

By Mr. WHITEHURST:

H.R. 14316. A bill to create a fund in the Treasury of the United States to be known as the fund for endangered wildlife, to be administered by the Department of Interior, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mrs. ABZUG:

H.J. Res. 1149. Joint resolution to protect U.S. domestic and foreign policy interests by making fair employment practices in the South African enterprises of U.S. firms a criteria for eligibility for Government contracts; to the Committee on the Judiciary.

By Mr. DULSKI:

H.J. Res. 1150. Joint resolution to authorize the President to issue annually a proclamation designating the month of May in each year as "National Arthritis Month"; to the Committee on the Judiciary.

By Mr. GERALD R. FORD:

H.J. Res. 1151. Joint resolution authorizing the President to proclaim the month of May as "National Bedding Plant Month"; to the Committee on the Judiciary.

By Mr. MORGAN (for himself, Mr. BARRETT, Mr. BIESTER, Mr. BYRNE of Pennsylvania, Mr. CLARK, Mr. COUGHLIN, Mr. DENT, Mr. EILBERG, Mr. ESHLEMAN, Mr. FLOOD, Mr. GAYDOS, Mr. GOODLING, Mr. GREEN of Pennsylvania, Mr. HEINZ, Mr. MCDADE, Mr. MOORHEAD, Mr. NIX, Mr. ROONEY of Pennsylvania, Mr. SAYLOR, Mr. SCHNEEBELI, Mr. VIGORITO, Mr. WARE, Mr. WHALLEY, Mr. WILLIAMS, and Mr. YATRON):

H.J. Res. 1152. Joint resolution to designate Benjamin Franklin Memorial Hall at the

Franklin Institute, Philadelphia, Pa., as the national memorial to Benjamin Franklin; to the Committee on Interior and Insular Affairs.

By Mr. VAN DEERLIN:

H.J. Res. 1153. Joint resolution to improve the foreign relations of the United States and enhance the prospects of peace; to the Committee on Foreign Affairs.

By Mrs. ABZUG:

H. Res. 918. Resolution requesting certain information from the President and the Secretary of Defense relative to the military involvement of the United States in Indochina; to the Committee on Armed Services.

By Mr. ANDERSON of Tennessee (for himself and Mr. JONES of Tennessee):

H. Res. 919. Resolution expressing the sense of the House of Representatives that the full amount appropriated for the rural electrification program for fiscal 1972 should be made available by the administration to carry out that program; to the Committee on Appropriations.

By Mr. CELLER (for himself and Mr. BENNETT):

H. Res. 920. Resolution calling for the shipment of Phantom F-4 aircraft to Israel in order to maintain the arms balance in the Middle East; to the Committee on Foreign Affairs.

By Mr. DULSKI:

H. Res. 921. Resolution urging supplemental appropriations to implement the President's message of March 17, 1972, calling for equal educational opportunities; to the Committee on Education and Labor.

MEMORIALS

Under clause 4 of rule XXII,

366. The SPEAKER presented a memorial of the Senate of the State of Oklahoma, relative to the establishment of certain governmental offices within Oklahoma to be manned by Oklahoma Indians, which was referred to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. ABZUG:

H.R. 14317. A bill for the relief of Flora Chen; to the Committee on the Judiciary.

H.R. 14318. A bill for the relief of Lola Wong; to the Committee on the Judiciary.

H.R. 14319. A bill for the relief of Jesus Chea and his wife, Maria Chea; to the Committee on the Judiciary.

By Mr. EDMONDSON:

H.R. 14320. A bill for the relief of Larry Hoyt Lunsford and Estelene Lunsford; to the Committee on the Judiciary.

By Mr. FREY:

H.R. 14321. A bill for the relief of Maria Francisca Bieira; to the Committee on the Judiciary.

By Mr. VAN DEERLIN:

H.R. 14322. A bill for the relief of Ismael Bautista Corona; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

AN INVITATION FOR THE VICE PRESIDENT

HON. J. CALEB BOGGS

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Tuesday, April 11, 1972

Mr. BOGGS. Mr. President, we who are from the First State have always prided ourselves in knowing a good thing when we see it; and often the Delaware General Assembly is far ahead of the rest of us in that regard.

I recently received in the mail a copy of a resolution adopted by the General Assembly inviting the Vice President of the United States, the Honorable SPIRO T. AGNEW, to participate in the Third Annual Delaware Legislative Invitation Golf Tournament and banquet on June 9 in Dover, Del.

The resolution makes note of the challenge offered by the previous all-time 18-hole high score of 156 and of the many beautiful shade trees which make expeditions into the rough a pleasure.

I hope that the Vice President takes note of this kind invitation, as I am certain his presence would lend great dignity to the occasion.

Mr. President, I ask unanimous consent that the resolution, sponsored by Representative George Jarvis, be printed in the RECORD.

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

HOUSE CONCURRENT RESOLUTION No. 44

ANNOUNCING THE FORTHCOMING LEGISLATIVE INVITATION GOLF TOURNAMENT AND BANQUET AND EXTENDING AN INVITATION TO ATTEND SAME TO VICE PRESIDENT SPIRO T. AGNEW

Whereas, it has been decided that the Third Annual Delaware Legislative Invitation Golf Tournament and Banquet will be held on June 9, 1972, at Maple Dale Country Club in Dover; and

Whereas, it is the desire of the committee (Senator Melvin A. Slawik and Representative Arthur W. Dobberstein, Co-Chairmen; Lt. Governor Eugene D. Bookhammer; Representatives George Jarvis, Hudson E. Gruwell and R. Glen Mears, Sr.) to make this a super day and evening; and

Whereas, the Vice-President of the United States, noted links-lover Spiro T. Agnew, a resident of our neighboring State of Maryland, was unable to accept an invitation to display his well-publicized golfing talents (?) to a Delaware audience because of an overseas assignment from his boss, the Honorable Richard M. Nixon; and

Whereas, the 126th General Assembly of the State of Delaware would be delighted to have the Vice-President take aim on the all-time high score (156) of the Legislative Invitation, established by Representative Kenneth W. Boulden last year, or the previous high total (134) scored by Senator David H. Elliott in 1970; and

Whereas, the Maple Dale Country Club members on the committee (Representatives Dobberstein and Gruwell) assure the Vice-President that the numerous beautiful trees on this course are most conducive to keeping one cool while searching for errant shots that stray into the rough.

Now therefore, be it resolved by the members of the House of Representatives of the 126th General Assembly, the Senate concur-

ring therein, that a cordial invitation be extended to Vice-President Agnew to participate in the June 9 (rain date: June 12) event.

Be it further resolved that a copy of this resolution be forwarded immediately to Vice-President Agnew with additional copies to U.S. Senators J. Caleb Boggs and William V. Roth, Jr., Congressman Pierre S. duPont IV, Governor Russell W. Peterson and Republican National Committee Co-Chairman, Thomas B. Evans, Jr., golfer extraordinaire.

REMARKS OF AXEL SPRINGER TO THE GERMAN ATLANTIC SOCIETY

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. SPENCE. Mr. Speaker, last fall I had the privilege of visiting the Springer Verlag in Berlin. I have always been deeply impressed by the quality of the Springer Press and its international reputation. It was only after meeting Axel Springer, its distinguished publisher, and observing his fine organization, however, that I came fully to understand the reasons for that quality and to appreciate that the outstanding reputation of this man and his publications is well deserved.

It is because of the high esteem in which I hold him, as well as the great significance of the issue of detente and the pivotal role in which West Germany

has been cast in that drama, that I feel I should call to the attention of my colleagues Mr. Springer's address to the German Atlantic Society in Stuttgart on March 7. I include the full text of the address at this point in the RECORD:

TRANSLATION OF A SPEECH BY AXEL SPRINGER AT THE GERMAN ATLANTIC SOCIETY IN STUTTGART ON MARCH 7, 1972

Mr. Prime Minister, ladies and gentlemen, I am very grateful and glad of the opportunity to come to Stuttgart today to address the German Atlantic Society.

I am extraordinarily happy to have come, because I know your aim, as laid down in your statutes, is identical with mine: to foster the Atlantic Community.

Only recently, on October 26th, last year, I spoke at the "National Press Club" in Washington, and said that the freedom of Europe stands and falls with the Atlantic Alliance, with the close friendship with America.

Are we steering, I asked, towards a pax americana, or a pax sovietica?

The danger that we might swing over towards the pax sovietica has since become even more distinct.

It is about this that I want to talk today to this expert, interested forum, dedicated to freedom as it is.

I come to you from Berlin, the city on our continent which in our times has endured more than others.

Reinhold Schneider, the poet of your homeland who regrettably died so comparatively early once said about this city of Berlin:

"But what is more painful, on an autumn evening in the cold, rainy fog, than to drive through the Brandenburg Gate, before which the 'other' flag flies; over the square where the palace stood and under which, who knows where, the old Electors lie buried; into a strange land, that is yet homeland."

What would Reinhold Schneider have said, had he lived to see that monstrous symbol of what is understood, in communist countries, as human dignity—the Berlin Wall?

From this partitioned city I come to you. My publishing house in the old newspaper quarter of Berlin, in Kochstrasse, the seat of our publishing house, occupies a length of 400 metres directly along the Wall, only a stone's throw from Checkpoint Charlie.

We built the house, with its dismal view into East Berlin, in the years between 1959 and 1966, as a sign of our trust in the future of this city, which has the right to be the German capital, and lives on the hope of again being the capital.

From this city, especially since 1945, there emanated the main impulses for the preservation of freedom in our part of Germany, and for the efforts to bring freedom also to those Germans who must live within the jurisdiction of Soviet tanks.

One of the events I think of in this context is a campaign in 1958 carried by all the democratic groups in our country jointly. I mean the appeal "Open the Gate", which said:—"Unanimously all parties of the German Bundestag have made known before the world the intolerable state of the partition which divides our people.

Unanimously the men and women of our people call for German unity.

For over a decade millions of citizens have been refused the basic right to freedom without which a life of human dignity is unthinkable.

The time has come to cry out to all: Give us the right to self-determination. Remove first of all the barriers which separate us.

We demand: freedom of travel in Germany, free choice of domicile, free choice of workplace; freedom of utterance."

That was in 1958, and all joined in! From A to Z, no-one stood aside. It would take far too long to list all the signatories.

The list reached from Konrad Adenauer, Fritz Berg and Willy Brandt at the beginning of the alphabet, to Franz Josef Strauss, Herbert Wehner and Georg August Zinn at the end.

Willy Brandt, then Mayor of Berlin and President of the German Municipalities Association, said on the day the appeal was made:

"From all German cities, works and communities the call must come, not to be overheard: We will not be torn asunder. Berlin is the capital of Germany."

When we recall this campaign, we can see how far we have departed from what should be self-evident. Matters of course which, incidentally, applied for everybody, even up to summer 1969, to be exact: until the day after the last general elections.

What happened? What has changed? Have these short-winded politicians of the day lost the breath one needs if one is to survive in history?

Do people believe, 25 years after the frightfulness done in the name of Germany, that everything should have swung back to normality?

Twenty-five years are a mere sigh of history, I once said on another occasion. One must know how to wait, have patience—and prove oneself.

History has a long breath.

But one can also regard these 25 years differently:

For 25 years we have been a diligent, peaceful, democratic people, ready to reflect and to compensate for our errors and aberrations, a people which has found a place in the Western community, and has taken on responsibility.

And had we not reached favourable starting positions for our national future?

Have we forgotten what stands in that treaty which on 23 October 1954 ended the Occupation Statute in the Federal Republic, the "Convention on Relations between the Three Powers and the Federal Republic of Germany", which is still entirely valid.

It cannot be said often enough:

Article 7 of this treaty states:

1. The Signatory States are agreed that an essential aim of their common policy is a peace settlement for the whole of Germany, freely negotiated between Germany and her former enemies, which should lay the foundation for a lasting peace. They further agree that the final determination of the boundaries of Germany must await such a settlement.

2. Pending the peace settlement, the Signatory States will co-operate to achieve, by peaceful means, their common aim of a reunified Germany enjoying a liberal-democratic constitution, like that of the Federal Republic, and integrated within the European community.

That is a clear contractual agreement, of which the Federal Government should properly avail itself, instead of what it is now doing, namely want only virtually releasing the Western powers from it.

Now that I am so vehemently criticising the needless abandonment of substance, and claim that we are heading for a kind of last struggle for freedom, which we have only just acquired through hard effort, the question may be important whether the man who stands before you actually always thought as he does now.

The question, that is, whether my way was always the one which has long marked me and which, I believe, I have followed consistently, and quite certainly at the price of most massive attacks upon me and the great economic setbacks these have cost.

In answering the question an article is helpful which referred to my recent book, *Von Berlin Aus Gesehen (A View From Berlin)*. This article appeared on January 14th in *Welt Der Arbeit* the organ of the German Trade Unions Federation.

The author of this essay—incidentally a signator of the "Open the Gate" appeal—puts forward the thesis that after a journey to Moscow in 1958 I suddenly changed my political convictions. And the reason for this change of mind is said to be that the over-sensitive publisher Axel Springer could not get over the unkind treatments the Soviets had meted out to him and the fact that he had not been granted a talk with Khrushchev.

That is one of those examples of how the truth is twisted to produce pseudo-psychanalytical theses.

I have seldom been received in any country with so much attention as in 1958 in Russia. (I was told that in totalitarian countries such attentiveness is often afforded to private persons.)

The talk with Khrushchev not only took place, it lasted over two hours and naturally brought me considerable insight.

It was the most enlightening, shattering—and loudest—political conversation I ever had.

I came back as a man who had learned his lesson.

By the way, I did not go to Moscow as a newsman, to get an interview or to collect material for reports. I went to Moscow as one who thinks and acts politically and as a citizen of our country conscious of his responsibility.

My legislation, or if you like, my accreditation, was the concern of Germany.

It was 13 years after the war, and I suffered—as I still do today—under the partition of our Fatherland.

Seventeen million of our compatriots lived—then as today—virtually in slavery under a system which differs from national socialism solely in name and colour.

And if there is one thing we should have learnt from our recent history, it is that one must not leave minorities, especially in one's own people, in the lurch.

On the other hand I well knew that it had been German soldiers who in the Second World War brought death and destruction to Russia. And so I still believed then that if Germany took too great a part in defending the West, the Russians as a people might take fright, thus giving the communist rulers a cheap propaganda weapon.

Starting from this attitude I went to Moscow. I hoped my talks would deliver arguments which would help to persuade the Russians to withdraw the boot of occupation from large parts of Germany and free our compatriots in their occupation zone.

My arguments were carefully prepared and checked politically. It is not yet the time to talk about details.

In regard to Khrushchev, not all his intelligence and peasant slyness could conceal that my partner in the conversation was the representative and organiser of an unjust regime, who thought in quite different categories from ours in the West; and for whom completely different rules unacceptable to us applied.

Every reasonable argument met either dead ideology or sheer might.

I encountered those hard faces which, when it seems useful, can beam and laugh, but which hide the iron will to whip the communist doctrine of "salvation" through the world as they have always done.

And with painful admiration I must still say that what Khrushchev told me then has, over all the years and despite changing personalities, remained the Soviet policy for Germany. The policy which the German Bundestag is now to sanction was even then his goal.

My disillusionment after the visit to Moscow was great. It became alarm when in the same year, in November 1958, Khrushchev launched his ultimatum. The ultimatum with which the Kremlin then tried to enforce its Three-States theory for splitting Ger-

many, which today, 14 years later, is to be effectuated through the Moscow and Warsaw treaties and with a Soviet policy of "keep smiling".

It was the then mayor of Berlin, Willy Brandt, who suggested to me a joint, more spectacular ceremony at the sector boundary to demonstrate the principles of freedom, unity, reunification and fearlessness.

He suggested advancing the laying of the foundation stone for my publishing house in an elaborate ceremony, and thus to show the Berliners, even before the ultimatum expired, that the Soviets' attempt at intimidation came up against united resistance.

The foundation stone was laid as planned. From the other side of the city many people waved furtively from the windows.

Willy Brandt spoke of freedom and reunification. He spoke of the great things we still had to accomplish together, and would do, for the cause of the people of Germany.

A little later he also wrote me a letter which I would like to quote. It was concise, and said:

"DEAR MR. SPRINGER: I take this way to say just a word of my personal and official pleasure about your plans in Berlin. You will surely not mind if we describe you as an example for German investors in Berlin.

With kind regards,

Yours,

WILLY BRANDT."

That was a different Brandt from the one we know today.

Now please take careful note of what I am now going to read to you:

"I have the impression that in the country, but also to some extent abroad, it is not yet understood that the Soviet Union has begun the large-scale attempt . . . to cement the present situation, in international law, and formally to open a new page of history in which two more or less sovereign states are to begin their recognised existence on German soil . . .

"One can impose upon a people, such as we have known in the past few years, partition, but one cannot bring the people to accept it, to put up with it and to subscribe to it. The result would not serve peace."

This, ladies and gentlemen, still has its full validity today, this 7th of March, 1972, and no patriot could better formulate Soviet policy.

But it was not I, not Die Welt, not a commentator in Welt Am Sonntag, not my Berlin papers which said this. It was Willy Brandt, on June 17th, 1961, in Berlin.

What, I ask, has happened to this man, in contrast to his former views, that he should offer the "Ostpolitik" treaties with their cementing of German partition, as an act of peace?

Should one explain it as Martin Luther said:

"When I look behind me I can only be amazed at what a mighty spirit the Devil is, that he can strike stone blind so many learned people"?

Apart from Martin Luther's interpretation, I see only these other possible explanations:

Either those responsible in Bonn believe, despite their own experience and despite all the information from secret and non-secret services which they continuously receive so copiously, that one can now trust the Soviets, that they have changed.

Or: Those responsible in Bonn have given up and believe there is no more chance for a free society to prevail against the Communists, and so one must try to come to an arrangement with the inevitable.

Or, finally: Those responsible desire victory for socialism and the elimination of a free society because they believe in a "just" and working socialism or even a "humane" communism.

Or perhaps a further possible interpretation, that irrational trend towards the left which has seized the SPD on a broad front and put its moderate leaders under duress.

For me it is unshakably clear:

That the Soviet Union's western policy has not altered one iota of its aims since the war. The aim was always:

1. Consolidation of military, conquest in eastern Europe.

2. Sovietisation of all Germany and finally

3. Hegemony over Europe.

This is the old great Russian aim, as documented by a truly competent man, a witness who cannot be suspected of being a modern cold warmonger or even a bondsman of Springer.

"Russian policy is unchangeable", says this expert. "Russia's methods, tactics, maneuvers, can change; but the Pole Star of Russian politics—to rule the world—is a fixed star.

There is only one way to deal with a power like Russia, and that is the way of fearlessness . . . if Europe retreats, it does so not with a simple defeat but bows, so to speak, to the Claudian yoke, the yoke of humiliation."

Who wrote that? The London correspondent of the New York Daily Tribune in his reports on eastern policy.

The author wrote a great deal, he is the greatest intellectual authority of the left and a sacred pillar of communism. His name: Karl Marx.

This unchangeability of Russian policy for Europe, described by Karl Marx 120 years ago, was also evident after 1945.

The first step to the control of Europe, consolidation of military conquests, was taken with draconic force in breach of numerous wartime agreements.

Every form of democratic stirring was nipped in the bud wherever the Russian armies had taken control. Prague 1948 and Prague 1968 are symbolic examples of this policy.

The second step, sovietisation of Germany, could only be carried through in the part of the country where Soviet arms have also suppressed all movement towards freedom since 1945.

That the plan failed to sovietise the western part of Germany we owe not least to the prudent reaction of the German workers, to the wisdom of the leaders of the Social Democratic party at the time, above all Kurt Schumacher, the clear sight of trade union leaders like Hans Böckler, and a few individuals like Ernst Reuter, Jakob Kaiser, Ferdinand Friensburg, Franz Neumann and Ernst Lemmer.

Decisive aid in these first struggles was the insight and support of the Western powers, above all the Americans.

Without this second step, sovietisation of all Germany or at least neutralisation of the free part of Germany and absorption of the Federal Republic into the Soviet sphere of influence and control, the last phase—hegemony over all Europe—cannot be reached.

Those therefore are the Kremlin's goals. Unchanged since 1945. Unchanged also since those January days in 1958 when day after day in Moscow I looked into hard, immovable faces marked by the Soviet ambition for power and rule.

This ambition to rule is served up to the Germans today in cheap demagogics as a peace policy. But for the Soviets it is a policy for preparing the conquest of the rest of Europe.

That, ladies and gentlemen, is the opposite of peace and security. And for that reason I consider it so undecipherable when a political party uses an advertising campaign in Baden-Württemberg to praise its policy to the public as the only possible policy for peace, stamping all opponents of this policy as unchristian warmongers in the process.

The abuse of the word peace is, however, not the invention of the gentlemen in the Federal Press Office. The longing for peace has always been treated execrably.

Peace in our time! Hope and appeal.

But what mischief has not been done with

appeals for peace? Of all people we Germans should know, for we were called upon once before: "Those in favour of peace, vote 'Yes'!" (A Nazi election slogan in the early thirties—translator)

The speculation has its attraction. Who would want to vote against peace?

Who then had the vision to see already the course of events and had the courage to write on his ballot-sheet: "For your peace I have no longing!"?

Ladies and gentlemen, I would not have recalled the Nazis' abuse of the term peace had not Herbert Wehner in the Bundestag debate on the treaties of Moscow and Warsaw hurled at his parliamentary opponents the demagogical question:

"Do you want total war?" (Goebbels's rhetorical question to the masses in the Sportpalast, 1943—translator)

Peace, we should have learned by now, springs not from hope, from wishful thinking. Peace must be ensured by those who desire it with such a high premium that those who expect to gain anything from un-peace lose all desire for bellicose adventure.

General Frank Howley, the former American commandant in Berlin, the cool defender of the city in the days of the Air Lift, wrote me a letter some time ago, pointing to a historic parallel.

It was the old example of Carthage.

Carthage is a favorite example held up to us Germans as a warning. Bert Brecht supplied the penetrating formula:

"Great Carthage made three wars. It was still mighty after the first. Still habitable after the second. It could not be found after the third!"

The latest quotation of this German parable by Brecht we heard in the Bundestag (the Upper House—transl.) on February 9. Minister of Justice Posser, of North-Rhine-Westphalia, cited the poet's memento.

