding Fathers. Now we are being asked to whittle away and destroy the powers and the rights of those who serve here. In the old days they were referred to as ambassadors of their respective states. Now we are told we should make the Senate just another parliamentary body, exactly like any other. Now we are told that because in the Senate of the state of Georgia a member can rise, move the previous question, and shut off debate when Senators have not had an opportunity to express themselves, the same rule should apply in the Senate of the United States.

Mr. President, I have never heard a more fallacious argument. Yet Senators absorb it. You see them drink it in.

Here we are, Members of the greatest deliberative body on earth, bearing an honor in the parliamentary field that is greater than any that has ever existed except in the earlier days of the Roman Senate; yet some Senators are pressing us into destroying this body, into eroding their own powers, into disfranchising their own states, and preventing their States from being represented properly here.

It was done first, Mr. President, in the name of civil rights. They came forward and said, "We have got to make these changes because we can't pass any civil rights bills." Well, a number of sweeping civil rights bills have been passed in the last few years. The last one proposed, the open housing bill, did not pass. I do not know whether or not it would have been enacted if we had had the majority gag cloture rule that is being urged on the Senate. But we passed bills that dealt with every other subject. We voted on, I think, some 70 amendments in 1964, dealing with every facet of the relationships between the races, and between the races and the government, and we did it under the present rules of the Senate.

Mr. President, I have waited a long time for a Senator to come forward with a list of bills vital to security and progress of the United States that have been killed because of the right of free speech in the Senate of the United States. I have never seen one example brought out here. But I have sat in the Senate for the past 34 years and have seen the exercise of that right prevent the passage of many bad bills, bills that would have been injurious to the people of the United States.

Make no mistake about it. If we go ahead and pass this majority gag cloture, we will soon be met with a change in the rules that will deny or limit or restrict the right of amendment in this body. Mark that prediction. We will have a situation in the Senate in which a mere majority, a bare majority, a temporary majority, of one will get some kind of rule, such as they have in the other body, that will keep a Senator from offering an amendment to a bill. It will make a U.S. Senator run around and beg to get the chance to speak for 3 minutes on a bill.

That is where the proponents are trying to take us with this type of change in the rules. It will destroy the prestige of the Senate. The Senate has had prestige in this country despite the efforts of many Senators to shatter or destroy that prestige.

This would destroy or impair the greatest element of checks and balances among the three divisions in our government, the judical, the legislative and the executive.

The Senate is the foundation of that division of powers. It is the balance wheel on which the division of powers in the system of checks and balances revolves.

It is because of the fact that it is different from all other parliamentary bodies that it has been able to make its contribution in war and in peace under rules permitting more freedom of debate than the present rules would permit, without impairing the welfare of the Nation, but contributing mightily to the building of the greatest society that has ever existed under the canopy of Heaven.

It has contributed to the making of the American way of life that is the envy of mankind everywhere. It has been done under these rules, and yet they say "we come in here now with a form of gag to deny the right of meaningful debate in the Senate. And do it in the name of democracy."

Mr. President, when they talk about amending the rule because it is necessary to pass civil rights bills, that is sheer hypocrisy. It has been demonstrated that they can pass such bills under the present rules. Not only that but a determined majority in the Senate has passed every bill they desired to pass when in the hearts and minds of the majority of the Senators they wanted the bill, since I became a member of this body.

Where are we going to have our debate? How are we going to take the question to the people of this country? Make no mistake about it, we are not living in the simple days of the early life of this Republic and I admit that but I say that that is all the more reason to have the right of free speech in the Senate.

It is hard to get through to the people of this country what is involved in the very complex and complicated issues that pass through here in the way of legislation. However, if the proponents can just get a gag rule through, they can then go forward and destroy or limit the right of amendment in the Senate of the United States. They can then pass the economic and social legislation they want, legislation that will revolutionize this country and will destroy this system that has afforded men the opportunity to make progress and to go forward and to succeed in accordance with their abilities, in accordance with their talent and their energies, the opportunity that has made this great country of ours.

Mr. President, Senators talk about a majority of the Senate having the right to vote at any time. There are a number of things that have been put beyond the limit of the majority. The right of private property in this country was supposed to be protected in the Constitution of the United States. The Founding Fathers did not leave it to the mercy of a simple majority in the House of Representatives or in the Senate of the United States. They put it in the Constitution, where it would require not only a vote of two-thirds of all the Senators, but also the approval of three-fourths of all the States.

They did the same thing with respect to the right of religious liberty and the right to worship God according to one's own wishes and ideas, or the right not to worship any god if one saw fit.

They said that that could not be changed by any mere statute, but must be changed by a two-thirds vote.

Even the Founding Fathers, with all their brilliance, could not look down the lane 190 years and anticipate what would happen. Even with all their brilliance, they could not possibly have predicted or envisioned what we have done in this country and the developments of the 20th century that have within the period of 60 years changed the manner of living and habits and thinking of mankind to a greater extent than in any other period of a thousand years in human history.

So please, I beg, Senators, even those who in a moment of weakness have made some commitment with respect to this matter, to go over it in your minds and think over again what the effect would be.

I know about the frustrations of long debate here. I suppose I have been involved in my share of it on both sides of the fence.

It is human nature that if you have a bill up and have a majority of one in the Senate, you are ready to vote then, and any debate against that bill is something that is irritating and frustrating, because you cannot bring the bill to a vote immediately with that majority of one.

Mr. President, the majority is not always right. Down through the years there are great monuments, tragic monuments to the failure of the majority to be right, the errors of a temporary majority such as it is proposed to subject the Senate to, a proposal to turn

loose all the fires of partisanship to a mere majority, to close off debate and silence the opponents before they have had a full and fair chance to make their case before the American people.

It is sometimes hard to let it seep through. Sometimes when you are defending what you believe in, but which may be unpopular for the moment, you do not have the great media of communications to support you. They have a way of getting together sometimes, and they will exalt statements in favor of the issues they support and will minimize statements in opposition to those issues.

It is more difficult today than ever before to get both sides of the case before the American people. But I can assure, Senators, on the basis of almost 35 years of service in this body, that there are two sides to every question.

Maybe most of us think, "There is my side and there is the wrong side," but often the side you are for and the side I am for is the wrong side—it happens time and again.

Mr. President, the Senate was created to give a full chance to expose here the errors of the other branches of the Government. One of its main purposes was to permit a complete revision or canvass of the acts of the other body, to have full sway to offer amendments, and to make speeches to point out those mistakes.

Over the years, when you balance it up, the right of free speech in this body has been vastly more beneficial in the preservation of our system of Government, in maintaining our system of checks and balances, in trying to maintain the division of powers between the three separate branches of the Government, than the action of any army. The Senate is the last bulwark of the minority in this land.

Mr. President, I shall not delay the Senate much longer.

I have sat in this Chamber with men who were real liberals. They did not have to get a big badge and write on it, "I am a liberal," and run around saying, "I am a liberal. Look at it. Here is my badge." I mean men like Bill Borah, George Norris and Hiram Johnson. I did not serve with the elder La-Follette, but I served with his distinguished son, who was completely indoctrinated with his father's political philosophy. Every one of them defended the right of free speech in this body as the last defense of a minority that might be oppressed.

Now, the majority will work its will. It may have a little trouble. It may have delays. The members of the majority may get tired of sitting around listening to debate that men of good faith are making; to speeches made in the Senate, with which I thoroughly disagree, but upon which Senators had spent hours of labor. They rendered a public service, because they helped to open up before the American people both sides of the question.

This is not a partisan matter. This is a matter that goes to the heart of our system. The Senate of the United States is a unique body. It has been the most useful instrumentality of government down through the years. It has served this Nation well as a continuing body, with two-thirds of its Members going over from election to election, as the Founding Fathers provided, to carry with them experience and an understanding of the operations of the other branches of the Government, so that they might help to protect the people of this country from the excesses of the executive branch of the Government or to undo some excess or wrong that was worked by the decisions of the judicial branch of the Government.

The Senate has had a proud history. Oh, we have made mistakes, because we are human. We are fallible, as are all other men who are born of women, and as are women who are born of women. But, Mr. President, the Senate owes its greatness to the right of the representatives of the States of this Union to stand up and speak their pieces. This is the only place where that can be done.

I do not guarantee these figures, but I think they are correct. The last time I checked them they were correct. In the other body, the solid votes of nine States can overcome the resistance of all the Representatives of the other 41 States in affairs of legislation that would be beneficial to those large States.

In the general scheme of things, the smaller States are always disadvantaged and handicapped. That is true in the organization of our political parties. It is true in the other body. Until recent years, very few men from very small states were even appointed to the President's Cabinet. The one place where the small States had a right to be heard, where they could defend the interests of their people, was the Senate of the United States.

I never cease to be amazed when I see representatives from some of the smaller States come into the Senate and attempt to denigrate the only power of the small States which equalizes them with the larger. It is not true anywhere else. It is not true in an election. It is not true in the other body. It is true only in the Senate of the United States.

Let those who wish to have gag rule that is more inflexible than the existing rule 22 bring a bill of particulars, and say: Here are the bills that are vital to our people, that were defeated because we did not have immediate gag rule to shut off debate in the Senate of the United States.

Let them bring a bill of particulars. Certainly in over 190 years there must have been a number of such bills. If the situation is so bad that we have to go through this procedure at the beginning of every Congress, and it is said, "The Senate is not a continuing body; therefore we have a right to shortcut the rules," even though the rules specifically provide that they shall carry over from one Congress to the other, let the proponents bring in a bill of particulars.

In spite of all that, this drive goes on and on and on. I can understand it on the part of Senators from the very large States.

Mr. President, from the standpoint of the Senate itself as a body—I have great respect for the Senate of the United States as an institution—I think the right of free speech in this body have been one of the factors that has made this Government, this system of ours, the oldest operating system of government on the earth today. Our Constitution is the oldest charter. I do not like to see Senators take lightly these proposals to so drastically change the rules.

As a matter of fact, up until 1917 there was no way on earth to prevent any Senator or group of Senators from speaking as long as they wished. During the First World War and afterwards, in connection with the so-called armed-ship bill and two or three other measures, rule 22 has been modified two or three times. Now it is proposed to strike it out almost completely, with a great statement of words. The proponents say that to do so will protect the rights of Senators. Mr. President, the only way the rights of Senators can be protected in representing the States that sent them to the Senate is to preserve the right of free speech in the Senate. When that right is limited, the power of every Senator is limited, and the rights of the State that sent him here are circumscribed.

I realize that there are those who are committed to the doctrine of the States no longer serve any useful purpose and that it would be better to have everything, from parking regulations on up to the treaties that under the present Constitution, must be submitted to the Senate, decided by some vast bureaucracy on the banks of the Potomac. But if that is true, it flies in the teeth of human experience; because the shores of history are littered with the wrecks of civilizations that have tried that, that have enticed men to surrender their rights to someone who is going to be able to be more benevolent to a person than he could be to himself—the old "something-for-nothing" theory.

That is the objective of some of those who are seeking to bring about various changes in our system. This rule has worked no great wrong on the American people. To change it and institute gag rule in the Senate will work great wrong on them.

If the Senate in a moment of weakness adopts this gag rule, I do not doubt that a time will come when the authors will have the unfortunate end of Haman, who built the gallows for Mordecai and was hanged on it himself.

Mr. ALLEN. Mr. President, former Senator Russell, who was one of the great Senators of all times, had this to say:

This proposal goes much deeper, Mr. President, than the right of an individual Senator or a group of Senators to engage in a prolonged discussion that might be labeled a filibuster. The real issue, the real nub of the question before the Senate, is whether we are to alter the role and the position of this body in our great scheme of government.

Mr. President, it was said on the floor of the Senate yesterday that the Senate is the only parliamentary body in the United States where a Senator could not rise to his feet and make a motion that could be carried by a transient majority of one, to gag the other Members of that body and prevent them from speaking. It was said that rule existed in all other parliamentary bodies on earth, including the House of Commons of the British Parliament, by which a motion carried by one vote would gag the remainder of the body. And that statement is true.

That statement is true. The only difference between the situation now and the situation existing 4 years ago when this charade was carried out, is that apparently at that time someone was offering some argument as to why the rules should be changed. In the present instance, no Senator comes in to offer any reason whatsoever why the rule should be changed.

The distinguished Senator from Pennsylvania made the motion that the Senate proceed to the consideration of Senate Resolution 9 and immediately departed.

The authors and sponsors of the resolution are not here to defend this suggested rule change. The junior Senator from Alabama does not understand why they have not made out any case for changing the rule.

Mr. President, I continue with the remarks of former Senator Russell:

It is true, Mr. President, because the Senate has individuality. It has qualities that are different from those of any other parliamentary body ever created by the mind and ingenuity of man.

Mr. President, the greatest difficulty confronted by the Constitutional Convention that wrote our basic charter—a charter which receives rather short shrift these days, not only in the courts but here in the Congress and at the hands of the executive departments, and, indeed, at the hands of some of the teachers of political science—the greatest difficulty they encountered in reaching agreement and accord on the basic charter of our liberties and the bulwark of our rights, the Constitution of the United States, was on the question of the composition of the parliament of this country, or, as they

designated it, the Congress of the United States. The little States would not go along with the proposition that it should be based purely on population, and it took a long time to work out a compromise.

The compromise they eventually reached places on this body an indelible stamp that differentiates it from any other parliamentary body on earth; because under that agreement, the smallest State has the same representation in this body as the largest and most populous.

That is true today. Not only did they make that provision, but they provided the only limitation in the Constitution that is not subject to amendment without the consent of the States, because they went further and said in article V:

"And that no State, without its consent, shall be deprived of its equal suffrage in the Senate."

So when Senators speak lightly of invoking a gag rule in the forum of the States of this Union, on the ground that it is different from other parliamentary bodies, I say Mr. President that there is the strongest reason for not tampering with these rules, and for not shutting off or stifling the voice of any representative of any state, be it great or be it small, until he has had an opportunity to discharge his responsibilities here.

Why do men wish to be U.S. Senators? Why, Mr. President, do Members of the other body, which is a coordinate branch of this Congress with the Senate, so often desire to offer for the Senate of the United States? Why do men desire to come from Governors' chairs to the Senate of the United States? I submit that it is because of the very differences that distinguish this body from every other legislative body on earth.

Yet we are told that because the Senate is different, we have got to change it and make it like all the others, even though to do so would be a serious invasion of the whole theory of our republican form of government as contemplated by the Founding Fathers. Now we are being asked to whittle away and destroy the powers and the rights of those who serve here. In the old days they were referred to as ambassadors of their respective states. Now we are told we should make the Senate just another parliamentary body, exactly like any other. Now we are told that because in the Senate of the state of Georgia a member can rise, move the previous question, and shut off debate when Senators have not had an opportunity to express themselves, the same rule should apply in the Senate of the United States.

Mr. President, I have never heard a more fallacious argument. Yet Senators absorb it. You see them drink it in.

Here we are, Members of the greatest deliberative body on earth, bearing an honor in the parliamentary field that is greater than any that has ever existed except in the earlier days of the Roman Senate;

Mr. President, I digress at that point to say that in the days of ancient Rome before Caesar took over as Emperor, the Roman Republic was ruled by a unicameral legislative body, the Senate. Julius Caesar used extended debate in the Senate in Rome. However, when he became the ruler of Rome, he would not tolerate extended debate. Young Cato, I believe it was, who filibustered against measures that would have destroyed the Roman Empire had to flee the country to save his life.

So, the right to extended debate is something that goes back for centuries, not just for the history of our country, but for centuries. Just as the Senate was destroyed by Caesar, just so can our separation of powers of our Government, our system of checks and balances be destroyed in the days to come—

Yet some Senators are pressing us into destroying this body, into eroding their own powers, into disfranchasing their own states, and preventing their States from being represented properly here.

It was done first, Mr. President, in the name of civil rights. They came forward and said, "We have got to make these changes because we can't pass any civil rights bills." Well, a number of sweeping civil rights bills have been passed in the last few years. The last one proposed, the open housing bill, did not pass.

It has been passed since.

I do not know whether or not it would have been enacted if we had had the majority gag cloture rule that is being urged on the Senate. But we passed the bills that dealt with every other subject.

We are just one step from majority cloture in adopting three-fifths cloture because the distinguished Senator from New York (Mr. JAVITS) already has offered an amendment or sent to the desk an amendment he stated he might offer to Senate Resolution 9 which would provide for invoking cloture by a constitutional majority of 51 votes. If we adopt three-fifths cloture, cloture by a simple majority will not be far behind.

We voted, I think, on some 70 items in 1964, dealing with every facet of the relationships between the races, and between the races and government, and we did it under the present rules of the Senate.

So if there is any measure that two-thirds of the Senators agree upon and they want to bring it to a vote under the existing rules of the Senate they can invoke cloture and bring it to a vote. This two-thirds requirement is a reasonable requirement that does empower the Senate to move when public opinion is strong enough to favor the enactment of the legislation under discussion.

Mr. President, I have waited a long time for a Senator to come forward with a list of bills vital to the security and progress of the United States that have been killed because of the right of free speech in the Senate of the United States.

In my remarks I made a somewhat similar comment, not in the forceful manner Senator Russell used, but seeking to point out the same point.

I have never seen one example brought out here. But I have sat in the Senate for the past 34 years—

Senator Russell was speaking 4 years ago—

and have seen the exercise of that right prevent the passage of many bad bills, bills that would have been injurious to the people of the United States.

Make no mistake about it. If we go ahead and pass this majority gag cloture, we will soon be met with a change in the rules that will deny or limit or restrict the right of amendment in this body. Mark that prediction.

It might sound somewhat unreasonable at first blush, but the other body can impose a rule by which they can prevent amendments to bills. They can impose a gag rule upon themselves which prevents the introduction of any amendment to a pending bill. So Senator Russell was not far off base in suggesting that would be the next thing that comes in the Senate, the inability to introduce or speak on amendments to bills.

We will have a situation in the Senate in which a mere majority, a bare majority, a temporary majority, of one will get some kind of rule, such as they have in the other body, that will keep a Senator from offering an amendment to a bill. It will make a U.S. Senator run around and beg to get the chance to speak for 3 minutes on a bill.

That is where the proponents are trying to take us with this type of change in the rules. It will destroy the prestige of the Senate. The Senate has had prestige in this country despite the efforts of many Senators to shatter or destroy that prestige.

This would destroy or impair the greatest element of checks and balances among the three divisions in our government, the judicial, the legislative and the executive.

The Senate is the foundation of that division of powers. It is the balance wheel on which the division of powers in the system of checks and balances revolves.

It is because of the fact that it is different from all other parliamentary bodies that it has been able to make its contribution in war and in peace under rules permitting more freedom of debate than the present rules would permit, without impairing the welfare of the Nation, but contributing mightily to the building of the greatest society that has ever existed under the canopy of Heaven.

It has contributed to the making of the American way of life that is the envy of mankind everywhere. It has been done under these rules, and yet they say "we come in here now with a form of gag to deny the right of meaningful debate in the Senate. And do it in the name of democracy."

Mr. President, when they talk about amending the rule because it is necessary to pass civil rights bills, that is sheer hypocrisy. It has been demonstrated that they can pass such bills under the present rules. Not only that but a determined majority in the Senate has passed every bill they desired to pass when in the hearts and minds of the majority of the Senators they wanted the bill, since I became a member of this body.

Where are we going to have our debate? How are we going to take the question to the people of this country? Make no mistake about it, we are not living in the simple days, of the early life of this Republic and I admit that but I say that that is all the more reason to have the right of free speech in the Senate.

It is hard to get through to the people of this country what is involved in the very complex and complicated issues that pass through here in the way of legislation. However, if the proponents can just get a gag rule through, they can then go forward and destroy or limit the right of amendment in the Senate of the United States. They can then pass the economic and social legislation they want, legislation that will revolutionize this country and will destroy this system that has afforded men the opportunity to make progress and to go forward and to succeed in accordance with their abilities, in accordance with their talent and their energies, the opportunity that has made this great country of ours.

Mr. President, Senators talk about a majority of the Senate having the right to vote at any time. There are a number of things that have been put beyond the limit of the majority. The right of private property in this country was supposed to be protected in the Constitution of the United States. The Founding Fathers did not leave it to the mercy of a simple majority in the House of representatives or in the Senate of the United States. They put it in the Constitution, where it would require not only a vote of two-thirds of all the Senators, but also the approval of three-fourths of all the States.

Here he is discussing another instance of the Constitution's requiring a two-

thirds vote in both bodies of the Congress to take action on important measures, and he is pointing out that rule XXII, in requiring a two-thirds vote to cut off the right of debate, is not inconsistent with many provisions of the Constitution itself requiring a two-thirds vote of either one House of the Congress with respect to matters applying only to that House or a two-thirds vote of both Houses with respect to matters applying to both Houses or to the Nation as a whole.

He calls attention to the fact that in order to submit a constitutional amendment to the States, in takes a two-thirds vote in both Houses of the Congress. If it fails to get two-thirds in the Senate, even though it has gotten two-thirds in the House, it is killed; and if it fails to get two-thirds in the House even though it has gotten two-thirds in the Senate, it is killed and is not submitted to the States.

To convict on impeachment charges the President or any other Federal officer over which the Congress has jurisdiction, takes a two-thirds vote.

In ratifying a treaty—and we are going to ratify, I assume possibly by unanimous vote, two treaties at around 3 o'clock—it takes a two-thirds vote.

Earlier in my discussion, I pointed out the lenient, friendly, benign, benevolent extended discussion we are having on this matter, under which we step aside any time any matter should be brought before the Senate for action. The leadership knew that they could bring these treaties up for approval and that they would have no difficulty interrupting the extended discussion long enough to get those treaties ratified.

It takes two-thirds of the Senate to expel a Senator.

It takes two-thirds of the House to expel a House Member.

It takes two-thirds of both Houses to override a Presidential veto.

Going on with Senator Russell's discussion of this very same issue—and as I stated earlier, this is apparently a charade that we go through every 2 years in the Senate on the matter of a proposed change in the rules respecting the method of cutting off debate in the Senate—

They did the same thing with respect to the right of religious liberty and the right to worship God according to one's own wishes and ideas, or the right not to worship any god if one saw fit.

They said that that could not be changed by any mere statute, but must be changed by a two-thirds vote.

Even the Founding Fathers, with all their brilliance, could not look down the lane 190 years and anticipate what would happen. Even with all their brilliance, they could not possibly have predicted or envisioned what we have done in this country and the developments of the 20th century that have within the period of 60 years changed the manner of living and habits and thinking of mankind to a greater extent than in any other period of a thousand years in human history.

So please, I beg, Senators, even those who in a moment of weakness have made some commitment with respect to this matter, to go over it in your minds and think over again what the effect would be.

I know about the frustrations of long debate here. I suppose I have been involved in my share of it on both sides of the fence.

It is human nature that if you have a bill up and have a majority of one in the Senate, you are ready to vote then, and any debate against that bill is something that is irritating and frustrating, because you cannot bring the bill to a vote immediately with that majority of one.

Mr. President, the majority is not always right. Down through the years there are great monuments, tragic monuments, to the failure of the majority to be right, the errors of a temporary majority such as it is proposed to subject the Senate to, a proposal to turn loose all the fires of partisanship to a mere majority, to close off debate and silence the opponents before they have had a full and fair chance to make their case before the American people.

It is sometimes hard to let it seep through. Sometimes when you are defending what you believe in, but which may be unpopular for the moment, you do not have the great media of communications to support you. They have a way of getting together sometimes, and they will exalt statements in favor of the issues they support and will minimize statements in opposition to those issues.

I believe that has been stated in different language by others in more recent years.

It is more difficult today than ever before to get both sides of the case before the American people. But I can assure, Senators, on the basis of almost 35 years of service in this body, that there are two sides to every question.

Maybe most of us think, "There is my side and there is the wrong side," but often the side you are for and the side I am for is the wrong side—it happens time and again.

Mr. President, the Senate was created to give a full chance to expose here the errors of the other branches of the Government. One of its main purposes was to permit a complete revision of canvass of the acts of the other body, to have full sway to offer amendments, and to make speeches to point out those mistakes.

Over the years, when you balance it up, the right of free speech in this body has been vastly more beneficial in the preservation of our system of Government, in maintaining our system of checks and balances, in trying to maintain the division of powers between the three separate branches of the Government, than the action of any army. The Senate is the last bulwark of the minority in this land.

Mr. President, I shall not delay the Senate much longer.

I have sat in this Chamber with men who were real liberals. They did not have to get a big badge and write on it, "I am a liberal," and run around saying, "I am a liberal. Look at it. Here is my badge." I mean men like Bill Borah, George Norris and Hiram Johnson. I did not serve with the elder LaFollette, but I served with his distinguished son, who was completely indoctrinated with his father's political philosophy. Every one of them defended the right of free speech in this body as the last defense of a minority that might be oppressed.

Now, the majority will work its will. It may have a little trouble. It may have delays. The members of the majority may get tired of sitting around listening to debate that men of good faith are making; to speeches made in the Senate, with which I thoroughly disagree, but upon which Senators had spent hours of labor. They rendered a public service, because they helped to open up before the American people both sides of the question.

This is not a partisan matter. This is a matter that goes to the heart of our system. The Senate of the United States is a unique body. It has been the most useful instrumentality of government down through the years. It has served this Nation well as a continuing body, with two-thirds of its Members going over from election to election, as the Founding Fathers provided, to carry with them experience and an understanding of the operations of the other branches of the Government, so that they might help to protect the people of this country from the excesses of the executive branch of the Government or to undo some excess or wrong that was worked by the decisions of the judicial branch of the Government.

The Senate has had a proud history. Oh, we have made mistakes, because we are human. We are fallible, as are all other men who are born of women, and as are women who are born of women. But, Mr. President, the Senate owes its greatness to the right of the representatives of the States of this Union to stand up and speak their pieces. This is the only place where that can be done.

I do not guarantee these figures, but I think they are correct. The last time I checked them they were correct. In the other body, the solid votes of nine States can overcome the resistance of all the Representatives of the other 41 States in affairs of legislation that would be beneficial to those large States.

In the general scheme of things, the smaller States are always disadvantaged and handicapped. That is true in the organization of our political parties. It is true in the other body. Until recent years, very few men from very small states were even appointed to the President's Cabinet. The one place where the small States had a right to be heard, where they could defend the interests of their people, was the Senate of the United States.

I never cease to be amazed when I see representatives from some of the smaller States come into the Senate and attempt to denigrate the only power of the small States which equalizes them with the larger. It is not true anywhere else. It is not true in an election. It is not true in the other body. It is true only in the Senate of the United States.

Let those who wish to have gag rule that is more inflexible than the existing rule 22 bring a bill of particulars, and say: Here are the bills that are vital to our people, that were defeated because we did not have immediate gag rule to shut off debate in the Senate of the United States.

Let them bring a bill of particulars. Certainly in over 190 years there must have been a number of such bills. If the situation is so bad that we have to go through this procedure at the beginning of every Congress, and it is said, "The Senate is not a continuing body; therefore we have a right to shortcut the rules, even though the rules specifically provide that they shall carry over from one Congress to the other, let the proponents bring in a bill of particulars.

In spite of all that, this drive goes on and on and on. I can understand it on the part of Senators from the very large States.

Mr. President, from the standpoint of the Senate itself as a body—I have great respect for the Senate of the United States as an institution—I think the right of free speech in this body have been one of the factors that has made this Government, this system of ours, the oldest operating system of government on the earth today. Our Constitution is the oldest charter. I do not like to see Senators take lightly these proposals to so drastically change the rules.