He made it clear not only whom it was aimed at, but also enjoined upon us to apply it usefully: We should ratify the treaties of Moscow and Warsaw so that we might be spared the fate of Carthage.

It will therefore interest you to know what it was that the gallant General Howley had pointed out to me.

I quote: "For almost 25 years Cato ended all his speeches in the Senate of Rome with the solemn reminder: 'ceterum censeo Carthaginem esse delendam' (Carthage must be destroyed)."

In 151 B.C. he finally prevailed. Rome declared war on Carthage and an expeditionary force set sail for Africa.

The Carthaginians, now peaceful and unprepared for a great war, tried desperately to buy their way out. Their hastily dispatched delegates obtained from the Romans the promise to leave Carthage in peace if 300 children of prominent families were handed over as hostages.

With deep misgivings the Carthaginians complied.

But it did not stop at that. Rome's next demand was that the Carthaginians hand over all remaining ships and all war equipment of their city-state.

This was also done. Thereupon the Romans called for the evacuation of Carthage, in order that it could be burnt down as the alleged nest of the warmongers.

When the Carthaginians heard this terrible demand, they knew they had been deceived through one of history's most perfidious acts.

In rage and shame they made desperate efforts to rebuild their defence.

Too little and too late. After three years' bitter siege the Romans broke through the walls and killed almost the entire population.

The town was razed to the ground, the land made barren with salt."

This was what General Howley recalled in his letter.

And just as the Romans deceived the Carthaginians, so the Russians desire to deceive

Germany and the rest of Europe. They want to weaken and prepare it for take-over—naturally if possible without resorting to war.

That is what remains of the lesson which Herr Posser borrowed from Brecht in his recommendation to ratify the treaties of Moscow and Warsaw.

This "Ostpolitik" of the present Government implies a deadly danger for our country and our people; and I consider it at the same time a menace to Europe and the entire free world.

Only recently an English friend confirmed this when he said:

"What happens to Germany could be a matter of indifference to me. But I am committed and agitated because the death of freedom in Germany would be nothing but the overture to the death of freedom in all of Europe."

I believe that too, and that is why I am against communism, and if that makes me an anti-Communist, well and good!

I also, incidentally, embrace capitalism as it has grown in our country:

As a symbol for what I mean I will mention only a name: Ludwig Erhard. I mean the capitalism of the social market economy which has helped our people to unprecedented prosperity. It must not be undermined.

Of course I know that much must still be improved. Nothing is perfect. We can only aspire to perfection in this world.

The important thing for me is that with our social system the chance for the individual, for every individual, is better than in any other.

But for all that I am not a "burning anti-Social Democrat", as people like to say. I never was.

Godesberg (SPD convention, November 1959, when a new party platform was developed.—translator) filled me, like many others, with the great hope that Social Democracy had become a genuine people's party and had thrown overboard its ideas of nationalisation from the previous century.

But that has, unfortunately, obviously changed again. I say this not without sorrow.

Attempts are also made to make me the bogey of the trade unions. But I am not an enemy of the trade union. Not with my upbringing, experience and knowledge!

I know very well how essential the trade unions' role is in society in a free economy.

They are a necessary and important regulating factor. For the employer they are a permanent conscience, for the worker a necessary safeguard.

What I object to today are certain aims which even trade unions abroad have declared to be false. I am against trade union officials seizing economic power in our country. I am against this not only in the interest of the businessmen and industrialists but just as much in the interest of the workers.

I also reject what is called "democratisation in the works".

What wonders can be achieved by the magic word "democratisation" is shown by the way things are going in our universities.

Woe betide the economy if it too were brought down by "democratisation"!

Ladies and gentlemen, our country, our society, are in gravest danger.

Many fail to see it. They are culpably careless in the face of internal dangers and also those from outside.

The NATO Secretary General, Dr. Luns, speaking recently at the National Press Club in Washington, at the same rostrum where I explained my warning against a change in course in the foreign policy of West Germany last October, said:

"The growth of Soviet military power exceeds all reasonable requirements of self-defence."

There is no doubt that he is right; the Soviet Union is not disarming within the

framework of a policy of détente, it is arming. Above all in the field of conventional weapons.

Russia is forming new, powerful armored forces and is exerting every effort to outstrip NATO in sea power.

In construction planning of up-to-date submarines the Soviet Union, without its allies, is ahead of NATO by four to one.

For the first time in more than ten years exercises in the transfer of long range Soviet aircraft on a grand scale are again being held—in East Germany.

I could go on quoting such items for hours, but it can be read about everywhere—it is simply not given attention.

It is just as significant that espionage by the Soviets and the other Warsaw Pact states has reached a record scale in the countries of the Atlantic Alliance.

And just at this time information which has so far not been denied is being spread that the West German Government is drastically reducing its own reconnaissance service in eastern Europe, "in the spirit of détente".

Especially what the "GDR" (East Germany) proclaims is not rapprochement, it is the policy of so called delimitation, that is, hostility.

The East Berlin SED (communist party—translator) chief, Honecker, coined the phrase, speaking to his staff early this year:

"The imperialist Federal Republic of West Germany was compelled by the pressure of the military superiority of socialism in Europe to descend to take steps towards détente and agreement. But in our image of the enemy nothing has changed."

Nothing changed! The objective remains one way or another to overcome the "enemy", that means us.

Why do they want this? Because communism can only exist unchallenged in East Germany once democracy is eliminated from the Federal Republic, West Germany. Otherwise its magnetic attraction for the 17 million Germans under the red yoke will persist.

That is why it is so important for the Soviet imperial league to banish from its glacial the permanent temptation of freedom. That is why Berlin is such a disturbing factor.

This objective is pursued by the East in various ways. One is directed to political capitulation by the West. Important landmarks in this are the treaties of Moscow and Warsaw. A great deal has been said about these in the last Bundestag debate.

But in this circle I will emphasize one point in particular; as long as the Americans remain engaged in Europe, the Soviets will not attain their objective.

An American withdrawal is therefore the top-priority long-term objective of Soviet policy for Europe.

American withdrawal is the actual main objective of the repeatedly propagated European security conference, which West Germany has promised in the Moscow treaty to support.

Once the US troops are gone, however, the NATO will be a mere chimera; the decisive prerequisites for Soviet hegemony over Europe will then have been created.

The call for withdrawal of American troops comes not from Moscow alone, as we know. It is raised by American appeasement politicians as well, because "there is no longer a threat from the East".

This is making the wish into a political demand.

In Germany such utterances, bound up with a completely false appreciation of the United States, are misinterpreted by many politicians—including those in highest office—as though the USA no longer had the strength to fulfill its obligations in Europe.

Therefore, so the argument runs, an adjustment to a pro-Soviet policy is imperative.

Such flirtations with the Soviets in turn

strengthen the hand of the American appeasement politicians, and so it goes on, a circle without end.

But if the Americans leave Europe, the Kremlin then expects, according to credible information, that not even ten years would be needed, after a neutral interval, to bring western Europe under Soviet hegemony.

At the end of these ten years direct bolshevisation can begin.

Already in the next few weeks, ladies and gentlemen, we will probably witness skillfully presented campaigns in nearly all the countries of Europe to mobilise the people for the security conference.

The Communist parties of Europe, of course including the DKP, the (west) German Communist Party, will found "committees for European Security".

"Liberal" professors, socialist "idealistic", "progressive" writers, indeed "progressive" industrialists will be found who will call out for peace through friendship with the East Bloc.

From all these activities and objectives the course of Soviet policy for Europe becomes clearly visible:

Within the next few years Soviet aims in all of Europe are to be pursued first and foremost by undermining the existing orders.

What other explanation could there be for the fact that just now espionage activities are being intensified in West Germany? Infiltration in the Federal Republic is rapidly increasing. It is particularly massive in certain industrial focal points.

Agitation groups of the extremist organisations and associations are trained in East Germany, where they travel on friendship excursions. Other groups are schooled by specialised agents from East Germany here, within our walls.

There are, I repeat, unequivocal signs that in the West civil war cadres, specialists in terror and violence, are being prepared for active work.

The ever-repeating Communist "tactical chain" for the subjection of countries or parts of countries is again described in a brochure recently published by the American labour federation, the AFL/CIO.

This chain of measures for the takeover of power is described like this:—

Demonstration — agitation — infiltration — intimidation — deception — fraud — undermining of society and finally, control.

Ladies and gentlemen, let me get back here to the business that is my profession, the passing on of information, of news.

One can differ over opinions, one can sweep them from the table. News one has to analyse.

So this evening I want to convey to you some very significant information which has become known about the Soviets' military objectives and plans.

It is material supplied by two Czechoslovakian general staff officers who occupied posts in the supreme command of the Warsaw Pact, were initiated into top secret intelligence and only recently came over to the other front. I do not even want to mention their initials.

I can assume that the Federal Government is also informed about the material. I wonder, though, why the people are not informed about such information. Above all when vital conclusions can be drawn just at a moment when decisive changes of course in German politics are being discussed.

This information represents proof against the thesis that the German treaties with the East in their present form remove the threatening dangers of military blackmail or even use of force against us. On the contrary, it documents that the Kremlin's calculations still include warfare as a political means with the object of conquering all Germany, indeed that these means are being furthered in the shadow of the treaties.

The two former general staff officers have

brought with them information which proves that the Soviets have done some strategic rethinking which we had already suspected.

The great general war, conceived both as a European and a world-wide struggle, is now overlaid in Soviet thinking by two other concepts of war which since 1965 have gained in importance: limited and local warfare.

These forms of war are conceived to enlarge the communist sphere of influence with minimum risk and to improve the geopolitical situation, if need be by military means, by a few hundred kilometers westwards. The speed of this improvement would be 40 kilometers a day—that is ten days to reach the Rhine.

It is also important that the Soviet leaders, as the reports say, think it possible to restrict such a war to Europe and to end it by political means before it grows into a world war.

This would be achieved by waging the limited, local war exclusively with conventional weapons. Nuclear weapons retain the function of a deterrent only.

Because of the panic international fear of a nuclear war, the red marshals believe they could keep a military intervention under control.

Or rather: the limited war will be waged under the umbrella of the nuclear equilibrium and not deteriorate into a worldwide conflagration.

The news also says that the form of restricted or local wars have moved to the forefront of consideration in the Soviet Union since Marshal Grechko was appointed Defence Minister. The informers document this with facts about changes in the organisation, equipment and training of troops.

Especially important for us in West Germany is the doctrine of the so called local war.

This states that it must be waged as far as possible by only a single country of the "bloc" with direct military means.

The other countries would be responsible for screening the campaign against aid to the victim by his allies: diplomatically—mainly in the United Nations—and ideologically.

Optimum importance will naturally go to ideological preparation.

No effort, no means are to be spared in building up resistance and diverse organisations and guerrilla groups in potential objective countries for attack.

Internal action before the outbreak of open hostilities in a local war will initially be directed against leading public figures, so called militant persons.

Everything is prepared to "neutralise" these people, as the term goes, on Day X.

In the plan of action for the underground fighters, paralysing of administration, the economy, the mass media and transportation, takes only second place.

Before hostilities begin groups of "sympathisers" will be formed, to include people who should be known to the public as non-Communists. These groups will have to present to the public an apparently acceptable political solution of the conflict before the actual military attack takes place; this is intended to disorient and split up those who are prepared to resist.

The particular objective of the attacks will be those forces which endanger the Communist Bloc's strategy. They are dubbed, as I mentioned before, "militant" groups.

I and my house, for instance, count as such "militant" groups.

Ladies and gentlemen, you will admit that this information is agitating and disturbing.

I am not a man of military detail myself. For me it is the principle that counts.

I mean that the alleged policy of détente or coexistence of the Soviets outwardly makes it possible for them internally to carry on almost total and in peacetime un-

precedented build-up of their military machine.

That is what is at the heart of present Soviet western policy, which the Federal Government propagates as German 'Ostpolitik'. I am sorry I must say this.

The Federal Government's 'Ostpolitik' is anything but a policy of security. There is incidentally only one criterion which could make it anywhere credible:

That is for a German Federal Government at the same time to combat energetically, visibly and effectively those premises which on the present information must already be regarded as the prior stage of subjection of the Federal Republic under the Soviet yoke;

I mean the decisive combating of the German Communist Party and its political devices; e.g. the establishment of foreign Communist Party dependencies in the Federal Republic.

I mean also the combat against the agents who are the advance guard of the intervention; the combat against the destroyers of our free order of society, the underminers of our social system, wherever they appear, for instance in the universities, and against the open and secret enemies of the alliance with the West.

"Where the forces of order fail to carry the load", Reinhold Schneider once said, "the forces of the abyss assume the burden and drag it into the depths."

A clear attitude towards the enemies within could create a basis for new reasonable treaties with the East.

What we are witnessing today is a German 'Ostpolitik' dictated inter alia by the wishful thinking of late-Marxistic redemptorists.

What we are witnessing today is also a policy of geopolitical rethinking: instead of a libertarian Europe which would remain within the ties of a transatlantic community with America, many heads are haunted by the idea of a Socialist Europe, concealed under the term "pan-European peace order".

What we are witnessing today is after all once more the attempt at a policy of appeasement.

And all that—one hardly believes one's eyes and ears!—again under the device of peace!

But whoever refuses to accept this pseudo-peace is not only accused of imperilling peace; even war is threatened:

Only a few days ago, at a meeting of the Society for German-Soviet Friendship in West Berlin—a prominent Soviet expert on Germany let the cat out of the bag.

In the event of the Bonn parliament rejecting the treaties he threatened "grave consequences", especially for Berlin.

Asked about a possible change of government in Bonn he answered that then everything "we have so far created" would be destroyed. There would be a new cold war and even "a hot war is possible".

But the accusation that opponents of the treaties endanger peace comes not only from the East. We are used to that.

In black and white (in the SPD-magazine "Neue Gesellschaft") was printed that the opponents of such recognitions were steering towards a war.

And that because we refuse to speak of a "European peace order" before it is made clear that it would only deserve the name when the right to self-determination for all the peoples of Europe—so naturally also for the German people—is restored and guaranteed.

The notion of peace includes not deceiving oneself that the arming of the aggressive enemies of Israel, the military throttling of the longing for freedom in Czechoslovakia, the partition of Germany through blood, iron and cement, the violent subjection of Poland, Hungary, Rumania and Bulgaria, the military expansion of the Soviet Union in the Middle East and eastern Asia, and all the

other facts of a "peace against freedom", are incompatible with our notion of peace.

When we say peace there must be no doubt that we do not regard it as accomplished unless it also means freedom and right.

The politics made in Bonn now do not lead to this peace.

Peace, this greatest of all great goals—we must know—must not be turned into a cheap election slogan.

Ladies and gentlemen, let me in conclusion turn my thoughts back to Berlin.

It is surely not a mere coincidence that the Soviet official, Bereshkov, uttered his threats in Berlin; the threat about what would happen if the Bundestag did not ratify the treaties or even if there were a change of government in Bonn.

Little as this utterance, intended as blackmail, or similar phrases in Pravda, surprise me or even impress me, I am still horrified that the Bonn coalition should use such threats to bring home their own policy.

Once again, the politics of fear!

It was in Berlin over 25 years ago.

In autumn 1946, in the whole city of Berlin the first and so far the only free, secret and direct elections after the war were held.

A few days before the polls Hans Wallenberg, then editor of the "Neue Zeitung" (the organ of the American occupation forces) and an American officer, wrote a leading article which is still full of significance, titled "Do not fear!"

"Had fear not always been an element of rule in Germany" the article read, "it would not have been able to drain its satanic triumph to the dregs as it did under Hitler."

Wallenberg's article dispersed rumours put about by the Soviet Union and its election aides in those days, which fomented suspicion against the Americans and the British with the object of arousing fear and concern among the Berliners.

"If the people of Berlin decisively reject fear", the article says towards the end "they will be making the greatest contribution to the restoration of democracy in Germany."

The Berliners overcame fear. The elections of October 20, 1946 brought an overwhelming decision for freedom.

When today, despite all talk of détente by the Soviets, threats are again in use, and when certain politicians in our country take up these threats and misuse them, the rejoinder must be made that such methods have even less effect today than they had in the dismal period just after the war.

No election under the threat of fear!

Our Atlantic alliance is still intact, and if democrats, if free men hold together, the proud cry to the irresolute is now justified, as it was then:

"Do not fear!"

CONCURRENT RESOLUTION BY THE SOUTH CAROLINA GENERAL ASSEMBLY REGARDING THE GENOCIDE TREATY

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 11, 1972

Mr. THURMOND. Mr. President, on March 29, 1972, the South Carolina General Assembly passed a concurrent resolution memorializing the Congress of the United States not to ratify the United Nations Genocide Treaty.

The Genocide Treaty has been twice condemned by the house of delegates of the American Bar Association, and I am pleased to note that the South Carolina

Legislature joins the opposition to this treaty.

Mr. President, the Genocide Treaty attempts to use treaty-making power to negate some of the fundamental principles of the American legal system. Under our system, all the physical acts listed in the treaty are already punishable as crimes if committed on U.S. territory. The existing laws of the several states and the United States are adequate to punish any such offenders.

This treaty would put the United States under an obligation to prosecute and punish acts whose nature the Genocide Treaty does not even reveal. If we ratify the treaty, members of the U.S. Armed Forces fighting in foreign countries would be triable and punishable in foreign courts for discharging their duty pursuant to the rules of warfare.

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

A CONCURRENT RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES NOT TO RATIFY THE UNITED NATIONS GENOCIDE TREATY

Whereas, the Genocide Convention is a United Nations Treaty designed to outlaw the mass extermination of any group of humans because of their national, ethnical, racial, or religious classification. This treaty was approved in the United Nations General Assembly December 9, 1948; however it has not been ratified by the United States Congress because of numerous objections; and

Whereas, the American Bar Association has consistently taken a position against ratification of the Genocide Convention, Frank Holman, former President of the American Bar Association stated that "Acts are made punishable which are not only purely domestic in character, but public officials as well as private citizens are to be made amenable to international tribunals for a variety of ill-defined and ambiguous so-called acts of genocide—to the extent that the causing of mental harm to a member of a group or complicity in so doing, is an act of genocide."; and

Whereas, the dangers of ratifying this treaty are not theoretical. The public officials of South Carolina and ten other states, the President of the United States, the Congress, the Supreme Court, the Attorney General and the Department of Justice were formally charged with complicity in genocide before the United Nations in 1951. If this convention is ratified, it would give the United Nations legal grounds for action on these charges; and

Whereas, there can be no question of our abhorrence of genocide against any peoples or our desire to prevent such action; however the members of the General Assembly oppose this treaty in the form submitted to the United States Congress for ratification. Free men do not, with full understanding, surrender their liberty to join an organization or ratify a treaty to prohibit acts they, themselves, have never committed.

GAYLE MAKING HISTORY WITH COURSES ON HORSES

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. HUNGATE, Mr. Speaker, I call attention to an article in the Louisville

Times concerning an innovative educational program at William Woods College in my district.

The article follows:

GAYLE MAKING HISTORY WITH COURSES ON HORSES

(By Marvin N. Gay, Jr.)

Through the efforts of Gayle Lampe of Louisville, William Woods College of Fulton, Mo., is making history. The college has announced that it is offering a Bachelor of Science degree in equestrian studies.

Miss Lampe has spearheaded a spectacular growth in the equitation department since she arrived on the campus four years ago. And, as might be expected, she is excited about the new program.

Dr. Clifford M. Shipp, academic dean of the college told her, "to my knowledge, this program is the first of its kind in the world."

Miss Lampe, the daughter of Judge Stuart Lampe and Mrs. Lampe, explained that the new four-year program will prepare students in managing, training and riding techniques. Students will be working with more than 50 college-owned horses.

"William Woods is a girls school, but Westminster College, for boys, is affiliated with it," Miss Lampe said. "The schools have separate campuses, just a few blocks apart, which makes it rather nice. The boys and girls sometimes are in classes together."

Her equitation classes have some students from Westminster, but "the girls are in the majority," said Miss Lampe, 26, speaking from her office near the stables at Fulton.

Miss Lampe did her riding as a teenager at Rock Creek Riding Club, where she still is a member. She decided early that she would enjoy teaching others.

A sense of humor helps her in her work. "I sometimes scream out at some of them—you have to if you are to get results. Then I tell them they have to excuse that. I tell them, 'That is a fault that goes with being a red-head.'"

Miss Lampe says she enjoys the challenge of teaching. "There is always something different, working with animals and people on animals," she said, laughing softly. "The students seem to never get tired of it."

How, she was asked, does she keep up their interest?

"It isn't so hard, really," she said. "There is always a more difficult horse, a new challenge. I'll start them with rather gentle horses and they'll get their opportunity with the more spirited ones as they advance. They want that diploma, just as does someone majoring in English, journalism or anything else."

The toughest part of Miss Lampe's job is making decisions as to which students are ready to compete in horse shows, usually at Kansas City and St. Louis. The college is about half way between the two cities.

"Aside from the shows, the students participate in many clinics," Miss Lampe said. "We feel that we have made considerable progress in the last four years."

GIVES MANY CAREER OPPORTUNITIES

William Woods was one of the first colleges to offer a minor in equitation. Miss Lampe, who is the equitation instructor, notes that the program offers training that could lead to careers in teaching or riding, training of horses, and management and ownership of stables, breeding farms and riding academies.

"We have many breeds of horses to work with," Miss Lampe said. She pointed out that, for example, a student with a major in equestrian studies and a minor in business can own or manage a horse farm, public or private riding stables, guest ranch or summer camp.

She is proud of the caliber of horses in the college's stables. "The stock is excellent," she said. "Recently the school purchased a mare from California for \$30,000." She added that yes, a program such as this would be helpful for a girl with ambitions to become a jockey.

So how does Miss Lampe, who studied psychology in college, relax when not teaching and working with horses?

"I go somewhere and watch professional trainers work with horses," she said. "That's more relaxing for me than a hobby."

REV. DR. PARK W. HUNTINGTON

HON. J. CALEB BOGGS

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Tuesday, April 11, 1972

Mr. BOGGS. Mr. President, the Reverend Dr. Park W. Huntington, a great Delawarean and a great American, has passed from our midst.

I join all Delawareans in grief for the loss of this fine man who has contributed so much to our State and our country. I also extend my deepest sympathies to his wife, Marie, and to his family.

At the age of 76, Doctor Huntington was still an active man, pursuing his many interests and concerns and working for the welfare of mankind. He lived a full and most useful life, and all our lives will be less full for his passing.

Dr. Huntington, who lived in Wilmington, Del., was pastor emeritus of St. Stephen's Lutheran Church and was the first director of Delaware's Department of Welfare. He was pastor of St. Stephen's from 1926 until 1951, during which period the congregation grew from 300 to more than 1,500 members.

He helped organize the Department of Welfare and served as its first director from 1951 to 1953.

A native of Vicksburg, Pa., Dr. Huntington was educated at Susquehanna University. He served as pastor of St. John's Lutheran Church in Jersey Shore, Pa., before accepting the position at St. Stephen's.

After his retirement from St. Stephen's Dr. Huntington conducted a radio ministry for 7 years, then served as interim pastor for smaller Lutheran parishes in the area.

He was active in many other worthy efforts, having served as a director of the State chapter of the American Red Cross, the Delaware Safety Council, and the Travelers Aid Society. He was chairman of the Delaware Chapter of the National Multiple Sclerosis Society, a trustee of the Delaware Easter Seal Society for Crippled Children, a member of the Boys Home of Delaware, and the State Human Relations Commission. He was a Rotarian and a 33d Degree Mason.

Dr. Huntington was most active in the American Legion, having served as national chaplain in 1934 and 1935 and on the national executive committee from 1962 to 1964. He served as chaplain of the Department of Delaware seven times.

Dr. Huntington joined the Army's Ambulance Corps in 1917 as an enlisted

man. Between the two World Wars he served as chaplain in the Army Reserve and the Delaware National Guard. He was reordered into service in 1940, served in the Pacific and was discharged as a colonel in 1946. In 1955, he has made a brigadier general in the Delaware National Guard.

He held a Bronze Star for gallantry in combat and was national chaplain and past national commander of the National Retreads, an organization of officers who served in both World Wars.

In addition to his widow, Dr. Huntington is survived by a son, Dr. Park W. Huntington, Jr., and a daughter, Mrs. Joseph A. DeLuca III and three grandchildren.

Their loss is enormous, and Mrs. Boggs and I join their many friends in extending condolences.

SOCIAL SECURITY BENEFITS

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. GAYDOS. Mr. Speaker, it is a deplorable fact today that 5 million of the 20 million Americans over 65 are living on incomes below the official poverty level. It is a shameful situation that becomes more intolerable when one realizes these are the people who have spent the best part of their lives laboring to build the foundation of the society younger Americans now enjoy.

According to a recent article in U.S. News & World Report, current social security benefits average \$2,628 a year per couple. That is just slightly above the \$2,000 level the Federal Government has proclaimed to be the poverty line. For a single person the average benefit is \$1,572 a year. That is a shabby reward for a lifetime of work.

The amount is ridiculous when you consider what these men and women must spend for the necessities of life: their food, clothing, medicine, housing, transportation, and so forth. Many of them face the cruel decision of giving up a home they have struggled to pay for over many years. The hard truth is the home must go if they are to meet the soaring cost of inflation and property taxes. In many cases, it is all they have to show for the years of sacrifice and hardship they endured while rearing and educating their families. I have personal knowledge of senior citizens in my own 20th District who actually have apologized for not contacting my office on private matters simply because they could not stretch their budget to cover the cost of a telephone toll call or an 8-cent stamp.

Such conditions are disgraceful, but they make it all too clear why Congress must provide substantial increases in social security benefits. Several years

ago, when I first came to Congress, I proposed a 50-percent increase in benefits. Regrettably, my proposal did not receive the necessary support. Instead, social security payments were approved in dribbles that were quickly absorbed by the rising cost of living and taxation. However, over the years, those bits and pieces Congress doled out represent a total increase of 30 percent and now there are several bills, including one of my own, which would increase social security benefits by another 20 percent. I am hopeful my colleagues will support this legislation to give our senior citizens a decent income.

Mr. Speaker, I insert the news article mentioned above in the RECORD for the attention of my colleagues. I believe when they have read it, they will agree our senior citizens' "golden years" are anything but that:

COST SQUEEZE: FLIGHT OF RETIRED PEOPLE

Despite wage-price controls, many elderly Americans are being pushed toward poverty. Personal interviews show that, for some, the "golden years" are tarnished by rising expenses, taxes and illness.

Few people have a greater stake in the success of the Administration's wage and price-control program—now moving into its second six months—than the millions of Americans living on retirement incomes.

Years of steadily rising prices have forced many of these elderly folk into desperate financial straits.

Consider the Chicagoan who came to the United States from Europe during World War II and opened a small business. He and his wife retired not long ago, but can take little comfort from their present circumstances.

Says the immigrant:

"We lost everything we had in Europe during the war, and built it up again in this country. Now we are losing everything again, to inflation. The trouble is that now I am an old man, and I can't start over."

A retired public-school teacher in New England declares:

"For the past 15 years, I've been living on my teacher's annuity. That's all I have, except for the house I inherited.

"Month after month," she adds, "I've seen my buying power whittled down by rising prices. Property taxes, household repairs, food, all keep going up. If prices aren't stabilized soon, I don't know what I'm going to do."

Many elderly folks across the U. S. are living comfortably on retirement incomes. But many others are feeling the pinch of steadily rising expenses.

To find out how they are coping with today's cost-of-living problems, staff members of "U. S. News & World Report" talked with retired individuals and couples, and sifted through Government reports and congressional documents.

This is the pattern that emerges:

The number of elderly men and women officially regarded by the Government as poverty-stricken is climbing rapidly.

Many other retired persons, although not classified as poor, must count their pennies to pay for even the necessities of life.

Even people who thought they had planned carefully for the leisure years find their reserves running low under the pressure of rising prices and taxes.

Some of the elderly are in imminent danger of losing their homes—in many cases the only major possession they have—and being cast onto the welfare rolls.

The medicare program, criticized by some

as radical and excessively expensive when it was enacted seven years ago, now is being attacked by many retired people for not paying a larger portion of their health-care costs.

Government officials in Washington are starting to focus attention on money problems of the retired, and the elderly themselves leave no doubt that they are well aware of what is happening.

Says a spokesman for a group of retired persons in New York City:

"We are not senile morons. We are intelligent, experienced people, greatly handicapped with the inflationary spiral cutting into our income all the time."

"OVERWHELMED" BY INFLATION

Nelson H. Cruickshank, president of the National Council of Senior Citizens, told the Senate Finance Committee recently:

"The elderly do not parade their poverty. As a matter of pride, they do their best to hide it. . . . The stark fact is that more and more low-income elderly are being overwhelmed by the ever-rising tide of inflation."

Interviews with retired persons by staff members of this magazine bear out that contention.

Mrs. Kathleen E. Houston, a widow in Houston, Tex., retired from her secretarial job in 1957 and now, at age 78, has a pension of \$318 a month.

"I'm having a terrible time," Mrs. Houston says. "I've already run through my savings. I couldn't make it if I didn't work to make some extra money each month."

A retired accountant in Trumbull, Conn., reports he had counted on dividends from stocks to augment his company pension and Social Security. Now, he notes:

"Several companies in which I have stock have reduced or discontinued dividends. Right now, if I could get out of the market unhurt, I would be very much tempted to do it."

In Fort Wayne, Ind., Mrs. Charles E. Geller, widow of a wholesale grocer, says she must live on a small Social Security check and proceeds from a mutual-fund investment made when she sold her home and moved into an apartment. Mrs. Geller adds:

"Last year was really hard, because the mutual fund didn't pay any capital gains. It was a shock to me."

Some aged persons say they realize now they did not start preparing soon enough for retirement.

Mrs. Thaddesia Moss, a former stenographer in Atlanta, Ga., explains that she and her husband are getting by on a combined monthly income of \$436—but with little to spare for emergencies. Mrs. Moss comments:

"When I got my first job in 1927, it would have been better to start saving right then and there. But we wanted to spend it all right away."

WHEN PLANNING FAILS

Sometimes, however, even what appears to be adequate planning for retirement can prove insufficient.

George L. Martin of Houston, Tex., notes that he felt pretty well prepared with his company pension, Social Security and a company health-insurance policy. But he now has to work part-time to make ends meet. Explains Mr. Martin:

"It takes everything I get each month to break even. If things go any higher, I'll probably be forced to dig into my savings."

Government reports show that nearly 5 million of the 20 million Americans who are 65 and older have incomes below official poverty levels.

This number of recognized poor among the aged had declined for a decade before 1968, but since then it has risen by more than 100,000 and continues to grow.

The chances of being classified as "poor" double if you are over 64. If you are black as well as old, your chances of being poverty-stricken double again. About half of the aged widows in this country are considered poor, and that figure soars to nearly 80 percent among elderly Negro women living alone.

For statistical purposes, the Government figures anyone who is living alone is poor if he has income of less than \$2,000 a year. For a couple living in a nonfarm setting, the poverty line is \$2,600 annually.

The Government estimates that current Social Security benefits average \$2,628 a year per couple—just above the poverty level. Typical Social Security benefits for a single person amount to \$1,572 annually—more than \$400 short of the poverty line.

In the spring of 1970, the Department of Labor computed a series of sample budgets for retired couples—not what they actually spend but what they would spend if they lived normally, owned their own homes and were in reasonably good health.

The "intermediate" budget calls for outlays of \$4,489 a year—a figure that nearly 40 percent of the elderly could not attain today, even without allowing for inflation over the last two years.

The table on page 68 shows such intermediate budgets for 40 areas—plus "minimum" and "more comfortable" budgets.

Government experts estimate that 6 million elderly persons in this country are living in inadequate housing. Federal programs, authorities say, have provided only about 350,000 low-cost housing units for the elderly in the last 10 years—compared with a need for 120,000 units every year.

Although at least 36 States provide some measure of property tax relief for the elderly, the financial burden of maintaining a home is proving too much for many.

Government estimates indicate that elderly persons with incomes below \$5,000 a year are paying some 1.5 billion dollars annually in property taxes.

A retired couple in the Detroit suburb of Birmingham, Mich., recalled that taxes on their house were \$190 when they bought the property in 1943. Now the levy is nearing \$1,700 a year.

"I don't see how we can keep paying the taxes if they reach \$2,000," the wife declares.

PENSIONS THAT GROW

Some retired persons, especially former Government employees, believe the economic pinch has been eased by cost-of-living increases built into their pensions.

James Campbell, who worked for the State of California, finds retirement easier than he expected in Sonoma, Calif. Says Mr. Campbell:

"We had thought at the time I retired that we would have to live at just one level. But cost-of-living raises have been made. As costs have gone up, my pension has gone up. So now, we're not hurting."

But official estimates show that pensions other than Social Security provide only about 11 per cent of total income received by the aged.

Transportation is a vexing problem for the elderly, since many of them can no longer afford automobiles, or are physically incapable of driving.

James A. Willoughby, a retired federal worker living in Washington, D.C., sold his 1966 car after he suffered a stroke. He and his wife managed to save \$85 to buy an awning for their back porch, but by the time they had arranged for transportation across town to the store, they had spent the money on other things.

The transportation problem is alleviated in at least 50 cities, where the aged ride

buses at reduced rates during nonrush periods. In Minneapolis-St. Paul, they can ride free much of the day.

In parts of cities with high crime rates, federal investigators report, numerous elderly residents are virtual prisoners in their homes and apartments because they are afraid to venture into the streets.

"ONE GOOD MEAL"

The Senate Special Committee on Aging has heard from many elderly persons on the economic squeeze.

In Pitman, N.J., a retired worker told the Committee that he and his wife have to live on \$1,920 a year. He then added:

"We cannot afford three full meals each day, so we manage on one good meal. The prices of meat are outrageous, and to have a roast or steak once a week is beyond our reach."

Many elderly citizens are protesting the \$1,680 a year ceiling on earnings under Social Security. If a person younger than 72 earns more than the limit, his Social Security payments are reduced.

A widow in New London, Conn., wrote to the American Association of Retired Persons on this issue, saying:

"The fact that I am receiving Social Security payments causes me not only to have to kill time, but I think it's slowly killing me. I am not sufficiently occupied and am not accustomed to being so inactive. It's a perfectly intolerable situation."

A woman from New York complains:

"If relief for me is not forthcoming, I will be forced to give up my job and go on welfare, where I will receive more in the long run than working. I will have my rent paid, get a color TV, have my insurance paid and no income tax to pay. Utopia!"

PROBLEMS OF HEALTH

Sickness is a particularly dreaded threat to the elderly in times when the expense of medical care is one of the fastest-rising items in the cost of living.

Government researchers report that persons 65 and older spend, on the average, about three times as much on health care as younger citizens. Less than half the bill, experts say, is covered under medicare.

A spokesman for a group of elderly persons in New Jersey says:

"Medicare to us is like a leaking umbrella. You go outside when it is raining, and you think you have protection. You open it up, and the rain comes right through it."

Many aged persons complain about the increasing premiums they have to pay for optional physician's coverage under medicare, and the fact that it does not pay for many health aids or for out-of-hospital prescription drugs.

An elderly woman in Riverside, Conn., is one who finds that expenses for items such as hearing aids, glasses and other devices have been "terrific." She adds:

"It cost me \$48 recently at the dentist's for just a couple of fillings and a cleaning of my teeth. There ought to be some way to help out on that."

Government programs to aid the elderly have expanded in recent years.

The Administration on Aging reports that federal spending directed entirely or largely to the aged has risen from 25 billion dollars in the fiscal year that ended June 30, 1967, to more than 46 billion dollars in the current fiscal year—representing a gain from 16 per cent to 20 per cent of the total budget.

However, many critics insist this is far from enough. Senator Frank Church (Dem.), of Idaho, chairman of the Senate's Special Committee on Aging, said recently:

"No Administration to date—whether it be Democratic or Republican—has really come

to grips with the predicament of the elderly. . . .

"The retirement-income crisis which now affects millions of older Americans . . . deserves no less than a national commitment to eliminate poverty for the elderly and to allow them to share in the economic abundance which they have worked most of their lives to create."

An elderly woman in New Jersey put it a bit more strongly in telling Government investigators:

"I am so tired of hearing what you are 'going' to do for the senior citizens, the golden-agers, et cetera. What you are doing is driving us to the wall."

"I wish everyone would stop talking about what they're going to do—and get busy and do it."

	A "minimum budget" for health and well-being	A "moderate comfort" budget	A "more comforta- ble" budget
Northeast:			
Boston	\$3,306	\$5,113	\$8,623
Buffalo	3,412	4,973	7,977
Hartford	3,558	5,158	8,039
Lancaster	3,081	4,460	5,964
New York area	3,390	5,209	8,531
Philadelphia	3,044	4,695	7,683
Pittsburgh	3,123	4,526	7,215
Portland	3,221	4,679	7,162
North Central:			
Cedar Rapids	3,131	4,501	7,221
Champaign-Urbana	3,194	4,681	7,361
Chicago	3,075	4,584	7,342
Cincinnati	2,997	4,313	6,613
Cleveland	3,320	4,807	7,591
Dayton	3,102	4,377	7,062
Detroit	3,139	4,563	7,503
Green Bay	3,000	4,375	7,267
Indianapolis	3,240	4,686	7,475
Kansas City	3,195	4,578	7,442
Milwaukee	3,152	4,604	7,464
Minneapolis-St. Paul	3,212	4,576	7,232
St. Louis	3,150	4,529	7,048
Wichita	3,090	4,413	6,917
South:			
Atlanta	2,781	4,039	6,283
Austin	2,814	4,070	6,416
Baltimore	3,039	4,410	6,984
Baton Rouge	2,797	4,035	6,316
Dallas	2,968	4,309	7,023
Durham	2,982	4,239	6,473
Houston	2,909	4,217	6,863
Nashville	2,944	4,255	6,636
Orlando	3,006	4,150	6,273
Washington	3,256	4,656	7,380
West:			
Anchorage	4,457	6,127	9,286
Bakersfield	2,977	4,289	6,673
Denver	3,063	4,373	6,970
Honolulu	3,562	5,166	8,312
Los Angeles area	3,241	4,626	7,630
San Diego	3,103	4,419	7,027
San Francisco-Oakland	3,431	4,913	7,776
Seattle-Everett	3,451	4,848	7,467

RESULTS OF MY QUESTIONNAIRE

HON. JERRY L. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. PETTIS. Mr. Speaker, during February and March of this year I sent over 230,000 questionnaires to every household in both my old and newly reapportioned congressional districts. Having received over a 10-percent return, I would like to share the results with my colleagues. I think that the responses will be particularly helpful in showing what problems are of concern to my constituents. Also, I would like to take this opportunity to thank each respondent who returned the questionnaire as I will be

using them to provide the best representation possible.

Each respondent was asked to rank in order of importance eight major issues and was given the opportunity to suggest other areas of concern. Overall in the San Bernardino and Los Angeles County areas of my district, crime was named as the most important issue followed by environmental protection, economic policy, Southeast Asia, labor disputes, health care, and foreign policy. While the crime issue was very important in most areas of the district, economic policy ranked first in the Upland-Alta Loma area, and environmental protection ranked first in the Redlands-Loma Linda and Claremont areas. Concern over Southeast Asia has dropped measurably since the last questionnaire reflecting the lower American profile in that area of the world. Other issues listed often were foreign policy in the Upland-Alta Loma and Claremont areas, labor disputes in the Redlands-Loma Linda, desert and mountain areas, and health care in the mountain and desert areas.

Important issues written in by my constituents included: social security-aid to the elderly, congressional absenteeism, population control, loss of national spirit, taxes-tax reform, national defense, lax morals, welfare, Government waste, unemployment, consumer protection, modernize Congress, against abolition of capital punishment, pornography, communism, racism, equal education for all, minimum wage, courts legislating, decentralization of Government, property tax, increase space exploration, campaign spending control, court procedure reform, insurance rates, against smoking on airlines, women's liberation, against foreign aid, better transportation, prayer in schools, legalize marijuana, control narcotics, anti-gun-control laws, release POW's, more judges and courts, anti-United Nations, assist American Indians, antiviictimless crime laws, monopolies, inflation, nuclear control, 200-mile limit, and pension funds.

A four-part question was asked concerning wage-price controls and their effect on the economy. In response to the question, "Do you feel that Wage-Price Controls should be immediately ended?", a large number, 51 percent responded "no." However nearly an equal number in all areas of the district were

undecided on what action should be taken. Overall 16 percent voted to end controls, 51 percent voted to keep controls, and 33 percent were undecided.

In response to the question, "Do you feel that wage-price controls should be terminated in January 1973 if a low rate of inflation has not been achieved by then?", the response was yes, 28 percent; no, 42 percent; and undecided 30 percent. A similar question asking "Do you feel that wage-price controls should remain in effect until a low rate of inflation is achieved?", drew a yes vote of 64 percent, with a no vote of 13 percent, and 33 percent undecided. My constituents continue to support wage-price controls as a counter to inflation, but there is a very large number who are undecided on the question.

By a slim margin my constituents reported that wage-price controls are having an effect in curtailing inflation. Overall 50 percent answered yes; 33 percent answered no, and 17 percent remained undecided.

Turning to the problem of consumer protection, those responding to the questionnaire overwhelmingly approved having stricter controls on the advertising and selling of manufactured products for the protection of the consumer. In both counties the response was 81 percent yes, 17 percent no, and 2 percent undecided. The highest vote of approval came from the desert area with 85 percent "yes" vote.

An equally overwhelming response approved a Federal no-fault automobile insurance program. On this question 72 percent approved the proposal, 21 percent disapproved, and 2 percent were undecided. The Ontario-Chino area was high with a 78 percent vote of approval.

In the field of environmental protection, I asked if "at this point, do you feel that the Federal Government is making adequate inroads in the areas of pollution abatement and environmental protection?" The majority by a 77 percent vote said that current efforts are not enough. Only 20 percent were satisfied with the present Federal programs, and 3 percent were undecided. This feeling was reflected in all areas of the district with the highest vote of dissatisfaction coming from the Fontana-Bloomington area—86 percent.

The problem of education finance was raised with the question, "Do you favor removing property taxes and substituting a value-added tax—national sales tax—for the support of public education?" Overall the response was 57 percent yes, 30 percent no, and 13 percent undecided. However, this response varied widely throughout the district. The Mountain areas supported the proposal with 75 percent approval, while the Claremont area voted 54 percent against the proposal.

As a member of the Committee on Ways and Means, I am particularly interested in the public's feelings on health insurance. I asked my constituents, "Do you favor Federal legislation providing full medical and hospital insurance coverage for catastrophic illness? The response was 69 percent yes, 23 percent no, and 8 percent undecided in the two county area. Redlands-Loma Linda supported this proposal by an 84 percent positive response.

Regarding our defense posture in Europe the question was asked, "Do you favor a reduction of our troop strength in Europe?" A majority of 55 percent responded yes, with 39 percent responding no, and 6 percent undecided. In all areas of the District, troop reductions received majority approval.

In order to gage the current opinion on the aid policy to Southeast Asia, I asked my constituents to choose what type of aid should be extended: economic aid only, economic and military aid, military aid only, or no aid at all. The overall response was 38 percent for no aid at all to Southeast Asia, 30 percent for economic aid only, 21 percent for economic and military aid, 8 percent for military aid only, and 3 percent undecided. Economic aid only ranked highest in Pomona, Redlands-Loma Linda, Fontana-Bloomington, and Upland-Alta Loma areas. No aid at all ranked highest in La Verne, Ontario-Chino, and San Bernardino city.

While questionnaires of this type do not give the citizen a full opportunity to explain his feelings, these questionnaires are most helpful to me in keeping in touch with the people of the 33d Congressional District. Knowing what problems are of concern helps me to better serve as their Representative.