As a matter of fact, up until 1917 there was no way on earth to prevent any Senator or group of Senators from speaking as long as they wished. During the First World War and afterwards, in connection with the so-called armed-ship bill and two or three other measures, rule 22 has been modified two or three times. Now it is proposed to strike it out al-

most completely, with a great statement of words. The proponents say that to do so will protect the rights of Senators. Mr. President, the only way the rights of Senators can be protected in representing the States that sent them to the Senate is to preserve the right of free speech in the Senate. When that right is limited, the power of every Senator is limited, and the rights of the State that sent him here are circumscribed.

I realize that there are those who are committed to the doctrine of the States no longer serve any useful purpose and that it would be better to have everything, from parking regulations on up to the treaties that under the present Constitution, must be submitted to the Senate, decided by some vast bureaucracy on the banks of the Potomac. But if that is true, it flies in the teeth of human experience; because the shores of history are littered with the wrecks of civilizations that have tried that, that have enticed men to surrender their rights to someone who is going to be able to be more benevolent to a person than he could be to himself—the old "something-for-nothing" theory.

That is the objective of some of those who are seeking to bring about various changes in our system. This rule has worked no great wrong on the American people. To change it and institute gag rule in the Senate will work great wrong on them.

If the Senate in a moment of weakness adopts this gag rule, I do not doubt that a time will come when the authors will have the unfortunate end of Haman, who built the gallows for Mordecai and was hanged on it himself.

Mr. President, every one of those remarks of the late great and distinguished Senator from Georgia, Mr. Russell, is applicable to this debate today.

Mr. President, tomorrow at 1 o'clock a vote will be taken to determine whether or not the debate on the present motion to proceed to the consideration of Senate Resolution 9 shall be stopped. That being true, and especially in view of the fact that there is no Senator on the opposition side who wishes to be heard on this matter, I move that further consideration of the motion be postponed to the next legislative day.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

CONVENTION WITH NICARAGUA

Mr. MANSFIELD. Mr. President, because of an unusual circumstance which has developed, I ask unanimous consent that the distinguished Senator from South Carolina may be allowed the time remaining between now and 3 p.m. as in executive session, to discuss the matter on which we will vote at 3 p.m.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. This would not interfere with the Pastore rule of germaneness as it is ordinarily applied.

Mr. THURMOND. Mr. President, I thank the distinguished majority leader for his courtesy.

Mr. MANSFIELD. It is a pleasure.

Mr. THURMOND. Mr. President, we have before us today the ratification of the convention between the United States and Nicaragua for the termination of the 1914 Bryan-Chamorro Treaty. I intend to vote against ratification—that is to say, against the termination of the 1914 treaty.

Before I set forth my reasons, however, I would like to state for the record my protest at the unseemly haste with which this matter was taken up. Hearings were held before the Senate Foreign Relations Committee last Monday, the committee voted to report it on Tuesday, and on Wednesday unanimous consent was obtained to proceed immediately to a vote at the first possible opportunity under the rules, namely, the first afternoon following the Lincoln-Washington Day recess. The Senate had little or no opportunity to study this matter before unanimous consent was obtained. It is apparently being treated as a noncontroversial matter; in my judgment, it is a matter of grave importance.

Mr. President, I first addressed this body on the proposed abrogation of the Bryan-Chamorro Treaty on March 24, 1970, when news of the negotiations first leaked out. I still do not believe that a sound argument has been put forward for the termination of this treaty.

If the treaty was important in 1914, it is doubly important today. The treaty was negotiated by William Jennings Bryan on behalf of President Wilson because of the danger of European intervention incident to the opening of World War I. The intention was to provide an alternative to the Panama Canal, if need be, and to defend the Panama Canal.

Under the 1914 treaty, the United States received "the exclusive proprietary rights necessary and convenient for the construction, operation, and maintenance of an interoceanic canal." In addition, we received 99 year leases on Great Corn and Little Corn Islands in the Caribbean, and an option to establish a naval base on the Pacific side at the Gulf of Fonseca. It is also significant that the territory on the naval base and on the two islands "shall be subject exclusively to the laws and sovereign authority of the United States."

For these proprietary rights and leases, we paid $3 million in gold. Although those who attempt to depricate U.S. attitudes in that period refer to this treaty in terms of "dollar diplomacy" and the "big stick," the fact remains that the treaty provided that the money would go only to defray Nicaragua's public debt "or other public purposes for the advancement of the welfare of Nicaragua."

The arguments raised against the treaty are that the conditions of 1914 are no longer relevant, and that the United States does not intend to build a canal in Nicaragua, thus making the treaty an "irritant" in Nicaragua–United States relations.

The truth is that the danger of European intervention is even greater today than it was in 1914. The Soviet navy is constantly in the Caribbean. Soviet submarines are being tended off and on at Cuba, and, according to articles which appeared in the Washington Post this week, are very difficult to detect underwater in that area. The Panama Canal, and all the strategic narrow waterways of the world, are objects of Soviet pressures and subversion. Furthermore, it now appears that the Soviets are negotiating for a naval base in Chile on the Pacific side. It is therefore strategically unsound to surrender our options in the area when there is no compulsion to do so.

The second argument that is raised is that we do not intend to build a canal in Nicaragua. The answer is that we never had firm intentions to build a canal in Nicaragua. The treaty was negotiated after the Panama Canal was in operation. It merely provided us with an option if something went wrong in Panama. Today, more than ever we need this option. The ill-considered drive to build a sea-level canal in Panama has foundered on the tides of Panamanian politics. We are supposedly still open to negotiations with Panama—unnecessarily so, in my judgment—but how can we even consider negotiating with Panama when we are giving up the Nicaraguan alternative? Our option in Nicaragua is an important bargaining tool, and we are throwing it away.

The advocates of abrogation further say that the report of the Atlantic-Pacific Interoceanic Canal Study Commission ruled out all possibility of a canal in Nicaragua. This is not true. What the Commission ruled out was the possibility of a sea-level canal. The Commission, with its bias toward sea-level plans, never even considered the practical alternative to a sea-level canal; namely, a lock canal that would raise vessels to the surface of Lake Nicaragua, utilizing the lake, instead of digging a canal 140 miles long.

The lock canal plan was thoroughly studied and recommended in 1929–31, in an investigation conducted under the able direction of Lt. Col. Dan J. Sultan. This report is available to the Congress in the U.S. Army Interoceanic Canal Board Report, 1932—House Document No. 139, 72d Congress.

This leaves us, then, with the argument that the treaty is an "irritant" in United States-Nicaraguan relations. Mr. President, I submit that any time one nation undertakes an obligation to another, that obligation can be trumpeted up and described as an "irritant." The United States has fulfilled all of its obligations under the treaty and continues to fulfill them.

Nicaragua has enjoyed the friendship and protection of the United States, as well as the gold dollars which have been used for the welfare of her people. She has not been called upon to perform any of the obligations which she undertook. How can the treaty be considered fairly as an irritant? If treaties and agreements, freely entered into, are not considered binding, to be thrown off at the first sign of "irritation," what value do they have? They become nothing but a scrap of paper.

Finally, Mr. President, it will not go unnoticed in the world that an impor-

tant precedent has been set here. The treaties give the United States the right to exercise her sovereignty and laws on the Corn Islands and on the naval base. We have similar rights in the U.S. Canal Zone in the Isthmus of Panama. When the Panamanians see that we have given up such rights in Nicaragua without a whimper, they will be ever so much more adamant that we must give up our rights in the U.S. Canal Zone. Little notice has been given to this treaty today in the United States, but I submit that it will be big news in Panama.

To sum up then, this treaty of abrogation is just another building block in the edifice designed by the State Department's architects of retreat and surrender. The main object of these policymakers appears to be to rationalize defeat and to invent tedious excuses for not exercising our just rights and powers. The ratification of this treaty today will contribute to the undermining of our authority and leadership, and I shall cast my vote nay.

Mr. MANSFIELD. Mr. President, I ask unanimous consent, notwithstanding the agreement entered into, that I may be allowed to proceed for not to exceed 3 minutes. I feel that the remarks of the distinguished Senator from South Carolina should not be allowed to rest on the basis of their being delivered just before the vote.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, the Atlantic-Pacific Interoceanic Canal Study Commission which looked into this matter issued the following finding in its final report of December 1, 1970:

> The Nicaragua-Costa Rica Route was discarded from further consideration by the Atlantic-Pacific Interoceanic Canal Study Commission because of its expense in comparison with other canal routes. Both nuclear and conventional construction techniques were examined on a route lying just south of Lake Nicaragua. It was estimated that a conventionally constructed sea-level canal would require a prohibitively high cost ($11 billion). On the other hand, while actual construction cost of a nuclear canal would be much lower ($5 billion), the necessary relocation of 675,000 inhabitants would involve unacceptable social and economic costs.
>
> The Study Group did not find any significant foreign policy advantages that would counterbalance these technical disadvantages.

Mr. President, in the unanimous recommendation of the Committee on Foreign Relations favoring ratification, I quote from the Committee report under the heading, "Committee Action and Recommendation":

> President Nixon transmitted the convention to the Senate with a request for advice and consent to ratification on September 23, 1970. The Foreign Relations Committee held a hearing on the convention February 8, 1971, at which time a statement was received from Mr. Robert A. Hurwitch, Deputy Assistant Secretary of State for Inter-American Affairs. A copy of this statement is included as an appendix to this report.
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> The committee considered the matter further in executive session February 9 and without objection ordered the convention favorably reported to the Senate.
>
> The convention will not result in any costs to the United States.
>
> The 1914 treaty has long since outlived its usefulness, if it ever had any. The 1970 report of the Atlantic-Pacific Inter-Oceanic Canal Study Commission—

to which I have just referred—

> emphatically rejected a possible canal route through Nicaragua. There is nothing to be gained by continuing the old treaty in force and a good deal to be lost in terms of our political relations with Nicaragua. The committee therefore recommends that the Senate advise and consent to ratification of the convention terminating the 1914 treaty.

Mr. President, on pages 2484–2485 of the CONGRESSIONAL RECORD for February 10, 1971, there is a further explanation of the matter which will be voted upon shortly and the reasons why the Committee on Foreign Relations unanimously recommended ratification to the Senate.

Mr. COOK. Mr. President, will the Senator from Montana yield for a question?

Mr. MANSFIELD. I yield.

Mr. COOK. Is it not true that the United States has never exercised any rights or options granted by the 1914 convention, including any use of the Corn Islands?

Mr. MANSFIELD. None whatsoever.

Mr. COOK. I thank the Senator from Montana.

(The following remarks by Senators TOWER and COTTON, made later in the day, are printed at this point in the RECORD by unanimous consent.)

Mr. TOWER. Mr. President, it is no secret that troubles in the Caribbean are increasing and that the strategic importance of base rights in that area is greater now than at any time since the end of World War II. Our current rights in Nicaragua, which date from the Bryan-Chamorro Treaty of 1914, could be exercised should an emergency situation arise in that area, or should the balance of power be adversely affected on our southern approaches. Our naval base at Guantanamo Bay in Cuba is currently one of our main bastions of defense in the Caribbean; however, it must be recognized that this is a sensitive area and events could hinder normal operations out of that base. Our current rights in Nicaragua would become very important should such events befall us in Cuba.

The strategic considerations, Mr. President, are very important in deciding what we should do with regard to the proposed abrogation of the Bryan-Chamorro Treaty; however, there are other matters which must also be considered. We are currently considering what should be done in regard to the Panama Canal.

There are some proposals to build a canal through Colombia; others advocate modernization of the present canal. My own thought is that for the present we should complete and modernize the existing Isthmian Canal, which can be done at a fairly moderate cost. Nevertheless, by approving the Convention before us today, we are precluding options which are currently open to us. At the present, the only alternate site to Panama to which we have rights is Nicaragua. There has been considerable talk about acquiring rights of Colombia for building a canal; however, we do not now have these rights and with no other options open to us, it could be difficult to acquire them. In addition, when the Panamanians know that we have no real alternative to the Panamanian site in deciding where to build a possible new canal, their bargaining position will undoubtedly harden.

Mr. President, I am as desirous as anyone of good relations with our neighbors to the south. Indeed, I am proud of the fine relationship that we have developed and improved over the years with Mexico, a nation with which my State of Texas shares much common heritage. For many years, we have had a fine relationship with Nicaragua and for most of that time the Bryan-Chamorro Treaty has been in effect. I cannot see why the continuation of this treaty, at least until we have decided what we are going to do in the Isthmian Canal situation, will prevent the United States and Nicaragua from cointinuing this most desired cordial relationship. Therefore, I feel that I must vote against this abrogation of the rights of the United States at this unsettled time; I believe that this Convention could better be considered when the situation in the Caribbean is more stable and our direction in regard to the Isthmian situation is more clear.

Mr. COTTON. Mr. President, the only reason I wish to make a brief statement concerning my position and my vote on this treaty is that 2 years ago, representing the Committee on Commerce; and in company with representatives of the House of Representatives, I made a trip to Panama and, under the guidance of Canal Zone officials and those military officials who had been working with the Commission studying possible canal routes, spent several days, during which time we started over a proposed alternate route for a sea level canal in Panama, parallel to the present canal, and also over a proposed route just over the line in Colombia for a sea level canal.

During that time, as we were briefed on the problem, it was the position of those who had studied it—a position entirely consistent with the report of the Committee on Foreign Relations—that the proposed Nicaraguan route, for which we have treaty privileges, was more expensive, less practical, and the most unlikely to be resorted to of any of the proposed routes, and that construction of such a sea-level canal would necessitate the removal of a considerable number of the inhabitants. It was also emphasized that while the most favorable route would probably be through Colombia, with the situation that confronted us and the attitude of Panama as well as the attitude, to a lesser extent, of Colombia and other nations in that region, we might find it extremely difficult to acquire rights in case something happened regarding the present canal; that to acquire rights to a parallel canal in Panama, considering our relations there now, would be extremely difficult and it might be difficult to acquire the most favorable one also, which would be in Colombia. It was their attitude that it would be unfortunate if we surrendered the rights

we have in Nicaragua, unless or until we were able to obtain some assurances of obtaining rights to build a canal either in Panama or in Colombia, should it become necessary or desirable.

So, while the unanimous report of the Committee on Foreign Relations is completely true in its statement regarding the remote possibility of our ever exercising our rights in Nicaragua, the fact is that I was thoroughly indoctrinated and convinced during the time we were down there and on the scene, and consequently I felt it necessary to vote against the treaty at this time because I had a feeling it was not timely to do so now, and that some effort should have been made at least to look toward securing some alternative rights, probably in the most favorable route, in Colombia; hence, I was compelled to vote against this treaty.

EXECUTIVE SESSION

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate go into executive session.

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

CONVENTION WITH NICARAGUA TERMINATING THE BRYAN-CHAMORRO TREATY OF 1914

The PRESIDING OFFICER (Mr. WEICKER). The hour of 3 o'clock having arrived, the Senate will now proceed to vote on the resolution of ratification of the Convention with Nicaragua terminating the Bryan-Chamorro Treaty of 1914, Executive L—91st Congress, second session, to be immediately followed by a vote on the Extradition Treaty with Spain, Executive N—91st Congress, second session.

The yeas and nays having been ordered the clerk will call the roll on the first treaty.

The assistant legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. BAYH), the Senator from California (Mr. CRANSTON), the Senator from Mississippi (Mr. EASTLAND) 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 Louisiana (Mr. LONG), the Senator from Washington (Mr. MAGNUSON), the Senator from Montana (Mr. METCALF), the Senator from New Mexico (Mr. MONTOYA), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PELL), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Wyoming (Mr. MCGEE), the Senator from Utah (Mr. MOSS) and the Senator from New Hampshire (Mr. MCINTYRE) are absent on official business.

I also announce that the Senator from North Carolina (Mr. JORDAN), is absent because of illness.

I further announce that, if present and voting, the Senator from Iowa (Mr. HUGHES), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Washington (Mr. MAGNUSON), the Senator from Wyoming (Mr. MCGEE), the Senator from Maine (Mr. MUSKIE), and the Senator from California (Mr. TUNNEY), would each vote "yea."

Mr. SCOTT. I announce that the Senator from Colorado (Mr. ALLOTT), the Senators from Arizona (Mr. FANNIN and Mr. GOLDWATER), the Senator from Wyoming (Mr. HANSEN), the Senator from Michigan (Mr. GRIFFIN), the Senators from Oregon (Mr. HATFIELD and Mr. PACKWOOD), the Senator from Illinois (Mr. PERCY), and the Senator from North Dakota (Mr. YOUNG), are necessarily absent.

The Senator from Hawaii (Mr. FONG) is absent on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

If present and voting, the Senator from Colorado (Mr. ALLOTT), the Senator from Oregon (Mr. HATFIELD), the Senator from Wyoming (Mr. HANSEN), and the Senator from South Dakota (Mr. MUNDT) would each vote "yea."

The yeas and nays resulted—yeas 66, nays 5, as follows:

[No. 3 Ex.]

YEAS—66

Aiken	Dole	Nelson
Allen	Dominick	Pastore
Anderson	Eagleton	Pearson
Baker	Ellender	Prouty
Beall	Ervin	Proxmire
Bellmon	Fulbright	Randolph
Bennett	Gambrell	Ribicoff
Bentsen	Gravel	Roth
Bible	Harris	Saxbe
Boggs	Hart	Schweiker
Brock	Hartke	Scott
Brooke	Hruska	Smith
Buckley	Jackson	Sparkman
Burdick	Javits	Spong
Byrd, W. Va.	Jordan, Idaho	Stennis
Cannon	Kennedy	Stevens
Case	Mansfield	Stevenson
Chiles	Mathias	Symington
Church	McClellan	Taft
Cook	McGovern	Talmadge
Cooper	Miller	Weicker
Curtis	Mondale	Williams

NAYS—5

Byrd, Va.	Gurney	Tower
Cotton	Thurmond	

NOT VOTING—29

Allott	Hollings	Montoya
Bayh	Hughes	Moss
Cranston	Humphrey	Mundt
Eastland	Inouye	Muskie
Fannin	Jordan, N.C.	Packwood
Fong	Long	Pell
Goldwater	Magnuson	Percy
Griffin	McGee	Tunney
Hansen	McIntyre	Young
Hatfield	Metcalf	

The PRESIDING OFFICER. On this vote, there are 66 yeas and 5 nays. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, in spite of the agreement that has been reached to vote on the Treaty of Extradition with Spain, in view of the fact we have a very distinguished visitor in the Senate Chamber I ask unanimous consent that the senior Senator from Alabama (Mr. SPARKMAN) be recognized to bring the attention of the Senate to our visitor.

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

The Senator from Alabama is recognized.

VISIT TO THE SENATE BY THE FOREIGN MINISTER AND VICE CHANCELLOR OF THE FEDERAL REPUBLIC OF GERMANY

Mr. SPARKMAN. Mr. President, we are privileged to have as a guest in the Senate Chamber at this time the Foreign Minister and Vice Chancellor of the Federal Republic of Germany, Mr. Walter Scheel.

Mr. Scheel has had a long and distinguished career of public service. A member of the West German Parliament since 1953, Minister Scheel was elected Chairman of the Free Democratic Party, FDP in 1968. He was Minister for Development Aid from 1961 to 1965 and continues to have a strong interest in the developing world.

Since becoming Foreign Minister in 1969, Minister Scheel has played a leading and constructive role in strengthening the European Community and the Atlantic Alliance, while actively seeking ways and means to reduce tensions and normalize relations in Eastern Europe.

I am pleased to present the distinguished Foreign Minister and Vice Chancellor of the Federal Republic of Germany.

[Applause, Senators rising.]

Mr. SPARKMAN. Mr. President, I ask unanimous consent to have printed in the RECORD a biographical sketch of the Honorable Walter Scheel, Foreign Minister and Vice Chancellor of the Republic of Germany.

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

HIS EXCELLENCY WALTER SCHEEL, FOREIGN MINISTER AND VICE CHANCELLOR OF THE REPUBLIC OF GERMANY

The Brandt-Scheel government, which commenced its work in October 1969, is based on a coalition of Social Democrats and Free Democrats. The Chairman of the Free Democratic Party, Walter Scheel, has taken over the post of Foreign Minister and Vice-Chancellor. The Minister of the Interior and the Minister of Food, Agriculture and Forestry are also Free Democrats.

Walter Scheel, born in 1919, is not new to the field of foreign affairs, having in earlier years been familiar with German external relations, both as a member of parliament and as a Cabinet Minister. From 1961 to 1966, he held the post of Minister for Economic Co-operation and was responsible for German development aid policy. His farsightedness and sober outlook helped him to build up the framework for this field of work. Scheel took over his highest parliamentary office when he was elected Vice-President of the German Bundestag in succession to the late Dr. Thomas Dehler.

Scheel comes from a family of craftsmen in Solingen. After obtaining his higher secondary leaving certificate in 1938, he trained to become a merchant banker. From 1939 to 1945, he served in the armed forces and became a flying officer. After the war he held managerial posts in industrial enterprises and associations. In 1953 he became an independent adviser to industry and partner in the Intermarket and Interfinanz companies.

Scheel joined the Free Democratic Party

in 1946, becoming a member of the Executive Committee of the FDP Association in Land North Rhine-Westphalia, then member of the Federal Party Executive, Chairman of the Economic Affairs Committee, and finally Party Chairman. Scheel's parliamentary career was very similar. First he was a town councillor, then member of the North Rhine-Westphalia legislature in Düsseldorf and, in 1953, member of the Bundestag. From 1956 to 1957, he was a member of the German parliamentary delegation to the European Coal and Steel Community, and, in 1958, elected Vice-President of the Liberal Group in the European Parliament. As Chairman of the Committee on Co-operation with Developing Countries and member of the Presidium of the German Africa Association, he played a large part in shaping German development aid policy.

In the autumn of 1966, the FDP members of Erhard's Cabinet resigned, thus dissolving the coalition with the CDU/CSU. During the period in office of the grand coalition, the FDP was in the role of opposition. The party's declared aim during the 1969 election campaign was to install "partnership for progress" in place of the grand coalition. Under Scheel's leadership, the Free Democrats have achieved this aim by forming the present coalition government with the SPD.

EXTRADITION TREATY WITH SPAIN

The PRESIDING OFFICER. The Senate will now proceed to vote on the resolution of ratification of the extradition treaty with Spain.

Mr. DOMINICK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMINICK. Mr. President, is the treaty which is now before the Senate open for discussion or debate, or are we required to vote without knowing what it is all about?

The PRESIDING OFFICER. The Chair rules it is not, under the unanimous consent agreement.

Mr. DOMINICK. I was not here when the unanimous consent agreement was made. I do not know if it makes any difference but I might say that this is a poor way to run a railroad.

Mr. MANSFIELD. I have no parliamentary inquiry to propound, but this treaty was explained in full on Wednesday last. It is in the RECORD and it was discussed thoroughly with the minority leader and it had the full approval of the members of the Committee on Foreign Relations. As a matter of fact, this is a stronger treaty than the usual treaty of extradition because it takes in matters such as drugs, hijacking, and the like.

The PRESIDING OFFICER. The Senate will now proceed to vote on the resolution of ratification of the Extradition Treaty with Spain, Executive N, 91st Congress, second session.

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. BAYH), the Senator from California (Mr. CRANSTON), the Senator from Mississippi (Mr. EASTLAND), 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 Louisiana (Mr. LONG), the Senator from Washington (Mr. MAGNUSON), the Senator from Montana (Mr. METCALF), the Senator from New Mexico (Mr. MONTOYA), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PELL), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Wyoming (Mr. MCGEE), the Senator from Utah (Mr. MOSS), and the Senator from New Hampshire (Mr. MCINTYRE) are absent on official business.

I also announce that the Senator from North Carolina (Mr. JORDAN) is absent because of illness.

I further announce that, if present and voting, the Senator from Iowa (Mr. HUGHES), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Washington (Mr. MAGNUSON), the Senator from Wyoming (Mr. MCGEE), the Senator from Maine (Mr. MUSKIE), and the Senator from California (Mr. TUNNEY), would each vote "yea."

Mr. SCOTT. I announce that the Senator from Colorado (Mr. ALLOTT), the Senators from Arizona (Mr. FANNIN and Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senators from Oregon (Mr. HATFIELD and Mr. PACKWOOD), the Senator from Illinois (Mr. PERCY), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The Senator from Hawaii (Mr. FONG) is absent on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

If present and voting, the Senator from Colorado (Mr. ALLOTT), the Senator from Oregon (Mr. HATFIELD), and the Senator from South Dakota (Mr. MUNDT) would each vote "yea."

The yeas and nays resulted—yeas 72, nays 0, as follows:

[No. 4 Ex.]

YEAS—72

Aiken	Dole	Nelson
Allen	Dominick	Pastore
Anderson	Eagleton	Pearson
Baker	Ellender	Prouty
Beall	Ervin	Proxmire
Bellmon	Fulbright	Randolph
Bennett	Gambrell	Ribicoff
Bentsen	Gravel	Roth
Bible	Gurney	Saxbe
Boggs	Hansen	Schweiker
Brock	Harris	Scott
Brooke	Hart	Smith
Buckley	Hartke	Sparkman
Burdick	Hruska	Spong
Byrd, Va.	Jackson	Stennis
Byrd, W. Va.	Javits	Stevens
Cannon	Jordan, Idaho	Stevenson
Case	Kennedy	Symington
Chiles	Mansfield	Taft
Church	Mathias	Talmadge
Cook	McClellan	Thurmond
Cooper	McGovern	Tower
Cotton	Miller	Weicker
Curtis	Mondale	Williams

NAYS—0

NOT VOTING—28

Allott	Hughes	Moss
Bayh	Humphrey	Mundt
Cranston	Inouye	Muskie
Eastland	Jordan, N.C.	Packwood
Fannin	Long	Pell
Fong	Magnuson	Percy
Goldwater	McGee	Tunney
Griffin	McIntyre	Young
Hatfield	Metcalf	
Hollings	Montoya	

The PRESIDING OFFICER. On this vote the yeas are 72, the nays 0. Two-thirds of the Senators present having voted in the affirmative, the resolution of ratification is agreed to.

LEGISLATIVE SESSION

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

ORDER OF BUSINESS

The PRESIDING OFFICER. Pursuant to previous order, the Chair recognizes the Senator from Massachusetts (Mr. KENNEDY) for not to exceed 30 minutes.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. KENNEDY. I yield for that purpose.

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

Mr. President, I ask unanimous consent that at the conclusion of the remarks by the able Senator from Massachusetts, the distinguished senior Senator from New York (Mr. JAVITS) be recognized for not to exceed 15 minutes.

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

Mr. COTTON. Mr. President, will the Senator yield for a request? I wanted to get 2 minutes after the Senator from Massachusetts. Could I get that?

Mr. KENNEDY. Mr. President, let me say in response to the Senator from New Hampshire that I do not expect to take more than 15 minutes. I shall be delighted at that time to yield to him for 2 minutes. I take this opportunity to notify the distinguished Senator from New York.

Mr. COTTON. Very well.

S. 831—INTRODUCTION OF THE PERSONAL SAFETY FIREARMS ACT OF 1971

Mr. KENNEDY. Mr. President, I introduce a bill in behalf of myself, the Senator from Hawaii (Mr. INOUYE), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from New York (Mr. JAVITS), and ask for its appropriate reference.

The PRESIDING OFFICER (Mr. WEICKER). The bill will be received.

The bill (S. 831) to substantially reduce the personal dangers and fatalities caused by the criminal and violent behavior of those persons who lawlessly misuse firearms by restricting the availability of such firearms for enforcement; military purposes and for certain approved purposes including sporting and recreational uses, introduced by Mr. KENNEDY, for himself and other Senators, was received and read twice by its title.

Mr. KENNEDY. Mr. President, I am introducing a bill designed to halt the senseless eruption of crime and violence due to guns. My bill, the Personal Safety Firearms Act of 1971, will require:

First, the registration of every civilian owned gun in this country;

Second, it will require all gun owners to pass stringent qualifying procedures to legally possess a gun; and

Third, and, my bill bans the domestic output of all hand-held firearms that are not designed for sporting uses.