Included below are the complete tabulations of the questionnaire:

1972 PETTIS QUESTIONNAIRE RESULTS

(In percent)

Area	Yes	No	Undecided	Area	Yes	No	Undecided
1. Do you feel that wage-price controls are having any effect in curtailing inflation?				Do you feel that wage-price controls should be terminated in January 1973 if a low rate of inflation has not been achieved by then?			
33d Congressional District	50	33	17	33d Congressional District	28	42	30
San Bernardino County portion	50	32	18	San Bernardino County portion	22	42	36
Los Angeles County portion	49	34	17	Los Angeles County portion	30	35	35
San Bernardino City area	45	33	22	San Bernardino City area	26	36	38
Pomona area	48	39	13	Pomona area	27	34	39
Ontario-Chino area ¹	50	39	11	Ontario-Chino area	34	40	26
La Verne area	50	39	11	La Verne area	31	37	32
Redlands-Loma Linda area ¹	56	22	22	Redlands-Loma Linda area	14	50	36
Claremont area	50	29	21	Claremont area	15	32	53
Desert area ¹	50	33	17				
Fontana-Bloomington area ¹	53	26	21				
Upland-Alta Loma area ¹	57	31	12				
Mountain area ¹	55	30	15				
Do you feel that wage-price controls should remain in effect until a low rate of inflation is achieved?							
33d Congressional District	64	13	35				
San Bernardino County portion	63	10	27				
Los Angeles County portion	65	16	19				
San Bernardino City area	61	16	23				

Area	Yes	No	Undecided	Area	Yes	No	Undecided		
Desert area	23	50	27	5. Do you favor removing property taxes and substituting a value-added tax (national sales tax) for the support of public education?					
Fontana-Bloomington area	30	40	30	33d Congressional District	57	30	13		
Upland-Alta Loma area	37	43	20	San Bernardino County portion	58	28	14		
Mountain area	25	55	20	Los Angeles County portion	45	44	11		
Do you feel that wage-price controls should be immediately ended?				San Bernardino City area	55	30	15		
33d Congressional District	16	51	33	Pomona area	52	38	10		
San Bernardino County portion	13	50	37	Ontario-Chino area	59	25	16		
Los Angeles County portion	19	49	32	La Verne area	42	45	13		
San Bernardino City area	13	45	42	Redlands-Loma Linda area	62	24	14		
Pomona area	15	51	44	Claremont area	36	54	10		
Ontario-Chino area	11	55	42	Desert area	60	30	10		
La Verne area	9	53	38	Fontana-Bloomington area	63	20	17		
Redlands-Loma Linda area	12	58	30	Upland-Alta Loma area	46	43	11		
Claremont area	8	44	48	Mountain area	75	15	10		
Desert area	13	33	54	6. Do you favor Federal legislation providing full medical and hospital insurance coverage for catastrophic illness?					
Fontana-Bloomington area	10	36	54	33d Congressional District	69	23	8		
Upland-Alta Loma area	6	51	43	San Bernardino County portion	69	25	6		
Mountain area	35	50	15	Los Angeles County portion	65	28	7		
2. Do you believe the Federal Government should impose stricter controls on the advertising and selling of manufactured products for the protection of the consumer?				San Bernardino City area	70	23	7		
33d Congressional District	81	17	2	Pomona area	63	31	6		
San Bernardino County portion	81	17	2	Ontario-Chino area	65	28	7		
Los Angeles County portion	80	16	4	La Verne area	73	19	8		
San Bernardino City area	84	13	3	Redlands-Loma Linda area	84	14	2		
Pomona area	82	16	2	Claremont area	68	28	4		
Ontario-Chino area	78	20	2	Desert area	73	18	9		
La Verne area	70	20	10	Fontana-Bloomington area	59	30	11		
Redlands-Loma Linda area	74	22	4	Upland-Alta Loma area	63	34	3		
Claremont area	84	14	2	Mountain area	60	35	5		
Desert area	85	10	5	7. Do you favor a reduction of our troop strength in Europe?					
Fontana-Bloomington area	83	10	7	33d Congressional District	55	39	6		
Upland-Alta Loma area	80	17	3	San Bernardino County portion	54	39	7		
Mountain area	70	25	5	Los Angeles County portion	58	33	9		
3. Do you believe the Congress should enact a no-fault automobile insurance program?				San Bernardino City area	51	40	9		
33d Congressional District	72	21	7	Pomona area	56	36	8		
San Bernardino County portion	72	20	8	Ontario-Chino area	52	37	11		
Los Angeles County portion	70	20	10	La Verne area	51	37	12		
San Bernardino City area	73	18	9	Redlands-Loma Linda area	52	44	4		
Pomona area	67	24	9	Claremont area	68	13	19		
Ontario-Chino area	78	15	7	Desert area	57	38	5		
La Verne area	76	15	9	Fontana-Bloomington area	53	40	7		
Redlands-Loma Linda area	72	18	10	Upland-Alta Loma area	60	31	9		
Claremont area	72	12	16	Mountain area	55	40	5		
Desert area	75	20	5						
Fontana-Bloomington area	69	17	14						
Upland-Alta Loma area	54	37	9						
Mountain area	55	40	5						
4. At this point, do you feel that the Federal Government is making adequate inroads in the areas of pollution abatement and environmental protection?									
33d Congressional District	20	77	3	8. The U.S. aid policy in Southeast Asia should be: (A) Economic aid only, (B) economic and military aid, (C) military aid only, (D) no aid, (E) undecided.					
San Bernardino County portion	20	75	5	33d Congressional District	30	21	8	38	3
Los Angeles County portion	17	78	3	San Bernardino County portion	28	21	9	31	4
San Bernardino City area	16	78	6	Los Angeles County portion	39	17	6	34	4
Pomona area	19	76	5	San Bernardino City area	28	19	4	44	5
Ontario-Chino area	26	68	6	Pomona area	37	20	7	33	3
La Verne area	12	82	6	Ontario-Chino area	13	24	8	48	7
Redlands-Loma Linda area	20	76	4	La Verne area	31	12	3	46	7
Claremont area	17	79	4	Redlands-Loma Linda area	38	24	6	28	4
Desert area	18	75	7	Claremont area	50	13	4	27	6
Fontana-Bloomington area	14	86	0	Desert area	30	25	8	30	7
Upland-Alta Loma area	23	77	0	Fontana-Bloomington area	33	14	17	23	13
Mountain area	30	70	0	Upland-Alta Loma area	40	26	6	26	2
				Mountain area	35	20	0	35	10

(A) (B) (C) (D) (E)

1 Sample too small for further breakdown.

9. Please rank the following issues in order of importance to you.

- 33rd Congressional District
- Crime (27%).
- Environmental Protection (18%).
- Economic Policy (18%).
- Southeast Asia (8%).
- Labor Disputes (6%).
- Health Care (6%).
- Foreign Policy (3%).
- Misc. (9%).
- San Bernardino County portion:
- Crime (27%).
- Economic Policy (19%).
- Environmental Protection (18%).
- Southeast Asia (8%).
- Labor Disputes (7%).
- Health Care (6%).
- Foreign Policy (5%).
- Busing (4%).
- Misc. (6%).
- Los Angeles County portion:
- Crime (26%).
- Environmental Protection (18%).
- Economic Policy (17%).
- Southeast Asia (8%).
- Foreign Policy (6%).
- Health Disputes (4%).
- Health Care (5%).
- Labor Disputes (4%).
- Busing (4%).
- Misc. (12%).

- San Bernardino City area:
- Crime (30%).
- Environmental Protection (20%).
- Economic Policy (18%).
- Southeast Asia (9%).
- Health Care (7%).
- Labor Disputes (6%).
- Health Care (5%).
- Busing (2%).
- Misc. (13%).
- Pomona area:
- Crime (26%).
- Environmental Protection (18%).
- Economic Policy (16%).
- Southeast Asia (7%).
- Health Care (6%).
- Busing (5%).
- Foreign Policy (4%).
- Labor Disputes (4%).
- Misc. (14%).
- Ontario, Chino area:
- Crime (26%).
- Economic Policy (18%).
- Environmental Protection (13%).
- Southeast Asia (8%).
- Foreign Policy (8%).
- Labor Disputes (6%).
- Health Care (5%).
- Busing (2%).
- Misc. (13%).
- La Verne area:
- Crime (34%).

- Economic Policy (20%).
- Environmental Protection (14%).
- Southeast Asia (5%).
- Health Care (5%).
- Busing (2%).
- Labor Disputes (2%).
- Foreign Policy (2%).
- Misc. (16%).
- Upland, Alta Loma area:
- Economic Policy (31%).
- Crime (17%).
- Environmental Protection (17%).
- Foreign Policy (8%).
- Health Care (6%).
- Southeast Asia (6%).
- Busing (3%).
- Labor Disputes (0%).
- Misc. (12%).
- Redlands, Loma Linda area:
- Environmental Protection (28%).
- Crime (22%).
- Economic Policy (14%).
- Labor Disputes (12%).
- Southeast Asia (4%).
- Foreign Policy (4%).
- Health Care (2%).
- Busing (0%).
- Misc. (14%).
- Claremont area:
- Environmental Protection (20%).
- Crime (19%).
- Economic Policy (17%).

Southeast Asia (14%).
 Foreign Policy (13%).
 Health Care (4%).
 Labor Disputes (4%).
 Busing (2%).
 Misc. (5%).
Desert area:
 Crime (28%).
 Economic Policy (15%).
 Health Care (15%).
 Labor Disputes (13%).
 Environmental Protection (10%).
 Southeast Asia (8%).
 Foreign Policy (3%).
 Busing (0%).
 Misc. (8%).
Fontana, Bloomington area:
 Crime (33%).
 Economic Policy (13%).
 Environmental Protection (13%).
 Health Care (7%).
 Southeast Asia (7%).
 Busing (7%).
 Foreign Policy (7%).
 Labor Disputes (3%).
 Misc. (10%).
Mountain area:
 Crime (26%).
 Environmental Protection (23%).
 Economic Policy (23%).
 Labor Disputes (8%).
 Southeast Asia (8%).
 Health Care (8%).
 Busing (4%).
 Foreign Policy (0%).
 Misc. (0%).

SCHOOL BUSING

HON. WILLIAM H. HARSHA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. HARSHA. Mr. Speaker, in the past year I have received many excellent letters from my constituents on the issue of schoolbusing. While I found all of these letters interesting and helpful, one letter impressed me the most.

As I believe my colleagues will share my interest in the views expressed by Mrs. Gladyce M. Steward of Chillicothe, Ohio, in her recent letter, I would like to include her thoughtful discussion of this controversial issue in the CONGRESSIONAL RECORD.

Mrs. Steward's letter follows:

CHILLICOTHE, OHIO,
 March 17, 1972.

The Honorable WILLIAM H. HARSHA.

DEAR SIR: Occasionally I receive a letter from you, and I am always interested in what you have to say. I do not write unless I feel that I have something that needs to be expressed. Today seems to be one of those times.

These are difficult days for persons in public office. No matter what decisions are made, someone or some group will be dissatisfied. And so, it takes stamina, courage, and honesty to stand firm for what you believe is the right decision for the greater number of civilians. We have a tendency these days to mongrelize and twist terms to fit a certain pattern, and in this guise people who have no knowledge are confused and led astray by those who want to exploit them for their own purposes.

This is done continually among the colored people, and it is spreading in an alarming way. Those who dare to oppose or disagree are lambasted as "racists" or "Uncle Toms" and are terrorized or coerced into joining the movement. Negroes in public of-

fices, good paying jobs, the ministry, or the entertainment world are under constant pressure from the Black groups. Only a very few people seem to be aware of what is actually happening in our Country. Or, if they are aware, they are afraid to speak out and the evil forces gather more strength each day.

I was certainly pleased to have President Nixon take a definite stand on the busing problem and explain it so lucidly. I have been against it from the beginning because I knew it was morally wrong and was a clever weapon used to keep strife and turmoil between the races. It was for no good purpose and accomplished nothing constructive. I agree that there should be equal opportunity and educational facilities for all persons. And I should because I am colored, and I definitely belong to the low-income group. But I also know how it should, and can, be accomplished.

I believe Governor Wallace's recent victory opened the eyes of many who have attempted to straddle the fence or to use slang to talk with a "forked tongue." People are not all stupid, and they admire honesty. He knows what is going on in America, and he is not afraid to expose it for what it is. And all his followers are not Caucasian. They are made up of people who are tired of the strife, the violence, and the permissiveness of this present decade.

I personally appreciate the President because I believe he is honestly doing the best job anyone could possibly do. But he is being hindered in many ways by those who have personal ambitions or affiliations with criminal groups. We are not unaware of this, and we have only to listen and watch carefully to evaluate each person. We wrestle now against rulers of darkness in this world and wickedness in high places. I hope our honest rulers will awaken before calamity falls upon America. The easiest and most subtle way to destroy a country or nation is through turmoil and strife from within. Weakening the moral fiber by decadence, immorality, and mind blowing through drugs, an insane nation can hardly defend itself from a sudden invasion.

I will close with a notation to read Proverbs 10.

Sincerely yours,

GLADYCE M. STEWARD.

THE 150TH ANNIVERSARY OF THE DAMASCUS UNITED METHODIST CHURCH

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. BYRON. Mr. Speaker, this year marks the 150th anniversary of the founding of the Damascus United Methodist Church in Damascus, Md. The actual anniversary was April 9; however, the celebration will continue throughout the year. I would like to add my congratulations to the members of this historic congregation and wish them well during the anniversary year.

Cochairmen of the anniversary celebration are Mrs. Roland Green and Mr. Emerson Slocum. Exhibits of artifacts and pictures associated with the church and its history will be on display throughout the anniversary year. Special celebrations will include homecoming days, an all-congregation dinner, old fashioned socials, and long term member and family days. Also featured will be

a family picnic, a style show, and special musical presentations. A complete church history is being compiled for publication.

I would again like to congratulate the Damascus United Methodist Church on the attainment of 150 years of distinguished history and to join the members in commemoration of this achievement.

DO-GOODERS ENCOURAGE COP KILLERS

HON. SAMUEL L. DEVINE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. DEVINE. Mr. Speaker, J. Edgar Hoover, the dedicated and distinguished Director of the Federal Bureau of Investigation, again put it on the line.

In the April FBI Law Enforcement Bulletin, Mr. Hoover, pointed up the apologists for murderers of police officers, and very aptly addressed himself to the problem and the great disservice to law enforcement by those who encourage and rationalize these outrages. The article follows:

MESSAGE FROM THE DIRECTOR

A special kind of killer haunts many of our communities today. He is the cowardly jackal who murders law enforcement officers. For many of his victims, he will be forever faceless because the fatal assaults are at the officers' backs and they have no opportunity to defend themselves. For others, the murderer's leering face is their last cognizable reality before the deafening explosion of gunfire brings their lives to an end.

Last year, 126 local, county, and State law enforcement officers were murdered. This is 26 more than the number slain in 1970. For the years 1962 through 1971, 722 law enforcement officers were killed by criminals. During the same 10-year period, of the 965 offenders arrested on charges relating to the killings, 73 percent had prior arrests for criminal charges. Firearms were used in 96 percent of these slayings.

The sharp increase in the number of police officers slain from ambush is particularly alarming and foreboding. During the period 1968-71, 49 officers were killed from ambush. There were seven ambush slayings in 1968, three in 1969, 19 in 1970, and 20 in 1971.

The murdering of a police officer from ambush is a shocking, unconscionable act. Beyond this, in many instances it is the ultimate penalty exacted from an officer because of his availability. A foot patrolman hearing the cries or screams of an alleged crime victim responds immediately; officers in a police cruiser race to the scene of a reported crime or disturbance without question—each is an act of duty and human compassion. But today, all too often it turns out to be a dastardly planned scenario for deranged killers bent on the ambush slaying of peace officers.

Too many people are misled by the revolutionary romanticism babbled by self-styled guerrillas who cry of repression and abuse while plotting to overthrow the Government and undermine society. The law enforcement officer, as the front-line symbol of the orderly process of justice, has become a primary target of assassination. After some police slayings, certain insurgents have gloatingly pronounced their groups were responsible. This indicates the depths of depravity to which men can sink.

Most ambush slayings are not caused by the negligence of the victim officers. However, the increasing frequency of these tragic

incidents makes it imperative that each police officer be constantly alert to the planned terrorism directed against him by extremists. No complaint or call for police should be handled as "routine." This fact has been made evident by the number of officers slain while on their regular patrols.

The barbaric murderers must come to know that when law enforcement officers pay the supreme sacrifice, our society will demand a supreme penalty. To allow police killers to go without just punishment would be to encourage the growing assaults against the rule of law and the principles of self-government. Further, the blood of every slain officer is on the hands of those who, by word or deed, condone, encourage, minimize, or excuse the terrorist tactics of extremists.

JOHN EDGAR HOOVER, Director.

HUMAN WAREHOUSES: A BOARDING HOME STUDY

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. GAYDOS. Mr. Speaker, a few days ago I called my colleagues' attention to a magazine article describing the financial strain many of our Nation's senior citizens are placed under today. I found that situation to be deplorable.

Today, I am going to focus attention on a situation which is so tragic, so unbelievable it challenges the mind and sickens the stomach. I refer to that segment of our senior citizen population comprised of men and women with no family, no home, no money. They live but are not alive. They exist. Old and sick, they spend their so-called golden years in filth and squalor. Alone and unwanted, they wait only to die.

These people, these Americans, live in what Dr. Frank B. Clack, director of Allegheny County Health Department in Pennsylvania, and Pearl R. Roberts, chief of the department's Bureau of Community Services Development, label "human warehouses." It is his description of boarding homes which reek from the smell of human waste; where food, if served, is meager and ill prepared; where beds or cots are jammed together to accommodate as many people as possible. Such "homes" frequently are found in poverty districts where they flourish without the restriction of licenses, rules, regulations or zoning codes. Their cost depends on what the occupant can pay. These boarding homes are cheaper than a decent apartment or a good nursing home, it is true. But the occupants of these homes have an income far below the \$2,000 poverty line. They cannot afford the luxury of a decent apartment, a nursing home or proper medical care. Despite their meager income, they pay between \$48 and \$350 a month to be stockpiled in a warehouse.

Dr. Clack's study is confined to Allegheny County, but the cases he describes are typical of what exists throughout the Nation. Many of the occupants of these "homes" are ill, often with communicable diseases. Some are bedfast. They need care and medical treatment. They receive neither. Their "homes" are over-

crowded, sanitation is a thing to be mocked and building code requirements are ignored.

Dr. Clack reports it was impossible to determine the number of these "human warehouses" and their population. He describes the difficulty in attempting to document statistics and problems. However, he did manage to interview 589 occupants involving 81 boarding homes. The median age of those interviewed was 73; but nearly 30 occupants were over 90, and two were more than 100. Almost all required some kind of medical or mental care and treatment.

Individual care was totally lacking. No special precautions were taken for the dietary needs of diabetics, for example. Amputees and blind persons were found living on the second and third floors of their "homes." Medication was distributed haphazardly and not administered by trained personnel.

Some of the cases cited by Dr. Clack are appalling. In one "home," which reeked of urine, there were 11 boarders. Three of them were bedfast and lying on soiled sheets. Other than two bottles of soft drink and a frozen turkey, there was no food in the house. In another home, equipped with illegal heating and electrical systems, the occupants were given a half of a sandwich and a cup of coffee for lunch. The monthly cost at this establishment was \$250 per month.

Another home housed 18 people in seven rooms. There was no television and for recreation the occupants gathered in one of the rooms to sit and listen to a radio. The occupants paid between \$101 and \$150 a month, netting the owner an average monthly income of \$2,340.

Of course, not every boarding home is a "human warehouse." Dr. Clack points out in his study that 41 of the 81 homes visited were rated "good" or "excellent." Unfortunately, he adds, the supply of good homes does not begin to meet the demand for them.

Mr. Speaker, I am inserting a copy of Dr. Clack's report in the RECORD. I hope my colleagues will read it. It will not be pleasant. On the contrary, the material is ugly and shocking. But, it graphically describes what has happened to many Americans and what will happen to many more if something is not done to help our growing senior citizen population:

HUMAN WAREHOUSE: A BOARDING HOME STUDY

I. INTRODUCTION

(By Pearl R. Roberts, MSW, Chief, Bureau of Community Services Development, Allegheny County Health Department, March 21, 1972)

The aged, chronically ill residing in boarding homes are among the most disadvantaged groups in urban America. They cannot afford nursing home care; their average income is far below the poverty level; their nutritional, emotional, physical, and medical needs are generally ignored.

For those aged living alone in single rooms or apartments, society has, in most cases, provided meagre services: homemakers, meals-on-wheels, escort services to clinics and hospitals. Social agencies send nurses, social workers, and others to the home, providing the aged with some friendly visitation and links to the outside world. However, for those who can no longer live alone, there are few options open.

One option is the boarding home, unlicensed and free to operate without restrictions, rules or regulations, and free to charge whatever the traffic will bear.

The boarding home is frequently found in poverty areas where zoning laws permit them to flourish, and have helped perpetuate the intolerable environment. Since the population is statistically insignificant, they have no lobbying power.

Medicare, with its fixed time and payment limitations and MH/MR legislation forcing mental hospitals to reduce the number of custodial care patients; in addition to responding to strong pressures to release patients to the community, have greatly increased the boarding home population.

Hospital utilization committees demand discharge of the chronically ill who are either ineligible for nursing homes, or have exhausted their Medicare benefits or insurance benefits. Patients with no family ties unable to care for self and on marginal incomes have no recourse but to resort to the boarding home.

II. BACKGROUND

In 1969, a boarding home was closed by Court Order as a dangerous fire hazard. This condition was revealed when a Health Department social work assistant visited a client who had been transferred there by a general hospital following a heart attack.

The worker reported that a small, six-room private frame and brick dwelling housed 32 aged boarders; eleven of whom slept in the concrete cellar. Sleeping cots were placed side-by-side with little room for passage. Several of the boarders were bedfast and appeared to need immediate medical attention. Small rooms housed two to four occupants.

Environmental health investigators found a number of violations which included: overcrowding, sanitation, and electrical wiring.

Prior to the closing of the house, a medical evaluation team from a local geriatric center visited the premises and examined each boarder. As a result, some boarders were hospitalized, others sent to nursing homes; and the remaining were transferred to other boarding homes. Soon reports filtered back that the new boarding homes were no better, and in one case worse than the one they left.

Concern over the extent of this problem in Allegheny County led the Health Department to attempt to document the number of boarding homes and the problems of their population.

Procedure

Every general, state and county hospital social service department was contacted in person by a social worker requesting cooperation in compiling a list of boarding homes. In addition, social, health and welfare agencies were also contacted.

Without exception all persons contacted expressed concern with the problem and cooperated without hesitation. The Ad Hoc Committee of the Medical and Health Council of the Pittsburgh Chapter of National Association of Social Workers offered their services on a volunteer basis, and helped identify sources. Lists were compiled and collated; but no specific definitions had been given for boarding, rooming, intermediate care and nursing homes. Consequently, lists contained all types. Many listings were duplicated, and approximately 12 homes appeared on most lists.