As Senators are well aware, gun control is an issue that commands widespread public interest, and stirs deep seated emotions. But our society has not yet devised an effective system for curbing lawlessness due to the misuse of firearms. In past years, the Congress has been deeply involved with this vital national concern. The 92d Congress promises to be no different. Already, two gun measures have been introduced in this Senate. And in the House of Representatives, at least 28 different gun bills have been introduced since the new Congress convened.

Chairman CELLER of the House Judiciary Committee introduced the Federal Gun Registration and Licensing Act of 1971, H.R. 3108, on February 1, 1971. That bill seeks to accomplish the goals of dampening the flames of violence and halting the leaping spiral of crime. I know that Chairman CELLER's great skill and judgment of the needs in this area underscore the thrust of his legislation.

My bill seeks to achieve the same goals stressed by Mr. CELLER. It also strives to take the same approach. Mr. President, I am certain that Mr. CELLER shares with me the hope that there will be concerted efforts in both the Senate and the House in this Congress to bring the reality of sane and responsible firearms control to the American people, as swiftly as possible.

NATIONAL HERITAGE OF FIREARMS

Since the day when Pilgrims landed at Plymouth Rock, guns have been an important part of the American life. Not only were they sources of pride and power, but in those days, they held the key to survival. For the frontiersman used his gun to provide food and clothing for his family, and protection against the dangers of the wilderness. The craftsman who fashioned handsome pieces of weaponry earned high respect and esteem from his neighbors. The marksman who could fell a bear with a shot through an eye-socket won the admiration of his villagers. And the lancer who could halt the charge of the red coats took the medals of bravery.

Coming of age for the boy of the frontier was highlighted with his father's offer of the sleek—steel blue long gun that fairly stood higher than the lad's own top knot.

America has always known guns. And her families have long admired the power and the might of a true marksman. But today, in America, our families no longer face the perils of a frontier wilderness. For the American family in 1971, fear, apprehension, mistrust, anguish, and pain are the dreaded products of our firearms history.

Today, it is the misuse and abuse of firearms that taunts the quietude of our family life. We pay an enormous price for our heritage of guns. Over 200,000 gun crimes are committed in 1 year. Sixty-five percent of the murders in 1969 involved guns. And at least 71,000 aggravated assaults occurred with guns; while 113,000 robberies took place at gunpoint.

Based on some estimates, guns are statistically like rats. They outnumber our population. Not surprisingly, our output of ammunition for civilian firearms almost staggers the imagination. American industry outdoes all other nations in the production of bullets. Nearly 5 billion rounds of ammunition flow through the marketplace each year. That is enough, laid end to end, to stretch a bandoleer of ammunition 3 times around the equator. All of those bullets could not only wipe out the world's entire human population, but they could decimate practically most of the world's species of wildlife.

Among the nations of the world, America stands in the bloodiest pool of deaths by gunfire. We are not only ranked No. 1, but No. 2 lags so far behind that a tally of gun deaths in all civilized nations probably would not equal the excessive fusillade we train on our fellow citizens.

In 1963, the homicide rate, that is the rate of murders by gunfire in the United States per 100,000 population, was 2.7. That was 10 times the rate in Belgium; 5 times the rate in Australia and Canada; 20 times the rate in Denmark; 54 times the rate in Great Britain, and 90 times the rate in the Netherlands. From the following table showing gun deaths for 16 countries, it is clear that guns in America place our Nation shamefully ahead:

TOTAL NUMBER AND RATE PER 100,000 POPULATION

Country (year is the latest for which figures are available)	Homicide		Suicide		Accident	
	Number	Rate	Number	Rate	Number	Rate
United States, 1963	5,126	2.7	9,595	5.1	2,263	1.2
Australia, 1963	61	.56	336	3.1	87	.80
Belgium, 1963	24	.26	64	.69	10	.11
Canada, 1963	99	.52	556	2.9	150	.8
Denmark, 1962	6	.13	59	1.3	15	.32
England and Wales, 1963	24	.05	161	.34	77	.16
France, 1962	584	.13	777	.17	265	.56
German Federal Republic, 1962	68	.12	438	.80	93	1.17
Ireland, 1963			7	.25	15	.53
Italy, 1962	351	.70	362	.73	181	.36
Japan, 1962	37	.04	93	.10	90	.09
Netherlands, 1963	3	.03	11	.09	4	.03
New Zealand, 1962	4	.17	39	1.7	6	.26
Scotland, 1963	3	.06	30	.38	13	.25
Sweden, 1963	8	.11	163	2.1	27	.36
Switzerland, 1962					26	.46

The United States is a glaring exception among the civilized societies that have acted to control guns. In Italy, West Germany, France, Belgium, Britain, and the Soviet Union, "the right to bear arms" is a strictly regulated privilege. In Japan, private gun ownership is all but prohibited. No less than five European countries totally prohibit the private possession of handguns. From a 1968 State Department survey of 102 of its diplomatic posts, results show that 29 European countries require either a license to carry a firearm or registration of the ownership or sale of each privately owned fream or both.

Yet, until 1968 in the United States, there was nothing to prevent the mail order sale of deadly high powered rifles or cheap pocket size pistols—sometimes called "Saturday night specials"—because they figure in so many of the murders that police blotters record on Saturday nights.

FIREARMS, VIOLENCE, AND CONTROLS

Violence and firearms are dreadfully interwined. Causes of violence and the effects of firearms generate lively public debates from which one message emerges—in America, there are too many guns. The statistics scrawl a profile that in all too clear. Where gun ownership is highest, deaths caused by guns are also highest. About 60 percent of all households in the States of the South report ownership of guns. Southern States have the highest gun ownership in the Nation. Those States also have the highest number of firearm homicides. In 1969, over 70 percent of homicide victims in the South died from gun wounds. The national average was 65 percent. The South even leads in the rate of accidental gun deaths, with nearly 3 per hundred thousand population. Where more guns are available more people die by them. If for no other reason, the appalling nationwide rate of accidental gun deaths would be sufficient to warrant strict national gun controls.

Americans are now dying at the rate of 2,900 each year from accidents caused by guns. Another 20,000 of our neighbors suffer gunshot injuries each year; and approximately half of all suicides are accomplished with guns. Alarmingly, 40 percent of all firearm fatalities are children between the ages of 1 and 19. In 1966, 9 percent of those youngsters were less than 10 years old. Though we are grimly resigned to the killing rendered by adults intent on destruction, what lies in the future for our children if we continue to carelessly leave them exposed to the dangers of unguarded firearms? Even in the face of the enormous toll that we pay for our national heritage of firearms thousands of Americans would vigorously resist attempts to place restraints on their possession of firearms.

The opponents of gun control insist that we cannot limit the supply of guns enough to reduce the incidence of violent crime. This view argues that criminals may still be able to obtain handguns through illicit channels. But the fact is that laws can shrink the supply of guns, especially cheap guns. The 1968 gun control law has substantially reduced imports of junk handguns. Only a sharp rise in domestic output of these cheap concealable weapons has kept these tools

of violence available. As soon as we establish effective bans on the domestic output of these tiny weapons, I believe we can sharply reduce the awesome rate of death caused by pistol fire. For, if the criminal has to steal a gun before he can use a gun, he will use a gun much less frequently.

There are others who believe "their right to bear arms" is borne in the Constitution. As every schoolboy knows, the only language in the Constitution about firearms comes in the Second Amendment which is concerned with "a well regulated militia being necessary to the security of a free State." In his great book "Crime in America," Ramsey Clark makes the meaning of that language perfectly clear—that amendment "insures to the States the right to maintain an armed militia. The second amendment has nothing to do with the individual ownership and possession of guns. The courts have repeatedly rendered that this amendment only prohibits the Federal Government from interfering with the State militia. There is no question that Federal, State, and local governments are constitutionally endowed with the power to strictly regulate the possession of guns."

Moreover, I agree with Mr. Clark, who rendered a splendid national service as Attorney General under President Johnson—that "If Government is incapable of keeping guns from the potential criminal while permitting them to the law-abiding citizen, then Government is inadequate to the times. He sees that perhaps our only alternative is to remove guns from the American scene."

One other common refrain against firearms control is that "Guns don't kill, people do." But a quick look at the statistics and commonsense tell us that it is when guns are in hand, that two-thirds of the people who kill other people do so; and it is when guns are in hand that over 100,000 robberies a year are committed, and it is when guns are in hand that one-quarter of the Nation's 300,000 aggravated assaults are committed.

Murder is usually committed in a moment of rage. Guns are quick and easy to use. They are also deadly accurate, and they are all too often readily accessible. Some estimate that there are over 200 million guns in private ownership in this country. Each year, American factories produce 2 million firearms for civilian use. Because guns are available people use them.

Rarely does an attacker make a deliberate choice of a gun over a knife. But because the fatality rate of knife wounds is about one-fifth that of gun wounds, it may be concluded that using a knife instead of a gun might cause 80 percent fewer deaths.

Others make the argument that because criminals have guns, gun controls will simply disarm abiding citizens. Lawless citizens, according to that argument, will feel unobliged to be bound by gun restrictions.

Perhaps there is something to that. And for that reason, I am convinced that gun restrictions can be effective in limiting the wholesale misuse of firearms. Strict gun restrictions will aid in disarming any who fail to register their weapons or obtain a license for ownership. Indeed, the enforcement of licensing and registration laws serves to isolate precisely those citizens who flaunt the law. For enactment of such legislation makes it a crime merely to possess an unregistered firearm. Commission of a crime with such a weapon compounds the wrong of any illegal act.

It may be that the greatest number who protest gun controls do so on the basis that the administrative requirements for registration are cumbersome and inconvenient. Last month when he introduced a bill that affects the record-keeping requirements for .22-caliber ammunition, my very able colleague from Wyoming stated that such requirements are "unfair and punitive in that the persons really affected so adversely are law abiding citizens who pursue shooting as a hobby or as a form of recreation." I believe that any measure we might adopt which will substantially reduce the misuse of firearms will at the same time, enhance whatever pleasures that may be derived from these so-called recreational pursuits.

If the only price of firearms record-keeping requirements is the inconvenience to gun users then with my bill, the American public will have been delivered a special bargain.

"Prevention of crime and apprehension of criminals would be enhanced if each firearm were registered with a governmental jurisdiction. A record of ownership would aid the police in tracing and locating those who have committed or who threaten to commit violent crime. Law enforcement officers should know where each gun is and who owns it." That statement embodies a recommendation of the President's Commission on Law Enforcement and Administration of Justice in the report submitted by the Commission's Chairman, Nicholas Katzenbach in February 1967.

Our law-enforcement agencies see gun controls as the single most important measure to aid in the control of crime. J. Edgar Hoover in testimony before the House Appropriations Committee on February 16, 1967, supported the need for registration and licensing of civilian firearms. Law-enforcement officers want all citizens to safely enjoy life's comforts in the sanctity of their home communities. Not only does this desire express the policemens' concern for his fellow man but it also expresses his increasing apprehension about the safety of his own life.

Police officers killed by criminal action vaulted to a record high of 86 in 1969. That was a 34-percent increase over 1968 when 64 policemen were murdered. Tragically, in the decade of the 1960's, 561 policemen lost their lives. And all but 23 of those deaths were caused by gunfire. Policemen know that even they will perform more effectively when our citizens no longer have easy access to guns. In England and Wales, a study of 400,000 arrests for serious crimes revealed that only 159 persons possessed guns. In America, reviewing a similar number of arrests showed police were confronted with tens of thousands who were armed at the time of their apprehension.

Even those who claim a need for guns to provide personal protection for their family or their business run a greater risk than those who are gunless. Ramsey Clark says:

> A state in which a citizen needs a gun to defend himself from crime has failed to perform its first purpose. . . . The wrong people survive, because the calculating killer or the uninhibited psychotic more often wields the faster gun. The average citizen with a gun acting in self defense is a greater danger to himself and innocent people in the vicinity than is the crime he would commit.

It is interesting, Mr. President, that we Americans can take the time to go down and get automobile licenses, hunting licenses, or marriage licenses, and yet we hear a huge outcry when it comes to the suggestion of getting some kind of license or registration for the weapons of violence, long guns, and handguns.

Gun control laws in the United States are woefully inadequate. In our vast urban society guns should have no reasonable role. But they do. And we have not yet devised a sane national policy of firearms control. I believe this is the time to introduce meaningful gun legislation. It is not hysteria that commands our attention for controls—but rather it is the need to reduce the apprehension and community fear caused by an annual rate of 200,000 gun crimes.

Violence in America pervades every person's life. Only with bold, direct action can we expect to manage the crisis of firearms misuse. Existing Federal laws haven't been able to get at the real problems caused by the vast arsenal of firearms available to those intent on lawlessness.

The National Firearms Act of 1934 has been effective in controlling machine-guns, sawed-off rifles and shotguns, mufflers and silencers.

The Federal Firearms Act of 1938 requires the licensing of all manufacturers and dealers who use the facilities of interstate or foreign commerce.

A third Federal law enacted in 1954, the Mutual Security Act, authorizes the President to regulate the export and import of firearms.

Then in 1968, Congress passed the Gun Control Act—which principally affects interstate and mail order sales of firearms and ammunition. That measure has since been weakened by the exclusion of long gun ammunition from its record-keeping provisions. Moreover, there are current attempts to exclude even .22-caliber rimfire ammunition from coverage under that law.

I am unalterably opposed to both of those attacks on the 1968 Gun Control Act, Removal of .22-caliber ammunition from that law would virtually render the law useless.

And so it is, to assure the protection of our people from the lawless misuse of firearms, existing measures have been less than adequate.

THE PERSONAL SAFETY FIREARMS ACT OF 1971

I propose, therefore, legislation that will make a significant advance in the direction of halting the unbridled flow of guns that today ensnares all of our lives.

I am introducing "The Personal Safety Firearms Act of 1971." The essential features of my bill contain three basic provisions:

I propose first, the registration of every gun in America.

Second, that firearms ownership be attained only through approval of effective licensing procedures. Each gun owner must have a permit before he is authorized to have a gun.

Finally, I propose a ban on the output of all hand-held firearms that are not intended for legitimate uses.

A principal purpose of the first requirement—that all firearms must be registered—is to provide an improved system for law-enforcement agencies to trace those who commit crimes with firearms. This provision covers all firearms, both those already in private hands and those to be acquired in the future.

Conservative estimates show that 90 million firearms are in civilian hands in the United States today—35 million rifles; 31 million shotguns and 24 million handguns—in 60 million households. Other estimates have put the tally of firearms as high as 200 million. By any account, those are exorbitant numbers. Each year 2 million new firearms are produced by American industry. Yet, there is no system in this country that attempts to bring order to the explosive spread of these deadly devices.

Registration will tell us how many guns there are, where they are, and in whose hands they are held.

Under my bill, registration information will be referred to the National Crime Information Center maintained by the Federal Bureau of Investigation, thus enabling enforcement officers throughout the country to trace immediately the ownership of any firearm. A person who carries a firearm must have with him a certificate of registration, which he must exhibit upon the demand of any law-enforcement officer.

Under the terms of the proposal, a violation of the registration provisions is punishable by imprisonment for up to 5 years, a fine of up to $5,000, or both. The Secretary has authority to declare periods of amnesty during which previously unregistered weapons may be registered without penalty. Any purposeful falsification or forgery of registration information is punishable by imprisonment for up to 5 years, or a fine of up to $10,000 or both.

The second feature of my bill requiring every gun owner to obtain a license before he may be entrusted with a gun—is fundamental in guarding against the hazards of indiscriminately allowing criminals to obtain firearms.

A gun is such a terribly vicious weapon, that members of a civilized society should mandate gun owners to prove that they are not disqualified from having access to these instruments of death.

Under the provisions of my bill, if a State does not adopt a firearms permit system that meets minimum standards specified in the bill, Federal licensing will become effective until the State adopts an adequate permit system. No person—whether a licensed dealer or a private individual may sell firearms or ammunition to an individual who does not have either an adequate State permit or a Federal gun license. In addition, no one may possess a firearm or ammunition unless he has either an adequate State permit or a Federal gun license. To qualify as having an adequate permit system, a State must restrict the issuance of permits applied for by convicted felons, fugitives from justice, mental defectives, alcoholics, juveniles, and drug addicts, and must adequately investigate applicants prior to the issuance of permits.

In States that do not enact adequate permit systems, Federal gun licenses, valid for up to 3 years, will be issued by federally licensed dealers upon receipt—from both the chief law enforcement officer of an applicant's locality and a licensed physician—of information bearing upon his eligibility for a Federal gun license.

The sale or possession of firearms or ammunition in violation of the licensing and permit provisions of the bill carries a maximum sentence of imprisonment for 5 years and a fine of $5,000.

The purpose of the third provision of my bill—banning the domestic output of cheap hand-held firearms—is to get at the heart of the problem of those guns used in crime. The handgun's role in crime is disproportionate to its number in comparison with long guns, in the commission of homicide, aggravated assault, and armed robbery. Over 50 percent of the 15,000 homicides in 1969 were committed with handguns. Virtually every robbery involving a firearm takes place with a handgun. The percentage of violent crimes in which handguns are used is increasing. During 1969, handguns were used in 81 percent of the murders of police officers killed by criminal assaults. For the period 1960–69, 78 percent of the weapons used in police murders were handguns. From the working papers of the National Commission on Reform of Federal Criminal Laws, Prof. Franklin Zimring explains why it is vital that we have a nationwide system for the control of firearms, particularly for hand-held firearms:

> In Massachusetts, where restrictive handgun licensing has been in effect for many years, a study showed that 87 percent of the firearms confiscated as a result of use in crime came from other states, and similar studies by the Task Force on Firearms of the Eisenhower Commission show a similar pattern to be true in New York City, with restrictive handgun licensing, and Detroit, Michigan, with a permissive handgun licensing system and a geographic vulnerability to the inflow of weapons from Toledo, Ohio.

Based on an exhaustive examination of patterns of firearms crime, the Brown Commission recommended "a ban on the production and possession of and trafficking in handguns."

A majority of the members of that Commission know that State control of hand-held firearms is ineffective because of different policies and leakage between the States. Only a comprehensive and uniform system of controls of hand-held firearms will aid in suppressing the crimes of violence caused by these weapons.

My bill seeks to accomplish that goal, and I look forward to the support of the executive agencies in establishing procedures to implement these provisions. I am confident that when the Justice Department completes its review of the Brown Commission's recommendations, the Attorney General will know why his recently expressed view that handgun controls should rest with the States is not a viable position. As our Nation's chief law enforcement officer, the public looks to the Attorney General for effective national policies to safeguard our rights and protect our property. Elimination of indiscriminate access to hand-held firearms can help to make our communities safe.

I intend to work diligently to assist the Department in efforts to reduce crime by hand-held firearms.

NATIONAL FIREARMS POLICY

Firearms legislation is in demand because the Nation needs direction as well as legal authority for suppressing the lawlessness aggravated by the presence of so many guns. I intend to gain, for the American people, effective firearms legislation. At the same time, I believe that a sane firearms policy should be adopted for the safety of our citizens. Beyond Federal legislation, the Eisenhower Commission in 1969, recommended the development of a two-step national firearms policy through:

First, public education campaigns. With cooperation from the National Rifle Association and other firearms organizations the public can be properly made aware of the role of firearms in American life. By stressing firearms safety and deemphasizing the glamour and power of firearms use—perhaps, such campaigns will reduce the glitter of the firearms mystique in a fashion similar to our recent awakening about the hazards of cigarette smoking.

Second, research on the relationship of firearms and violence. Not only are firearms involved in deliberate acts of mayhem but their mere existence contributes to accidents and needless destruction—nearly half of the Nation's 20,000 annual suicides are accomplished with a gun. We need research that will aid in developing nonlethal weapons and in designing firearms control systems. For a nation that treasures life and the joy of living we in America are paradoxically overwhelmed with the tools of destruction. If it is not immediately feasible to eliminate firearms from the American scene, there ought to be a high national priority to apply some reasonable restrictions on the use of the vast arsenals at our disposal.

An effective national firearms policy will contribute to the overdue need for a curb in firearms violence. Guns are made for one purpose only—to put a bullet through something. Reasonable men can agree that no man deserves to hold the power of ending another's life because of the indiscriminate use of such a lethal contrivance. Up to this point, this Nation has not agreed on how to control that power. Yet, we have allowed and indeed, encouraged, a burgeoning explosion of these weapons of destruction. I hope to join with all Americans who treasure the sanctity of life, in seeking to bring a halt to the violence and car-

nage that we inflict upon each other, and bring an end to the violence and the killing guns cause.

In a Nation that has over 90 million firearms accessible to its people, the issue of gun controls and responsible use of guns is an extremely critical one. To speak of reasonable or legitimate firearms use in some instances can draw startlingly disparate reactions—at one extreme are those who urge extended arming of our civilian population to "keep America strong"; at the other extreme are those who would place the confiscation of all firearms as our No. 1 national priority. The latter, however, has often been described as folly because it is not a feasible way to approach the problem. Yet, some take the view that strict bans on the production and distribution of ammunition would solve the gun problem in quick order. No bullets—no shooting. Perhaps, that is where we should be headed.

I do not know that this is a feasible or practical alternative. But, I do believe that a majority of the American people want to see an end to gun crime, and such a bold approach may be what is needed to meet the crisis of firearms abuse in this country. America looks to Congress for the lead in matters of national survival. Complex issues such as this one deserve considerable deliberation and extensive study. Fortunately, this is one area that has already received plenty of both. The proper move for us now is to act to bring sense and reason to solve the problems.

Never has Congress or the American public been presented with an on-going organized effort to sustain public education and awareness of the proper role of firearms in our lives. Hopefully, there can be developed public information and education campaigns that will stimulate an interest in responsible firearms use. Research for nonlethal weaponry may be supported. And it is hoped that we will see the development of a renewed gun philosophy that will revise our zeal in the gun mystique. I believe with that kind of publicly developed setting for reforming the role of firearms in our society, enactment and enforcement of adequate gun controls can be achieved. I intend to work vigorously toward that goal.

Mr. President, this subject has been reviewed in considerable detail by three commissions that have studied crime and violence in this country. The Crime Commission of 1967 recommended, in effect, the essential provisions that have been included and incorporated in the bill I am introducing today. Later, a very distinguished group was established by President Johnson, headed by Milton Eisenhower, the distinguished former president of Johns Hopkins University and the brother of President Eisenhower, a man of great commitment to the public interest and public good. He chaired extensive hearings of a commission that was made up of many distinguished authorities in law enforcement. That commission, in its report, came out with essentially the same recommendations that have been included and incorporated in the bill I am introducing.

Finally, in the last 10 days, the Criminal Law Subcommittee of the Committee on the Judiciary, under Chairman McCLELLAN, had before it former Governor Brown, who chaired a third Commission, appointed, again, by President Johnson, to study what can be effectively done to halt the growth of crime and violence in this country; and the Brown commission came back, once again, with the same recommendations.

It is difficult to imagine the distress some of us have felt, as members of the Judiciary Committee, when the distinguished Attorney General of the United States, who has appeared before that committee during the last 2 years, has been asked repeatedly about his position and the position of the Justice Department with respect to firearms control. Time after time, he has failed to respond as to what the position of the Justice Department is. He insists that this is matter for the Treasury Department, that the Treasury Department should be coming before the committee to comment on this matter. In spite of the fact that the three previous Attorneys General of the United States have stated that one of the most important and meaningful things that could be done by the Congress is to halt the escalation of crime in this country with the enactment of this kind of legislation. And because the Attorney General of the United States is the principal law enforcement officer in this country the public looks to him for guidance and leadership on this issue.

Time and time again we have heard the President talk about how he is charged with meeting the problems of crime and violence in this country. Yet the position of the administration on this issue is not at all clearly stated. It does not surprise me, when we realize the tremendous power and influence of many organizations—the national rifle organization and other groups in this country—that time and time again, the Congress has acted to frustrate the overwhelmingly expressed view of the American people, despite the fact that every poll has indicated strong support for greater control of hand guns and long guns.

So we realize that once again it will be an uphill battle to gain the kind of support and cooperation that I think the American people are entitled to on this question. We hear much talk about the problems of crime and violence in this country. We hear statement after statement about whether crime is increasing or decreasing. We hear about what is being done from various studies and about what new efforts are being made to halt organized crime. Something can be done and can be done immediately to really help meet the problems of crime in the streets of this country. Repeatedly, the recommendations for reform are of the type proposed in the bill I offered today. It is not merely that by myself that these recommendations have been offered, but similar ideas from many other Members of this body who have also thought about this, also by distinguished groups of law enforcement personnel, and now we find substantial support for the need to stem the rise in crime by developing a national system of firearms control.

In the past failure to act on this vital national crisis resulted from those who yielded to the pressures of special interest groups. Failing to act ultimately means that the interest of the American people is put behind the very strong opposition of various lobbying groups. That is a tragic indictment of our national condition.

I hope that the American people will at every opportunity, ask our national officials about their position with respect to gun control. Gun controls must be enacted, but it will not be done unless we have strong support for it.

We often hear some people say that those who come from the more densely populated areas of the country do not understand the fact that in other parts of our Nation, the less populated parts, the people really understand the use of firearms. But we cannot get around the fact that President Johnson, who is from the great State of Texas, where firearms have been used for hunting and sporting purposes throughout the State's history, enthusiastically endorsed strong recommendations in terms of halting the distribution and the abuse of firearms.

Mr. President, I think it is time that the rest of us got about the business of doing this. The legislation, I propose, will provide a meaningful first step in helping to reach that goal. Registration of all guns and licensing of all gun owners have been effectively endorsed by Attorney General after Attorney General. It has been endorsed by those principal groups who have given full consideration and deliberation to the subject matter. All that is really waiting now is for the will of Congress to respond. I am hopeful that we can do so.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. WEICKER). The Senator will state it.

Mr. KENNEDY. To which committee has this bill been referred?

The PRESIDING OFFICER. The bill has not been referred as yet to a committee.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the bill be referred to the Judiciary Committee, and that it be printed in the RECORD.

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

The bill (S. 831), ordered to be printed in the RECORD, is as follows:

S. 831

A bill to substantially reduce the personal dangers and fatalities caused by the criminal and violent behavior of those persons who lawlessly mis-use firearms by restricting the availability of such firearms for law enforcement; military purposes and for certain approved purposes including sporting and recreational uses

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

TITLE I—REGISTRATION

SEC. 101. Title 18, United States Code, is amended by inserting after chapter 44 the following new chapter:

CHAPTER 44A

"Sec.
"931. Definitions
"932. Registration
"933. Sales of Firearms and Ammunition
"934. Penalties
"935. Disposition of Firearms to Secretary
"936. Rules and Regulations; Periods of Amnesty
"937. Disclosure of Information
"938. Assistance to Secretary

"§ 931. DEFINITIONS

"As used in this chapter—

"(1) The term 'firearm' means a weapon (including a hand-held firearm and a starter gun) which will or is designed to or may readily be converted to expel a projectile by the action of an explosive, but shall not include a firearm as that term is defined in chapter 53 of the Internal Revenue Code of 1954 or an antique firearm as defined in section 921 of this title.

"(2) The term 'hand held firearm' means any weapon designed or redesigned to be fired while held in one hand; having a barrel less than ten inches in length and designed or redesigned or made or remade to use the energy of an explosive to expel a projectile or projectiles through smooth of rifled bore.

"(3) The term 'Secretary' means the Secretary of the Treasury.

"(4) The term 'licensed dealer' means any importer, manufacturer, or dealer licensed under the provisions of chapter 44 of this title.

"(5) The term 'ammunition' means ammunition or cartridge cases, primers, bullets, or propellant powder designed for use in any firearm.

"(6) The term 'sell' means give, bequeath or otherwise transfer ownership.

"(7) The term 'possess' means asserting ownership or having custody and control not subject to termination by another or after a fixed period of time.