Only three sources had inspected the homes on their list and made attempts at qualitative placement. Others, would take no responsibility for their listings. Two stated that lists dated back over a ten-year period and new names were added and used; but older listings had not been deleted.

All agencies recognized the need for in-

spection but pressures of work and time precluded this. Most requested guidelines and help, and hoped that some agency could assume this responsibility.

Housing permits, licenses, and certificates were confusing to landlords and social agencies alike. For instance, zoning permits were offered as evidence of license to operate a boarding home; and sanction by the issuing agency.

Methodology

The population of Allegheny County is 1,600,000 who are served by the Health Department through five district offices. To accomplish the task of surveying the boarding homes, the final list of 334 addresses were divided by district and census tract number.

A questionnaire was devised for computer analysis to evaluate the house structure, as well as the medical, social and emotional health of the borders. Eighty variables were listed. Thirty-two teams of social work assistants and environmental health investigators visited each home. Where possible, every border, owner, manager, or other help was interviewed; and while the questionnaire was closed-end, several questions required narrative response.

Findings

Visits revealed that many boarding homes had gone out of business; structures had been razed due to urban renewal or fire. The list included rooming houses, hotels, nursing homes, half-way houses and several foster homes (one or two border) indiscriminately. Sixteen names on the list were outside of Allegheny County and were not visited. Rooming houses, foster homes, (one or two boarders) hotels and nursing homes were excluded from the tabulations. It was later

learned that 31 nursing homes were unlicensed. Personal interviews were conducted at every home visited, except for 31 which denied entry.

All interview schedules were tabulated, but, only boarding homes were included in the final study which consisted of 589 interviews and 81 houses.

A. Condition of Housing:

Eight homes were found with emergency structural violations. (An emergency violation is defined as something very hazardous to the occupant or to the public such as exposed wires, lack of heat, lack of water, or sewage problems.) Thirty old properties were listed as having major structural violations. (A major violation is defined as anything that seriously affects either the structure or the tenants of the building to a great extent.) A total of 46 homes were found containing a major emergency or a major structural violation. Of the total number of homes listed, we were concerned only with the boarding houses and found only 81 in that category. Rooming houses, foster homes (one or two boarders) hotels and nursing homes were excluded from the tabulations.

B. Location of Boarding Homes:

Table I shows the distribution of single residency homes in Allegheny County by districts. Most homes were found in poverty areas; old dwellings which had been converted for multiple dwelling. The greatest number were owner-managed with help consisting usually of an outside maid, or a member of the family keeping house.

TABLE I

Total homes surveyed by district

Northwest	61
Northeast	109

Central	70
Southwest	61
Southeast	33

Total 334

Actual boarding homes surveyed and tabulated by district

Northwest	15
Northeast	22
Central	17
Southwest	18
Southeast	9

Total 81

Homes where interviewers were refused entry by districts

Northwest	2
Northeast	7
Central	3
Southeast	2

Total 14

A. Population in Boarding Homes:

Residents of boarding homes are primarily the aged, the chronically ill, who exist on marginal income, and in most cases have no family ties. The median age of persons interviewed was 73, and 29 individuals were found over 90 years—two over 100 years of age. The largest group fell in the 80 to 89 year old bracket. One hundred sixty-two individuals, three-fourths of all boarders were over 60 years of age. Later when we compared the medical findings with the age group, figures indicated that almost all individuals residing in boarding homes require care of one kind or another, if facilities were available.

TABLE II

1. PATIENT OCCUPANCY BY DISTRICTS: AGES—BOARDING HOUSE RESIDENTS

	Northwest	Northeast	Central	Southwest	Southeast	Total
Male	75	49	60	72	22	274
Female	86	71	46	53	48	308
Not known		1		5	1	7
Total	161	121	106	130	71	589

2. AGE RANGE BY DISTRICT

	Under 40	40 to 49	50 to 59	60 to 69	70 to 79	80 to 89	90 to 99	Over	Not given	Total
Northwest	22	8	13	30	35	39	6		8	61
Northeast	3	7	5	30	35	30	9		2	121
Central	20	9	7	19	19	22		1	9	106
Southwest		3	16	16	34	48	7	1	5	130
Southeast	2	2	3	14	20	23	5		2	71
Total	47	29	44	109	143	162	27	2	26	589

Total number of individuals on which individual information was given—589. The median age range of persons interviewed—73.

Table II, graphically depicts the poignant fact that one-third of the residents of boarding houses are over 80 years of age.

B. Medical Problems Were Prevalent in All the Boarding Homes Visited:

Five hundred and eighty-nine individuals visited listed 827 medical problems, most of which were chronic in nature. Bed patients were found in boarding homes with no personal care available.

The following table depicts the severity of the medical problems found.

TABLE III—Medical problems of occupants of boarding homes

	Number of Occupants
Cardiovascular disease (strokes, high blood pressure, "heart trouble")	159
Arthritis	118

Blind:

Total blindness	31
Partial blindness	45
Diabetes	42
Nutritional (Obesity, underweight)	32
Respiratory	22
Amputees	13
Epilepsy	7
Cancer	3
Others (including fractures, dental problems, podiatrics, genitourinary, deafness and other problems)	

Of the 582 individuals, 286 appeared mentally normal. Almost one-half exhibited visible symptoms of mental confusion, loss of memory, bizarre behavior, etc. Some had been referred from state mental hospitals. (The question arises whether patients are inhumanely served by discharging custodial care cases to the community?) Many ap-

pear to be far worse off than they were in the hospital.

A. Since most boarding homes are staffed by owner-managers with little outside help, individual care is totally lacking. No special provisions were found for the dietary needs of diabetics. Amputees were sometimes housed on second and third floors, as were the blind. Many occupants relied on other boarders for their personal needs. Medication was haphazard and not administered by trained personnel. One home was found where all the medication of eleven boarders was kept in one cupboard and distributed without fixed schedule and what appeared to be at random. Medication costs are high and one incident was reported of an owner who refused to purchase medicine since the total welfare allotment barely covered room and board. The patient was given the choice of moving or buying her medicine! For those patients on public welfare, the problem of

medication was not as acute as for those on Social Security or pension funds.

C. Medical Care:

Medical care is totally lacking for 176 individuals in boarding homes. Seventy-one boarders stated they were under the care of a private physician and he was called when needed. Two hundred fifty-three relied on hospital outpatient clinics, neighborhood health centers or neighborhood doctors who made house calls to the boarding homes. Since managers provided the information on the availability of medical services, there is some question as to the reliability of this information.

Of the total population, only 296 were listed as being able to take care of themselves. One hundred sixty-five needed some type of help. Twenty-eight were listed as needing considerable assistance in personal care and 42 needed direct supervision. The obvious conclusion is that half the patients in boarding homes rightfully belong in intermediate care facilities, nursing homes or hospitals.

Since the time of this study, evidence is mounting that this is indeed the case. Recently the following boarding home was brought to our attention:

Mrs. A., a licensed practical nurse, operates a boarding home with eleven aged boarders. On a recent inspection of the premises by an environmental health investigator, he discovered three bed patients, the house smelling of urine, soiled bed sheets and no food in the house. An inspection of the refrigerator revealed two bottles of coca-cola and one frozen turkey.

The following day, an investigator from the Department of Public Welfare visited the premises and observed two quarts of vegetable soup were served for dinner—the main meal for eleven occupants. The following day, a medical evaluation team visited the premises and five of the eleven patients were to be transferred to a geriatric center—a short-term hospital for the aged. The owner was warned in writing that she could no longer accept bed patients. To the question, "By whom is medication administered?," only 58 boarders listed that their medication was self administered. One hundred six patients relied on staff to administer their medication. All others did not respond to this question, but at the most superficial inquiry, it is evident that half the population relies on management to care for medical needs.

D. Social Information of Occupants: Health insurance

Medicare	229
Blue Cross	67
Blue Shield	58
Other	77
Not given, or none	274

Many of the individuals listed above as having insurance list more than one source such as combinations of Medicare, Blue Shield, Blue Cross but the number having no insurance of any kind at least matches those for whom it is provided.

Cost of boarding home care displays a wide variation from one individual paying \$48.00 a month to a number of homes charging \$350.00. In many cases, the entire income is turned over to the boarding house management in exchange for care, leaving nothing for the patient's own personal needs. Patients rely on management to provide for bare necessities. Quality of care could not be equated with cost as some low-rental boarding homes received as good or better care than those paying higher rates.

Sources of income are shown in Table III. Less than half are supported by Public Welfare, which underlines the financial pressures that medication or any extraordinary expenses impose.

E. Source of Occupants Income by Districts:

TABLE IV

	North-west	North-east	Central	South-west	South-east	Total		North-west	North-east	Central	South-west	South-east	Total
Department of Welfare	44	58	49	33	27	211	Bureau of Vocational Rehabilitation			4			4
Social security	76	55	35	47	27	240	Unemployment compensation	1					1
Blind pension	1	2	4	2	13	22	Savings	1	2		2		5
VA pension	12	4	4	16	2	38	Employment	4	4	10			18
Railroad pension	1	1		3		5	Not known or refused to give	24	9	3	5	15	56
Other retirement plans	14	7	8	7	9	45							
Family	8	11	1	32	2	54							
Trust fund, bank guardian, court, estate	2	1	2	9	1	15							

F. Occupancy by Rooms in Boarding Houses:

Of the 81 homes surveyed, half were rated as good to excellent; and where these existed, it suggested the possibility that with appropriate reinforcement licensure, and medical surveillance, the boarding home might be brought into a continuum of services to provide comprehensive health care to the aged.

Occupancy patterns reveal a broad range from the best of one occupant per room to seven in a room. Eleven boarding homes were found renting basement space. Overcrowding and third floor occupancy statistics present alarming warnings when matched with physical and mental conditions cited previously. When matched with the ages of the individual occupants danger to life is evident. What elderly individual with arthritis, cardiac, respiratory or other physical or mental condition could be evacuated safely in case of fire?

Some of the interviewers' comments suggest the climate and environment that our senior citizens must spend their last remaining days in:

005—Interviewer visited the home during the lunch time and observed that patients received 1/2 a sandwich and a cup of coffee for lunch. Many of the boarders complained to the interviewer that they wanted to go home. Cost of this care in this home is \$250.00 per month. Environmental health cited this home as having illegal heating and electric.

002—Interviewers were in the home for four hours, 11:00 a.m. to 2:30 p.m. and observed no food preparation nor was any lunch served. All occupants sit in one small room—a room of one of the boarders—and listen to a small radio. There is no television or recreation space. Occupants complained that they

see their checks when they are given them to sign. Rates of payment range between \$101.90 and the highest is \$150.00. Six of the eleven occupants pay \$136.00 a month, which is the maximum D.P.W. grant for a single person. There were 18 occupants residing in seven rooms; or a monthly income averaged at \$2,340 per month, to the owner.

(Author's note—the first floor of this human warehouse could not be depicted. Since investigation, this home was closed).

028—Seven occupants reside in one room on the first floor, which also serves as a common eating area. Four of the seven have beds, while the other three use roll-away cots. One unit on the second floor has four occupants and one on the third has five. Only five occupants in this home would give the interviewer the cost and the low was \$136.00 ranging to a high of \$233.00.

While payment for room and board appears to be modest, if we will take eighteen occupants residing in seven rooms at the rate of \$136.00 a month, we find a monthly income of \$2,448 or an annual income of \$29,376.

With overcrowding, lack of sufficient quantity of food, very little help in the home, it is readily apparent that boarding homes are profitable and that the answer does not lie in increased subsidization but rather in medical surveillance and licensure, connecting with the health care delivery system so that patients can receive the care needed when needed. The same patient at different times may need a nursing home, a personal care home, a hospital, or a boarding home. It is illogical to assume that patients discharged from other types of care at a medium age of 73, will not require any further care until it becomes an emergency. The warehousing of our aged ill is the result of this system.

028—This home is described by the interviewer as intolerable. The basement floor was extremely cluttered. There was a strong urine smell. Six occupants resided in the basement. On the first floor, a side door had no screens; and files were all over the eating table which had not been wiped clean after lunch. The boarders lie in their rooms all day long. Although the occupants had physical and mental problems that they discussed with the interviewer, the manager denied this and claimed they were all self sufficient.

Some managers did not permit the interview team to speak to the boarders stating, "This would be too upsetting." In the above-named home, the manager lacked any medical knowledge and the occupants took their own medication. Twenty-two people resided in this home.

In No. 006, the interviewer found a patient tied to a chair, one bedfast, and one epileptic had two seizures while the interviewer was in the home.

Unsubstantiated reports of abuses in boarding homes included:

1. Landlords forcing tenants to turn over all assets of the individual including insurance, personal property, etc.
2. One home was reported as forcing all the boarders to kneel and pray for long periods of time prior to retiring at night. Several occupants of this home complained of this as a hardship and against their religious belief.
3. Not having resources to take patients to hospitals or clinics for medical care.
4. The house that was cited and closed as a fire hazard was reported as moving to California and taking 15 boarders. This was reported to Neighborhood Legal Services for follow-up action. One former resident of this house told an official inspector that Mrs. G.

had absconded with the deed to her home and jewelry.

The question of communicable disease in a boarding house is alarming. One case was reported when a patient left a state tuberculosis hospital against medical advice and moved into a boarding home. Several weeks later, three active cases of tuberculosis were reported and eleven positive reactors. The boarding house owner outraged at the spread of the disease wanted to evict the patient, and a call was made requesting the name of another boarding home so that he would have a place to live! (The patient was returned to the hospital.)

G. Summary:

Of the 81 boarding homes visited, 41 were found to be excellent or good. Evaluation included physical structure and the social environment. Unfortunately, the number of good homes does not begin to meet the need of the chronically ill discharged from the health delivery system, and as a result, human warehouses have been allowed to flourish—housing urban rejects: the aged, infirmed discharges from medical and mental hospitals, the blind, the amputees, the chronically ill and disabled.

How many such human warehouses exist in Allegheny County is unknown? This list was derived from social agencies and medical hospitals. There is no way of knowing how many others exist. Rooming houses and hotels also include this type of population: too sick to be on their own, too well (?) for hospital, nursing home or intermediate care home. The success of the meals-on-wheels program in this county attests to the fact that the needs of the chronically ill aged are not being met. Social, medical and psychiatric problems are endemic. Ties to families, churches and societies are either absent or tenuous. They live in a depersonalized, apathetic environment and apparently have no life choices.

The boarding home problem is complex in both human and housing dimensions. In some instances, the boarders themselves accentuate the problems. In other instance, the disrepair of the houses and zoning laws make it difficult or impossible to open new homes in residential areas.

Recommendations:

In order to improve housing and custodial care for the aged it is imperative that legislative action be taken to assure proper standards.

Program Strategy:

1. **Licensure**—All boarding homes should be licensed by the Department of Public Welfare and entered into the health delivery system. Persons should have egress to and from each setting as it meets his need.

2. **Medical Surveillance**—All boarding homes should be visited on a regular basis by a medical team to insure that those patients too ill to be cared for in this setting be transferred to appropriate resources.

3. **Renovation** of some of the existing facilities where needed and motivation for small entrepreneurs to enter the boarding home business to upgrade the quality of existing homes and provide additional homes to meet the need.

4. **Standard Setting**—Housing considerations should include space per occupancy requirements, recreation areas, nutritional needs, with some social service programming to provide sensory input as well as community linkage. Boarders able to use community facilities, such as Golden Age Clubs, community churches, etc., be provided, opportunities to use those resources standard setting should be the joint responsibility of the Department of Public Welfare and the Health Department.

THE PRACTICAL RETURNS FROM THE SPACE PROGRAM

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. ANDERSON of California. Mr. Speaker, all of us marvel at the accomplishments of the aerospace team in placing man on the moon.

All of us are impressed by the dedication and talents of those involved in the space program.

But all of us do not know the everyday benefits that accrue to the general public through the application of space technology to other fields.

This past year, the National Aeronautics and Space Administration was authorized over \$3 billion, approximately 1.3 percent of the Federal budget.

For fiscal year 1973, the space program is expected to spend approximately the same amount.

What does the taxpayer gain from the investment of his dollar in the exploration of outer space? What are the specific, down-to-earth benefits that accrue to today's business, industry, agriculture, and the man in the street?

COMMUNICATIONS

Perhaps the most obvious benefit of space technology is in the field of communications, especially international television. Due to a network of communications satellites orbiting thousands of miles above the earth, millions witnessed the Winter Olympic Games from Sapporo, Japan, the journey of the President to China, and also the daily news from crucial localities all over the world.

International commerce has increased due to the satellite's ability to provide cheaper and more reliable long-range communications.

Last year, a communications satellite enabled more than 30,000 doctors in Europe to participate in a 3-hour trans-Atlantic conference with doctors in Houston and San Antonio, Tex., literally a closed circuit convention.

Planning has begun to establish a new communications satellite system, called the Biomedical Communication Network, which would link medical personnel and medical centers throughout the country.

WEATHER FORECASTING

The meteorological satellite has proved an effective tool in increasing the reliability of short-range weather forecasts. However, longer range weather predictions have not been perfected. But, recent advances in the development of sensors—devices which can sense from orbit such atmospheric conditions as temperature, moisture, and air movement—point to significant near-future extension of forecast time.

Accurate long-range predictions of weather offer sweeping advantages to just about everyone. It has been estimated that the savings resulting from an accurate 2-week forecast—savings in

farming, fishing, construction, and other fields—would be billions of dollars each year.

Perhaps the most dramatic effect of the meteorological satellite is its ability to save human lives by a forwarning of destructive storms. From its port in space, the satellite can detect the build-up of a destructive storm and alert meteorologists of its existence. A continued relay of photos enables the weatherman to track the storm, estimate its force, and predict with accuracy when and where it will strike inhabited areas.

An example of the satellite's effectiveness was in detecting Hurricane Camille, while still in the developing stage, in the Caribbean in August 1969. By alerting the inhabitants of the predicted impact area, an estimated thousands of lives were saved.

BUSINESS AND INDUSTRY

The space program represents one of the broadest and most rapidly progressing technological undertakings of all time. The demand for reliability and performance has created the need for a new order of technology.

As each specific technical contribution is realized, it adds to current awareness of the state-of-the-art in that particular discipline. Often the technology developed through the space program is adapted to non-space application.

Technology used to develop astronaut couches led to the invention of an energy absorbing device which was incorporated in a highway barrier system, now in a number of States. This same technology has been adapted to automobile bumpers, highway rail guards, and shock absorbers for elevators.

A digital computer, developed to analyze the behavior of elastic structures in space flight, is being used by the automobile industry to predict the performance of steering linkages and other components of the 1973 lines of light trucks.

An infrared camera which was designed for nondestructive testing of space components is being used by the tire manufacturing industry to detect flaws in tire designs.

Aircraft, ship and automobile manufacturers are interested in an electromagnetic hammer which was designed by engineers at the Marshall Space Flight Center to smooth and shape metals without weakening them.

MANAGEMENT

To coordinate the work of some 20,000 contractors, to insure an orderly flow of components to the assembly line, and to maintain equipment quality and reliability, NASA found it necessary to develop a new order of managerial capability. The organizational experience and the broad range of management techniques developed by the aerospace industry and NASA are now being utilized by other industries and by Government to improve commerce and to systematically attack society's problems.

To meet the demands on police, fire and ambulance service, the city of Los Angeles turned to space program man-

agement techniques by utilizing procurement procedures developed by NASA.

The computer industry has increased rapidly in recent years, until today it does about \$8 billion worth of business a year. This development has, generally, coincided with the growth of the space program and its demand for quick, accurate, reliable information storage and retrieval.

ENVIRONMENTAL PROTECTION

Activities from the technology developed to curb pollution and protect the environment has been adopted from the U.S. space program.

Pollution from aircraft emissions is being significantly reduced due to NASA-related research which uncovered practical methods of reducing the smoke and carbon monoxide in the exhaust system.

To alleviate noise from aircraft engines, NASA has joined with airframe manufacturers to redesign a component of the engine. In addition, NASA is developing a quiet engine capable of high performance with a pronounced decrease in perceived noise levels.

In an effort to trace the photochemical production of pollutants associated with smog and to follow their dispersion in the atmosphere, NASA has coordinated a series of airborne investigations over the San Francisco Bay and the Los Angeles area.

Sensors, devised by NASA, can detect and determine the size of oil slicks that occur at sea. Often it is impossible to detect oil slicks from aircraft, but in order to enforce our laws and to protect the sealife and our beaches, the sensor can spot the slick, and action can be immediately initiated.

OTHER AREAS

In the field of medicine, NASA research has led to improved methods of monitoring, recording, and evaluating various physiological conditions.

As a result of the scientific and technical gains of the space program, the scientifically oriented programs in our schools are better equipped to disperse knowledge to budding, young scientists and engineers.

In the marketplace, the housewife can now purchase lightweight, insulated garments, using the same fabrics that were developed for space flight. Accurate digital clocks can be produced more economically and in quantity as the result of technology developed by the Space Agency.

FUTURE

In the future, we will learn much more about the oceans—the oceanic processes that interact with sea food production and ocean pollution. We will gather detailed knowledge of the sources of the water supply.

We will develop durable foams to suppress fires, improved interstate and intercity communications systems, portable oxygen generators for the sick to use at home, new sources of electric power, new devices to curb air pollution at the source, new methods of refuse disposal and water reclamation, and many, many more aids to the human race.

CONCLUSION

The benefits of space technology are serving mankind every hour, and every day of the year. The benefits are real, not just a vague possibility of a distant tomorrow.

These benefits, often unplanned and unforeseen, are extra dividends which result from the application of space experience by business, industry, and Government.

The long-term product of space exploitation is knowledge—knowledge of the universe, the mechanisms at work within it, and of our planet. Some of the knowledge has no immediate applicability to practical use. However, a tremendous amount of the knowledge gained through the space program is immediately transferable to practical use.

I feel that the Congress has an obligation to continue the space program, and to continue the expansion of our knowledge of the universe, the planet Earth, and ourselves.

VIETNAM WAR ECOLOGICAL ASSESSMENT ACT OF 1972

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. FRASER. Mr. Speaker, February 16, I joined the gentleman from Maryland (Mr. GUDE) and several other colleagues in introducing legislation calling for an evaluation of the damage done to the environment of Indochina as a result of U.S. military operations.

The fact of this damage cannot be denied. We have wreaked havoc upon the country. We are doing so today. American air operations are increasing. Two descriptions of this devastation have recently come to my attention. The first is an eyewitness, impressionistic account of the damage as seen by Michael L. Kopp of Minneapolis. Mr. Kopp's letter calls for passage of the legislation we have introduced.

The second account of our destructive efforts in Indochina appeared in the November 1971 issue of the *Journal of Forestry*. Barry R. Flann and Jay H. Cravens, U.S. Forest Service employees, authored "Effects of War Damage on the Forest Resources of South Vietnam." This dispassionate description of war-related ecological damage makes clear the magnitude of what we have done to destroy a priceless asset of Vietnam—that area's forest resources.

We must plan to make good on what Mr. Kopp calls our "moral obligation to South Vietnam, Laos, and Cambodia—and a spiritual obligation to the earth of those countries—to heal—the flesh of our torn and bleeding planet."

The materials follow:

HON. DONALD M. FRASER,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN FRASER: It seems appropriate that my first act of citizenship since leaving the Army should be this letter expressing my support for H.R. 13155, the "Vietnam War Ecological Assessment Act of

1972," introduced on 16 February 1972 by you, Mr. Gude and others.

I spent 15 months in South Vietnam as a photographer and correspondent for the interservice newspaper *Stars and Stripes*. During that time I flew above the mountains, valleys and paddies in helicopters, bird dog scout ships and transports, for more than 300 hours, from the Demilitarized Zone to the Southernmost reaches of the Delta, from the South China Sea to the borders of Cambodia and Laos.

"Never could I look down upon any part of that country for long without seeing some evidence of devastation caused by the Allied war effort. Over the corrugated central highlands, with their brawling mountain streams, blasted hilltops and bare, eroding hillsides marred the wilderness. Over the seacoasts the beach sands were pocked with craters, the mangrove swamps were deathly brown and devoid of vegetation. Over the Delta rice paddies and crop fields lay barren and cratered even during the rainy growing season.

At DaNang, the nation's second largest city, I photographed the Marble Mountains, archeologically, religiously and historically significant, and a prime scenic and park resource of the future. Its twin peaks above a centuries-old Buddhist temple and monastery were denuded for use by U.S. Special Forces observation outposts. Its marble flanks and grottoes were pockmarked with bullet holes, and the expended paraphernalia of warfare lay all about. Hard against the sheer flank of one of the smaller peaks a junkyard of military refuse smoldered and belched noxious fumes day and night for months.

Daily I looked up from the press camp on the DaNang River (into which we dumped our raw sewage) to see fleets of "Ranch Hand" defoliation planes winging over the great natural bay towards the mountains. Their regular target was the 300-square-mile Bach Ma—Hal Van hardwood forest, one of the largest and greatest of Southeast Asia's nature and wildlife preserves—and incidentally a Vietnamese national park. Reports of the area of this park defoliated ranged up to 40 percent.

The mountains surrounding DaNang and its bay were scarred by quarrying operations for gravel used in military construction projects. Their peaks were surmounted by military installations and crude roads snaked along their exposed flanks.

In the course of interviewing the director of Vietnam's Nature Preservation Service in Saigon I was told that the country's only other national park, about 20 miles north of Saigon, near Bien Hoa, was also in ruins. It had been bulldozed by "Rome Plows" to deny cover to the enemy and provide easy maneuvering and a road for Allied troops.

These were a few of the desecrations of the natural resources of Vietnam as a direct result of the American war effort which I witnessed. It was futile then and perhaps is too late now to cry out against these methods of warfare, although many of my ecologically-minded friends in Service and I noted and remarked upon them. But the implacable command machinery remained deaf—or worse, defiant—to our cries and those of others in the U.S.

And the bombing goes on, each bomb leaving a yard-wide crater to disrupt cultivation and catch stagnant water for malaria-carrying mosquitos to breed. And those mosquitos will perhaps bring the spraying of DDT for their extermination. From what I saw I can believe the figures indicating that up to 30 percent of the usable land area of South Vietnam has been damaged by the war.

I believe we must undertake the survey and planning for restoration proposed by your bill. Such actions would be consistent with what we have done for other countries allied with us in earlier conflicts. Certainly we have incurred a moral obligation to South Vietnam, Laos and Cambodia—and a spiri-

tual obligation to the earth of those countries, which is the flesh of our torn and bleeding planet.

Would that I could be involved in such a survey as a visual documentarian. In the meantime I will do what I can to aid you in the passage of this bill. When formal hearings on this bill are held, I would like such of my remarks as you feel appropriate inserted in the official record. I hope your office will keep me informed on the progress of this important bill.

Sincerely,

MICHAEL L. KOPP.

[Journal of Forestry, November 1971]

EFFECTS OF WAR DAMAGE ON THE FOREST RESOURCES OF SOUTH VIETNAM

(By Barry R. Flamm and Jay H. Cravens)

(NOTE.—The authors are, respectively, assistant to deputy chief for programs and legislation, and regional forester, Eastern Region, U.S. Forest Serv.)

Concern for the many problems in Vietnam led the writers to volunteer in January 1967 for service in that country with the Agency for International Development (AID). Cravens went as leader of a six-man team¹ and Flamm as a management inventory specialist, later becoming forestry team leader and chief of the forestry branch. In addition to the planned forestry project activities, while in Vietnam, we had close and continuous contact with various aspects of defoliation. Since returning to the U.S. we have continued to keep up with the further development of the forestry program and activities in Vietnam.

VIETNAM'S FORESTS AND FOREST INDUSTRY

To appreciate the impact of defoliation on Vietnamese forests, it is first necessary to have some understanding of the forests and forest industry in the country.

The forests of Vietnam, covering about two-thirds of its land area (11 million hectares) and containing many valuable trees, have been referred to by capable observers as a "sleeping giant." The Directorate of Waters and Forest reports 1,500 woody plants, very few of which are well known outside Vietnam. The most important commercial species, dau (a *Dipterocarpus*), belongs to the same family as Philippine mahogany or Lauans. Many species can be used for high-grade veneer and plywood, and quality furniture.

Detailed information on the extent, make-up, and condition of the forest is lacking. Table 1 is, however, a fairly accurate representation of major vegetative types, based on work by military intelligence and the economic development group.

TABLE 1. MAJOR VEGETATIVE IN VIETNAM

	hectares
Hardwood forests.....	10,020,425
Pine forests.....	180,000
Mangrove and rear mangrove.....	618,740
Total forest area (including rubber plantations).....	10,819,165
Brushwood, coffee, and tea plantations.....	1,00,625
Crops.....	3,748,900
Savannah.....	131,300
Dune grass (including areas planted to trees).....	108,525
Swamps and marshes.....	845,870
Urban areas.....	3,100
Total area.....	16,757,485

There is such variety in Vietnam's hardwood forests that description and systematic typing are confounded. Vietnamese, French and American foresters have often chosen different methods of classification. The system in use by the DWF and Agriculture Re-

search Institute, a combination of floristic or natural vegetative types and condition classes, designates the major types as: (1) dense forest; (2) secondary forest; (3) Lagerstroemia; (4) clean or open forest; (5) 3-needle pine; (6) 2-needle pine; (7) mangrove, and (8) rear mangrove.

Although it is relatively unsophisticated, Vietnam's forest industry is extensive. At our last count there were 317 operating sawmills (probably twice that many prior to increased hostilities), one pole-treating plant, one 16,000-ton, wood-based pulp and paper plant, one plywood plant, one particle board plant, 403 wood working shops, and 150 charcoal plants. The sawmills are small and differ from most U.S. sawmills. The most common is the French-designed, but locally manufactured mill called the "CD-4." One of its unique features is a horizontal band saw. We estimated in 1968 that the forest industry provided employment for 80,000 persons.

Vietnam lacks mineral wealth. Forests, however, offer an excellent chance for industrialization and the creation of wealth. Current demand for industrial wood is estimated to be 1,500,000M³. In addition, the annual consumption of fuelwood is estimated to be 420,000M³. In addition to lumber, the annual industrial demand includes 60,000 sheets of plywood, 55,000 tons of pulp, 80,000 utility poles, and other forest products. Within 10 years the need for industrial wood is expected to double. Although it is not so important as long as there is a large American presence, Vietnam will eventually need to earn foreign exchange to pay for its many needed imports. Based on the experience of other less developed countries in Southeast Asia, Vietnam should be able to develop exports of \$150 million annually. Vietnam's timber harvest has been lower than other Southeast Asian countries, such as the Philippines and Malaysia. The reported high was 552,000M³ in 1956. This dropped to only 205,324M³ in 1967. Subsequently this falling trend was reversed and the cut climbed to 462,722M³ in 1969.² However, compared to approximately 11,000,000M³ cut in the Philippines on a similar forest area, it is quite insignificant.

Aside from their commercial value the forests are essential to the protection of watersheds, regulation of streamflow, and protection of soils. Highland forests offer recreational opportunities and wildlife habitat. Thus it can be readily seen that whatever affects the forest will affect the welfare of the Vietnamese people.

Recognizing their importance, former Secretary of Agriculture Orville Freeman recommended that a closer look be taken at the forests and forest industries. Accordingly, in the spring of 1966 a forestry mission was sent to Vietnam to study and propose short- and long-range programs. This group recommended a program of technical assistance for the Government of Vietnam. AID agreed with the recommendations and asked USDA to furnish a team of forestry specialists to carry it out. The team's primary job was to work with Vietnamese foresters and forest industry people.

Responsibility for the administration and protection of forest lands and wildlife in Vietnam lies with the Directorate of Waters and Forests (DWF) of the Ministry of Land Reform and Agriculture. The DWF is one of the larger Directorates in the Ministry, with 740 employees in 1969. Thirty-two are professionally trained foresters. Most of the older foresters were educated in Hanoi, but young men now receive professional training at the College of Agriculture, Animal Husbandry and Forest in Saigon. Four young DWF foresters had received degrees in the United States.

For administrative purposes the country is divided into six cantonments or regions. Each region is further divided into 41 forest

districts located principally in province capitals.

The major activities in the past have been control regulation, and taxation of forest products. The budget for the Directorate in 1969 was approximately 100 million \$VN (exchange rate at that time: \$1 U.S.—\$118 VN). There are four forestry experiment stations located in Darlac, Tuyen Duc, Ninh Thuan, and Bien Hoa Provinces. The total research budget for forestry in 1968 was 2,957,000 \$VN.

EFFECTS OF DEFOLIATION

During our tours beginning early in 1967, we frequently examined defoliated areas through aerial reconnaissance flights, tree-top helicopter flights, and ground examinations—the latter sometimes accomplished in the company of military patrols.

Based on our observations alone, we estimated that about 1 million hectares of forest had been sprayed with herbicides by mid-1967. Later this estimate was substantiated by official records and other reports. Since the indication at that time was that the defoliation program was increasing in size, it was easy to imagine the destruction of the commercial forests in a few years. We later learned that 2,500,000 hectares were scheduled for treatment by the end of 1969. The naked and blotted appearance of the canopy over large areas of III Corps was particularly alarming.

As we were uncertain how long these standing timbers would remain usable under tropical conditions, salvage logging operations were begun. Class III woods were expected to deteriorate in one or two years, but it was hoped that disease- and insect-resistant woods (Class I) might remain sound for several years.

Aerial reconnaissance helped to determine the gross nature and extent of defoliation. After considerable experience and practice combined with ground observations, tree-top helicopter flights could provide considerable detailed information. Certain trees, the Dipterocarps for example, could be identified with some degree of accuracy. Refoliation and respouting as well as the condition of the understory and the amount of grass and bamboo, could be generally determined.

At every opportunity we observed forest stands firsthand on the ground. Vietnamese foresters, particularly local inhabitants, helped us identify plants and determine the cause of mortality or defoliation. Seedlings and saplings could not generally be identified with any degree of certainty.

Observations indicated variations between susceptibility of various species. *Lagerstroemia* appeared to be very susceptible to defoliation. However, checks of the inner bark sometimes showed trees originally believed dead to have green and moist inner bark. If given a chance these trees may have actually recovered. Unfortunately key study areas were resprayed preventing a determination of recovery rates. *Dipterocarpus* species appeared resilient and resistant to herbicides. Single treatments probably had only minor effects on healthy specimens.

Other apparently sensitive species were: *Anisoptera* sp. (Ven Ven), *Vatica divers*, *Parinarium* sp., *Hopea odorata* (sao), and *Pahudia cochinchinensis* (go do). Go do is a very popular and sought after furniture wood while sao is one of the most important Class I woods and the principal boat-building material in Vietnam.

The Mangrove type was the most susceptible to defoliation. Herbicide treatments in one area, the Rung Sat, have resulted in almost 100 percent kill. Tschirley³ estimated it would take 20 years for this area to be re-established.

DEFOLIANTS

For meaningful evaluation it was imperative to know the type of defoliant and the number of applications. As the program grew,

Footnotes at end of article.

the military records correspondingly improved. But for obvious reasons, missions could not always be flown according to plan and there were times when the entire load of herbicide had to be jettisoned. It was therefore difficult to determine precisely what had happened on the ground.

By the spring of 1968, some forest areas had been sprayed two and three times. Agent Orange (a butyl ester 2, 4-D, and 2, 4, 5-T, 50-50 mix) was the herbicide most commonly used to defoliate forested areas. It was applied directly from the drums at about 27 lb./gal. acid equivalent per acre, many times greater than the concentrations generally used in the U.S.

Tordon 101, [2 lb. 2, 4-D + 1/2 lb. picloram/gal (isopropanol amine salts)] coded Agent White, a more persistent herbicide, was being more heavily used.

At the beginning of the program a formulation known as Agent Purple was in use. Because its drums had a distinctive purple stripe, the pilots and crews who applied it were known as the "Purple Providers." These planes took an incredible number of anti-aircraft hits in the course of flying herbicide missions.

RUBBER PLANTATIONS

Because of our herbicide experience in the U.S., we were requested by the mission to examine and evaluate alleged damages to rubber plantations and other crops. Great concern has been expressed by Embassy and USAID officials over accidental spray damage to rubber plantations in the III Corps Military Zone during the spring of 1967. This brought us into contact with the commanding officer of Chemical Operations and "Ranch Hand."

In June 1967 Flamm accompanied the commander and others from Chemical Operations, Ranch Hand, and the agricultural advisor from Bien Hoa on a follow-up examination of several rubber plantations near the Cambodian border. About two months earlier the mission had received numerous complaints regarding accidental damage from spray drift to these plantations and about 14 others.

We examined these plantations by helicopter and on the ground. Most were decadent and past the economic life of rubber plantations, and because of labor shortages they were poorly maintained. Only minor losses could be attributed to herbicides. The exception was an accidental discharge over one plantation resulting in a strip of heavily damaged rubber trees. In other cases we noticed mortality at the perimeters of military bases, which appeared to be from ground spray operations.

Natural rubber, at this time, was not doing well in the market place. Even in Malaysia, old plantations were frequently being replaced by oil palm. Many factors were at play in Vietnam, and we do not believe that the reduction in latex yield can be attributed to defoliation alone. Communications with the Malaysia Rubber Institute, Forest Service research personnel, and Dow Chemical Company failed to disclose to us any studies or evidence to indicate that temporary defoliation significantly affected latex yields. Later, the Vietnam Rubber Research Institute reported a loss in yields, but it must be remembered that this Institute was supported by plantation owners.

Some plantations, like the large Michelin holdings east of Tay Ninh, were staging and hospital areas for enemy troops. Mature rubber plantations have a nearly closed canopy which foils aerial detection, yet the open park-like condition under the trees permits ease of movement. In spite of this obvious military problem, plantations and 5-kilometer buffer strips were held inviolate to defoliation. Thus, islands of rubber were protected while the surrounding forests were

defoliated. However, in 1967 great concern was directed toward accidental rubber and crop damage.

DEFOLIATION RATIONALE AND MOTIVES

There were several reasons for this. First of all the forests were thought of as jungles—considered worthless. Many persons, including agriculturalists, considered the destruction of the "jungle" to be desirable so that additional food crops could be grown. Few Americans or Vietnamese seemed to appreciate the value of Vietnam's forest resources. Some forests had been cut over and subjected to centuries of shag (shifting agriculture) and thus were not productive. However, the largest continuous block defoliated during that period was in War Zone D, north-east of Saigon. This area contained the largest stands of virgin lowland hardwood in Vietnam. The military goal was to defoliate vegetation to make the enemy, its camps, and installations visible, particularly from the air. Thus, dense forests such as War Zone D, from the military point of view, were logical targets.

Some field commanders expected immediate exposure of the enemy, but of course there is at least a one- to two-week delay before leaf-fall. In the multicanopy forest the first application succeeds mainly in "knocking" the top out of the upper-most canopy, leaving a heavy understory. Treatments of dense forest with less understory may at first be more effective in exposing the ground. In many areas heavy stands of bamboo were exposed once the canopy was removed. Chemical Operations hoped that spray treatments would have beneficial military effects for six to nine months, before subsequent regrowth would again conceal the enemy. Then key areas would be scheduled for retreatment.

Forest damage was not always brought to the attention of officials because of military and political points of view.

Broadly speaking, there were areas held by our side, contested areas, and areas conceded to be enemy territory. The latter were considered the territory of a foreign communist power; not the land of the country we were aiding. The people and resources of these areas were the enemy. The forests fell almost entirely in this category. For example, practically all of War Zone C was a free-fire zone, yet earlier much of this area had been the main log and lumber supply area for the Saigon market. Thus, when officials reviewed and considered projects, they considered possible effects on friendly areas—not those held by the enemy. Logical perhaps, but shortsighted. Many military Embassy, and USAID officials began to share our concern at this time.

Throughout the summer and fall of 1967, we saw the defoliated area grow. Frequently we were asked to examine crop damage areas and rubber plantations, but very active military campaigns limited extensive travels into key forest areas. We became increasingly anxious to examine closely these areas on the ground. In fall 1967, we began negotiations with Military Assistance Command Vietnam (MACV) to make such field trips. However, work pressures and other complications prevented a trip at that time.

HERBICIDE REVIEW COMMITTEE

Late in 1967 an important decision was made. The U.S. Mission decided that a complete review of the herbicide policy was in order. A Mission Herbicide Review Committee was formed, chaired by David Carpenter of the Embassy Political Section. Membership consisted of the Embassy Political Section, Chemical Operations Commander, Joint Economic Office, JUSPAO (Joint U.S. Information Office), Office of Science Advisors, Deputy Ambassador's Office, Agriculture Office, and Forestry Branch. Other civilian and military experts participated in the review and witnesses were called to testify.

At the first organization meeting in January 1968, the scope of the study was discussed. We made ardent pleas to include damage to the forests and potential resulting economic damage in the review. The pleas were recognized and thereafter, the forests were given full consideration in the review, including a special subcommittee to deal with this subject alone.

At an early meeting, the need for an ecological evaluation of the consequences of the defoliation operations was stressed. We strongly recommended such an examination and suggested that the necessary expertise was lacking in Vietnam. Subsequently Fred Tschirley was selected by the Department of Agriculture to make the ecological evaluation. His reports have contributed significantly to our knowledge.

The Tet Offensive in 1968 interrupted the work of the review committee. However, as soon as possible the committee resumed its work. We became more and more convinced of the need to make ground examinations of defoliated areas in War Zones C and D. It was our intention to examine stands of important forest types on various soil types in areas that had been subjected to varying numbers of treatments and chemicals.

These areas were held by the enemy and at the time the heat of the Tet offensive had not yet cooled. Soon the spring offensive would again engulf the land in what became, with the Tet offensive, the most active military period of the war. Flamm, however, arranged to make his survey by working out of Special Forces camps.

FOREST SURVEY RESULTS

Based on forest type maps, soil maps, frequent aerial reconnaissance trips, Chemical Operations and Ranch Hand maps, we tentatively located study sites. Lieutenant Colonel Sam Bass and Flamm then checked these in low-level helicopter flights. Nguyen Dinh Mo, chief of the Bureau of Forest Inventory and Management, DWF, accompanied Flamm at Thien Ngon, Katum, and Tong Le Chon, Special Forces camps in Tay Ninh and Binh Long provinces.

Following an extensive survey, Flamm concluded:

"Light to moderate mortality occurs in forest stands following one application of herbicides. Heavier losses appear to occur from "White" than "Orange." After one year, all trees killed by defoliation remained sound and salvageable. Reproduction representative of the overstory is found in adequate numbers. However we admit this could be subject to question because of difficulty in identifying seedlings.

"Two treatments in successive years result in heavy mortality of sawtimber and loss of reproduction. Grasses appear to increase and it can be expected that bamboo will also increase. Three treatments will probably result in domination by bamboo.

"Evaluation of damage is difficult during the dry season. When possible, evaluation should be made during full natural foliage. Followup examinations were to be made the following summer, particularly of the *Lagerstroemia* stands, to check on mortality rates.

"Log salvage operations should commence the second year following initial herbicide application, as mortality can be judged accurately at this time and logs remain sound."

Flamm reached similar conclusions after an aerial examination of forested areas in III Corps. In a progress report dated October 28, 1968, Flamm reported "light to moderate mortality occurs in the forest stands following one application of herbicides. Two or more treatments in successive years result in heavy mortality of sawtimber and loss of reproduction. Grasses appear to increase and it can be expected that bamboo will also increase."

Through May 1968, the Herbicide Committee and its subcommittees were busy gather-

ing data, questioning, discussing, and evaluating various aspects of the program. Late in the spring the Committee report was completed and submitted for review and approval by MACV, JUSPAO, and USAID, CORDS, and Ambassador Bunker. The report recommended changes of target areas, proposed project review and processing changes, urged care to prevent accidental damage, recommended improvement in war damage claim procedures, and recognized the need for additional evaluation. It brought to the attention of the Mission the importance of the forest and the need for a thorough ecological evaluation and study when security permitted.

Based largely on Tschirley's and our recommendations, the Herbicide Review Committee reached the conclusion that defoliation of large blocks of forests such as War Zone C and D was highly undesirable and if it were absolutely essential to military objectives, then strips of green timber or seed sources and biological refuges should be left. The program should be limited to lines of communications and around military bases; the need to control vegetation around such areas was fairly obvious.

The report not only brought changes but also increased official awareness of the problems. Many more officials in the Mission became familiar with the scope of the operation. The review also opened communications between various military and civilian interests, with beneficial results.