"§ 932. REGISTRATION.

(a) It is unlawful for a person knowingly to possess a firearm not registered in accordance with the provisions of this section. This subsection shall not apply with respect to—

"(1) a firearm, previously not registered, if such a firearm is held by a certified dealer for purposes of sale: Provided, records of such firearms are kept as may be required by the Secretary;

"(2) a firearm possessed by a person on the effective date of this Act and continuously by such person thereafter for a period not to exceed 180 days;

"(3) a firearm, previously not registered, possessed by (A) the United States or any department or agency thereof, or (3) any State or political subdivision thereof.

"(b) (1) A certified dealer who sells a firearm to a person in whose possession the firearm must be registered shall require from the purchaser a completed application for registering the firearm and shall file the application with the Secretary at the time of sale.

"(2) When a person other than a certified dealer sells a firearm, the purchaser shall file an application for its registration with the Secretary prior to receipt of the firearm.

"(3) A person who possesses a firearm on the effective date of this Act shall, unless he sooner sells the firearm, file an application for registration of the firearm with the Secretary within 180 days.

"(c) An application for registration of a firearm shall be in a form to be prescribed by the Secretary, which shall include at least the following:

"(1) the name, address, date and place of birth, photograph and social security or taxpayer identification number of the applicant;

"(2) the name of the manufacturer, the caliber or gauge, the model and the type, and the serial number of the firearm; and

"(3) the date, the place, and the name and address of the person from whom the firearm was obtained, the number of such person's Certificate of Registration of such firearm if any, and, if such person is a licensed dealer, his license number.

"(d) An application for registration of a firearm shall be in duplicate. The original application shall be signed by the applicant and filed with the Secretary, either in person or by certified mail, return receipt requested, in such place as the Secretary by regulation may provide. The duplicate shall be retained by the applicant as temporary evidence of registration. The Secretary after receipt for a duly filed completed application for registration, shall send to the applicant a numbered registration certificate identifying such person as the registered owner of such firearm.

"(e) The certified record of a firearm shall expire upon any change of the name of the registered owner or residence unless the Secretary is notified within 30 days of such change.

"(f) It is unlawful for a person to carry a firearm required to be registered by this chapter without having registration certificate or if such certification has not been received, temporary evidence of registration or to refuse to exhibit such certificate or temporary evidence upon demand of a law enforcement officer.

"§ 933. SALES OF FIREARMS AND AMMUNITION

"(a) A registrant of a firearm who sells the firearm shall, within 5 days of the sale, return to the Secretary his registration certificate noting on it the name and residence address of the transferee, and the date of delivery.

"(b) Whoever acquires a firearm required to be registered by this chapter shall require the seller to exhibit a registration certificate and shall note the number of the certificate on his application for registration.

"(c) A licensed dealer shall not take or receive a firearm by way of pledge or pawn without also taking and retaining during the term of such pledge or pawn the registration certificate. If such pledge or pawn is not redeemed the dealer shall return the registration certificate to the Secretary and record the firearm in his own name.

"(d) The executor or administrator of an estate containing a registered firearm shall promptly notify the Secretary of the death of the registered owner and shall, at the time of any transfer of the firearm, return the certificate of registration to the Secretary as provided in subsection (a) of this section. The executor or administrator of an estate containing an unrecorded firearm shall promptly record the firearm, without penalty for any prior failure to record it.

"(e) Whoever possesses a firearm shall within 10 days notify the Secretary of a loss, theft or destruction of the firearm, and, after such notice, of any recovery.

"(f) A licensed dealer shall not sell ammunition to a person for use in a firearm required to be registered without requiring the purchaser to exhibit a certificate of registration or temporary evidence of registration of a firearm which uses such ammunition, and noting the certificate number or date of the temporary evidence of registration on the records required to be maintained by the dealer pursuant to section 923(d) of this article.

"§ 934. PENALTIES.

"(a) Whoever violates a provision of § 932 or § 933 shall be punished by imprisonment not to exceed 5 years, or by a fine not to exceed $5,000, or both.

"(b) Whoever knowingly falsifies any information required to be filed with the Secretary pursuant to this chapter, or forges or alters any Certificate of Registration or temporary evidence of registration, shall be punished by imprisonment not to exceed 5 years or a fine not to exceed $10,000 or both.

"(c) Except as provided in subsection (b), no information or evidence obtained from an application or Certificate of Registration required to be submitted or retained by a natural person in order to comply with any provision of this chapter or regulations issued by the Secretary, shall be used as evidence against that person in a criminal proceeding with respect to a violation of law occurring prior to or concurrently with the filing of the application for registration containing the information or evidence.

"§ 935. DISPOSITION OF FIREARMS TO SECRETARY.

"(a) The Secretary is authorized to pay reasonable value for firearms voluntarily relinquished to him.

"(b) A person who lawfully, possessed a firearm prior to the operative effect of any provision of this title, and who becomes ineligible to possess such firearm by virtue of such provision, shall receive reasonable compensation for the firearm upon its surrender to the Secretary.

"§ 936. RULES AND REGULATIONS; PERIODS OF AMNESTY.

"The Secretary may prescribe such rules and regulations as he deems reasonably necessary to carry out the provisions of this chapter, including reasonable requirements for the making of firearms that do not have serial numbers, and may declare periods of amnesty for the registration of firearms.

"§ 937. DISCLOSURE OF INFORMATION.

"Information contained on any certificate of registration or application therefore shall not be disclosed except to the National Crime Information Center established by the Federal Bureau of Investigation, and to law enforcement officers requiring such information inpursuit of their official duties.

"§ 938. ASSISTANCE TO THE SECRETARY.

"When requested by the Secretary, Federal departments and agencies shall assist the Secretary in the administration of this title."

TITLE II—LICENSING

SEC. 201. Chapter 44 of title 18, United States Code is amended by inserting after section 923, the following new section:

"§ 923A. STATE PERMIT SYSTEMS; FEDERAL FIREARMS LICENSING.

"(a) The Secretary shall determine which States or political subdivisions of States have enacted or adopted adequate permit systems for the possession of firearms and shall publish in the Federal Register the names of such States and political subdivisions.

"(b) An adequate permit system shall include provisions for:

"(1) identification of the permit holder appearing on the permit including name, address, age, signature and photograph;

"(2) restrictions on issuance of a permit to a person who is under indictment or who has been convicted in any court of a crime punishable by imprisonment for a term exceeding one year, or who is a fugitive from justice;

"(3) restrictions on issuance of a permit to a person who, by reason of age, mental condition, alcoholism, drug addiction or previous violations of firearms laws cannot be relied upon to possess or use firearms safely and responsibly;

"(4) means of investigation of applicants for permits to determine their eligibility under subparagraphs (2) and (3), including filing with the issuing agency a complete set of fingerprints and a recent photograph of the applicant; and

"(5) prohibition of possessions of firearms or ammunition by any person who has not been issued such a permit.

"(c) It shall be unlawful for any person to sell or otherwise transfer any firearm or ammunition to any person (other than a licensed importer, license manufacturer or licensed dealer) unless:

"(1) the sale or transfer is not prohibited by any other provision of this chapter; and

"(2) the purchaser or transferee exhibits a valid permit issued to him by a State or political subdivision having an adequate permit system, or the purchaser or transferee exhibits a valid Federal gun license issued in accordance with subsections (d) and (e).

"(d) A licensed dealer shall issue a Federal gun license to a person upon presentation of:

"(1) a valid official document issued by the person's State or political subdivision, showing his name, current address, age, signature and photograph;

"(2) a statement, in a form to be prescribed by the Secretary and dated within 6 months and signed by the chief law enforcement officer (or his delegate) of the locality of residence of the person, that to the best of that officer's knowledge that person is not under indictment, has not been convicted in any court of a crime punishable by imprisonment for a term exceeding 1 year, is not a fugitive from justice, and is not otherwise prohibited by any provision of federal, States, or local law from possessing firearms and ammunition;

"(3) a statement in a form to be prescribed by the Secretary, dated within 6 months and signed by a licensed physician, that in his professional opinion such person is mentally and physically capable of possessing and using a firearm safely and responsibly;

"(4) a statement signed by the person in a form to be prescribed by the Secretary, that he may lawfully possess firearms and ammunitions under the laws of the United States and of the State and political subdivision of his residence;

"(5) a complete set of such person's fingerprints certified to by a Federal, State, or local law enforcement officer, and a photograph reasonably identifying the person.

"(e) Federal gun licenses shall be issued in such form as the Secretary may prescribe, and shall be valid for a period not to exceed 3 years. A dealer shall maintain a record of all licenses issued by him as part of the records required to be maintained by section 923(d) of this chapter, and shall forward to the Secretary the documents described in subparagraphs (d)(2)–(d)(5).

"(f) Any person denied a federal gun license under subsection (d) may apply directly to the Secretary, for the issuance of a federal gun license.

"(g) Unless otherwise prohibited by this chapter, a licensed dealer may ship a firearm or ammunition to a person only if the dealer confirms that the purchaser has been issued a valid permit pursuant to an adequate state permit system, a federal gun license, or a federal dealer's license, and notes the number of such permit or license in the records required to be kept by section 923 of this chapter.

"(h) No person may possess a firearm or ammunition without a valid state or local permit, if he is resident of a state or locality having an adequate permit system, or a federal gun license.

"(i) Determinations of adequate permit systems and denials by the Secretary of federal gun licenses shall not be subject to the provisions of chapter 5, title 5, United States Code, but actions of the Secretary shall be reviewable de novo pursuant to chapter 7, title 5, United States Code, in an action instituted by any person, State or political subdivision adversely affected."

SEC. 202. The analysis of chapter 44 of title 18, United States Code is amended by inserting immediately after "923. Licensing.", the following:

"923A. State Permit Systems; Federal Firearms Licenses

TITLE III—HAND HELD FIREARMS

Section 922 of Title 18, USC is amended by adding at the end thereof the following subsection:

(n)(1) It shall be unlawful for any person to import, manufacture, sell, buy, transfer, receive, or transport any hand held firearms which the Secretary determines to be unsuitable for such lawful purposes as law enforcement, military and protective uses, hunting and sport shooting, based upon standards established by him.

(2) The Secretary may, consistent with public safety and necessity, exempt from the operation of subsection (1) of this section such importation, manufacture, sale, purchase, transfer, receipt, or transportation of firearms by importers, manufacturers, or dealers, licensed under this chapter.

Such exemptions may take into consideration not only the needs of police officers and security guards, sportsmen, target shooters and firearms collectors but also, small businesses in high crimes areas and others who can demonstrate a special need for self protection.

(3) The term hand held firearm means any weapon designed or redesigned and intended to be fired while held in one hand; having a barrel less than ten inches in length and designed, redesigned or made or remade to use the energy of an explosive to expel a projectile or projectiles through a smooth or rifled bore.

TITLE IV—GENERAL PROVISIONS

SEC. 401. SEPARABILITY.—If the provisions of any part of this Act or any amendments made thereby or the application thereof to any person or circumstances be held invalid, the provisions of the other parts and their application to other persons or circumstances shall not be affected thereby.

SEC. 402. EFFECT ON STATE LAW.—No provision of this Act shall be construed as indicating an intent on the part of the Congress to occupy the field in which such provisions operate to the exclusion of the law of a State or possession or political subdivision thereof, on the same subject matter, or to relieve any person of any obligation imposed by any law of any State, possession, or political subdivision thereof.

SEC. 403. EFFECTIVE DATE.—The provisions of this Act shall become effective 90 days after the date of its enactment.

Mr. KENNEDY. Mr. President, I thank the Chair. Under the previous order, I would like now to yield 2 minutes to the distinguished Senator from New Hampshire (Mr. COTTON) and then I will notify the Senator from New York (Mr. JAVITS) of his time to speak.

The PRESIDING OFFICER. The Senator from Massachusetts has 10 minutes remaining.

Mr. KENNEDY. I thank the Chair.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Senate Resolution 33, 87th Congress appoints the Senator from Massachusetts (Mr. BROOKE) and the Senator from Illinois (Mr. PERCY) to the Special Committee on Aging.

The Chair, on behalf of the Vice President, pursuant to Public Law 86–417, appoints the Senator from Nevada (Mr. BIBLE) to the James Madison Memorial Commission.

ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that there may be a brief quorum call without prejudice to the Senator from New York (Mr. JAVITS) under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Pursuant to the previous order, the Chair now recognizes the Senator from New York (Mr. JAVITS) for not to exceed 15 minutes.

Mr. JAVITS. Mr. President, I yield to the Senator from West Virginia without losing my right to the floor.

Mr. BYRD of West Virginia. I thank the Senator from New York.

ORDER FOR RECESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 12 o'clock meridian tomorrow.

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

(Subsequently, this order was modified to provide for the Senate to convene at 11:45 a.m. tomorrow.)

ORDER FOR RECESS TO FRIDAY, FEBRUARY 19, 1971

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that when the Senate completes its business on tomorrow, it stand in recess until 12 o'clock meridian on Friday next.

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

ORDER FOR HOLDING PRESIDENTIAL MESSAGES AT THE DESK

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Presidential messages on the environment and accompanying references thereon be held at the desk until Wednesday next. This will permit sufficient time to work out multiple referral arrangements for many of these messages accompanying the bill.

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

MESSAGE FROM THE GERMAN BUNDESTAG EXPRESSING CONDOLENCES ON THE PASSING OF SENATOR RUSSELL OF GEORGIA

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that, notwithstanding paragraph 5 of rule VII, a message from the President of the German Bundestag to Vice President AGNEW, expressing condolences of the German Bundestag with regard to the passing of the late Richard Russell of Georgia be received and printed in the RECORD.

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

Mr. SPIRO AGNEW,
Vice President of the U.S. Congress,
Washington, D.C.:

On the death of the Senator from Georgia, Richard B. Russell, I extend to you and the

Senate the sincere condolences of the German Bundestag. Senator Russell will remain, far beyond the borders of the United States, an example of the fact that a sincere and independent member of a parliamentary body not only earns praise for his responsible work from his friends but also wins the respect of his opponents.

KAI-UWE VON HASSEL,
President of the German Bundestag.

ORDER OF BUSINESS

Mr. JAVITS. Mr. President, I should like to inquire of the Senator from West Virginia if I might get 15 minutes tomorrow morning for the purpose of introducing an important bill. Could the Senator from West Virginia provide for that?

Mr. BYRD of West Virginia. Yes.

ORDER FOR RECESS TO 11:45 A.M.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 11:45 a.m. tomorrow.

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

ORDER FOR RECOGNITION OF SENATOR JAVITS TOMORROW

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that, on tomorrow, immediately following approval of the Journal, if there is no objection, and the recognition of the majority and the minority leaders under the previous order of January 29, 1971, the able Senator from New York (Mr. JAVITS) be recognized for not to exceed 15 minutes.

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

THE RELEASE OF LEONID RIGERMAN AND HIS MOTHER FROM THE SOVIET UNION

Mr. JAVITS. Mr. President, I call to the attention of the Senate the granting of permission by the Soviet Union to an American, Leonid Rigerman, and his mother, Mrs. Esther Rigerman, to come to the United States. This is most heartening. It should not be interpreted as any major shift in Soviet policy. Indeed, the Soviet Union has postponed other departures relating to the reunion of families of Soviet Jewish citizens, apparently out of some feeling that it had to protest the forthcoming conference in Brussels.

The attitude of the Soviet Union toward its Jewish citizens by this clearance of the Rigermans does indicate that the Government of the Soviet Union is paying some attention to the cause of humanity and international comity which is represented by it.

Mrs. Rigerman is a U.S.-born American citizen, married to a naturalized American, now deceased, and went to the Soviet Union in 1931 on an American passport. Leonid Rigerman, born in the U.S.S.R. in 1940, derived his American citizenship from his two U.S.-citizen parents. The U.S. Government has confirmed the U.S. citizenship of both of these individuals.

The Soviets, through arrests and harassment, endeavored to prevent the Rigermans from visiting the American Embassy in Moscow, thus hindering their efforts to confirm their U.S. citizenship and facilitate their return to this country. My interest in the case stemmed from the fact that Mrs. Rigerman is a New Yorker. I found the State Department most cooperative in indicating American concern to the Soviet Union that our citizens should be thus harassed and barred from visiting their Embassy and in facilitating the return to New York of these two individuals.

Aristotle once observed that one swallow does not make a spring. But the release of the Rigermans is a breath of that spring which it is hoped will not be too long in coming for all the Jews of the U.S.S.R.

I ask unanimous consent to have printed in the RECORD an article from the New York Times of today describing the case.

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

[From the New York Times, Feb. 17, 1971]

MOSCOW ASSAILS A CONFERENCE SET FOR BELGIUM ON SOVIET JEWS

(By Bernard Gwertzman)

Moscow, February 16.—The Soviet Union assailed today the convening of a world Jewish conference in Brussels next week to discuss the question of Soviet Jews.

Tass and Novosti, the two press services, distributed material criticizing those in the West who contend that Jews suffer from discrimination in the Soviet Union.

Yuri Kornilov, a Tass commentator, said the conference, to be held Feb. 23 to 25, "can only be regarded as another anti-Soviet provocation."

He said recent anti-Soviet incidents in the United States stirred by the Jewish Defense League, a militant group, "are part of the program of preparations for the Brussels gathering worked out by Tel Aviv."

Meanwhile, Jewish sources said that two Moscow families that received permission last week to emigrate were told by authorities today that they had to delay their departure until after the Brussels conference. Both families had planned to leave for Israel tomorrow.

MAY RETAIN PAPERS

Mr. and Mrs. Viktor Fedoseyev complied with the request that they return their exit documents until next week. But David Drabkin refused to do so. The authorities then said that he could keep his papers as long as he did not try to use them until after the end of the conference.

The Jewish sources speculated that the delay reflected a Soviet desire to prevent the possibility of the emigrants attending the meeting. It also showed that Moscow would watch closely what went on at Brussels.

Mrs. Esther Rigerman and her son, Leonid, who also received permission to emigrate after having claimed United States citizenship, received their United States passports from the embassy today. But when they leave on Saturday or Sunday to join relatives in New York, they will depart on Soviet document since Moscow does not recognize them as Americans.

Leonid Rigerman was jailed last November for a week after the Soviet police had prevented him from entering the embassy. Today, the guards let him enter.

SOVIET APPEARS ANNOYED

The Soviet authorities are clearly annoyed and troubled by the Brussels conference because of the effect it may have on public opinion in Western Europe. So far, the domestic Soviet media have not discussed the conference, but Tass and Novosti have circulated material abroad to demonstrate that Jews live well in the Soviet Union.

Novosti, for instance, organized a round-table discussion among several Jews who have acted as unofficial Soviet spokesmen.

According to a report by Tass, Aron Vergelis, the editor of the Yiddish-language monthly Sovietish Heimland, said the purpose of the Brussels conference was "to divert attention from Israel's aggressive lipolicy." Col. Gen. David Dragunsky said the choice of the opening date of the conference—Feb. 23—was insulting because it was Armed Forces Day in the Soviet Union, and Soviet forces "saved people of various nationalities, including Jews, from extermination by the Nazis."

In an apparent effort to demonstrate interest in Jewish cultural activities, a dispatch by Tass also said that a number of new volumes of poetry and prose would be published in Yiddish in the Soviet Union this year.

THE NEED FOR A SOLUTION OF MASSIVE NATIONAL SOCIAL PROBLEMS

Mr. JAVITS. Mr. President, the chairman of the board of the Chase Manhattan Bank of New York, David Rockefeller, made an address yesterday discussing something for which I have worked throughout my congressional career. That is the leadership role of the business community in obtaining a solution to massive national social problems—in this case housing—and the need for establishing new cities in the United States in order to deal with our population increase in the next 30 years.

Mr. Rockefeller's plan is a very long-range and most constructive concept. However, what is signally important about it is that it shows what private enterprise can do.

Mr. Rockefeller, who certainly is an excellent judge, said that $10 billion in credit could be made available for this purpose by the business and banking communities in the United States. However, we also need an additional $10 billion to be made available by way of credit—and it is a good credit—to rehabilitate the major cities of this country. That properly is a part of any social program such as the one Mr. Rockefeller spoke about.

Together with other Senators, I have before offered legislation along this line. I will again incorporate Mr. Rockefeller's concept in legislation as well as a concept incorporating credit from the private sector for the purpose of rehabilitating housing in our cities.

I hope that all Senators will study this concept which we see as represented presently in the Federal National Mortgage Association, Comsat, and other similar corporations, including the Government Overseas Private Investment Corporation, so that we may be prepared to follow through with broad vision and a certain amount of confidence in the private enterprise system. This system is certainly capable in this country of facilitating the tremendous improvements with tremendous benefits to our people. I shall, along with other Senators, endeavor to offer appropriate legislation on this score.

Mr. President, I ask unanimous consent that the speech by Mr. David

Rockefeller, to which I have referred and an article in the New York Times discussing the speech be printed in the RECORD.

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

ADDRESS BY DAVID ROCKEFELLER

I appreciate enormously the generous recognition that has been given this evening to the things I've tried to do toward improving this city that we all love so much, even though it causes us anxiety.

To be singled out for acclaim by the Regional Plan Association is a heartening tribute, indeed, and I am most grateful to you, Rusty Crawford, and all your fine associates.

I should warn you, though, that you may be establishing a dangerous precedent at these annual dinners. My brother Nelson was the speaker at last year's affair, and I myself have that honor tonight. I just wonder whether you are aware that there are three more Rockefeller brothers!

Actually, father was a strong supporter of this Association. At one time, he stipulated that funds he provided for land acquisition and an extension of the Palisades Interstate Park System in the area north of the George Washington bridge be used in accordance with the First Regional Plan of 1929.

When Nelson originally ran for Governor, I suspect he had occasion to feel sorry that father was so self-effacing. He found to his dismay that the name most frequently associated with Palisades Park was Harriman!

Seeing David Frost here this evening as Master-of-Ceremonies reminded me that my place on the program this evening had improved considerably since we last met. On that occasion, David invited me to appear on his TV show, and of course I was happy to accept. I didn't mind so much waiting in the wings while he interviewed two famous Hollywood actors—but I did think David carried the "upstaging" bit a little too far when he then brought on the Prime Minister of Sweden!

As Rusty Crawford can testify, it is particularly reassuring these days for a banker to hear anybody say nice things about him because, frankly, in these inflationary times, we have been getting far more brickbats than bouquets.

From time to time, I am asked what I think about inflation and I've never been able to improve upon Milton Berle's definition. Inflation, he said, is when people's money won't buy what it did during the Depression when they didn't have much of it anyway!

Bankers have been forcefully reminded of inflation's impact by several recent developments, including the soaring cost of building and outfitting new branches—and you know how many of those are opening up all the time. One survey showed recently that our Avenue of the Americas now has more banks than bars!

Some people, I'm afraid, would not look upon that as a forward step in regional planning!

Some friends and I were discussing urban planning recently while watching the television coverage of Apollo 14. One of the group raised the question why, since we can put men on the moon, we cannot solve our urban problems which are so much closer at hand.

"The explanation is simple," said another. "We know where the moon is!"

In reflecting on this comment, I couldn't help feeling that it pretty well summed up the difficulty we have in coming to grips with that tangled complex of problems we call "the urban crisis."

As the Regional Plan Association found out early in its very useful life, the urban crisis is not just a single problem. Rather it is a kind of witches' brew blended from all the major ills of our time—inadequate educational systems, hard-core unemployment, poverty in the midst of plenty, antiquated transportation, shameful housing, insufficient public facilities, and all the rest.

This evening I'd like to touch briefly on some of the problems we face—problems that have been starkly delineated in the association's recent and comprehensive Second Regional Plan. Then I'd like to explore a concept of development and financing that seems to me to have application not only to our urban areas but also to the exciting development of "new towns" and "satellite cities."

I should tell you at the outset that I personally am not a devotee of the new fashion of urban pessimism. This is the dispirited and disillusioned cult that never ceases to predict an early end to all our cities. Such an attitude, in my judgment, does much less than justice to the thousands of dedicated civil servants, determined businessmen and concerned citizens who have opted for enterprise and ingenuity as their response to a troubled era. To me, it would be both impractical and unthinkable to surrender to frustration at a time when there is so much constructive work to be done.

I spoke earlier of how difficult it is for the average citizen to see the urban crisis in perspective. Perhaps it helps if we think of the United States as two broad geographical areas.

One is rural America, a region so huge that, if it were a separate country, it would rank in area as the world's ninth largest. Yet, at the same time, a region so low in income that, by itself, it would be the world's sixth largest underdeveloped nation.

This rural America contains the highest proportion of our poverty, the lowest average per capita income, the most inequitable distribution of educational opportunity, and the bulk of America's inadequate housing.

The second geographical element consists of six large urban-and-suburban sprawls: the Boston-Washington corridor down the Atlantic seaboard; from Buffalo along the Great Lakes beyond Chicago; the spill-out of Los Angeles engulfing over half the California Pacific; the Florida spread; the Atlanta-Piedmont crescent; and the Fort Worth-Dallas-Houston complex.

Statistics confirm the pattern that this Nation's urban areas accommodate 70 per cent of all Americans on about 10 per cent of the land.

Thus, in our rural areas, we have more room than people—more than enough space to expand, together with a need for the advantages that business and industry can provide.

On the other hand, we have the urban areas with far more people than room. In these areas, we have seen haphazard growth in which social ills tend to multiply.

Given these disparities, it is only natural to ask: Why don't we get people to move from congested metropolitan centers to sparsely settled rural areas?

In a regimented society that might be a good way to do it, but it is hardly the American way.

Though romantics may still dream of the glories of small-town life, thousands of Americans continue by preference to pour into our great urban regions to take advantage of the unparalleled opportunities they do, in fact, offer. To the country lover it may seem surprising that nearly all the increase in our national population, over the past decade, took place in metropolitan areas—in the central cities and suburbs.

In view of this trend, and because of the huge investment we have in our existing cities, it is the height of folly to think—as some do—that we can ignore the refurbishing of our present metropolitan areas in favor of creating new cities away from the congested corridors. Realistically, we have no choice but to do both.

Today we have a population of some 206 million. Projections show that we are likely to add as many as 75 million more people by the end of this century—less than 30 years away. While this represents a lower rate of population growth for the U.S. than in the past—and is substantially lower than that of the developing nations—it still means that we must assimilate vast additional numbers of people in our country. In short, our urban problems will grow, not diminish, in the remaining decades of the 20th Century.

Seldom does a day pass that we don't hear the question: "What's the solution?"

But I wonder if a more realistic query wouldn't be: "What's the best approach to these problems?"

Experiences I have had in relation to Morningside Heights, Lower Manhattan and urban activities of our own Bank in recent years suggest that the right approach is all-important.

I might add, parenthetically, that this lesson on the proper approach was reinforced at least in my own mind, when I tried to convince some of my associates, at our friendly little loan company, to decorate their offices with contemporary art! That's a job that definitely calls for the right approach.

At any rate, in approaching urban problems, it is absolutely vital to gain the cooperation of three elements: private business, Government, and the local citizenry. Unless these three can reach a broad consensus, even the finest plan will become nothing more than a blueprint for failure.

I believe that the basic task of urban rehabilitation is one for private enterprise. But it must be a co-operative venture. Government must lend support through zoning, through supplying essential services, and through tax incentives. Furthermore, the goodwill of the local residents and their concurrence in the program is an indispensable ingredient.

Clearly, the business and financial community has a growing stake in the economic health of our cities. Good zoning, traffic control and adequate water supply are essential to the entire community, but they also bear directly on the successes of business located there. To attract and retain top talent willing to live and work in our cities, business needs progressive community leadership that is alert to the problems which exist and is prepared to do something about them.

Conversely, cities need the help of business if they are to expand job opportunities and generate an adequate tax base. During this decade of the Seventies, we must create jobs in the United States for about a million-and-a-half men and women who will be entering the labor force every year. Since most of these jobs must be in metropolitan areas where the population is concentrated, a basic function of any city must be to encourage and support the business and commercial activities that provide its economic base.

It goes without saying that in performing its primary role of producing goods and services efficiently, business is accomplishing a vital function of great public importance. Beyond this, however, more and more businesses are coming to recognize that they have a responsibility to assume a larger share of the social burden as well, hand-in-hand with Government. A notable recent example of business initiative which went beyond the conventional role of a strictly profit-oriented project was the case of nine commercial banks which are cooperating with the city in providing nearly $75 million for the construction of the Waterside Housing Development, to accommodate some 1,500 low- and moderate-income families, on a novel six-acre platform over the East River.

This is just one example of an expanding corporate trend toward direct participation in community improvement that is becoming nationwide in scope. I am not suggesting, of course, that business singlehandedly—without Government assistance—can solve the problems of our cities. However, it can take—and is taking—a livelier interest and is playing a larger role. And I believe it will do even more as it becomes convinced that its efforts will receive encouragement and support from Government and the community.

One promising area for future collaboration between public and private sectors is in the exciting planning and development of "new towns" and "satellite cities."

I say exciting because this represents a dramatically new concept of urban building. Look at any of our present towns and cities and you can see unmistakable reflections of the way they were built—piecemeal.

How much better it would be to have an overall concept of the community which can shape the development right from the outset. That, in essence, is the new town idea. An imaginative builder comes in with a comprehensive plan and works out the details in cooperation with local government.

The location of the community center is carefully selected. You don't have the situation many of us are familiar with today where one municipality waits for its neighbor to provide the shopping and community facilities for both. Housing is planned to meet the needs of all those who will be working in the community. You don't run into situations where one municipality drags its feet, hoping the next town will provide the low- and middle-income housing, while it accommodates only the well-to-do.

In recent years, there have been about a dozen communities started which can be classified as "new towns"—that is, politically new and independent units with a wide range of options for housing, employment, worship, education and recreation. Perhaps the outstanding example of a new town in this country is Columbia, Maryland, halfway between Baltimore and Washington. Because Chase Manhattan participated in its construction financing, I have followed this particular "new town" with special interest.

Columbia was started in 1963 and is expected to be completed in 1980. By that time the population—now about 10,000—should reach 110,000. Of its 14,000 acres, about half are for residential use. A quarter of the land is for open space, while another quarter is for commercial and industrial purposes.

A core community is surrounded by what ultimately will be a dozen tree-shaded villages. Each village has been subdivided into racially integrated neighborhoods of about 1,000 families, with homes in a variety of styles and prices, clustered around churches, shops and schools. There are transportation loops around the villages that connect with Columbia's central core. Industrial sites are situated on the outskirts but with easy access routes to residential and shopping areas. The city is designed to be a balanced community with recreational and social facilities to satisfy the human needs of urban living, in addition to the businesses which provide employment and the economic base.

Seeing Columbia evolve, one can readily understand the growing support for new towns which is springing up all across the country.

As an example, The National Committee on Urban Growth Policy has recommended the creation of 100 new communities the size of Columbia and, in addition, ten new cities of at least one million people each.

The Housing and Urban Development Act of 1970 set up a Community Development Corporation to handle the financing of new communities, and provided some of the funds to get them started. These steps are very much in the right direction, but the funding presently available is still far below the waterline of adequacy to get the job done.

I have been giving considerable thought as to how the process of promoting new towns can be expedited. I have come to the conclusion that additional legislation will be required as well as added financial support. Specifically, it seems to me that two steps are needed.

One is a mechanism to help in acquiring land so that sufficiently large and contiguous tracts can be put together. In the case of Columbia, a few parcels could not be acquired and in the end the planners just had to design the city around them. If more parcels had been held out, or if they had been in more critical locations, this could have undercut the whole project. The chanciness related to land acquisition is much too great as things now stand.

The other need is for new sources of financing to provide the enormous sums required before new towns get underway and begin collecting revenue on their own.

To take care of both these needs, I would suggest the creation of two corporations nationwide in scope—one public, the other private or quasi-public.

To deal with the problem of land acquisition—and perhaps provide guidance in terms of national land use planning—we need either a new Federal agency or an existing agency supplied with special additional powers for planning and obtaining sites for new towns. Such an agency might well require the power of eminent domain. But sufficient flexibility and safeguards should be built in so that the rights and desires of those already living in proposed sites would be protected and so that there would be no improper infringement on states' rights. Whether it be an Executive Branch mechanism or a creation of Congress should be a matter for sober reflection. But the plan would call for a Federal agency with the ability to determine sites and projects in a manner consistent with the economic needs and goals of the communities involved as well as those of the Nation. Thus a single agency would handle land acquisition and site location.

The second agency, either private or quasi-public, would be organized to provide the financing. Possibly a new kind of bank could be devised which would seek its capital from commercial banks, insurance companies, industry and other sources. To do so, the new bank would need to offer long-term investment opportunities in the form of equity or debentures that would make possible full development of a new town, and be sufficiently remunerative so as to assure a continuing flow of capital for other new towns. If the new communities are well conceived, there is no reason why the bulk of the capital should not come from private sources.

The two agencies would need to work in close cooperation to see that the site locations of new towns not only met the public standards desired for national growth but also to make sure that they would be attractive to residents and to industry.

Working together, these two agencies could create a whole series of new independent communities, providing adequate housing at reasonable cost and bringing together both the white and blue-collar work force required for industrial expansion.

Aside from the building of new towns, the plan I have outlined could readily direct investment into existing core cities where our national growth policy determined that programs of redevelopment or rehabilitation were desirable.

Perhaps the greatest benefit would be the harnessing of private financing sources, which up to now have not been attracted by urban investment, and directing them into responsible urban developments that are not only profitable but that enhance the environment as well.

Obviously, the building of new towns is an expensive venture. One recent study estimates that a community the size of Columbia might cost as much as $50 million in predevelopment charges alone—in land acquisition, planning and management, and infrastructure such as streets and utilities.

These start-up costs are the very ones that the developer finds so burdensome under present conditions and the ones that the proposed new financing agency would be designed to handle. As a new town project moves ahead, it can obtain funds in the conventional money market or—in case of lower income housing—from various government programs or the new National Corporation for Housing Partnerships. But the pre-development costs are the big road blocks.

If we use this $50 million as a base figure, then the recommendation of the National Committee on Urban Growth Policy for 100 communities of Columbia's size, and ten of one million people each could cut cost in the neighborhood of $10 billion.

Standing by itself, this is an imposing figure, indeed. Yet it is less than half of what we have already spent on the man-in-space program. And as great as the benefits from that program have been, I believe that the advantages of new town development—certainly in human terms—could be incalculably greater.

In conclusion I would like to suggest that in tackling urban problems, we should keep five points in mind:

First, that because these problems are so closely interrelated, they call for the establishment of overall national goals and guidance.

Second, that federal and state assistance must be closely coordinated to stimulate responsible local action and serve the best long-run interests of the overall community.

Third, that the amount of state and local building and rebuilding required is so vast that it will make necessary the expenditure of a steadily increasing share of our total national income. Both private and public funds will be required. Since states and municipalities are already straining their taxing powers, I believe the federal government will have to bear a larger share than in the past. That is why I personally applaud President Nixon's proposal for what he calls "general revenue sharing." The idea of giving local governments greater flexibility in spending a larger portion of federal tax revenues on urban development is eminently sound, and I would hope that the President's approach would eventually find the broadly-based support it deserves on Capitol Hill.

Fourth, that it is imperative for any new town or redevelopment project to include enough profitable activities whether in housing, commercial development or industry to generate tax revenues sufficient to make the project viable with a minimum of public subsidy.

Fifth and finally, that the task of refurbishing our existing core cities and building new towns can best be accomplished if public and private efforts are creatively combined in such a way as to win the support of the community.

In shaping our cities of the future, we are limited only by the intensity of our concern, the reach of our inquiring minds, and the strength of our determination to provide a better life for all our citizens.

[From the New York Times, Feb. 17, 1971]

TEN BILLION DOLLARS ASKED FOR 110 NEW CITIES—DAVID ROCKEFELLER PROPOSES A PRIVATE CORPORATION TO FINANCE INITIAL COSTS

(By Richard Reeves)

David Rockefeller, chairman of the Chase Manhattan Bank, proposed yesterday that a corporation be created to raise $10-billion in private investment to begin development of 110 new American cities.

The private or quasi-public corporation, outlined by Mr. Rockefeller in a speech last night, would work with a new Federal agency or corporation empowered to acquire huge tracts of rural land for development of the new cities before the year 2000.

STRESSES PRIVATE ROLE

"Projections show that we are likely to add as many as 75 million more people by the end of this century," Mr. Rockefeller told the Regional Plan Association. "In short, our urban problems will grow, not diminish. . . . I believe that the basic task of urban rehabilitation is one for private enterprise."

Mr. Rockefeller then proposed his dual-corporation approach to the problems of population growth and urban decay, linking his ideas to the recommendations of the National Committee on Urban Growth.

That committee of Senators, Governors and local elected officials proposed in May, 1969, that the Federal Government build 100 new cities, each with a population of 100,000 and 10 more cities, each with a population of a million.

The committee recommendations were contained in proposed Congressional legislation that was never introduced after it became known that President Nixon opposed it because of budgetary considerations.

Mr. Rockefeller, however, whose bank is involved in the development of Columbia, Md., a new city of 100,000, stressed that he believed private interests could be induced to provide the $50-million or more needed for predevelopment charges in each city—"land acquisition, planning and management, and infrastructure such as streets and utilities."

The banker estimated that private interests could provide loans for $10-billion over the next 30 years, which would provide seed money for the developers of the 110 proposed cities.

Mr. Rockefeller introduced his proposals—"If they have merit, hope the Government will institute a study of them"—at a news conference before the plan association's dinner.

Asked whether he would be willing to become involved actively in the operation of the proposed private corporation, he answered: "I'm afraid I'm pretty busy . . . but I'm interested in doing whatever I can to give this a start."

The private corporation, Mr. Rockefeller said "might be a new kind of bank which would seek its capital from commercial banks, insurance companies, industry and other sources, [offering] long-term investment opportunities in the form of equity or debentures that would make possible full development of a new town and be sufficiently remunerative so as to assure a continuing flow of capital for other new towns."

"If the new communities are well-conceived, there is no reason why the bulk of the capital should not come from private resources," the bankers said.

The public corporation or agency, he continued, would deal with the problem of land acquisition—and perhaps guidance in terms of national land-use planning . . . with additional powers for planning and obtaining sites for new towns."

"Such an agency might well require the power of eminent domain," he noted. "But sufficient flexibility and safeguards should be built in, so that the rights and desires of those already living in proposed sites would be protected."

Under the Rockefeller proposal, private developers would take over both the financing and construction of buildings after the private corporation had arranged long-term loans for land-acquisition and predevelopment costs.

Mr. Rockefeller's speech was a feature of the 42d anniversary dinner of the Regional Plan Association in the New York Hilton. The association honored Mr. Rockefeller for his leadership in the redevelopment of lower Manhattan and Morningside Heights.

AMENDMENT OF RULE XXII OF THE STANDING RULES OF THE SENATE

The Senate continued with the consideration of the motion to proceed to the consideration of the resolution (S. Res. 9) amending rule XXII of the Standing Rules of the Senate with respect to the limitation of debate.

Mr. JAVITS. Mr. President—

It seems we've stood and talked like this before.

There are a number of issues which keep cropping up in the Congress. In the last decade, we have talked at length about the civil war, civil rights, problems, of poverty, the housing crisis, and the economy.

Each year we consider appropriations bills for the same departments. We pass the same continuing resolutions, and we approve budgets for the same congressional committees.

But in all the above instances some things change. The war winds down in Vietnam but expands in another direction. Public facilities are no longer segregated, but residential suburbs are. We still do not have enough housing, but now we also worry about where we should be building it. The economy fluctuates and at least the figures change in the appropriation bills.

But rule XXII is always with us. The issue never changes; the problems remain the same and the arguments for and against the change remain virtually unchanged; though a new factor has now intervened in the use of extended debate by the liberal—a technique heretofore almost always used by the conservatives. Time after time, at the beginning of each new Congress we have debated the change of a single hyphenated word—two-thirds. At the beginning of each Congress we devote 6 to 8 weeks to this problem, and seldom even get to vote on it, substantively.

There are a number of factors in respect of this matter which I think need to be called to the attention of the Senate that relate primarily to the procedure in which we are engaged.

The merits of the question have been discussed time and again. The only difference between the discussion of the merits of this question and the discussion of the merits of the matter when I first came here in 1957 is that a new factor has been introduced. We now find that the privilege of extended debate, as it is euphemistically called, can extend to measures far different from the civil rights measures which were originally the issue to which this extended debate was directed.

We find in effect that any kind of a measure, whether a measure involving trade regulations, the family assistance plan, or any other welfare measure, or, indeed, any measure whatsoever is something which we talk about.

We have experienced very recently that this rule is as broad as it is long. It can be employed by conservatives who oppose civil rights measures and can be employed by liberals when they consider a measure to be restrictive of the national opportunities in the directions which I have mentioned.

However, other than that, the merits remain the same. The procedure, however, is a very different question. Tomorrow we will vote, not on changing rule XXII, not even on the motion to take up the resolution to change rule XXII, but we will vote on the question of ending debate on a motion to take up this resolution. If we are successful tomorrow, we still face the possibility of 100 hours of debate before we vote finally on that motion.

If we get that far, we will still have to go through the same procedure before we actually vote on the resolution itself—the resolution to make a substantive change in rule XXII.

Is not the mere statement that this parliamentary situation exists an indication of how we have gotten tangled up with our own feet and why so many people have grave questions about our procedures and our real ability to govern?

Add to this the fact that the proponents of change are forced to use the very rule we contend we have not yet adopted in order to cut off debate and the web becomes infinitely more tangled. Seldom able to muster 67 votes to cut off debate on this question we have, over the years, explored a number of alternative parliamentary tactics which would enable a majority to work its will. Without these incredibly complicated maneuvers we cannot vote. And without the cooperation of the presiding officer we cannot initiate any such strategy.

Now, on the subject of the presiding officer, we have been advised by Vice President AGNEW that he will not decide any questions of a constitutional nature but will instead refer all such questions directly to the Senate for decision. The pitfall in this position is that without a ruling from the presiding officer that because of the constitutional question at issue in amending rule XXII the issue is no longer debatable, any referral to the Senate for decision is tantamount to acquiescence in a continued filibuster.

Even the referral to the Senate is itself debatable. The failure to make such a ruling—which was made once before by former Vice President Humphrey—is in itself a decision to kill the resolution unless we can get two-thirds. If we can get two-thirds, we will be all right.

I do not question the Vice President's decision to let the Senate itself decide these questions: That is exactly what proponents of a rules change want: we want the Senate to decide, not one-third of the Senate plus one. But we know from long experience that any such question—unless the Vice President rules it is no longer debatable—will never come to a vote so long as 34 Senators oppose it. I hope very much that this question will be very carefully studied.

Until the Vice President clarifies his position and indicates that he will rule that the Senate has debated this issue sufficiently and should vote without further delay we are still saddled with the necessity of mustering 67 votes to cut off debate.

We have never been successful in such a vote, but now that liberals have begun to use rule XXII to their advantage, I predict that we may pick up a few conservative votes from Senators who have heretofore supported the filibuster. Certainly liberals are entitled to use the rules in the same manner as other members of the Senate, but they would gladly give up the filibuster in pursuit of the greater objective of ending the Senate's legislative paralysis. The issues of peace and war, welfare reform, inflation, unemployment, the cities and racial relations are so momentous that we cannot give a veto power over their resolution to a minority of the Senate—be that minority liberal or conservative.

Tomorrow—and in the cloture votes ahead—we will welcome new votes and old. And more important, we fervently hope that we will have the parliamentary cooperation of the Vice President in securing the right to vote—even if only 66 of us want to exercise that right. The country has tired of these parliamentary tangles. The people do not understand—and rightly so—why the 100 men and women they have elected to sit in this body cannot resolve the momentous issues facing this Nation without an elaborate—and often unsuccessful—effort to end debate.

There is no question about long debate. Any measure, including the one which has been introduced by the Senator from Michigan (Mr. HART) and me, for a constitutional majority to end debate, would provide for 4 to 6 weeks of debate, so that is not a problem with the proponents.

I think our people want to know why, in spite of a Constitution which clearly does not authorize such a practice, a minority can hamstring this body and prevent votes on critical issues.

Those Senators who want to give them an answer should vote for cloture tomorrow.

Mr. President, I yield back the remainder of my time.

THE RESIGNATION OF JOHN F. SHAW, SR., FROM THE FEDERAL BUREAU OF INVESTIGATION

Mr. HRUSKA. Mr. President, twice this month a Member of this body has called to our attention the circumstances surrounding the recent resignation of John F. Shaw, Sr., from the Federal Bureau of Investigation.

On February 1, the junior Senator from South Dakota (Mr. MCGOVERN) called for an investigation by the Subcommittee on Administrative Practice and Procedure of FBI Director J. Edgar Hoover's handling of a personnel matter involving former Special Agent Shaw. As ranking minority member of the Judiciary Committee, I took more than passing interest in this matter.

On February 10, the Senator from South Dakota delved further into the matter by declaring that Mr. Hoover had shown—in the Senator's words—"contempt for Congress" by publicly stating his position on the matter after informing the subcommittee that he desired to avoid comment pending judicial proceedings. The Senator called Mr. Hoover's action "an affront to the Congress."

Needless to say, both statements received appropriate attention by the press. Such attention is always welcome if directed in the proper vein, and it is no doubt especially welcome to one who is currently seeking nomination to the highest office in the land.

There are a number of points in the remarks by the Senator from South Dakota, however, which deserve further consideration and comment.

First, in charging Mr. Hoover with contempt of Congress for publicly explaining his administrative action after refusing the request of a committee of Congress for the very same information, the Senator is in serious error.

His accusation is that on February 2, Mr. Hoover had answered a letter to the chairman of the subcommittee, the junior Senator from Massachusetts, by stating:

> The Attorney General has advised that since the courts have assumed jurisdiction of this matter, it would not be appropriate for me to use any other forum to contest Mr. Shaw's charges.

The Senator from South Dakota noted the propriety of this response, but added:

> Today (February 10) however I was shocked to discover that Mr. Hoover has written to the editor of the Atlanta Journal and Constitution, publicly stating his position on the merits of the Shaw case. He did so after refusing the request of a committee of Congress for the very same information.

This would be a serious indictment indeed if accurate. But anything more than a cursory examination of the facts would have indicated it was not accurate.

I have always felt that Mr. Hoover consistently conducts himself in the very best interests of the Bureau and the Department of Justice. He has stated his position on the Shaw matter. He has stated he had ample grounds for his action. That matter will be resolved by the court.

Thus it is not my purpose to defend Mr. Hoover's action with regard to Mr. Shaw at this time. It is my purpose at this time to point out that Mr. Hoover has been unfairly maligned for his very proper response on the Shaw matter. This will be clearly shown by the following chronology of events:

The Senator from Massachusetts wrote to Mr. Hoover on January 29, inquiring about the Shaw matter. Mr. Hoover's reply, dated February 2, cited the Attorney General's advice on the matter.

Mr. Hoover's letter to the editor regarding Mr. Shaw's accusations appeared in the Atlanta Journal and Constitution on February 7. This very likely led the Senator from South Dakota to the ill-founded conclusion that it had been written after Mr. Hoover's letter to Senator KENNEDY.

If the Senator from South Dakota had sought to verify this conclusion rather than proceeding eagerly to prosecute his case on the floor of the Senate, he would have discovered Mr. Hoover's letter to the editor had actually been written on January 26.

On the following day, January 27, suit was filed in Federal court on Mr. Shaw's behalf. Shortly thereafter, I am informed, Mr. Hoover's office received instructions from Attorney General Mitchell, a codefendant in the case, to reserve his comments henceforth for the courts.

Given the proper sequence of events, it becomes apparent that Mr. Hoover is not guilty of contempt. It is noted that the Senator from South Dakota, apprised of this proper sequence by the press, declined to modify his intemperate accusations. He is quoted as saying that since Mr. Hoover had already sent the letter to the newspaper, there was no jurisdiction for denying the same information to the subcommittee.

I submit, Mr. President, that generally there should be better acquaintance with legal proceedings than that. Obviously Mr. Hoover, in declining to discuss the matter further, was following the course of all prudent defendants—heeding the advice of counsel. Further comment on the case could have been a highly prejudicial action, especially so in this instance, since Mr. Hoover's words receive the closest attention by the Nation's press.

When I say highly prejudicial action, a prejudicial action potentially to the writer of the letter, Mr. Hoover, but also potentially prejudicial to the plaintiff in that action.

One wonders at the real purpose of the discussion on the floor. After all, if the Senator from South Dakota was aware of Mr. Hoover's answer to the Atlanta editor, it would be a simple matter to file that answer with the proper subcommittee. Surely no Senator should be offended that Mr. Hoover's comments were addressed to an editor rather than to the Senator or the subcommittee. It seems unfair that judgments as harsh as those made by the Senator from South Dakota were made simply on a matter of form, not substance. Nor would I like to think that Senatorial pride or vanity might have been somehow involved.

If the purpose of the Senator's accusations was really to judge the Director and find him guilty, I submit this was not the place to do it, nor the time nor the way to do it. The Senate does provide proper procedures for assessing the actions of administration officials. The motives of those who prefer to bypass those procedures for trial on the floor of the Senate should be seriously questioned.

Finally, it should be noted that Mr. Hoover has shown admirable restraint under the circumstances, in which he has been cast in a most unfair and uncomfortable light. With his access to the media, he could have responded vigorously to the charges against him. Of course, had he done so, there is no doubt he might quickly have been accused of gross impropriety. Yet that is no more than has been done to him.

Mr. Hoover's response to the Atlanta Journal and Constitution newsstory seemed to be a most restrained and proper recounting and accounting of his position. Furthermore, his answer to queries since then would certainly seem to be in keeping with the status of the entire situation in the courts.

S. 834—INTRODUCTION OF THE INTERNATIONAL TRADE ACT OF 1971

Mr. HARRIS. Mr. President, for myself and Senators JAVITS and MONDALE, I am today introducing a bill entitled the International Trade Act of 1971. Additional cosponsors are Senators CRANSTON, HART, HUGHES, MCGOVERN, PERCY, and STEVENSON. This bill is designed to point our foreign trade policy in a creative and expansionary direction, in contrast to the legislation that passed the House of Representatives and was approved by the Senate Finance Committee last year. There are indications that another effort will be made to enact a protectionist trade bill this year. It thus becomes all the more important, in my view, for those who oppose such an effort to express in concrete legislative terms the elements of a forward-looking, yet realistic, foreign trade policy for the 1970's.

We must protect and enlarge our large share of the world market for our goods and products. We must pay attention to and assist with the problems of American workers and plants unfairly injured by foreign imports. We can do both with an enlightened trade policy which is consistent with our international obligations and the principles of free trade. The International Trade Act of 1971, we feel, embodies such a policy.

The bill that we are introducing is long and complex, and it is not my purpose here to detail all of its provisions. It attempts to develop three primary themes:

First, negotiation of fair and equivalent access to foreign markets;

Second, prompt and effective relief from injurious and unfair import competition; and

Third, protection and promotion of U.S. exports.

NEGOTIATION OF FAIR AND EQUIVALENT ACCESS

The bill contains various authorities to negotiate with other countries the reciprocal reduction of tariff and nontariff barriers to trade. But the overriding purpose of such negotiations is explicitly stated as the establishment of fair and equivalent conditions of access to the markets of the countries concerned—for agricultural as well as industrial products. In the past, reciprocity has been the dominant purpose, but reductions in trade barriers can be reciprocal without achieving comparable conditions of access. It is now time for the United States to seek a common standard of access in the process of further liberalizing international trade, and a standard that will be concerned with the totality of restrictions affecting a given area of trade. There is no legitimate reason why the other major trading countries of the world, and particularly Japan and the European Economic Community—EEC—cannot endorse this objective.

With this purpose firmly provided for, the bill would provide five different authorities for the reduction of trade barriers.

First, the bill grants the President a new authority, lasting until July 1, 1973, to reduce by as much as 50 percent the level of tariffs that will prevail on January 1, 1972. It is on that date that the fifth and last stage of the tariff reductions agreed to in the Kennedy round will become effective. While this new authority will not be available past 1973, it could become very useful, perhaps in conjunction with other authorities granted by the bill, in the context of the negotiations between the United Kingdom and the EEC. The United States presently seems to be taking a passive attitude toward those negotiations. While this may be diplomatic, it could also be unwise, since our exports, especially our agricultural exports, are bound to be affected. A point might well come at which a new U.S. initiative to liberalize trade might beneficially influence the outcome of the negotiations. It should be noted, in this connection, that the bill expressly repeals the special duty-eliminating provisions of the Trade Expansion Act of 1962 that are related to trade between the United States and the EEC. I do not believe that the authority to reduce trade barriers should be tied to special trade relationships with any one area, since that risks diluting the objective of an open worldwide trading system.

Second, the bill urges the President to negotiate agreements with other countries providing for the reciprocal reduction or elimination of nontariff barriers and other distortions of world trade. Again, the express objective is the establishment of fair and equivalent conditions of access to the markets of the countries involved. At the same time, the bill makes clear that no such agreement should go into effect until the enactment of any necessary implementing legislation, recognizing that on occasion no new legislation may be required.

I believe that this accommodates the proper responsibilities of both the executive and legislative branches in an area that has to date proven a difficult one between those two parts of our Government. On the other hand, the President would be able to negotiate agreements on nontariff barriers and other distortions of world trade with the assurance that his efforts were in principle supported by the Congress. On the other hand, the Congress would retain its right and privilege to study closely any agreement requiring implementing legislation and pass such legislation only when it believed it was in the national interest to do so. This approach, in my judgment, affords the only realistic hope of making progress in this important area. For it seems clear that if the United States does not provide leadership in this respect, a number of years will pass before other countries will be in a position to launch such an initiative.

Third, as a particular—and important—aspect of nontariff barriers, the bill authorizes once and for all the total elimination of the American selling price system of customs valuation. In the first place, it provides for the implementation of the agreement concluded in the Kennedy round concerning the elimination of ASP as it relates to imports of benzenoid chemicals. This is long overdue and more delay will only further weaken the credibility of the United States in its pronouncements concerning the need to dismantle nontariff barriers. In the second place, the bill authorizes the President to negotiate an agreement providing for the abolition of ASP with respect to imports of rubber-soled footwear, chiefly sneakers, but on the condition that the new rate based on normal standards of valuation will yield about the same amount of duty. In this way, the bill anticipates the removal of an unjustifiable trade barrier that has unfortunately become a symbol of an all-too-prevalent lack of will in international trade policy.

Fourth, the bill urges the President to try to negotiate an international agreement that would for the first time establish a clear definition of illegitimate subsidies and impose enforcible restrictions on their use. The problem of alleged subsidies on both agricultural and industrial products has become a serious one, threatening substantially to exacerbate relations among the major trading countries. Under the bill, the United States would offer as its major contribution to such a negotiation the addition of an injury standard to our antisubsidy or countervailing duty law. Such a standard has long been sought by other countries, and its inclusion would seem consistent with an enlightened trade policy. At the same time, the bill permits the Congress to eliminate the injury standard by a simple concurrent resolution if the negotiation did not seem to be going well in terms of our interest.