However, as the war has continued, the multiple effects can be readily seen. In addition to the Ranch Hand C123 operations, helicopter use increased for small area applications near bases. Ground spray units, often operated by ARVN, were also in use. The landscape was pockmarked by artillery and bomb craters; fire scorched the landscape; Rome plows cleared almost 100,000 hectares; and trees throughout Vietnam were loaded with shrapnel. Shrapnel damage is so widespread that the industry must assume all logs contain shrapnel. Walter Pierce estimates "average infection of shrapnel in trees throughout Vietnam is 4 percent" and "the cost of locating, removing, shrapnel and loss of wood to be VN \$120/M². It is estimated 0.5 percent of timber will have no value because of shrapnel damage."

The estimates in Table 2 are based on our personal knowledge and reports from Walter Pierce in Saigon.

CONCLUSIONS

The damages to the forest may have serious long-term effects. Rare luxury woods may have been permanently removed from large areas of forest. Occupation of sites by bamboos, grass, shrubs, and vines may prevent reestablishment of desirable trees for decades.

Acreage figures alone do not indicate the significance of the loss. Some of the best stands in Vietnam have been affected. The area of heavy defoliation in III Corps is on flat, easily logged land of high site quality and located near important market areas. Over 100 sawmills, a plywood plant, and a particle board plant are located in the Saigon area. Over 50 sawmills were located in Tay Ninh. Altogether there are 266 sawmills in III Corps whose future supply of logs has been threatened. In II Corps similar situations exist near Ban Me Thuot and other highland towns.

On the other hand, one may argue that the present annual cut is so small that the war will not affect the supply of wood. Salvage of the resistant woods may continue for up to 10 years, thus minimizing the economic losses from these war-devastated areas.

The significance of damage to the natural forest will also turn on the Vietnamese government's decision of what part of their land base they will devote to forests. Prior to the war, permanent forest reserves totalling 1,216,571 hectares had been established. Many of these have been severely damaged.

All other forest areas are temporary and subject to conversion to other land use. This permanent forest area was based on estimated domestic need with little room for future expansion. No consideration was given to development of foreign markets. This forest base is totally inadequate. For the long-term needs of the nation, 50 percent of the total land area should be maintained in natural forests or plantations. This will be sufficient to meet local needs, develop a vigorous foreign market, protect watersheds, regulate streamflow, minimize soil erosion, provide wildlife and recreation areas, and maintain the natural environment.

FOOTNOTES

¹ Other members of the team were Martin Syverson, Walter Pierce, Lewis Metcalf, Jack B. Shumate, and Pieter Hoekstra.

² The predicted cut for 1971 is estimated by Walter Pierce to be 750,000 M³.

³ F. H. Tschirley, 1969. Defoliation in Vietnam. *Science* 163:779-786.

⁴ An Air Force code name for the operation that actually flew and dropped the herbicides.

TABLE 2.—ESTIMATES OF WAR DAMAGE TO FORESTS AS OF JUNE 1, 1970

	Area hectares ¹	Damage class
Herbicides (defoliation)		
1962-69:		
1 treatment.....	900,000	10-20% kill, (13,500,000 M ³) damage and loss of growth.
2 plus treatments....	450,000	50-100% kill, (33,750,000 M ³) heavy damage to remaining stems.
Subtotal.....	1,350,000	
Rome plow clearings....	100,000	100% kill.
Craters:		
6 million B-52 craters (50'x50').	140,000	90% kill.
Other shellings.....	50,000	80% kill.
Fires.....	10,000	50% kill.
Total.....	1,650,000	(ca. 4,125,000 acres).

¹ 1 hectare=2.471 acres.

because it was dry land and we didn't get any rain for nine months. I made 1,250 bushels and gave 625 bushels for rent. I have 40 acres rented this year and sowed it in Nora Oats. I used 18-46-0 fertilizer for pre-planting. I top dressed it with 28-0-0 fertilizer.

When farming I always practice safety with all the equipment. I won Grand Champion in the Tractor Driving Contest in 1971.

My livestock project really keeps me busy. I own one Angus cow which will have a half Limousin calf in May. My sisters and I show beef animals in the Fat Stock Show County Fair and State Fairs. In 1970 I had a Grand Champion Shorthorn Heifer also in 1970 I had 4th place Hereford Steer and in 1971 I had 5th place Charolais Steer.

Last year I gave a talk on fertilizer in a speech contest and I won Reserve Grand Champion in the Junior Division. I'm going to give this year an illustrated talk on fertilizer.

I help my little sister with the eggs and rabbits. In 1970 I had 2nd place eggs and 2nd place rabbit. In 1971 I had 3rd place eggs. I also placed 4th on my Guar Stalk.

My parents, Mr. Dennis our vo-ag teacher and our County Agent Mr. Anderson work with all of our 4-H'ers. It's so much more fun when our whole family takes part in our projects. I wish all boys and girls could have a chance to belong to 4-H.

A BEAUTIFUL SERMON, DATED 1692

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. LANDGREBE. Mr. Speaker, I wish to call to your attention the following statement or sermon that was found in St. Paul's Church, Baltimore, Ind., dated 1692.

This beautiful message was sent to me by Dr. William M. Shorly, M.D., Lafayette, Ind.

The item follows:

A SERMON DATED 1692

(NOTE: Found in Old Saint Paul's Church, Baltimore; dated 1692.)

Go placidly amid the noise & haste, & remember what peace there may be in silence. As far as possible without surrender be on good terms with all persons. Speak your truth quietly & clearly; and listen to others, even the dull & ignorant; they too have their story.

Avoid loud & aggressive persons, they are vexations to the spirit. If you compare yourself with others, you may become vain & bitter; for always there will be greater & lesser persons than yourself. Enjoy your achievements as well as your plans.

Keep interested in your own career, however humble; it is a real possession in the changing fortunes of time. Exercise caution in your business affairs; for the world is full of trickery. But let this not blind you to what virtue there is; many persons strive for high ideals; and everywhere life is full of heroism.

Be yourself. Especially, do not feign affection. Neither be cynical about love; for in the face of all aridity & disenchantment it is perennial as the grass.

Take kindly the counsel of the years, gracefully surrendering the things of youth. Nurture strength of spirit to shield you in sudden misfortune. But do not distress yourself with imaginings. Many fears are born of fatigue & loneliness. Beyond a wholesome discipline, be gentle with yourself.

You are a child of the universe, no less than the trees & the stars; you have a right

MY 4-H STORY BY BILLY DON PETZOLD

HON. TOM STEED

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. STEED. Mr. Speaker, for many years the 4-H Clubs of America have been providing meaningful and productive activities for the rurally oriented youth. Recently I had the opportunity to read a short narrative written by Billy Don Petzold, an 11-year-old 4-H'er from Granite, Okla. I believe that the spirit he has expressed in his essay epitomizes the feelings of pride and accomplishment which result from 4-H programs. I am pleased to place his article in the RECORD so that we may all benefit from his inspiration.

My 4-H Story

(By Billy Don Petzold)

I joined 4-H because other 4-H boys and girls did things I liked to do. It's lots of fun doing things with boys that like to do the same things you like to do.

It's fun to farm and to grow things and to raise cattle. I've always wished for some ground to farm all my own.

Last year I rented 50 acres which I sowed in Nora Oats. I didn't make a high yield

to be here. And whether or not it is clear to you, no doubt the universe is unfolding as it should.

Therefore be at peace with God, whatever you conceive Him to be, and whatever your labors & aspirations, in the noisy confusion of life keep peace with your soul.

With all its sham, drudgery & broken dreams, it is still a beautiful world. Be careful. Strike to be happy.

RESPONSE TO PRESIDENT NIXON'S BUSING STATEMENT BY THE BLACK LAW STUDENTS OF HARVARD UNIVERSITY

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. HAWKINS. Mr. Speaker, I submit for the RECORD an excellent response to President Nixon's busing stand by the Harvard black law students.

Their letter to the President and statement are offered in the belief that those of us who still believe in constitutional rights will gain new hope that black students are fully capable of assuming leadership roles in tomorrow's society.

The letter follows:

MARCH 20, 1972.

HON. RICHARD M. NIXON,
President, United States of America,
Washington, D.C.

DEAR MR. PRESIDENT: YOUR television address of March 16, 1972 and its proposals are worse than unwise at this time, or at any time. Our fundamental objection is that your legislation accepts and writes into law the opposite to all the essential holdings of the Supreme Court since *Brown*, namely, that there is an affirmative duty to disestablish systems of legally enforced segregation and to correct the present effects of past segregation.

While it might be argued that even with Brennan's footnote 10 in *Katzenbach v. Morgan* (1966), Congress can lay down national standards as long as they are even-handed, where the denial of the remedy is in effect the denial of the fundamental right, where the Constitutional guarantee is diluted, your piece of legislative law has no justification in *Katzenbach*, and files in the face of all the holdings since *Marbury v. Madison* concerning the jurisdiction of the courts.

Couching an attempt to cut back on the enforcement of the technical limits of the equal protection clause under the issue of busing, is a deceit and a fraud.

Enclosed please find a copy of our official statement. We hope that you will seriously reconsider the gravity of what you are doing and the precedents it will set for future Presidents and future Courts, but most of all, for the future of minority rights.

Respectfully,

THE BLACK LAW UNIVERSITY
OF HARVARD UNIVERSITY.

RESPONSE TO PRESIDENT'S ADDRESS

We, the black law students of Harvard Law School, are appalled by the President's television address of March 16, 1972, which suggests, at worst, a withdrawal of stringent enforcement of the Fourteenth Amendment, and, at the least, is a blatant denial of the doctrine of *Brown v. Board of Education* (1954).

The President's characterization of busing as one of the most difficult issues of our time is a red herring; the real issue is the enforce-

ment of minority rights. In the eighteen years which have transpired since *Brown*, this nation has slowly become aware of the fact that political, social and economic factors operate in such a manner that make the notion of separate inherently unequal. We view the President's proposal to upgrade the schools in the central city "so that the children who go there will have just as good a chance to get quality education as do the children who go to schools in the suburbs" as a return to the doctrine of *Plessy v. Ferguson* which the Supreme Court rejected in *Brown*.

The President's call directing "all agencies and departments of the Federal Government at every level to carry out the spirit of this message in all their actions" can only mean a retrenchment of this nation's commitment to *Brown* as the supreme law of the land in removing the "badges of servitude" applied by "invidious discrimination" not only in education but also in housing, employment, access to public facilities and other rights of citizenship.

With the merits of busing as a means of achieving equal educational opportunity in dispute, we should not close an avenue that may well be beneficial in achieving quality education. In fact, Nixon-appointed Chief Justice Burger, in writing the majority opinion in *Swann v. Charlotte-Mecklenburg Board of Education* (1971), stated "... we find no basis for holding that the local school authorities may not be required to employ bus transportation as one tool of school desegregation. Desegregation plans cannot be limited to the walk-in school."

Roughly eighteen million of the nation's public school children were transported to their schools by bus in 1969-1970 throughout the nation. Approximately 65% of those students rode to school every day for reasons that had nothing to do with school desegregation. The fears of the parents and Mr. Nixon result not from the bus ride per se, but from a fear of the destination of the bus—inner-city schools. The move to the suburbs wouldn't work anymore.

At this time, we reject any proposal of a constitutional amendment on busing.

The President's denouncement of the judicial propriety of various District Court decisions in the area of busing, as having exceeded the bounds of the requirements laid down by the Supreme Court in *Swann* is premature. Such prejudicial statements should not be made by the nation's Chief Executive prior to a ruling by the Supreme Court—a Court that has been substantially shaped by the President. Attempts to circumvent the slowness of the judicial process, such as those proposed by the President, undermine the basis of an ordered society under law.

Upon examination, we do not find the President's alternative to busing, that of improving the inner-city schools, a viable one. It is estimated that to bring the inner-city schools to the level of their suburban counterparts would require spending three to four times as much as to maintain the suburban schools. In a time when expenditures for education are already inadequate, is it to be expected that the government will make this vast commitment to inner-city schools? That this commitment is less than a full one is readily seen from the source of the two and a half billion dollars: \$1.5 billion of that is already currently available each year under a proviso of the 1965 Elementary and Secondary Education Act and the remaining \$1 billion under emergency school aid legislation is already awaiting action in a Senate-House conference committee. There is nothing new in Mr. Nixon's proposal.

One can see an analogy to the actions of Rutherford B. Hayes which led to the withdrawal of Federal troops from the South, tolling the death knell of reconstruction in the South.

STATEMENT OF FRANK L. KELLOGG

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. RODINO. Mr. Speaker, on March 12, 1972, I was privileged to address the 88th annual meeting of United HIAS Service in New York City—a meeting that was attended by nearly 1,000 persons interested in the activities of HIAS. This large turnout certainly demonstrated the faith that people have in HIAS and likewise demonstrated their interest in the future of this service organization.

Sharing the dais with me on this occasion was the Honorable Frank L. Kellogg, Special Assistant to the Secretary of State for Refugee and Migration Affairs.

In the course of the meeting, Ambassador Kellogg was presented with a special citation by Mr. Harold Friedman, president of United HIAS honoring the U.S. Refugee program for the good deeds accomplished through the program in its nearly 10 years of existence.

The remarks of Ambassador Kellogg in accepting this citation so ably recall the history of the U.S. refugee program and the close work and cooperation of HIAS that I welcome the opportunity to insert Ambassador Kellogg's remarks in the RECORD:

STATEMENT OF FRANK L. KELLOGG, SPECIAL ASSISTANT TO THE SECRETARY OF STATE FOR REFUGEE AND MIGRATION AFFAIRS, TO THE 88TH ANNUAL MEETING OF UNITED HIAS SERVICE NEW YORK

Madam Chairman, President Friedman, Chairman Rodino, Mr. Fisher, distinguished guests... and warm friends... your organization is 88 years old. The United States Refugee Program is 20 years old this year. I have been in office, and administering USRP among other operations, only about 14 months. So it is with a sense of humility as well as with considerable pride, that on behalf of your Government I accept your special citation to USRP.

It might be useful to recall the origin of this program with which United HIAS Service has had relationships from the beginning. In the early 1950's, during Harry Truman's Presidency, there was a great deal of human suffering in Europe. The postwar refugee organizations had disappeared. There was almost no one to assist the newly-arriving refugees of the era—Eastern Europeans fleeing to freedom to escape the oppressions of Communist governments.

The only havens many of these helpless people could find were leftover wartime camps—in Greece, Germany, Austria, Italy, Turkey—where food, clothing and medical assistance were at subminimum levels and processing for resettlement was almost nonexistent. "Cesspools," I have heard some of these camps described, "where the thing in shortest supply of all—was hope". It was close to an international scandal.

The voluntary agencies, including HIAS, played a large role in mustering public opinion to obtain U.S. Government action. In 1951 when the Congress was considering the foreign aid act, a last-minute amendment was made—it passed in both Houses almost unanimously—which gave the President options and authorized funds for assistance to escapees. Some of you will remember the principal architects of what was first

called the "President's Escapee Program" and then the "United States Escapee Program;" George Warren, then the "State Department Advisor on Refugees and Displaced Persons", under whose overall supervision the program was developed; Laurence Dawson, then George Warren's deputy and now Senior Advisor on Refugees in my office, who drafted and established USEP and directed it for many years; Eric Hughes, who helped organize the program in Europe and later served as its chief of operations in Washington; Richard Brown, who for a long time directed operations in Europe and the Near East. And there were others.

Larry Dawson is here with us today. And while I think about it, Raymond Laugel, my deputy, wanted to be here, but has been called to Geneva on ICEM business.

In setting up the program in 1952, Larry Dawson met with key voluntary-agency personnel in this country and in Geneva to develop a partnership approach between the voluntary agencies and Government. The resulting contractual relationships with HIAS and other organizations pioneered what is now a wide range of joint U.S. Government-voluntary agency humanitarian operations.

In 1966, the U.S. Escapee Program was renamed the U.S. Refugee Program, but the operations remained the same—to provide for the reception, interim care and earliest possible resettlement of refugees from oppression in Europe. In the last 20 years, the program has helped some 350,000 people reestablish their lives in new homes. The flow of refugees has been continuous, with sharp increases when there has been an explosion of some kind in one of the communist countries. During the abortive revolt of 1956, 180,000 Hungarians fled to Austria and another 20,000 to Yugoslavia. USEP provided friendly reception and interim care for all of them, and helped bring about their resettlement in Western Europe, this country, and elsewhere.

Among other peaks were the emigration of Polish Jews in 1968 and, in the same period, the resettlement of perhaps 50,000 refugees from Czechoslovakia. And currently, of course, USRP is playing a role in providing interim care and maintenance for Jews emigrating from the Soviet Union, more than 15,000 of them since January of last year.

The families who are with us today—the Beckovitchs and the Oksenszteyns—are visible evidence of this program. I know Miss Watson joins me in welcoming them to the United States, and wishing them a happy and productive future here.

Over its 26-year history, USRP has operated on very small budgets, as Government budgets go. Annual costs have ranged in the area of \$3 million, up to nearly \$10 million in the peak year of 1957. This year—with the resettlement of Soviet Jews a major activity of USRP—we came close to winding up with no funds at all. Our request for \$2.9 million for USRP was eliminated during the early stages of the legislative process. The resulting outcry from voluntary agencies—and Gaynor Jacobson and your other officers played a leading role—played a significant part in restoration of the money by the Congress, which, in the context of the American tradition of freedom of movement and the large heart of this nation, has a great record of response to humanitarian challenges of this kind.

Over the years my predecessors, and over the past 14 months I myself, have enjoyed close and effective relationships with United HIAS Service. I am pleased to note this special recognition of the program in which we have worked most closely together. I hope our useful humanitarian work will continue for many years to come. On behalf of my colleagues and the Government, I accept the citation to USRP with warm appreciation.

MILITARY WASTE AND MISMANAGEMENT COST U.S. TAXPAYERS BILLIONS

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. EVINS of Tennessee. Mr. Speaker, waste and mismanagement in the military industrial complex are costing the American taxpayer billions of dollars.

In this connection the Memphis Press-Scimitar recently published an article by the excellent and capable Washington correspondent for the Memphis and Knoxville Scripps-Howard press, Mr. Lee Stilwell—based on my newsletter, Capitol Comments, which I place in the RECORD herewith because of its interest to my colleagues and the American people.

The article follows:

REPRESENTATIVE EVINS BLASTS MILITARY-INDUSTRIAL WASTE, POINTS TO COST OVERRUNS OF \$35 BILLION

(By Lee Stilwell)

WASHINGTON.—Waste and mismanagement in the military-industrial complex is costing the American taxpayer billions of dollars, Rep. Joe L. Evins (D-Tenn.) charges.

Evins said a current report discloses costs of 45 selected weapons currently being built will exceed original cost estimate by more than \$35 billion.

"The disturbing fact is that despite continued warnings by Congress, the armed services continue to play costly games with big business defense contractors—with initial estimates of weapons costs almost invariably ballooning into much higher costs," Evins said.

Evins called facts produced by Congressional committees and General Accounting Office during investigations into the Department of Defense Operations an incredible revelation of waste and mismanagement in the research, development, and procurement of weapons systems.

"Certainly we must have a strong defense—but we must not permit our armed services to become so inefficient that the increased costs will severely curtail their capacity to adequately plan and prepare our national defense," Evins said.

Evins pointed out fiscal years 1969, 1970 and 1971 were years of cost overruns with original contract prices for weapons systems soaring.

In substantiating his accusations, Evins said:

GAO just reported the Air Force knowingly made overpayments of more than \$1 billion on the giant C5A transport plane to Lockheed Aircraft Corp. to finance overruns.

It was disclosed a Navy admiral instructed subordinates to spend \$400 million as quickly as possible this fiscal year in an effort to avoid cutbacks by Congress in next year's budget.

The director of Naval Materiel Command Procurement Control and Clearance Division charged "blatant fraud of some sort" in a claim by a Lockheed subsidiary for \$46.3 million more than original contract price for destroyers and other ships.

The per plane cost of the F111 tactical aircraft increased from the original estimate of \$3.4 million per plane to \$15 million per plane. The overrun was held at \$1 billion by reducing the number of planes ordered by 1,200.

Costs increased by \$714 million to \$2.6 billion for the Mark 48 Naval torpedo.

The price tag for the Cheyenne helicopter exceeded the original contract cost by \$35 million.

Minuteman II missile costs soared \$152 million above original estimates.

Original cost estimates for the Short Range Attack Missile (SRAM) increased from \$161.6 million to \$413.4 million.

Costs of the F14 aircraft increased from the original \$8.3 million per plane price to \$12.5 million per plane.

Evins pointed out retiring President Dwight Eisenhower warned that the nation should beware of the military-industrial complex, adding a recent Senate report said weapons have become noted for "electronic frills and gold-plating, for being excessively priced, overcomplicated and under achievers."

Evins charged that vast subsidies are given and losses incurred by the military weapons production industry by the government's failure to insist on full performance on contracts and accepting less than agreed to by contracts.

"It is widely known in Washington that many Defense Department officials retire and assume executive positions with big business defense contractors—thereby establishing an easy 'family' relationship between the government and big business that tends to work to the disadvantage of taxpayers," Evins said.

"In the interest of the American taxpayer, economy, efficiency, changes and improvements in our system of defense procurement must be implemented," Evins concluded.

LAW OF THE SEAS CONFERENCE SCHEDULED

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. WALDIE. Mr. Speaker, a worldwide Law of the Seas Conference sponsored by the United Nations, is scheduled to take place next year in Geneva. A number of serious problems pertaining to the oceans will be considered there.

One of the most serious problems concerns this country. For a number of years, fishermen from foreign countries—Russians, Germans, Ecuadoreans—have been mercilessly taking thousands of fish from our offshore waters. At present, about 30 nations, including the United States, observe the 3-mile limit on territorial waters. Fifteen countries have limits of 4 to 10 miles; 40 others have a 12-mile limit, and 11 have limits ranging all the way up to 200 miles.

The United States proposed late last year at a meeting of the U.N. Committee on Peaceful Uses of the Seabed in Geneva, that 12 miles be set as a standard limit on a nation's territorial waters.

There would be recognition of the right of transit through straits used for international navigation between one part of the high seas and another. At that meeting, the United States also proposed the establishment of international bodies to regulate fisheries and to insure conservation of the oceans' resources.