Fifth, the bill recognizes the increasing need to begin to normalize our trade relations with the countries of Eastern Europe. It therefore authorizes the President to conclude a short-term renewable commercial agreement with any Communist country with which we have diplomatic relations. But the President must determine that the agreement is in the national interest and that it is commercially balanced. If he does so, the President would be able to grant the prevailing, or so-called most-favored nation, rate of duty to one or more products of that country, which now have to pay the much higher Smoot-Hawley rates. By this selective approach, the President could assure himself that we were providing no commercial benefits greater than those we receive. This would be a modest but potentially significant step toward normal peaceful trade with these countries.

RELIEF FROM UNFAIR OR INJURIOUS IMPORTS

The second dominant theme of the bill is the provision of prompt and effective relief from imports that are acknowledged to be either unfair or genuinely injurious to domestic industries, firms, and workers. Insofar as unfair competition is concerned, the bill strengthens the existing provisions of law that deal with the injurious dumping of imports, the subsidization of imports, and unfair practices generally in the importation of goods. The bill makes a number of needed reforms in these provisions. Time limitations are imposed upon the agencies charged with the task of making the necessary determinations. Prompt judicial review of such determinations is afforded. All interested parties are assured of an opportunity to make known their views in a public and recorded proceeding. The three provisions of law will

thereby become far more responsive to the needs of domestic concerns, importers, and foreign manufacturers by requiring a prompt and fair decision on the merits. At the same time, they will insure that, when unfair import competition is found to be taking place, effective action can be taken to stop it.

Beyond unfair imports, some imports may enter not through unfair means but in such increased quantities as to cause or threaten serious injury to domestic interests. The bill deals with this problem in a direct and reasonable manner. It first amends the criteria for industry-wide escape-clause relief by abolishing the present requirement that tariff concessions be the major cause of the increased imports and that the increased imports, in turn, be the major cause of serious injury to an industry. Instead, the bill substitutes a test that relates increased imports to serious injury.

In other words, regardless of the reason why imports of a given article may have increased, the bill asks only whether the increased imports have been the primary cause or threat of serious injury to a domestic industry. This change is also long overdue and should afford domestic industries a fair opportunity to make the case—so often alleged these days—that increasing imports are in fact hurting them badly. Once the Tariff Commission makes such a determination, the President is authorized to take such action as he thinks appropriate, and this can be in the form of either import restrictions or adjustment assistance, or a combination of both.

Such flexibility is as it should be, since foreign trade policy must be responsive to both the national interest as well as the interests of those hurt by imports. In taking an escape-clause action and in keeping such an action under review, those responsible are required by the bill to take into account the interests of consumers and exporters, as well as the impact of such action on domestic competition. Moreover, the firms benefiting from an escape-clause action are expected to make and disclose specific efforts to adjust to import competition and render themselves more competitive.

The bill also relaxes the criteria for adjustment assistance to individual firms and groups of workers. It requires a determination as to whether increased imports have been a substantial cause or threat of serious injury to a firm or unemployment or underemployment of workers. This is a somewhat easier test than for escape-clause relief, justified primarily on the ground that adjustment assistance does not have the international consequences of an escape-clause action. Moreover, adjustment assistance is in most cases better suited to providing relief that fits the particular circumstances of the dislocated firm or group of workers.

The bill also increases the benefits available to workers who are found to be eligible for adjustment assistance. Under present law, such a worker cannot receive—from all sources—financial benefits exceeding 75 percent of his average weekly wage prior to his unemployment. And in many cases such benefits are substantially below even that level. But why should a worker not obtain full protection when he is found to be unemployed because of increased imports? If such imports are part of a trade policy that is believed to serve the national interest, then it is difficult to see why the worker should not be completely safeguarded while efforts are being made to shift him to other production employment. The bill therefore provides that such a worker shall receive no more and no less than 100 percent of his average weekly wage, with additional trade readjustment allowance being provided if his other sources of income, such as self-employment earnings and unemployment insurance, do not bring him to that level. In addition, the Secretary of Labor is authorized—but not required—to add the money value of such important fringe benefits as insurance and retirement plans. For the Secretary may find that the loss of such benefits is just as serious as the loss of wages.

With respect to adjustment assistance to firms, the bill makes few changes in present law, primarily because these provisions have not been tested as much as the provisions for workers. Nevertheless, the bill does provide for simplified procedures in obtaining and providing assistance for firms. It also permits the U.S. Government to render more financial assistance than is presently allowed in cases where the firm has already engaged in substantial self-help.

PROTECTION AND PROMOTION OF EXPORTS

The third major theme of the bill is the protection and promotion of exports, and it is important to stress both aspects of our trade to other countries. Efforts to increase exports will come to little unless the United States is prepared vigorously to defend the present access to foreign markets to which we are entitled by virtue of past trade negotiations.

In this regard, the bill completely rewrites and substantially enlarges the President's authority to restrict imports from any country that illegally or unreasonably hampers our exports. As rewritten, section 252 of the Trade Expansion Act of 1962 would authorize the President to impose high tariffs or quotas—at whatever level he deemed appropriate and on a discriminatory or most-favored-nation basis—in basically three situations. First, and most generally, he could do so whenever he determined that a foreign country was maintaining or threatening to impose illegal or unreasonable tariff and nontariff trade barriers which directly or indirectly substantially burden U.S. exports. An illegal barrier would be one inconsistent with applicable international obligations—in most cases provisions of the GATT. An unreasonable barrier would not necessarily be illegal but would be patently unfair. Second, the President would have such retaliatory authority when a foreign country nullified or impaired a tariff concession on a given article by refusing to permit the establishment of a U.S.-owned facility that would assemble such articles into a finished product. It should be emphasized, however, that this authority could be used only in a case where increased exports would result from such foreign investment. Third, the President could take action against a country which subsidized exports to a third country and by that means substantially reduced sales of the competitive U.S. product to that country. In all these instances, however, the President could act only in a manner consistent with our international obligations. Otherwise, the United States would simply risk counter-retaliation and forgo the advantages of lawful action against the offending country.

Turning, finally, to the promotion of exports, the bill would take two significant steps. First, it would liberalize the existing provision of law that authorizes the refund—or drawback—of duties upon exported articles made of imported goods. In particular, if a certain article is imported and a domestic article of the same kind and quality is used to make the exported product, the duties paid on the imported product may be refunded. The bill would expand the so-called substitution provision to include cases where the domestic article is of similar kind and quality.

In addition, the bill provides for the drawback of indirect taxes on exports. Most modern industrial nations relieve their exported products of duties and taxes by refunding them at the time of exportation. The GATT prevents the refunding of income taxes, but we could—consistent with our international obligations and the programs of other countries with which we compete—refund excise and other so-called indirect taxes imposed by Federal, State, and local governments. The Department of the Treasury has calculated that these range from 1.5 to 4 percent of the export price. This could be a significant incentive to export, especially at the present time when a few percentage points can make the difference between a sale or no sale abroad. The bill would thus remove some of the handicaps under which our exporters labor against their foreign competitors, ameliorate our balance of payments, and relieve American exports of a tax burden that they should not—in equity—bear. The bill would, therefore, authorize—but not require—the President to refund the local, State, and Federal indirect taxes that are borne by exported articles and the merchandise, services, and property used in their manufacture. The President could do so, however, only when he found it was in the national interest, which should include a finding that additional exports would be generated by such a program.

The International Trade Act of 1971 seeks to balance the interests of all those affected by our trade policies.

Workers and firms are given fuller and more easily attainable relief from import-connected injury through expansion of the remedies of adjustment assistance and the procedures to obtain this assistance.

Industries faced with serious injury from imports will be aided by the easing of the escape clause. The procedural reforms as to dumping, countervailing duty and unfair import practices will substantially aid industries faced with unfair competition.

American farmers and manufacturers will benefit from the positive encouragement of exports, the attempt to deal

firmly with nontariff barriers, the authority to expand trade and free trade while seeking comparable access to world markets.

The consumer also is not forgotten. The overall freeing of world trade will make available a wider range of products at reduced cost. Consumer interests are also taken into account in review of escape clause cases.

In an area so complex as international trade, it is not possible to fully satisfy all of the competing interests of the above groups. I feel that the provisions of this bill strike a proper balance which will more nearly benefit all segments of our economy and all of our citizens—exporters, importers, workers, farmers, firms and consumers.

I hope that we can have full hearings in the Senate Finance Committee on this and related legislation and that this bill can be speedily enacted.

At this time, I send the bill to the desk and ask that it be appropriately referred.

I ask unanimous consent that a statement prepared by the Senator from Minnesota (Mr. MONDALE), a summary of the bill, and the text of the bill itself be printed at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and without objection, the several requests are granted.

The bill (S. 834) to accelerate the expansion of trade among the countries of the world on a fair and legitimate basis and thereby to promote the general welfare of the United States, and for other purposes introduced by Mr. HARRIS (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Finance.

The statement of Senator MONDALE, summary, and text of the bill were ordered to be printed in the RECORD, are as follows:

STATEMENT OF SENATOR MONDALE

Mr. President, I am pleased to join with the distinguished Senators from New York (Mr. JAVITS), and Oklahoma (Mr. HARRIS) and the other co-sponsors of the International Trade Act of 1971.

There is no question that this Congress must face up to an accumulation of grave problems with respect to international trade. And there is similarly no question but that the major trade legislation which emerges from this Congress will set the tone for our—and the entire world's trade policies for at least the rest of this decade. This is a crucial year for trade legislation, and the challenge must be met positively and responsibly.

Many sectors of our economy are facing increasing competition from abroad. While competition and specialization—doing what one does best—is at the very heart of a market economic system, both national and international, this absolutely must be fair competition.

There is strong feeling, and not without justification, that this import competition has not always been fair, and that our government has not been sufficiently aggressive in protecting the legitimate interests of our workers and industries faced with foreign export subsidies, dumping, and illegal restrictions on U.S. exports and investments abroad.

We have been the world leader in promoting the enormous economic advantages of open world trade. There is no other respectable or responsible position for the world's greatest economic power to take. Yet we must take stronger measures to see that our lead is, in fact, followed. Japanese restrictions on investments, Common Market barriers to agricultural exports, and remaining high tariffs and quotas abroad are evidence that our leadership has relied too much on "good example" and not enough on hard negotiations backed up by legitimate retaliatory authority.

In addition, regardless of the "fairness" of international competition, there will always be industries whose long run competitive edge is simply declining in the world marketplace—just as there will always be newer industries which are becoming increasingly competitive and able to expand their sales abroad.

There is no way to eliminate these trends altogether—short of an economic withdrawal from the rest of the world and denying our workers, industries, and consumers the enormous benefits of open world trade. But this does not mean that we can or should close our eyes to these inevitable problems of international competition.

Neither worker nor industry can be abandoned to an economic principle, oblivious to the very human hardship suffered by those in declining industries. We absolutely must do more than we have done in the past to help industries recover their competitive edge, to assist workers in maintaining their standards of living and productive usefulness, and to give all other forms of reasonable assistance where true "injury' has been found.

These real and legitimate grievances during the last year gained powerful momentum due, in large part, to the state of our domestic economy and the nearly 80% increase in national unemployment. With the jobless rate rising to its highest point in a decade—4.6 million workers by the end of the year and over 5 million unemployed today—the fear of foreign competition increased drastically. Whatever the cause of unemployment—and we know that the overwhelming cause, in simple terms, is a full-fledged recession—the unemployed worker looks first to the elimination of foreign competition as a means of preserving his own job.

We know from history that such a response, as understandable as it may be, is no solution. The Smoot Hawley tariff of 1932 was a child of the great depression, and only hastened the world-wide economic collapse of that decade. We cannot export if we will not import, and an invitation to an international trade war generated by economic insecurity will only cost more jobs than it can possibly save or recapture.

But our recession continues with no upturn yet in sight, and the fears so generated will continue to provide a powerful source of pressure for "solutions" through the erection of barriers to world competition, both fair and unfair.

Another source of pressure for protectionist trade legislation is political promises made to certain industries. Once industries with some legitimate grievances have been led to believe that they can receive special solutions—solutions which circumvent not only established procedures for the redress of injury, but international trade law itself—these industries soon become convinced of both the wisdom and the justice of such "solutions." This again, is understandable. But there is no way, as we saw last year, to grant special treatment to some industries and to deny such treatment to others which, by any measure, are far more "deserving" than the industry currently in political favor.

There are remedies—reasonable and legal—which can be applied to cases of injury or unfair foreign competition. As I said earlier, these must be strengthened and made more responsive to the legitimate problems suffered by many industries and workers. But protectionism is a contagious disease, and "political deals" in international trade can only result in an escalation of trade barriers and the disaster of foreign retaliation and trade wars.

Mr. President, these are the pressures which last year brought us to the very brink of such a trade war.

I and many of my colleagues opposed the protectionist legislation which died a fortuitous death in the closing logjam of the 91st Congress.

While I take relief in what I believe to have been a reversal of the protectionist momentum, I take no real comfort in having had a role in opposing this legislation. For I know that the only truly responsible alternative to protectionist sentiment lies not simply in opposition to quotas and other trade barriers, but in offering positive, forward-looking, and responsive legislation to deal with the legitimate problems—present and future—of international trade.

I promised on December 31, 1970, at the close of the 91st Congress, that those of us who believed in the benefits of expanded world trade would no longer rely simply on opposition to protectionist trade legislation. I promised then that we would have a positive answer—a constructive, responsive, and comprehensive trade bill for this Congress which could ease the domestic burdens of foreign competition and further the cause of expanded, open world trade.

The International Trade Act of 1971 is such a piece of legislation.

It is a forward-looking trade bill, continuing the momentum of the 1962 Trade Expansion Act toward the further mutual reduction of world trade barriers.

It provides a much needed stimulation for U.S. exports through the device of tax "drawbacks." For the first time, U.S. exporters would match some of the advantages of the European exporting firms who receive indirect but legal subsidies through rebates of their border taxes.

It provides for an elimination of the American Selling Price system, and grants negotiating authority to bring order to proliferation of non-tariff barriers being erected by all nations.

And this legislation takes a small step toward granting the nations of Eastern Europe sufficient, selective access to our market to further open the channels of East-West Trade in peaceful goods, when such trade is in our national interest.

But most important, the International Trade Act of 1971 is responsive, to the limits prescribed by the international rules of trade, to the legitimate anxieties of American workers, farmers, business, and industry.

The criteria for escape clause relief calling for quotas or higher tariffs are substantially liberalized. While I have opposed legislated quotas which were in violation of the GATT, I recognize that they may at times be necessary and entirely justified, and that injury findings have been far too difficult to obtain in the past. By maintaining the established *procedure* for escape clause relief, but by liberalizing the *criteria for* injury we can be much more responsive to the problems of workers and industries without overthrowing the civilized rules of international trade and inviting certain retaliation upon our exports.

The bill also liberalizes the procedures for granting adjustment assistance to workers and firms which may be suffering from foreign competition regardless of the competitive status of the entire industry or the justification for quotas or higher tariffs. Beyond making this adjustment assistance easier to obtain, we have also provided for substantially liberalized benefits, both for the maintenance of income and for the necessary retraining, placement, counseling, and other services designed to assist workers in

moving into more productive and higher paying fields.

Perhaps of equal importance to the liberalized escape clause procedures are provisions of this bill designed to strengthen the U.S. negotiating hand in eliminating unfair trade practices by other countries. These provisions would expand the President's retaliatory authority against other countries which impose illegal restrictions upon our exports, both agricultural and industrial, or upon certain U.S. investments abroad.

In addition, it would tighten up our present anti-dumping and countervailing duty laws, designed to combat unfair methods of foreign competition.

Mr. President, a summary of this comprehensive trade legislation has been prepared for the record. But the truly significant points, I think, are these:

First, there are legitimate problems which have accumulated in the international trade field for which our existing remedies have been obviously inadequate.

Second, remedies for these problems must come both through tighter and more liberalized legislation, *and* through more aggressive and responsive administration of the remedies long on the books, including retaliatory authority against other nations which have yet to follow upon our lead in opening world trade.

Third, we must shift the emphasis away from protectionism and isolationism toward an *expansion* of world trade, with all of its benefits to the American worker, farmer, businessman, and consumer.

Something in nature abhors vacuum, and the absence of expansionary, forward-looking trade legislation in the last several years has given over the field to myriads of protectionist trade bills. It is our hope now to fill this vacuum with the kind of trade legislation which can set the tone for new trade policies of the 70's.

Those of us who have opposed the remedy of illegal legislated quotas owe it to our industries and workers to come up with a responsible positive alternative. I believe that this legislation is that alternative, and I hope that more of our colleagues will join us in support of this effort.

SUMMARY OF INTERNATIONAL TRADE ACT OF 1971

TITLE I—SHORT TITLE AND PURPOSES

This title provides that the Act may be known as the "International Trade Act of 1971" and briefly states the purpose of each of the succeeding six titles.

TITLE II—TRADE AGREEMENTS PROGRAM

This title amends the Trade Expansion Act of 1962 (TEA) so as to—

(1) give the President, until July 1, 1973, the authority to reduce tariffs by 50% and to eliminate tariffs of 5% or less, with a new Congressional directive that any trade agreement negotiation should be aimed at establishing fair and equivalent conditions of access for agricultural and industrial articles to the markets of all the countries involved;

(2) repeal the duty-eliminating authorities in the TEA that are based on a now questionable "special relationship" with the European Economic Community;

(3) require that any investigation under the national security provision shall be completed within one year;

(4) provide an express authorization of appropriations for the annual U.S. contribution to the GATT, both to put this appropriation on a normal basis and to emphasize support of this key international institution; and

(5) expand the President's authority to retaliate against other countries' restrictive actions and permit him, consistent with our international obligations, to impose import restrictions when another country—

(i) illegally or unreasonably imposes restrictions on U.S. exports,

(ii) impairs or nullifies a tariff concession that could permit increased U.S. exports by illegally or unreasonably restricting U.S. direct investment in that country, or

(iii) subsidizes exports to a third country and thereby substantially reduces sales of U.S. exports to such country.

TITLE III—ASSISTANCE TO FIRMS, WORKERS, AND INDUSTRIES

This title amends section 301 of the TEA so as to—

(1) relax the criteria for escape-clause relief—i.e., higher tariffs or quotas for an entire domestic industry—by requiring the industry to show that increased imports are *the primary cause* of serious economic injury;

(2) liberalize the criteria for adjustment assistance—i.e., financial and other forms of relief not involving import restrictions for an individual firm or group of workers—by providing that a firm (or individual plant) or a group of workers (in a firm or plant) shall show that increased imports are *a substantial cause* of economic dislocation;

(3) take the function of determining whether the criteria for adjustment assistance are satisfied in specific cases away from the Tariff Commission and give it to what would probably be a three-agency board of the Executive Branch; and

(4) require the Tariff Commission to find the probable effect upon consumers of any escape-clause relief it recommends to the President.

In addition, this title—

(1) liberalizes the provisions authorizing adjustment assistance to firms;

(2) assures that workers under the adjustment assistance program will receive financial benefits equal to the wages they earned prior to unemployment;

(3) requires the President, in deciding whether to grant escape-clause relief, to take into account its probable effect upon consumers and domestic competition;

(4) requires the Tariff Commission, in reviewing existing escape-clause actions, to take into account their impact upon consumers, domestic competition, and exporters;

(5) requires any industry seeking the extension of an escape-caluse action to indicate the specific efforts made to adjust to import competition; and

(6) makes permanent the special adjustment assistance provisions of the law implementing the U.S.-Canadian Automotive Agreement.

TITLE IV—NON-TARIFF BARRIERS TO TRADE

This title attempts to clear the way for substantial further progress in the important field of non-tariff barriers (NTB's). In particular, it—

(1) urges the President to do all he can to eliminate NTB's and, if necessary, to negotiate so-called *ad referendum* agreements that are first concluded and then brought back to the Congress for the enactment of implementing legislation;

(2) provides that any NTB negotiation be preceded by public hearings and an investigation by the Tariff Commission into its probable economic effect and that such negotiation be attended by Congressional delegates from the Ways and Means and Finance Committees; and

(3) authorizes the complete elimination of the American selling price system of customs valuation—a precondition in the eyes of Europeans to further international action with respect to NTB's.

TITLE V—COMMERCIAL AGREEMENTS WITH CERTAIN COUNTRIES

This title authorizes the President to conclude a three-year renewable commercial agreement with a Communist country with whom we have diplomatic relations. Under such an agreement, the President would extend non-discriminatory—or so-called most-favored-nation—tariffs to one or more products of the Communist country in return for equivalent commercial benefits. The President is authorized to terminate such most-favored-nation treatment at any time, and he is required to do so whenever he determines that the Communist country is not fulfilling its obligations or that termination is in the national interest.

TITLE VI—ENCOURAGEMENT OF EXPORTS

This title would encourage exports by expanding the concept of drawback—or refund—of duties and taxes on exports. First, it would liberalize the so-called "substitution provision" in the present law that provides for the drawback on duties. Second, it would authorize—but not require—the Secretary of the Treasury to refund Federal and State indirect taxes on goods, services, and property used in the manufacture of exports. The Secretary could not, however, grant the refund unless he found that it was likely to increase U.S. exports and was in the national interest. Such refund would be consistent with the GATT, would probably average about 2.5 percent of the sales price, and would reduce, though not eliminate, the advantages presently enjoyed by exports from the European Economic Community under its border tax system.

TITLE VII—UNFAIR IMPORT COMPETITION

This title would amend the three provisions of law directed at dumping, subsidization, and other unfair practices in the import trade.

In general, this title would—

(1) establish fixed time periods within which investigations into such alleged practices would have to be concluded;

(2) require a public hearing to permit all interested parties to have a voice in the proceeding; and

(3) assure judicial review of the pertinent agency determinations.

In particular, this title would specify the kinds of economic injury to which the Anti-dumping Act pertains. In addition, it would make the anti-subsidy law applicable to both duty-free as well as dutiable products, instead of just the latter as at the present. Moreover, it would add an injury requirement to the anti-subsidy law—effective January 1, 1975. The President would be urged to negotiate an international agreement limiting the use of other countries' trade-distorting subsidies, with the United States undertaking for the first time to adopt an injury standard in its law. If this effort should fail, the adoption of the injury standard could be eliminated by concurrent resolution or proclamation.

S. 834

A bill to accelerate the expansion of trade among the countries of the world on a fair and legitimate basis and thereby to promote the general welfare of the United States, and for other purposes

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

TITLE I—SHORT TITLE AND PURPOSES

SHORT TITLE

SEC. 101. This Act may be cited as the "International Trade Act of 1971".

STATEMENT OF PURPOSES

SEC. 102. The purposes of this Act are—

(1) to grant sufficient authority to the President to seek fair access to foreign markets for United States products, including agricultural and industrial products, and to deal with the special problems created by the establishment or extension of customs unions or other arrangements among foreign countries that may adversely affect United States exports;

(2) to establish an effective program of adjustment assistance for firms and workers dislocated by increased imports and, taking into account the interests of consumers and exporters, to afford adequate relief for industries seriously injured by increased imports in order to allow such industries to adjust to import competition;

(3) to promote the reduction or elimination of non-tariff barriers and other distortions of international trade by encouraging the President to negotiate international agreements providing for such reduction or elimination and by authorizing the total elimination of the American selling price system of customs valuation;

(4) to extend on a selective basis and through reciprocal commercial agreements the application of most-favored-nation treatment to the products of countries presently denied such treatment when and so long as it is in the national interest;

(5) to further encourage United States exports by liberalizing the drawback of duties and by authorizing the drawback of indirect taxes borne by such exports and by merchandise, services, and property that are used in their manufacture; and

(6) to afford prompter relief and establish more equitable proceedings under the provisions of law directed against the injurious dumping and subsidization of imports as well as the use of injurious unfair trade practices in the importation of goods.

TITLE II—TRADE AGREEMENTS PROGRAM

BASIC AUTHORITY FOR TRADE AGREEMENTS

SEC. 201. Section 201 of the Trade Expansion Act of 1962 (19 U.S.C. 1821(a)) is amended as follows:

(a) In subsection (a)(1), strike out "July 1, 1967" and insert in lieu thereof "July 1, 1973".

(b) In subsection (b)(1), strike out "July 1, 1962" and insert in lieu thereof "July 1, 1967".

(c) Insert immediately after subsection (b) the following new subsection:

"(c) In entering into each trade agreement pursuant to subsection (a), the President shall seek the establishment of fair and equivalent conditions of access for the articles concerned, including agricultural and industrial articles, to the markets of all the parties to such agreement."

SPECIAL AUTHORITIES

SEC. 202. (a) Section 202 of the Trade Expansion Act of 1962 (19 U.S.C. 1822) is amended by striking out "July 1, 1962" and inserting in lieu thereof "July 1, 1967".

(b) Sections 211, 212, and 213 of the Trade Expansion Act of 1962 (19 U.S.C. 1831, 1832, and 1833) are repealed.

NATIONAL SECURITY PROVISION

SEC. 203. (a) Section 232(b) of the Trade Expansion Act of 1962 (19 U.S.C. 1862(b)) is amended by adding at the end thereof the following new sentence: "In the case of any investigation under this subsection initiated by request or application, the Director shall make and announce the determination required by this subsection not later than 1 year after the date on which such request or application was made."

(b) The amendment made by subsection (a) shall apply with respect to requests or applications made to the Director of the Office of Emergency Preparedness under section 232(b) of the Trade Expansion Act of 1962 on or after January 1, 1968; except that, in the case of such a request or application made more than 1 year before the date of the enactment of this Act, the determination required by such section 232(b) shall be made on or before the 60th day after such date of enactment.

GENERAL AGREEMENT ON TARIFFS AND TRADE

SEC. 204. Chapter 5 of title II of the Trade Expansion Act of 1962 is amended by inserting immediately after section 243 (19 U.S.C. 1873) the following new section:

"GENERAL AGREEMENT ON TARIFFS AND TRADE

"SEC. 244. There are hereby authorized to be appropriated annually such sums as may be necessary for the payment by the United States of its share of the expenses of the Contracting Parties to the General Agreement on Tariffs and Trade."

FOREIGN IMPORT RESTRICTIONS

SEC. 205. Section 252 of the Trade Expansion Act of 1962 (19 U.S.C. 1882) is amended to read as follows:

"FOREIGN IMPORT RESTRICTIONS AND DISCRIMINATORY ACTS

"SEC. 252. (a) Whenever the President determines that a foreign country or instrumentality maintains or threatens to impose illegal or unreasonable tariff and non-tariff trade restrictions, including variable import fees, which either directly or indirectly substantially burden United States exports, including agricultural and industrial, the President—

"(1) shall take all appropriate and feasible steps within his power to eliminate such restrictions;

"(2) shall refrain from negotiating the reduction or elimination of any United States import restriction under section 201(a) in order to obtain the reduction or elimination of any such illegal restriction; and

"(3) may, consistent with the international obligations of the United States, impose duties or other import restrictions on the products of such foreign country or instrumentality on a most-favored-nation basis or otherwise, and for such time as he deems appropriate.

"(b) Whenever the President determines that—

"(1) a foreign country or instrumentality has granted a tariff concession applicable to a United States product;

"(2) such United States product is not likely to be exported in significantly additional quantities to such foreign country or instrumentality unless direct United States investment is made in that country or instrumentality in order to assemble, manufacture, or further process such product;

"(3) such foreign country or instrumentality has imposed illegal or unreasonable restrictions on such direct United States investment; and

"(4) such foreign country or instrumentality has thereby impaired or nullified the value of the tariff concession applicable to such United States product,

the President may, consistent with the international obligations of the United States, impose duties or other import restrictions on the products of such foreign country or instrumentality on a most-favored-nation basis or otherwise, and for such time as he deems appropriate.

"(c) Whenever the President determines that a foreign country or instrumentality provides subsidies (or other incentives having the effect of subsidies) on its exports of one or more products to other foreign markets which substantially reduce sales of the competitive United States agricultural or industrial product or products to those foreign markets, the President may, consistent with the international obligations of the United States, impose duties or other import restrictions on the products of such foreign country or instrumentality on a most-favored-nation basis or otherwise, and for such time as he deems appropriate.

"(d) Upon request by any interested person, the organization established pursuant to section 242(a) shall, after reasonable notice, hold a public hearing with respect to foreign import restrictions and discriminatory acts of the kind referred to in subsections (a), (b), and (c) and shall afford interested persons an apportunity to be present, to produce evidence, and to be heard at such hearing. Within 6 months of the date of the public hearing, such organization shall publish in the Federal Register its findings with respect to the restrictions and acts in question, including whether they are illegal or unreasonable and what their impact has been or is likely to be on United States exports, and shall submit its recommendations to the President as to what action, if any, the United States should take."

DEFINITIONS

SEC. 206. Section 256(4) of the Trade Expansion Act of 1962 (19 U.S.C. 1886(4)) is amended to read as follows:

"(4) The term 'existing on July 1, 1967', as applied to a rate of duty, refers to the lowest non-preferential rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on such date or (if lower) the lowest non-preferential rate to which the United States is committed on such date."

TITLE III—ASSISTANCE TO FIRMS, WORKERS, AND INDUSTRIES PETITIONS AND DETERMINATIONS

SEC. 301. Section 301 of the Trade Expansion Act of 1962 (19 U.S.C. 1901) is amended as follows:

(a) The title is amended to read "PETITIONS AND DETERMINATIONS".

(b) Subsection (a)(2) is amended by striking out "Tariff Commission" wherever it appears and inserting in lieu thereof "President."

(c) Subsection (a)(3) is amended by striking out "this subsection" and inserting in lieu thereof "paragraph (1)".

(d) Subsection (b) is amended to read as follows:

"(b)(1) Upon request of the President, upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon its own motion, or upon the filing of a petition under subsection (a)(1), the Tariff Commission shall promptly make an investigation to determine whether increased quantities of imports of an article directly competitive with an article produced by a domestic industry have been the primary cause or threat of serious injury to such industry. In making its determination under this paragraph, the Tariff Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a level of reasonable profit, and unemployment or underemployment.

"(2) No investigation for the purpose of paragraph (1) shall be made, upon petition filed under subsection (a)(1), with respect to the same subject matter as a previous investigation under paragraph (1), unless one year has elapsed since the Tariff Commission made its report to the President of the results of such previous investigation."

(e) Subsection (c) is amended to read as follows:

"(c)(1) In the case of a petition by a firm for a determination of eligibility to apply for adjustment assistance under chapter 2, the President shall determine whether increased quantities of imports of an article directly competitive with an article produced by the firm have been a substantial cause or threat of serious injury to such firm.

"(2) In the case of a petition by a group of workers for a determination of eligibility to apply for adjustment assistance under chapter 3, the President shall determine whether increased quantities of imports of an article directly competitive with an article produced by such workers' firms, or an appropriate subdivision thereof, have been a substantial cause or threat of unemployment or underemployment of a significant number or proportion of the workers of such firm or subdivision.

"(3) In order to assist him in making the

determinations referred to in paragraphs (1) and (2) with respect to a firm or group of workers, the President shall promptly transmit to the Tariff Commission a copy of each petition filed under subsection (a)(2) and, not later than 5 days after the date on which the petition is filed, shall request the Tariff Commission to conduct an investigation relating to questions of fact relevant to such determinations and to make a report of the facts disclosed by such investigation. In his request, the President may specify the particular kinds of data which he deems appropriate. Upon receipt of the President's request, the Tariff Commission shall promptly institute the investigation and promptly publish notice thereof in the Federal Register."

(f) Subsection (d)(2) is amended to read as follows:

"(2) In the course of any investigation under subsection (c)(3), the Tariff Commission shall, after reasonable notice, hold a public hearing, if such hearing is requested (not later than 10 days after the date of the publication of its notice under subsection (c)(3)) by the petitioner or any other person showing a proper interest in the subject matter of the investigation, and shall afford interested persons an opportunity to be present, to produce evidence, and to be heard at such hearing."

(g) Subsection (e) is amended by inserting after "such injury" the words ", as well as the appropriateness of adjustment assistance to remedy such injury", and by adding the following new second sentence: "In addition, the Tariff Commission shall find the probable effect of such increase or imposition upon consumers, including the price and availability of such article and the like or directly competitive article produced in the United States."

(h) Subsection (f)(1) is amended by inserting "under subsection (b)" after "in each report" in the first sentence.

(i) Subsection (f)(3) is amended to read as follows:

"(3) The report of the Tariff Commission of the facts disclosed by its investigation under subsection (c)(3) with respect to a firm or group of workers shall be made at the earliest practicable time, but not later than 60 days after the date on which it receives the request of the President under subsection (c)(3)."

(j) Immediately after subsection (g), the following new subsection is added:

"(h) For purposes of this title—

"(1) the term 'firm' may include a separate establishment of a firm; and

"(2) the term 'group of workers' may include a group of workers of a separate establishment of a firm."

PRESIDENTIAL ACTION AFTER TARIFF COMMISSION REPORTS

SEC. 302. Section 302 of the Trade Expansion Act of 1962 (19 U.S.C. 1902) is amended as follows:

(a) The title is amended to read "PRESIDENTIAL ACTION AFTER TARIFF COMMISSION REPORTS".

(b) Subsection (b)(1) is amended to read as follows:

"Within 30 days after receiving a request for certification from a firm in an industry with respect to which the President has acted under subsection (a)(2), the Secretary of Commerce shall certify such firm as eligible to apply for adjustment assistance under chapter 2 unless he makes a determination that the increased quantities of imports have not been a substantial cause or threat of serious injury to such firm. Any such determination shall be supported by written findings of fact and shall be issued within 30 days after receipt of the initial request for certification unless, within that period, the Secretary notifies the firm that he requires it to submit additional information in order to enable him to resolve specific questions as to the firm's eligibility, in which event he shall issue his decision as to eligibility within 15 days after receiving such information."

(c) Subsection (b)(2) is amended to read as follows:

"Within 30 days after receiving a request for certification from a group of workers in an industry with respect to which the President has acted under subsection (a)(3), the Secretary of Labor shall certify such group of workers as eligible to apply for adjustment assistance under chapter 3 unless he makes a determination that the increased quantities of imports have not been a substantial cause or threat of unemployment or underemployment of a significant number or proportion of workers of such workers' firm or subdivision thereof. Any such determination shall be supported by written findings of fact and shall be issued within 30 days after receipt of the initial request for certification unless, within that period, the Secretary notifies the group of workers that he requires it to submit additional information in order to enable him to resolve specific questions as to the group's eligibility, in which event he shall issue his decision as to eligibility within 15 days after receiving such information."

(d) Subsection (c) is amended to read as follows:

"(c)(1) After receiving a report of the Tariff Commission of the facts disclosed by its investigation under section 301(c)(3) with respect to any firm or group of workers, the President shall make his determination under section 301(c)(1) or (c)(2) at the earliest practicable time, but not later than 30 days after the date on which he receives the Tariff Commission's report, unless, within such period, the President requests additional factual information from the Tariff Commission. In this event, the Tariff Commission shall, not later than 25 days after the date on which it receives the President's request, furnish such additional factual information in a supplemental report, and the President shall make his determination not later than 15 days after the date on which he receives such supplemental report.

"(2) The President shall promptly publish in the Federal Register a summary of each determination under section 301(c) with respect to any firm or group of workers.

"(3) If the President makes an affirmative determination under section 301(c) with respect to any firm or group of workers, he shall promptly certify that such firm or group of workers is eligible to apply for adjustment assistance.

"(4) The President is authorized to exercise any of his functions with respect to determinations and certifications of eligibility of firms or workers to apply for adjustment assistance under section 301 and this section through such agency or other instrumentality of the United States Government as he may direct."

CERTIFICATION PROCEDURES FOR FIRMS

SEC. 303. Section 311 of the Trade Expansion Act of 1962 (19 U.S.C. 1911) is amended by adding the following new subsection:

"(e) Certification procedures and forms prescribed by the Secretary of Commerce pursuant to this section shall be designed to simplify and expedite the provision of adjustment assistance to firms."

USE OF DEPARTMENT OF COMMERCE

SEC. 304. Section 312(a) of the Trade Expansion Act of 1962 (19 U.S.C. 1912(a)) is amended to read as follows:

"(a) The Secretary of Commerce shall provide adjustment assistance under sections 313 and 314 to any firm whose adjustment proposal he has certified, unless he determines that the same assistance can be provided more expeditiously and effectively by one or more other agencies. In that event, he shall refer the adjustment proposal to such other agency or agencies and shall take all steps necessary to assist the firm in securing such assistance."

CONDITIONS FOR FINANCIAL ASSISTANCE

SEC. 305. Section 315(a) of the Trade Expansion Act of 1962 (19 U.S.C. 1915(a)) is amended by inserting after "90 percent" the words "or, if the Secretary determines that the firm has already taken substantial measures to assist its own economic adjustment, 100 percent".

TAX ASSISTANCE TO FIRMS

SEC. 306. Section 317(a)(2) of the Trade Expansion Act of 1962 (19 U.S.C. 1917(2)) is amended by striking out "by the increased imports which the Tariff Commission has determined to result from concessions granted under trade agreements" and inserting in lieu thereof "by the increased quantities of imports identified by the Tariff Commission under section 301(b)(1) or by the President under section 301(c)(1), as the case may be".

AUTHORITY FOR ASSISTANCE TO WORKERS

SEC. 307. Section 321 of the Trade Expansion Act of 1962 (19 U.S.C. 1931) is amended by inserting "(a)" immediately before "The", and by adding the following new subsection:

"(b) Procedures and forms prescribed by the Secretary of Labor pursuant to this section shall be designed to simplify and expedite the provision of adjustment assistance to workers."

INCREASED ASSISTANCE FOR WORKERS

SEC. 308. (a) Section 323(e) of the Trade Expansion Act of 1962 (19 U.S.C. 1942(e)) is amended to read as follows:

"(e) Whenever, with respect to any week of unemployment, the total amount payable to an adversely affected worker as remuneration for services performed during such week, as unemployment insurance, as a training allowance referred to in subsection (d), and as a trade readjustment allowance—

"(1) is less than 100 percent of his average weekly wage, his trade readjustment allowance shall be increased by the amount of such insufficiency, or

"(2) is more than 100 percent of his average weekly wage, his trade readjustment allowance shall be reduced by the amount of such excess."

(b) The second sentence of section 326(a) of the Trade Expansion Act of 1962 (19 U.S.C. 1951(a)) is amended to read as follows: "To this end, and subject to this chapter, adversely affected workers shall be afforded, where appropriate, the testing, counseling, training, and placement services and supportive and other services provided for under any Federal Law."

(c) Section 338(4) of the Trade Expansion Act of 1962 (19 U.S.C. 1978(4)) is amended by adding thereto the following new fourth sentence: "For purposes of this paragraph, the Secretary of Labor is authorized to issue regulations providing that the term 'total wages' may include the monetary equivalent of insurance, retirement, and other benefits obtained in addition to wages."

(d) The amendments made by subsections (a) and (c) shall apply with respect to assistance under chapter 3 of the Trade Expansion Act of 1962 for weeks of unemployment beginning on or after the date of the enactment of this Act.

TARIFF ADJUSTMENT

SEC. 309. Section 351 of the Trade Expansion Act of 1962 (19 U.S.C. 1981) is amended as follows:

(a) Subsection (a)(1) is amended by inserting immediately before the period ", taking into account the probable effect of such increase or imposition upon consumers, including the price and availability of the imported article and the like or directly competitive domestic article, and upon com-

petition in the domestic markets for such articles".

(b) Subsection (d)(1) is amended to read as follows:

"(d)(1) So long as any increase in, or imposition of, any duty or other import restriction pursuant to this section remains in effect, the Tariff Commission shall keep under review, and make annual reports to the President on—

"(A) the specific efforts being made by the firms in the industry concerned to adjust to import competition, and other developments with respect to such industry,

"(B) the effect of such increase or imposition upon consumers, including the price and availability of the imported article and the directly competitive article produced in the United States, and upon competition in the domestic markets for such articles, and

"(C) the impact upon United States exports and exporters of any action taken by foreign countries as a consequence of such increase or imposition."

(c) Subsection (d)(2) is amended to read as follows:

"(d)(2) No later than 2 years after the effective date of a proclamation providing for the increase in, or imposition of, any duty or other import restriction pursuant to this section, or upon request of the President, or upon its own motion, the Tariff Commission shall advise the President of its judgment as to the probable economic effect on the industry concerned of the reduction or termination of such increase or imposition."

(d) Subsection (d)(3) is amended by adding thereto the following new second sentence: "Such petition shall include a detailed account of the specific efforts made by the firms in the industry to adjust to import competition after the effective date of such increase or imposition."

(e) Subsection (d)(4) is amended to read as follows:

"(d)(4) In advising the President under this subsection as to the probable economic effect on the industry concerned, the Tariff Commission shall take into account the specific efforts made by the firms in such industry to adjust to import competition, as well as all other economic factors which it considers relevant, including idling of productive facilities, inability to operate at a level of reasonable profit, and unemployment or underemployment. In so advising the President, the Tariff Commission shall also provide its judgment as to the probable effect of the reduction or elimination, as the case may be, upon—

"(A) consumers, including the price and availability of the imported article and the directly competitive article produced in the United States, and upon competition in the domestic markets for such articles, and

"(B) United States exports and exporters affected by any action taken by foreign countries as a consequence of the increase in, or imposition of, any duty or other import restriction pursuant to this section."

PUBLICITY

SEC. 310. Title III of the Trade Expansion Act of 1962 is amended by adding at the end thereof the following new chapter:

"CHAPTER 6—PUBLICITY

"PUBLICITY OF ADJUSTMENT ASSISTANCE PROGRAM

"SEC. 371. (a) The President shall take all appropriate steps to ensure that the adjustment assistance available under chapters 2 and 3 is made known in a prompt and effective manner throughout the United States to persons who might need such assistance, including persons in areas of substantial unemployment as determined by the Department of Labor.

"(b) In particular, the President shall direct the Departments of Commerce and Labor, and such other agencies as he deems appropriate—

"(1) to use their services and programs in the several States to furnish interested persons with information concerning the various kinds of adjustment assistance available under chapters 2 and 3 and the procedures for obtaining such assistance, and

"(2) to provide timely and appropriate assistance, through their field offices in the several States, to any person seeking to apply for, and to obtain, adjustment assistance under chapters 2 and 3.

"(c) In any area of the United States where a language other than English is used by a significant number of persons, the President shall ensure that information and assistance under this chapter are provided in both English and such other language."

AMENDMENTS TO AUTOMOTIVE PRODUCTS TRADE ACT OF 1965

SEC. 311. (a) Section 302(a) of the Automotive Products Trade Act of 1965 (19 U.S.C. 2022(a)) is amended by striking out "After the 90th day after the date of the enactment of this Act and before July 1, 1968, a petition under section 301" and inserting in lieu thereof "A petition under section 301".

(b) The heading of section 302 of such Act is amended to read as follows: "SPECIAL AUTHORITY".

(c) Subsections (c), (d), and (g)(2) of section 302 of such Act are amended by striking out "the primary factor" and inserting in lieu thereof "a substantial factor".

(d) The amendments made by this section shall apply with respect to petitions filed after the date of the enactment of this Act except that—

(1) such amendments shall apply only with respect to dislocations which began after June 30, 1968, and

(2) such amendments shall apply with respect to dislocations which began after June 30, 1968, and before July 1, 1971, only if the petition is filed on or before the 90th day after the date of the enactment of this Act.

TITLE IV—NON-TARIFF BARRIERS TO TRADE LIBERALIZATION OF NON-TARIFF BARRIERS TO TRADE

SEC. 401. (a) The Congress finds that non-tariff barriers and other distortions of international trade are reducing the growth of foreign markets for the products of United States agriculture, industry, mining, and commerce, diminishing the intended mutual benefits of reciprocal tariff concessions, and preventing the development of open and non-discriminatory trade among nations. It is the will of the Congress that the President take all appropriate and feasible steps within his power to reduce and eliminate non-tariff barriers and other distortions of international trade in order to further the objective of establishing fair and equivalent conditions of access to markets throughout the world.

(b) As a means of pursuing this objective, the President is urged to negotiate agreements with other countries and instrumentalities providing for the reciprocal reduction or elimination of non-tariff barriers and other distortions of international trade, with the objective of establishing fair and equivalent conditions of access for the articles concerned, including agricultural and industrial articles, to the markets of all the parties concerned. No such negotiation should take place, however, until all interested persons have been given a reasonable opportunity to present their views on any proposed agreement, until the President has obtained the advice of the Tariff Commission on the probable economic effect of such agreement, and only on the condition that such agreement shall not enter into force in the United States until the enactment of any necessary implementing legislation.

(c) Subsection (b) shall in no way be construed as prior approval of any legislation that may be necessary to implement an agreement concerning non-tariff barriers and other distortions of international trade.

(d) Before each negotiation under this section, the President shall, upon the recommendation of the Speaker of the House of Representatives, select two members (not of the same political party) of the Committee on Ways and Means, and shall, upon the recommendation of the President of the Senate, select two members (not of the same political party) of the Committee on Finance, who shall be accredited as members of the United States delegation to such negotiation.

ELIMINATION OF AMERICAN SELLING PRICE SYSTEM

SEC. 402. (a) The President is authorized to proclaim such modifications of the Tariff Schedules of the United States (19 U.S.C. 1202) as are required or appropriate to carry out—

(1) part II of the Agreement Relating Principally to Chemicals, Supplementary to the Geneva (1967) Protocol to the General Agreement on Tariffs and Trade, concluded among the European Economic Community, Switzerland, the United Kingdom, and the United States in Geneva on June 30, 1967, and

(2) the Agreement effected in Geneva on June 30, 1967, by an exchange of notes between the United States and Japan relating to certain canned clams and wool-knit gloves.

(b) With respect to certain footwear presently provided for in item 700.60 of the Tariff Schedules of the United States, the President is authorized—

(1) to enter into a trade agreement providing for the replacement of item 700.60 by one or more new items having product descriptions and rates of duty found by the Tariff Commission to result in duties substantially equivalent to those resulting from the present law, which rates of duty shall be applied to values determined in accordance with the methods of valuation, other than American selling price, provided for in section 402 of the Tariff Act of 1930 (19 U.S.C. 1401a); and

(2) to proclaim such modifications of subpart A (Footwear) of part 1 of schedule 7 of the Tariff Schedules of the United States as are required or appropriate to carry out such agreement and necessary to simplify product descriptions and eliminate anomalies of classification.

(c) In a proclamation issued pursuant to this section, the President is authorized to simplify the Tariff Schedules of the United States by consolidating article descriptions, without changing rates of duty, with respect to articles which will be subject to full concession rates of duty that are identical to one another in column numbered 1 and to rates of duty that are identical to one another in column numbered 2. Any such consolidation shall become effective on the date the full concession rates of duty become effective for such articles.

(d) The President is authorized at any time to terminate, in whole or in part, any proclamation issued pursuant to this section.

APPLICATION OF RELATED PROVISIONS

SEC. 403. (a) For purposes of section 256(4) of the Trade Expansion Act of 1962 (19 U.S.C. 1886(4)), each full concession rate of duty proclaimed pursuant to section 402 of this Act increased by 100 percent thereof shall be treated as the rate of duty existing on July 1, 1967.

(b) For purposes of general headnote 4 of the Tariff Schedules of the United States (19 U.S.C. 1202), a rate of duty proclaimed pursuant to section 402 of this Act shall be treated as a rate of duty proclaimed pursuant to a concession granted in a trade agreement.

CONSEQUENTIAL AMENDMENTS OF TARIFF SCHEDULES OF UNITED STATES

SEC. 404. As of the effective date of a proclamation issued pursuant to section 402(a) or 402(b) of this Act, the Tariff Schedules of the United States are amended by those of the following paragraphs which apply to the articles to which such proclamation relates:

(1) Part 3E of schedule 1 is amended by striking out the rate of duty in column numbered 2 for item 114.05 and by inserting in such column "35¢ per lb." and "35% ad val." for the articles provided for in items 114.04 and 114.06, respectively, proclaimed pursuant to section 402(a) of this Act, and by striking out headnote 1 and the headnote heading preceding it.

(2) Part 1 of schedule 4 is amended by striking out the rates of duty in column numbered 2 in subparts B and C and by inserting in such column "7c per lb. + 75% ad val." for the articles provided for in each item proclaimed pursuant to section 402(a) of this Act, and by striking out headnotes 4 and 5 and inserting in lieu thereof:

"4. The ad valorem rates provided for in this part shall be applied to values determined in accordance with the methods of valuation provided for in section 402(a) through (d) of this Act (19 U.S.C. 1401a(a) through (d))."

(3) Part 1A of schedule 7 is amended by providing for the one or more new items referred to in section 402(b)(1) of this Act a rate of duty in column numbered 2 that is twice the rate provided in column numbered 1 for such item or items, respectively, and by striking out headnote 3(b) and inserting in lieu thereof:

"(b) The ad valorem rates provided for in the items proclaimed in such proclamation as may be issued pursuant to section 402(b)(1) of the International Trade Act of 1971 shall be applied to values determined in accordance with the methods of valuation provided for in section 402(a) through (d) of this Act (19 U.S.C. 1401a (a) through (d))."

(4) Part 1C of schedule 7 is amended by striking out the rate of duty in column numbered 2 for item 704.55 and inserting in lieu thereof "40¢ per lb. + 35% ad val.", and by striking out headnote 4 and inserting in lieu thereof:

"4. The ad valorem rates provided for in item 704.55 shall be applied to values determined in accordance with the methods of valuation provided for in section 402(a) through (d) of this Act (19 U.S.C. 1401a (a) through (d))."

CONSEQUENTIAL AMENDMENTS OF OTHER PROVISIONS OF TARIFF ACT OF 1930

SEC. 405. As of the date the American selling price system of customs valuation is eliminated, pursuant to sections 402 and 404 of this Act, for all articles now subject to that system—

(1) Section 336 of the Tariff Act of 1930 (19 U.S.C. 1336) is amended by striking out—

(A) subsection (b),

(B) "and in basis of value" in subsection (c),

(C) "or in basis of value" in subsections (d) and (f), and

(D) subsection (j).

(2) Section 402 of the Tariff Act of 1930 (19 U.S.C. 1401a) is amended by striking out everything in subsection (a) which follows "constructed value" and precedes the period, and by striking out subsection (e).

(3) Section 402a of the Tariff Act of 1930 (19 U.S.C. 1402) is amended by striking out everything in subsection (a) which follows "cost of production" and precedes the period, and by striking out subsection (g).

TITLE V—COMMERCIAL AGREEMENTS WITH CERTAIN COUNTRIES

AUTHORITY TO ENTER INTO COMMERCIAL AGREEMENTS

SEC. 501. In the case of a country with which the United States has diplomatic relations, but to the products of which it denies most-favored-nation treatment, the President may make a commercial agreement with such country providing such treatment to one or more products of that country whenever he determines that such agreement is in the national interest and is likely to result in commercial benefits to the United States equivalent to those provided by the agreement to the other party.

BENEFIT TO BE PROVIDED BY COMMERCIAL AGREEMENTS

SEC. 502. The commercial benefits to the United States to be obtained in a commercial agreement may be of the following kind, but need not be restricted thereto:

(a) arrangements for the protection of industrial rights and processes;

(b) arrangements for the settlement of commercial differences and disputes;

(c) arrangements for participation in trade fairs and exhibits, for sending of trade missions, and for facilitation of entry and travel of commercial representatives; or

(d) most-favored-nation treatment with respect to duties or other restrictions on the imports of the products of the United States, and other arrangements that may secure market access and assure fair treatment for products of the United States.

PROVISIONS TO BE INCLUDED IN COMMERCIAL AGREEMENTS

SEC. 503. A commercial agreement shall—

(a) be limited to an initial period specified in the agreement which shall be no more than 3 years from the time the agreement becomes effective;

(b) be subject to suspension or termination in whole or in part at any time upon reasonable notice;

(c) provide for consultations at regular intervals for the purpose of reviewing the operation of the agreement and relevant aspects of relations between the United States and the other party; and

(d) be renewable for additional periods, each not to exceed three years.

EXTENSION OF BENEFITS OF MOST-FAVORED-NATION TREATMENT

SEC. 504. (a) In order to carry out a commercial agreement and notwithstanding the provisions of any other law, the President may by proclamation extend, for the period of effectiveness of the agreement, most-favored-nation treatment to one or more products of the other party.

(b) The President may at any time suspend or terminate in whole or in part any proclamation issued under subsection (a). The President shall suspend or terminate such proclamation whenever he determines that—

(1) the other party is no longer fulfilling its obligations under the agreement; or

(2) the suspension or termination of the agreement is in the national interest.

REQUIREMENTS FOR NEGOTIATIONS

SEC. 505. Before the negotiation of a commercial agreement under this title, the President—

(1) shall seek information and advice with respect to such agreement from the interested departments and agencies of the United States Government, from interested persons, and from such other sources as he may deem appropriate; and

(2) shall, upon the recommendation of the Speaker of the House of Representatives, select two members (not of the same political party) of the Committee on Ways and Means, and shall, upon the recommendation of the President of the Senate, select two members (not of the same political party) of the Committee on Finance, who shall be accredited as members of the United States delegation to such negotiation.

TRANSMISSION OF REPORTS TO CONGRESS

SEC. 506. The President shall submit to the Congress an annual report on the commercial agreements program instituted under this title. Such report shall include information regarding negotiations, benefits obtained as a result of commercial agreements, the texts of any such agreements, and other information relating to the program.

RELATION TO OTHER LAWS

SEC. 507. (a) This title shall not apply to any agreement made with a country whose products are receiving, when such agreement is made, the benefits of trade agreement concessions extended pursuant to section 231(b) of the Trade Expansion Act of 1962 (19 U.S.C. 1861(b)).

(b) General headnote 3(e) to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately before the colon ", unless a proclamation is in effect with respect to such country or area under section 504(a) of the International Trade Act of 1971".

(c) Headnote 4 to part 5B of schedule 1 of the Tariff Schedules of the United States (19 U.S.C. 1202) is repealed.

TITLE VI—ENCOURAGEMENT OF EXPORTS

DRAWBACK OF CERTAIN DUTIES AND INDIRECT TAXES

SEC. 601. (a) Section 313(b) of the Tariff Act of 1930 (19 U.S.C. 1313(b)) is amended by striking out "of the same kind and quality" and inserting in lieu thereof "of a similar kind and quality".

(b) Section 313 of the Tariff Act of 1930 (19 U.S.C. 1313) is amended by adding at the end thereof the following new subsection:

"(k) Whenever the President determines that such action is in the national interest, he is authorized, upon the exportation of articles manufactured or produced in the United States, to allow as drawback an amount equal to such local, State, and Federal taxes as he finds are borne by such exported articles and by merchandise, services, and property used in the manufacture or production of such articles."

(c) The amendments made by subsections (a) and (b) of this section shall take effect on the 90th day after the date of the enactment of this Act.

TITLE VII—UNFAIR IMPORT COMPETITION

ANTIDUMPING ACT, 1921

SEC. 701. (a) Section 201(a) of the Antidumping Act, 1921 (19 U.S.C. 160(a)), is amended by inserting immediately after the first sentence the following new sentence:

"In determining whether an industry in the United States is being or is likely to be injured, the said Commission shall consider whether the industry is suffering, or is likely to suffer, from depressed prices, a decline in production, and unemployment or underemployment."

(b) Section 201 of the Antidumping Act, 1921 (19 U.S.C. 160), is amended by adding thereto the following new subsections:

"(d) During the course of each dumping investigation under this section, public hearings shall be held, after reasonable notice, pertaining to, and in advance of, the Secretary's determination with respect to fair value under subsection (a) of this section, and the Commission's determination with respect to an industry of the United States under subsection (a) of this section. A transcript shall be made of all testimony and exhibits presented at such hearing.

"(e) The Secretary shall make his determination under subsection (a) of this section within 6 months after the question of dumping has been raised by or presented to him

or any person to whom authority under this section has been delegated. If, however, prior to the termination of the 6 months, the Secretary makes and publishes in the Federal Register a finding that a fair and thorough investigation cannot be made within that time, the Secretary shall have up to 3 additional months within which to make his determination.

"(f) For the purposes of this section, the question of dumping shall be deemed to have been raised or presented on the date on which a notice is published in the Federal Register that information relating to dumping has been received in accordance with regulations prescribed by the Secretary."

(c) Section 202(b)(2) and section 202(c)(2) of the Antidumping Act, 1921 (19 U.S.C. 161(b)(2) and (c)(2)), is each amended to read as follows:

"(2) other differences in circumstances of sale, including, but not limited to, differences in terms of sale, credit terms, and advertising, distribution, and marketing costs, so long as such differences may be reasonably related to the sale of the foreign merchandise under consideration, or".

(d) Section 202 of the Antidumping Act, 1921 (19 U.S.C. 161), is amended by adding thereto the following new subsection:

"(d) Whenever the Secretary determines that the basis for the finding made under section 201(a) no longer exists with respect to all or any part of the foreign merchandise covered by such finding, he shall modify or revoke such finding."

(e) Section 210 of the Antidumping Act, 1921 (19 U.S.C. 169), is amended by inserting "(a)" immediately before "That" and adding thereto the following new subsection:

"(b) The determination of the Secretary and of the Commission under section 201(a) shall be subject to judicial review in the United States Court of Customs and Patent Appeals in the manner prescribed in section 2112 of title 28 of the United States Code."

(f) Section 213 of the Antidumping Act, 1921 (19 U.S.C. 171), is redesignated section 214, and the following new section is inserted immediately following section 212:

"RULES AND REGULATIONS

"SEC. 213. The Secretary shall make rules and regulations necessary for the enforcement of this Act. Such rules and regulations shall be of sufficient specificity to afford any interested person a reasonable opportunity to determine whether a class or kind of foreign merchandise is likely to be sold in the United States at less than fair value."

(g) The amendments made by subsections (a) through (f) of this section shall take effect on the 180th day after the date of the enactment of this Act.

COUNTERVAILING DUTY LAW

SEC. 702. (a) Section 303 of the Tariff Act of 1930 (19 U.S.C. 1303) is amended to read as follows:

"COUNTERVAILING DUTIES

"SEC. 303. (a)(1) Whenever any country, dependency, colony, province, or other political subdivision of government, person, partnership, association, cartel, or corporation, shall pay or bestow, directly or indirectly, any county or grant upon the manufacture or production or export of any article or merchandise manufactured or produced in such country, dependency, colony, province, or other political subdivision of government, then upon the importation of such article or merchandise into the United States, whether the same shall be imported directly from the country of production or otherwise, and whether such article or merchandise is imported in the same condition as when exported from the country of production or has been changed in condition by remanufacture or otherwise, there shall be levied and paid, in all such cases, in addition to any duties otherwise imposed, a duty equal to the net amount of such bounty or grant, however the same be paid or bestowed. The Secretary of the Treasury shall determine, within 12 months after the date on which the question is presented to him, whether any bounty or grant is being paid or bestowed.

"(2) In the case of any imported article or merchandise entered, or withdrawn from warehouse, for consumption on or after January 1, 1975, duties may be imposed under this section only if there is an affirmative determination by the Tariff Commission under subsection (b)(1).

"(3) The Secretary of the Treasury shall from time to time ascertain and determine, or estimate, the net amount of each such bounty or grant, and shall declare the net amount so determined or estimated.

"(4) The Secretary of the Treasury shall make all regulations he may deem necessary for the identification of such articles and merchandise and for the assessment and collection of the duties under this section. All determinations by the Secretary under this subsection and all determinations by the Tariff Commission under subsection (b)(1), whether affirmative or negative, shall be published in the Federal Register.

"(b)(1) Whenever the Secretary of the Treasury has determined under subsection (a) that a bounty or grant is being paid or bestowed with respect to any article or merchandise entered, or withdrawn from warehouse, for consumption on or after January 1, 1975, he shall—

"(A) so advise the United States Tariff Commission, and the Commission shall determine within 3 months thereafter, and after such investigation as it deems necessary, whether an industry in the United States is being or is likely to be materially injured, or is prevented from being established, by reason of the importation of such article or merchandise into the United States; and the Commission shall notify the Secretary of its determination; and

"(B) require, under such regulations as he may prescribe, the suspension of liquidation as to such article or merchandise entered, or withdrawn from warehouse, for consumption, on or after the 30th day after the date of the publication in the Federal Register of his determination under subsection (a)(1), and such suspension of liquidation shall continue until the further order of the Secretary or until he has made public an order as provided for in paragraph (2) of this subsection.

"(2) If the determination of the Tariff Commission under subparagraph (A) is in the affirmative, the Secretary shall make public an order directing the assessment and collection of duties in the amount of such bounty or grant as is from time to time ascertained and determined, or estimated, under subsection (a).

"(c) An affirmative determination by the Secretary of the Treasury under subsection (a)(1) with respect to any imported article or merchandise entered, or withdrawn from warehouse, for consumption (1) before January 1, 1975, or (2) on or after January 1, 1975, but with respect to which the Tariff Commission has made an affirmative determination under subsection (b)(1), shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the 30th day after the date of the publication in the Federal Register of such determination by the Secretary.

"(d) During the course of each investigation under this section, public hearings shall be held, after reasonable notice, pertaining to, and in advance of, any determination of the Secretary of the Treasury under subsection (a) and of the Tariff Commission under subsection (b)(1). A transcript shall be made of all testimony and exhibits presented at such hearing.

"(e) Whenever the Secretary of the Treasury determines that the basis for his determination under subsection (a) or his order under subsection (b)(2) no longer exists with respect to all or any part of the merchandise involved, he shall modify or revoke such determination or order.

"(f) Any determination of the Secretary of the Treasury under subsection (a) and of the Tariff Commission under subsection (b)(1) shall be subject to judicial review in the United States Court of Customs and Patent Appeals in the manner prescribed in section 2112 of title 28 of the United States Code.

"(g) In recognition of the authority given to the Tariff Commission by subsection (b), the President is urged to negotiate an international agreement with other countries that would impose significant and enforceable restraints upon their use of subsidies (or other incentives having the effect of subsidies) on both agricultural and industrial exports. However, such authority given to the Tariff Commission shall terminate upon any date prior to January 1, 1975, which the Congress by concurrent resolution or the President by proclamation may designate."

(b)(1) Except as provided in paragraph (2), the amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

(2) The last sentence of section 303(a)(1) of the Tariff Act of 1930 (as added by subsection (a) of this section) shall apply only with respect to questions presented on or after the date of the enactment of this Act.

UNFAIR PRACTICES LAW

SEC. 703. Section 337(d) of the Tariff Act of 1930 (19 U.S.C. 1337(d)) is amended to read as follows:

"(d) The final findings of the Commission shall be transmitted with the record to the President at the earliest practicable time, but not later than 6 months after the date on which the complaint is filed or the investigation is begun upon its own initiative. If, however, prior to the termination of the 6 months, the Commission makes and publishes in the Federal Register a determination that its final findings cannot reasonably be made within that time, the Commission shall have up to 3 additional months within which to make such findings."

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

Mr. HARRIS. I am very pleased to yield to the distinguished cosponsor of the bill, the Senator from New York.

Mr. JAVITS. Mr. President, first, I appreciate greatly the proposal which is now being made with respect to trade legislation. Secondly, I wish to underline what the Senator from Oklahoma (Mr. HARRIS) has already made clear—that we felt we needed a positive alternative to the Trade Act of 1970 to which we objected, which was heavily loaded with quotas, and which we felt, at the end of the last session, would bring our trade wars harmful alike to the economy of the United States and the world and detrimental to the world's peace.

I would like to ask the Senator if he would join me in a few thoughts about what is occurring in the world with respect to trade, because it seems to me we have a very special message in this bill with respect to Japan and with respect to the European Common Market.

First with respect to Japan, as recently as this morning the Secretary of Commerce testified before the Joint Economic Committee, of which I am a member, saying that negotiations for a voluntary textile agreement on woolen and manmade fibers have continued rather desultorily, but have continued, since the end of last year, and he does not yet

see a result. He made it clear, however, that the administration is serious about the need, in his judgment, for some kind of quota bill regulating imports of woolen and manmade textile and apparels in the absence of an agreement with Japan. Such an agreement is, in turn, the key to an agreement with other countries whose exports to this country, it is felt, in their weight and immediacy, bear too heavily on the American ability to absorb that kind of competition.

Mr. President, this is extremely serious, for this reason: If we have a quota bill for anything, it is our conviction, and we expressed it last year, that we are likely to have a Christmas tree bill with quotas for many products. As the hearings of the Ways and Means Committee of the 91st Congress made clear, many industries have a better case for special protection than the textile industry. Retaliation inevitably would result and we again would face the real and present danger of a trade war which could be so very harmful to the world's economy, including the economy of the most powerful nation on earth, ourselves. That is one threat.

I must strongly hope, as Secretary Stans himself hoped this morning, that statesmanship both in the United States and Japan could resolve this dilemma and thus obviate the need for the administration's backing any kind of quota bill, even in this area of textiles.

The other point I wish to make to my colleagues is with respect to the European Common Market. We are now engaged in a great effort to bring the United Kingdom, and perhaps a few other European countries of the so-called EFTA group into the Common Market. The enlargement of the Common Market to include the United Kingdom and other applicant nations is critically essential, in my judgment and that of many others, to the future progression of the economics and politics of the free world and for strengthening the prospects of world peace.

Yet, at one and the same time, the European Common Market itself is well down the road to creating a preferential trading system with certain States bordering on the Mediterranean and with selected African states, primarily those which, in previous times, had an administrative relationship with France. Such preferential arrangements are an open violation of the Most Favored Nation Provision and in contradiction to the scheme of non-reciprocal, generalized tariff preferences for the developing nations of the world. The scheme has been recently agreed to by 120 nations of the world in the 25th anniversary session of the United Nations.

In addition, there is the complication of the Common Market agricultural policy of the European Common Market which is highly protectionist in its implications. If the Common Market persists in these courses, then again a response is likely to be triggered in the United States of a highly protectionist character which would not serve the best interests of the free world.

Again, Mr. President, I hope that statesmanship and a broader outlook will prevail in the European Common Market, as in the textile negotiations with Japan.

The legislation which the Senator from Oklahoma has introduced for himself, the Senator from Minnesota (Mr. MONDALE), myself, and others, is expressly tailored to give the President, flexible authority to deal with emerging trade problems. Rather than using the cutlass, we propose to use the scalpel, and we put the power in the hands of the Executive to do so.

I have emphasized the complexity, the interconnection, and the delicacy of these problems, Mr. President, only because I wish to emphasize the soundness of the remedies proposed, including improved adjustment systems, liberalizing the escape clause under the U.S. trade laws, calling for action against nontariff barriers, giving the President authority to open trade negotiations with Eastern Europe, and providing export incentives among other provisions.

Finally, Mr. President, if the Senator from Oklahoma will bear with me another instant—I think it is critically important—I just wish our voices—those of Senator HARRIS, Senator MONDALE, myself, and the rest of us—could be loud enough, in a symbolic sense, to be heard by all the people of the country and all our colleagues. I cannot overestimate this, Mr. President, and last year we had a foretaste of the tensions which can be created within the free world, among the nations who are our best friends, the dangers from unwise trade moves whether they originate in Japan, in the European Common Market, or in the United States. I think it is our duty, because we have a representative form of Government—we are sent here for a term of years, to look at the situation at least over a period of years, not just for the immediate transitory problems of today and tomorrow.

We have a duty, in my judgment a solemn duty, to call to the people's attention how right here with the bill there could be the genesis of either a future of trade peace or a future of conflict, a future of reason and economic well-being for the world, with an opportunity to close the gap between the developing and the developed nations—which is widening, not closing, as matters stand today—or a period of economic depression for the whole of mankind. The economic will bring of the world is dependent on amicable and expanding trading relationships. These things are directly inherent in this very bill, one of the most important submitted to this Congress, which the Senator from Oklahoma (Mr. HARRIS) is submitting for all of us here today. I hope, Mr. President, that commentators, editors, those who make public opinion, and our colleagues will take the deep interest in the question which is here posed and which so very urgently deserves attention.

Mr. HARRIS. Mr. President, I thank the distinguished Senator from New York. I concur in the sentiments which he has expressed.

S. 835—INTRODUCTION OF THE ALASKAN NATIVE CLAIMS SETTLEMENT ACT OF 1971

Mr. HARRIS. Mr. President, I send to the desk for appropriate reference the Alaska Native Claims Settlement Act of 1971, a bill designed to provide justice for the Eskimos, Indians, and Aleuts of Alaska. The distinguished senior Senator from Massachusetts (Mr. KENNEDY) and I announced our intention on February 9 to introduce this bill. We have since been joined by Senators GRAVEL, STEVENS, by request, HART, MCGOVERN, CRANSTON, TUNNEY, MONDALE, and HUGHES.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 835) to provide for the settlement of certain land claims of Alaska Natives, and for other purposes, introduced by Mr. HARRIS for himself and other Senators, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

Mr. HARRIS. The bill basically sets forth the position of the Alaska Federation of Natives. It is an alternative to S. 35, a bill which has previously been introduced and is now pending before the Senate Committee on Interior and Insular Affairs. The bill basically provides for 60 million acres in settlement for the Alaska Natives, as well as making provisions in other important respects which we have previousy discussed here in the Senate, both during this session and the last. Hearings are beginning in the Interior and Insular Affairs Committee tomorrow, Mr. President, and I intend to be there at that time and speak out against the pending bill, S. 35, and in favor of this bill, which I think more nearly represents justice and equity for the Natives of Alaska.

I think it is highly important that the attention of Indian organizations and tribes all over America be focused on this issue. I believe if that is done and if there is a strong lobbying effort from all over the country, as was true in regard to the Taos land claim last year, that the Senate and Congress will come to see the importance of this issue for the whole country, and will be persuaded of the justice of the position of the Alaska Federation of Natives, which is reflected in the bill I now introduce.

I believe it will be a tragic mistake, Mr. President, if the committee or the Senate rushes forward with legislation which does less than the provisions of this bill, and it will be my effort and the effort of others to delay any kind of precipitate attempt to pass a bill which does not do justice, until Senators and others can come to see the justice of the claims of the Alaska Federation of Natives and the people whom they represent.

Mr. President, the major thrust and purpose of this bill is to insure that the right of self-determination is preserved for the natives of Alaska. This right can only be guaranteed if sufficient lands are provided in the settlement for the natives. The Eskimos, Indians, and Aleuts of Alaska depend upon the land and the

inland and coastal waters for their livelihood. Vast amounts of land are needed to support the natives, and it therefore becomes essential that we do not destroy the culture of the Alaska natives by failing to provide an adequate land settlement.

The Alaska Federation of Natives and the National Congress of American Indians adopted a resolution last year which highlights the importance of the land, which reads in part:

To deny the Alaska Natives an adequate land base . . . will contribute to their dependency, to the disintegration of their communities, and to the erosion of their cultures. To strip the Alaska Natives of their land will destroy their traditional self-sufficiency, and it is certain to create among them bitterness toward other Alaskans and a deep distrust of our institutions and our laws.

At a meeting of the board of directors of the Alaska Federation of Natives in December of last year, the board concluded that, among other things, a basic element of the settlement of the claims would be confirmation of title to 60 million acres of land in the native villages and regions over which the native people have asserted dominion through use and occupancy from time immemorial.

This request is altogether reasonable since 60 million acres is less than 17 percent of the lands to which the natives have a valid legal claim.

The natives are convinced, and I agree, that to provide them with only 10 million acres, as the Senate did last year when considering S. 1830, would almost immediately destroy their historic way of life. We would therefore deprive the natives of the right of self-determination, a right which the President stated the American Indian is entitled to in his address last summer on Indian affairs.

The bill we are introducing today would preserve the right of self-determination by providing the natives with 60 million acres.

The right of self-determination is further preserved in this bill by requiring that three of the members of the Commission to be appointed by the President to prepare the final membership roles and perform other tasks be natives. The bill before the Senate last year required that only two members be natives and unfortunately my amendment to require three of the members to be natives was defeated.

The provision in the Senate bill of last year which terminated the services of the Bureau of Indian Affairs is also omitted from the bill we are introducing. This is a matter which should be left to the determination of the natives themselves, and not the Congress.

Senator KENNEDY was absolutely correct in stating on the floor of the Senate last week that "an Alaska claims settlement is not a welfare bill. It does not, as he stated, "reflect generosity on the part of Congress in giving something to the native people of Alaska," but is a compromise by both the United States and the Eskimos, Indians, and Aleuts of Alaska.

This is one of the most important pieces of Indian legislation that will ever be considered by this body. It is therefore essential that the rights of the natives, and their needs, be closely examined. What we do will have an impact on this country for years to come. This thought was eloquently expressed by William L. Hensley, an Eskimo leader who is a member of the Alaska State Senate and a member of the Board of Directors of Americans for Indian Opportunity, when he said:

We are testing the American political system . . . We know the history of our country in dealing with the American Indian and we want to see a final chapter not written in blood or in deception or in injustice . . . If there is no settlement or a poor one, we will have a generation of leaders who fought for years to protect their land and lost. This may start a chain of events in which it is seen by future generations of Natives as a disaster for us—an injustice that will mar the relations between Natives and whites for many years. It may bring defeatism to the people and prevent us from becoming an integral part of Alaska's social and economic development. Our present political influence will diminish and the efforts to develop our communities will falter.

I have also been impressed by the firm resolve displayed by Don Wright, president of the Alaska Federation of Natives, to see that justice is achieved for the natives.

In view of what the native leaders themselves are saying, and in consideration of their legal rights, their social and economic needs, the settlement proposed in the bill we are introducing is just, reasonable, and responsive.

The battle cry of the natives—"Take our land, take our life"—must not go unheeded.

FUELS AND ENERGY HEARINGS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the able Senator from Washington (Mr. JACKSON) calling attention to public hearings that have been scheduled on Senate Resolution 45, which authorizes a study of national fuels and energy policy.

There being no objection, Mr. JACKSON's statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JACKSON

Mr. President, I wish to announce for the information of the Members of the Senate and other interested persons that open, public hearings have been scheduled on S. Res. 45, a resolution sponsored by the senior Senator from West Virginia (Mr. Randolph) and myself authorizing a study of national fuels and energy policy, for February 25. The hearing will begin at 10:00 a.m. in room 3110 New Senate Office Building.

The Committee has invited certain representative spokesmen from the fuels and energy industry, consumer organizations and conservation groups to present testimony on the subject covered by the resolution. The members of the Senate and other interested citizens are cordially invited to attend this hearing.

ORDER FOR THE SUSPENSION OF THE OPERATION OF RULE XXII UNTIL 12 NOON TOMORROW

Mr. BYRD of West Virginia. Mr. President, a bit earlier today I asked unanimous consent that the able Senator from New York (Mr. JAVITS) be recognized for not to exceed 15 minutes tomorrow at the beginning of the session, and that the Senate, when it completes its business today, stand in recess until 11:45 a.m. tomorrow.

This was with the understanding, Mr. President, that the 1 hour of debate under rule XXII would not start running until the conclusion of the remarks of the able Senator from New York (Mr. JAVITS).

I ask unanimous consent, therefore, that the operation of Senate rule XXII be suspended tomorrow until 12 o'clock meridian.

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

LEGISLATIVE PROGRAM

Mr. BYRD of West Virginia. Mr. President, the program for tomorrow will be as follows:

The Senate will convene at 11:45 a.m., following a recess.

Immediately following the prayer and the approval of the Journal, if there is no objection, and the recognition of the majority and minority leaders, the able senior Senator from New York (Mr. JAVITS) will be recognized for a time not to extend beyond 12 o'clock.

At 12 o'clock meridian, the 1 hour of debate under rule XXII will begin. The time will be equally divided between the minority leader and the majority leader, or their designees.

At the close of that 1 hour, circa 1 p.m. tomorrow, there will be an automatic quorum call under the rule, and upon the ascertainment of a quorum, an automatic rollcall vote under the rule will ensue.

Hence, there will be a yea-and-nay vote beginning at approximately 1:15 p.m. tomorrow on the motions to invoke cloture on the motion to proceed to the consideration of Senate Resolution 9. Presumably the majority leader will arrange tomorrow for the transaction of routine morning business with a 3-minute limitation on speeches to occur following the vote on cloture if the cloture motion fails. When the Senate completes its business tomorrow, under the previous order, it will stand in recess until 12 o'clock meridian on Friday next.

RECESS TO 11:45 A.M.

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 11:45 a.m. tomorrow.

The motion was agreed to; and (at 4 o'clock and 50 minutes p.m.) the Senate took a recess until tomorrow, Thursday, February 18, 1971, at 11:45 a.m.

NOMINATIONS

Executive nominations received by the Senate February 17, 1971:

FEDERAL POWER COMMISSION

Pinkney Calvin Walker, of Missouri, to be a member of the Federal Power Commission for the remainder of the term expiring June 22, 1972, vice Carl E. Bagge, resigned.

CANAL ZONE GOVERNMENT

Maj. Gen. David Stuart Parker [redacted] Army of the United States, to be Governor of the Canal Zone for a term of 4 years, vice Maj. Gen. Walter P. Leber.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Walter Philip Leber, [redacted], U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Alfred Dodd Starbird, [redacted], Army of the United States (major general, U.S. Army).

IN THE NAVY

Comdr. Edgar D. Mitchell, U.S. Navy, for permanent promotion to the grade of captain in the Navy in accordance with article II, section 2, clause 2 of the Constitution.

EXTENSIONS OF REMARKS

WELFARE AND REVENUE SHARING PROGRAMS

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, February 17, 1971

Mr. BYRD of Virginia. Mr. President, I invite the attention of the Senate to a recent column by Jack Bell, a syndicated columnist of the Gannett News Service.

Mr. Bell contrasts the present welfare system and its inadequacies with the proposed family assistance plan, which he correctly describes as not being welfare reform at all.

In addition, he comments upon the recent proposal that the Federal Government take over from the States the entire cost of welfare.

I think that the Senate should pay particular attention to Mr. Bell's disclosure that if the Federal Government does assume the full burden of welfare costs, three States—Massachusetts, California, and New York—would receive 51 percent of the Federal welfare expenditures. Thus, more than half of the tax expenditure for welfare would come from citizens of 47 States to maintain the bloated relief rolls of only three States.

As I have said many times, what we need is true welfare reform. Thus far, all we have received are ideas for welfare expansion.

I ask unanimous consent that Mr. Bell's column be printed in the Extensions of Remarks.

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

THREE STATES WOULD GET 51 PERCENT OF FEDERAL WELFARE AID

(By Jack Bell)

WASHINGTON.—The Democratic Congress appears heading now toward substituting for President Nixon's $6 billion revenue sharing program a federal takeover of skyrocketing state welfare costs.

In a bold political maneuver that could backfire explosively, Chairman Wilbur Mills, D-Ark., is rattling the keys to the House Ways and Means Committee vault in search of a secure burial place for revenue sharing. At his elbow is Rep. John Byrnes, R-Wis.

A great deal already is being made of the Mills-Byrnes alternative that would have Washington pick up the full tab for all relief costs. This would lift a heavy burden off the states and might, in the end, be as profitable to them as revenue-sharing.

The alternative is attractive also in the respect that it presumably would cost no more in the overall than the $4.4 billion Washington is doling out annually for welfare programs, plus what the states themselves put into this field. But the proposal runs against the grain of the Nixon Administration's goal of decentralization of government functions.

The nation's governors have been passing resolutions for years urging the federal government to hand over to their hard-pressed states some of the revenues it takes out of them. Lately they have grown dispirited about this and have started plugging financial action that would give them relief from relief.

Gov. Nelson Rockefeller of New York has been in the thick of this effort. As a proclaimed champion of revenue sharing, he has recently soft-pedalled his appeals for a welfare takeover. He obviously would like to have both. He would not have too much difficulty settling for either.

A hidden bomb lies behind the door. If the federal government actually agreed to pay the full relief bill, New York, California and Massachusetts would get 51 per cent of the money flowing out of the treasury.

It can be argued that the three states have the greatest number of relief clients. But it also can be said that they have outstripped other states in making the welfare way of life more attractive.

Perhaps the governors of Florida, Mississippi and Montana, for example, would be content to have their colleagues get a larger share of the pie than they as long as they got rid of their own relief burdens. But you can already hear the screams of House and Senate members whose states would be faced with taking the short end of the stick.

Whatever happens to welfare "reform"—and everybody is for it—President Nixon's heralded family assistance plan is in trouble from which he may never be able to extricate it. Now there is talk that instead of guaranteeing a $1,600 annual income for four persons, the figure may go up to $2,500 or even $3,000.

Chairman Russell B. Long, D-La., of the Senate Finance Committee and Sen. Harry F. Byrd, Jr., D-Va., who has compiled a notable record of looking after the taxpayers' interests, have laid down a scathing indictment of the family assistance plan.

Long contends, and Byrd agrees, that as it now stands the President's proposal would boost the number of persons on relief rolls from the present 10 million to 24 million. The increased cost to the government is calculated at $4.5 billion a year.

Long and Byrd have said flatly that what is being presented as a work incentive plan will work in exactly the opposite direction. They document the case that under the plan relief families would be better off, cashwise, if fathers deserted them and kept for themselves what they could make on a job.

Nobody in his right mind is going to "reform" relief in that direction. The level of common sense may not be too high in Congress at times, but few lawmakers can be that dumb.

COSTS OF WASTE

HON. J. CALEB BOGGS

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Wednesday, February 17, 1971

Mr. BOGGS. Mr. President, one of the major challenges facing our Nation is the development of effective methods and incentives for recycling waste materials. Unfortunately, an attitude that is often negative characterizes the approach many persons take on recycling. In part, this is due to economic factors geared toward new production, rather than recycling.

This problem was discussed most effectively in an editorial published in the Christian Science Monitor of February 6, 1971. As I believe the editorial is of national significance, I ask unanimous consent that it be printed in the Extensions of Remarks.

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

COSTS OF WASTE

Widespread negativism, rather than technological unreadiness, was the biggest challenge faced by those attending the recent Recycling Day meeting in New York.

The negativism about America's willingness to meet its mammoth waste-disposal problem was put this way by one environment writer: "There is at present no real economic rationale for recycling. With some infrequent exceptions, it is simply cheaper in today's economy to produce new cars, bottles, paper, cloth and metal products than to mess around with used stuff."

The rationale that the cheapest way is the best way to run an economy can no longer be left unchallenged. Even to say this has already a hauntingly too-familiar ring. But evidently the argument for recycling and more efficient handling of wastes, even at the cost of production and life-style changes, must be made again.

The volume of wastes in America is put at over a million tons a day. The yearly price tag for disposal amounts to over $4 billion. Disposal of wastes is at the heart of the environment's decay. It is wastes from industrial plants and municipalities that befoul rivers. The burning and hilling up of solid wastes contributes to air pollution and landscape unsightliness. Landfill sites are dwindling. Dumping in lake and coastal waters is now recognized as an ecological threat. Cans and bottles, without deposit bounties, stud streambeds and backcountry paths. Urban lots and alleys accumulate trash. Abandoned cars clog city arteries. Aggregating refuse, in a sense, is a symbol of modern industrial man's failure to match his ingenuity with rudimentary tidiness.

The waste problem is more than an environmental or even a disposal issue; it is