The following article on this subject from a recent issue of Life magazine was brought to my attention by a constituent. It illustrates the effect this rape of our fishing grounds is having on the American people:

LAW OF THE SEA CONFERENCE THAT COULD AVERT DISASTER

Just to the south of the rocky undersea canyons where the Blue Surf seeks a living, the fertile Georges Bank extends in sandy shallows 160 miles out from Cape Cod. A generation ago, New England fishermen were taking thousands of tons of haddock and cod and flounder from Georges every year, and hardly denting the supply. Ten years ago the Russians appeared, then the Poles, the Germans (East and West), the Spaniards and even the Bulgarians. At times their fleets totaled more than 500 vessels, many of these the new factory ships able to freeze everything they caught and to stay at sea for months.

In this situation the Americans never had a chance. Most of the foreign vessels were either state-owned or built with subsidies that ranged from 50% to 100%. For Americans, it was—and is—the other way around. Since 1792 federal law has subsidized the U.S. boat-building industry by stipulating that all American fishing vessels must be built in this country. Today our fishermen have to pay twice as much for a vessel as their foreign competitors do. Considering the low duties charged on most fish, it is thus possible for foreign vessels to fill their holds almost within sight of the American coast, carry the fish back home and then ship it right back here at a profit. In 1970, the excess of fishery imports over exports cost the U.S. \$700 million in our balance of payments.

In the U.S., the immediate damage has been to people: to the men of Gloucester and New Bedford and other East Coast ports where the unemployment rates are among the highest in the country, to the veteran fishermen who no longer can expect their sons to follow in a tradition as old as the country, to owners who see their means of livelihood rotting away uselessly beside a wharf.

The long-term loss has been to the fishing grounds. Some biologists estimate that if all fishing stopped tomorrow, the haddock would never return to Georges Bank in the numbers that existed there just ten years ago. Like huge mechanical combines harvesting a field of wheat, the foreign vessels have raked over the grounds until they are now little more than a wasteland. One Canadian study defined the problem: "What is everybody's property is nobody's responsibility."

By 1970, when it was perfectly apparent they had wiped out nearly every living thing on the North Atlantic banks, the fishing nations involved got together and agreed on a quota system. It was no more than an admission of damage already done and is not likely to reverse the process of destruction. The foreign fleets came to the North Atlantic after they had cleaned out the Baltic and the North Sea. When they clean out the banks near our shores they will go elsewhere.

American fishermen have been powerless to halt the rape of their own fishing grounds, partly because the U.S., as a maritime power, has insisted on the three-mile territorial limit as a guarantee of free passage through all the world's oceans and straits. On this point we have the unfamiliar but wholehearted support of the Russians. Our dogged insistence on narrow limits is a major cause of the uncontrolled slaughter of fish. But this doesn't have to be the case.

In 1973 the U.S. will take part in a worldwide "Law of the Sea" conference in Geneva. We could lead a return to sanity by sponsoring three measures there:

Dual seaward limits for all coastal states: 12 miles as the limit of sovereignty, with an additional fishery conservation zone extending out to the point where the continental shelf slopes off into the ocean depths. Most fish live on the shelf, not in the depths. By placing responsibility for the world's fish

stock in the hands of the nations bordering the seas, the world would take a practical step toward preservation and regulation. A coastal state should not be able to restrict all fishing to its own boats. But it should be able, through licensing, to limit the total catch to a sustainable yield.

International limits on the different species of tuna that would cut off the fishing worldwide when a set quota is reached. Tuna range through all the world's oceans, and tight conservation measures in one area mean nothing if it's open season at the fishes' next port of call.

Agreement that river-spawning fish such as salmon should never be caught on the high seas but only at the mouths of the rivers in which they are born and where they return to spawn and die. If salmon are netted during the oceanic part of their life cycle, it may well mean that when the time comes for them to return to their native rivers, none are left to strike up certain streams, while other rivers are glutted. Two improbable villains in the present situation are Denmark in the Atlantic and South Korea in the Pacific. Neither nation has a salmon river of its own and both insist on the right to catch salmon on the high seas. If their attitude wins out in the name of "freedom of the seas," the salmon may go the way of the whale.

There is no reason why laws cannot be written that would acknowledge the basic right of free passage and still allow for the conservation of the world's fisheries. In fact, unless such laws are written, we will be preserving only the right of passage over a dead sea.

VOICE OF DEMOCRACY CONTEST

HON. WILLIAM D. HATHAWAY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. HATHAWAY. Mr. Speaker, I am sure you and my colleagues are aware of the annual Voice of Democracy Contest sponsored by the Veterans of Foreign Wars of the United States and its Ladies Auxiliary. This year nearly 500,000 secondary school students participated in the contest. I am very proud at this time to place in the RECORD the winning speech from the State of Maine delivered by Allen Otis, a junior at Mount Blue High School in Farmington, Maine.

MY RESPONSIBILITY TO FREEDOM

(By Allen Otis)

Prior to the American Revolution one of the complaints made by the colonists was their lack of representation in the British Parliament. After the passage of the Stamp Act and Townshend Acts they realized that only a representative government would respect and preserve their freedom. A conclusion that I have drawn from this is that preserving our democratic form of government is absolutely necessary for preserving our freedom.

My first responsibility to freedom is that of self education. I must have a knowledge of the liberties I am entitled to if I am to help preserve them. Also necessary is an understanding of the past and present history of my government and society. Only by being an informed citizen can I carry out my other obligations to freedom. The importance of an informed public to maintaining freedom is illustrated by a characteristic of dictatorial governments. Such governments nearly always have, as a policy, censorship of the news media. The leaders

in such governments realize that their rule is endangered if the people are informed of the freedom that they lack.

Knowing that my freedom is guaranteed by the Constitution, its Bill of Rights, and other laws will not, in itself, preserve my liberties. One of my responsibilities is to keep these laws alive by using them. Laws that are not used have a tendency to be forgotten. If a liberty such as freedom of the press is restricted once by a government, with no apparent opposition from the people, then the government may limit freedom of the press again, because of the lack of opposition that it originally encountered. Thus it is my responsibility to keep my freedoms viable by using them and opposing any unlawful restrictions on them. In other words, I must not become an apathetic citizen. I am obligated to participate in the government that guarantees my freedom. Voting in federal, state, and local elections is one of the most important ways of participating.

Like anything else, freedom has limits and can be overused. Essentially, one man's freedom stops where another person's rights begin. This means that in using my liberties it is my responsibility not to interfere with other citizen's rights. To protect the rights of others many liberties have restrictions attached to them. Two examples are the freedoms of speech and press. These freedoms do not grant the right to libel or slander another person. Restrictions on freedom can be prompted by excessive use of freedom. By using freedom with a degree of restraint I can help minimize the need for laws restricting freedom.

In preserving freedom there is another concept which must be considered. One person cannot preserve or gain freedom alone. A successful effort to gain and preserve freedom involves a majority of the population with each person working towards equal freedom for all. Thus I must help preserve my fellow citizen's freedom as well as my own.

It was this spirit of cooperation and concern by the American Revolutionaries that made their quest for freedom and a representative government successful.

A GOOD COP

HON. STEWART B. MCKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. MCKINNEY. Mr. Speaker, I have resided in Fairfield, Conn., for more than 35 years. For 33 of those years, Phil Ganser has been a member of the Fairfield Police Force, the last 11 of those as chief. Now, after more than a third of a century of service to the people of Fairfield, he has tendered his resignation to the board of police commissioners. Quite rightly, it has been accepted "with regret."

Like a great number of Fairfield residents, I share the regret expressed by the members of the board for in Chief Ganser, we are losing one of Connecticut's finest law enforcement officers. I hasten to add that none of us would deny him the peace, quiet, and enjoyment of his deserving retirement years and perhaps, for a change, an uninterrupted meal with his lovely wife, Marie.

When the chief joined the force, he worked 12 hours a day, 7 days a week and got 2 days off a month, all for the grand sum of \$1,500 a year. With tongue in cheek the Fairfield Citizen recently noted,

"Conditions have changed somewhat since." Indeed they have and rightfully so. The most incredible part of his record, however, is the fact that he has never been known to take a day of sick leave.

Mr. Speaker, in these days when we receive constant reports of strained police-community relations, the work of Chief Ganser, and those who work with him, stands out as a model for those dedicated to crime prevention and justice. There are innumerable accolades which can be rightfully showered on this man, but I would like to offer only one; the one which I feel means the most to him: Mr. Speaker, Phil Ganser is a good cop.

Recently, the Fairfield Citizen noted Chief Ganser's retirement. If there is no objection, I would like to include that article in the RECORD at this point. The article follows:

POLICE CHIEF GANSER TO RETIRE

After almost 33 years of service to the town of Fairfield as a member of its Police Department, with 11 of those years spent as Police Chief, Fairfield native and graduate of Roger Ludlowe High School, Chief Phillip A. Ganser has tendered his resignation to the Fairfield Board of Police Commissioners. It has been accepted "with regret" and with the highest words of praise for the work of a 'superb chief.'

The announcement of Chief Ganser's resignation was made by Police Commissioner Chairman John T. Dooley with the action becoming officially recognized by a special commissioners meeting which took place last night.

Although it was expected that Chief Ganser would depart for a much anticipated vacation on May 1st, the Commissioners have asked him to stay on active duty as a consultant to the man who will be Acting Chief, Uniform Division, Captain Anthony Mastronardi, until an examination and complementary ratings determine who the next actual Chief of Fairfield Police will be.

The four men eligible for this are Captain Mastronardi, Captain Patrick L. Carroll, Jr. of the Detective Division; Captain Edward J. Chervansky of the Uniform Division; and Captain Thomas J. Lennon of the Accident and Special Services Division.

That Captain Mastronardi has been asked to fill the interim position of Acting Chief is in no way significant according to the Police Commissioners, nor has it any bearing on the final appointment to the position. Mastronardi is the senior captain and it has been the custom for some time for him to act as chief in Ganser's brief absences.

"We feel," said a Commission spokesman, "that it would be advisable to retain Chief Ganser as a consultant to insure a smooth transition of work within the department. It is possible, after all, that Captain Mastronardi will not be the permanent chief and this will mean the Force will have to learn to work with two different leaderships within a brief space of time."

Police Commissioner Ed Dougello said that "we are fortunate to have four qualified captains of such high caliber from among whom to appoint a new chief. They are all ambitious, enthusiastic and hardworking. We have a good choice."

It is felt that it would take at least until May 1 to choose a new Chief on the basis of a state exam and other consideration. These include some standards set up by the local Board of Police Commissioners and would include such things as training, experience and a rating by the incumbent chief.

After joining as a rookie motorcycle cop on August 1, 1939, Philip A. Ganser worked his way up through the ranks steadily until he gained the highest position the Force

has to offer. A promotion to sergeant came through on January 1, 1950 and after being assigned to the Youth Bureau in 1954, upon the death of Sgt. Murphy, he was made a lieutenant in July, 1955.

His captaincy came on May 15, 1958 and on December 11, 1961, he scored best in a field of seven contenders to become Fairfax Police Chief, succeeding James Kranyik.

His first salary was \$1,500 per year, working seven day a week, two days off a month, 12 hours a day, 84 hours a week and no sick leave. Conditions have changed somewhat since.

The force now numbers 102 men (if the five are added according to the new budget) from its complement of 18 just prior to World War II. Chief Ganser's salary at the date of his retirement is \$18,736 and no one around Police Headquarters remembers his ever taking sick leave although it has been part of the Police Department working conditions for some time now.

TOM McCAFFREY, VALLEJO POSTMASTER, COMPLETES FEDERAL SERVICE

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. LEGGETT, Mr. Speaker, Tom McCaffrey, my friend and benefactor of the entire Fourth Congressional District of California, met his untimely demise last Sunday, March 26.

Tom, a war veteran, businessman, politician, administrator, and beloved postmaster of Vallejo, Calif., contributed measurably to the progress of his home State of California during his 52 years.

The grief of his wife, Jane, is shared by thousands of Californians.

The Vallejo Times Herald editorialized this morning as follows:

PASSING OF TOM McCAFFREY

At 10 a.m. this morning, hundreds of Solano County residents will pay their last respects to Tom McCaffrey, Vallejo postmaster for the past seven years. He will be missed, not only in the postal ranks where his conscientious devotion to duty made the Vallejo post office one of the most efficient in the state, but also by civic groups and in Solano County Democratic circles.

His army of friends was stunned by the news of his death early Monday morning following an emergency operation. But they long will remember Mr. McCaffrey as an upstanding citizen, a leader, one who knew his capabilities, which were great, and carried out his responsibilities to the limit.

This is reflected in the various positions in which he was asked to serve to make life better for his fellowman . . . national chairman of the Veterans Affairs Commission and the National Federation of Catholic Students. Locally, when the veterans organizations and the Solano County Central Democratic Committee needed an able leader, they called on Tom McCaffrey. He served as secretary of the central committee for two terms, was co-chairman of many important committees, then capped his civic functions by being a successful co-chairman of Solano County for the election to the U.S. Senate of Clair Engle.

A native and life-long resident of Vallejo, McCaffrey was a graduate of St. Vincent High School. After his discharge from the United States Air Force in 1945, he entered Notre Dame University. While there, he was listed in the "Who's Who in American Colleges

and Universities" for his fine scholastic leadership.

He served Sen. Luther E. Gibson well in Sacramento as his field representative for more than three years and gathered prestige and stature with members of the Legislature and state officials because of his knowledge of the problems of our cities, county and our people.

I could not have chosen a better informed person to assist Dugald Gillies and me in processing the legislation affecting Solano County," Sen. Gibson said.

McCaffrey retired as senator's representative to become postmaster of Vallejo.

Former Governor Edmund Brown also noted the expertise of Mr. McCaffrey when he appointed him a member of the State Water Pollution Control Board, a field in which Mr. McCaffrey was active before becoming Vallejo's postmaster.

McCaffrey's ability to accept responsibility proved itself during his three years in the Air Force during World War II. A B-24 gunner, McCaffrey's plane was shot down at sea on his seventh mission. He survived for 28 hours afloat on a raft before he was rescued by the Navy. Later he was awarded the Purple Heart decoration.

Vallejo has lost a valuable citizen, but thousands now have a better appreciation of life by knowing, associating and working with him to make life better for Solano County residents.

MISUSE OF FOREIGN AID

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. ASPIN, Mr. Speaker, I am publicly releasing today a memorandum written by U.S. Ambassador to South Vietnam, Elsworth Bunker, which reveals that some of our food for peace commodities are being fed to pigs, cattle, and water buffalo instead of the hungry people of Vietnam.

Ambassador Bunker cabled last September to senior officials in Washington that—

Many recipients—were given this unfamiliar commodity—processed wheat—with little or no knowledge of its food value and method of preparation. For these people bulgur—the processed wheat—inevitably became identified as livestock feed.

After reading Ambassador Bunker's cablegram and other documents which I have obtained but not released, I am convinced that it was the ultimate act of stupidity to send \$28.7 million worth of wheat to South Vietnam without determining whether it would be used to feed hungry people or pigs. At a minimum, the Agency for International Development should have surveyed the Vietnamese situation and determined what kind of foods would be acceptable to the Vietnamese. Instead, the United States chose to send bulgur which, while acceptable to Western palates, is considered livestock feed by the South Vietnamese.

In addition, the memorandum reveals that Ambassador Bunker is seeking the approval of officials in Washington to provide 7,000 tons of additional bulgur during 1972. Supposedly the additional bulgur will be used to assist Montagnard tribesmen in rice deficient areas and to

provide processed wheat to Vietnamese and government institutions.

I have asked Director Hannah to assure the Congress and the American people that the shipment of 7,000 tons of wheat will feed hungry human beings, not pigs and cattle.

The concept of the food for peace program is to provide assistance to hungry refugees and war victims. It is a sound concept. But the reality of Vietnam and the terrible conflict there has perverted our food for peace program into a corrupt system that provides money for merchants, feed for pigs, and not enough help for the innocent victims of the Indochina war.

The cablegram written by Ambassador Bunker and my letter to Dr. Hannah follows:

CABLEGRAM

1. Bulgur has been controversial in past due in part to emergency nature of Vietnam Title II program in which large quantities of all available commodities were programmed to fill actual need and anticipated needs which did not always materialize. Excessive inventories led to excessive distributions with insufficient controls over and use of this commodity. Many recipients in non-institutional situations were given this unfamiliar commodity with little or no knowledge of its food value and method of preparation. For these people bulgur inevitably became identified as livestock feed.

2. Concomitantly bulgur prepared in central kitchens for institutional feeding was valued and consumed by recipients usually mixed with rice. Such cases of proper use of bulgur received little notice since misuse by non-institutional categories was widespread and conspicuous.

3. Title II program FY 1972 no longer emergency program. Total tonnage and number of recipients substantially reduced and unmanageable categories eliminated. Cornmeal, rolled oats, and rolled wheat not programmed. Tighter controls have been effected to prevent misuse of commodities. With this realistic program and effective controls USAID believes that bulgur should be distributed to institutions where it is acceptable and properly used.

4. CORDS/War Victims Directorate very concerned about destitution among Montagnard tribes in rice deficit areas. Field reports indicate Montagnards in some areas suffer malnutrition and are dependent on external source of food at certain times of year. Title II commodities including bulgur are consumed by Montagnards who otherwise would go hungry. Bulgur is programmed for Montagnards because it is needed as rice substitute easily prepared and appreciated by these people reportedly in need of food assistance. Title II food supplements for Montagnards will consist only of bulgur, milk, vegoil, and C.E.M. Flour is not distributed because of lack of baking facilities in Montagnard areas.

5. GVM has requested 5,658 M/T bulgur only for institutional and Montagnard feeding projects. C.E.S. has requested 1,507 M/T for institutional feeding. USAID recommends approval of bulgur only for these two categories of institutions and Montagnards. First arrivals of bulgur for FY 1972 programs expected end of December 1971 thereby making total request sufficient for 12 months of CY 1972. Call forwards of bulgur will be limited to actual requirements of approved projects.

6. USAID reminded Ministry of Social Welfare of expected bumper rice crop in CY 1972 in Vietnam. By CY 1973, MSW hopes to replace Title II bulgur with local rice rations for recipients in need of food assistance.

BUNKER.

APRIL 7, 1972.

DR. JOHN A. HANNAH, Director,
Agency for National Development,
Washington, D.C.

DEAR DR. HANNAH: I have obtained a copy of a cablegram written last September by United States Ambassador to South Vietnam, Ellsworth Bunker, regarding the use of bulgur in our AID Food for Peace program.

Ambassador Bunker writes: "Many recipients . . . were given this unfamiliar commodity with little or no knowledge of its food value and method of preparation. For these people bulgur inevitably became identified as livestock feed." Apparently U.S. food intended to feed hungry Vietnamese has become, instead, meal for pigs and cattle.

It was the ultimate act of stupidity to send \$28.7 million worth of wheat to South Vietnam without determining whether it would be used to feed hungry people or pigs. One would have to assume that the Agency for International Development would have the foresight to investigate whether American food would be used to feed the hungry or the livestock.

Ambassador Bunker, in his cablegram, also indicates that the South Vietnamese are requesting an additional 7,000 tons of processed wheat for 1972. Supposedly the additional 7,000 tons would be used to assist Montagnard tribesmen and Vietnamese government institutions. I can hope that you can assure the Congress and the American people that the new shipment of 7,000 tons of wheat will feed hungry human beings, not pigs and cattle.

All of us would agree that needy Vietnamese refugees, orphans and war victims should be given assistance. I presume in the future your agency plans to help the hungry rather than supply grain meal for livestock.

I hope that you will give this matter your immediate attention.

Sincerely,

LES ASPIN,
Member of Congress.

HON. PAUL N. McCLOSKEY, JR., AND
THE NEW HAMPSHIRE PRIMARY

HON. DONALD W. RIEGLE, JR.
OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 11, 1972

Mr. RIEGLE. Mr. Speaker, one of our colleagues, the gentleman from California (Mr. McCLOSKEY) recently sought to espouse the cause of peace in the New Hampshire presidential primary. That he obtained some 20 percent of the vote is perhaps less important than the fact that he placed before the American public a number of strongly dissenting views on major national issues, particularly with respect to our continuing involvement in the war in Southeast Asia, and truth in government.

That these views were of value to the Nation was recognized in a recent editorial by one of New England's most distinguished writers, Edward DeCourcy of the Newport Argus-Champion. From over 100,000 editorials considered by the International Conference of Weekly Newspaper Editors last year, Mr. DeCourcy's work won both the first and second prizes. He is one of 42 elected individuals of the New England Academy of Journalists and one of only two weekly newspaper editors so honored.

Mr. DeCourcy's comments on the recent New Hampshire primary should thus furnish some small degree of pride to this House as well as to the gentleman from California.

The comments follow:

THE SPECTATOR

(By Edward DeCourcy)

Most of us in New Hampshire didn't notice it at the time, but we were witnesses to one of the most encouraging incidents in America in many years.

Right before our eyes and ears, during the whirlwind of the recent Presidential primary, there occurred a revival of the kind of political campaign based on sheer principle that was intended by the architects of America's greatness.

Now that the primary's storm has subsided and there has been opportunity for tranquil reflection, we begin to realize that many of us met a man who was campaigning for the Presidential nomination not because he wanted to live in the White House, not because he wanted the power or the glory of the office, but simply because he believed the nation is in peril and that he, or someone, ought to restore the people's faith in their government.

He was Cong. Paul N. McCloskey Jr., the Republican from California, who conveyed a deep conviction that it didn't really matter whether he became President, but that it mattered urgently whether his standard of honesty in government prevailed.

What we witnessed in Mr. McCloskey, usually without realizing it, was a rejection of tawdry begging for votes, cynical preying on emotions, the kind of appeal that has been cheapening Presidential campaigns and the office of President in recent decades. We saw, again without grasping its significance, a return to the kind of rugged adherence to conviction and the eagerness to defend that conviction in vigorous debate that our founding fathers believed would make the United States of America a great nation.

Most of us didn't realize the profound significance of this phenomenon at the moment. It escaped us because our attention was being diverted to trivial non-issues, most of them fanned by crass appeal for votes on a candidate's shoddy conviction that he ought to be President. Few of us recognized during those tumultuous months that a rebirth was going on in our midst, a return to the kind of issue-oriented campaigning that was intended to make our government serve the people.

Using the techniques that sell toothpaste to elect Presidents is a denial of the aspirations on which our nation was founded.

Those who would be President were supposed to be leaders. Those who scan their pollsters' reports to find out what are popular issues, whether or not they are important issues, and then build their appeal for votes on what they think the people think are not leaders. They are followers.

They are hucksters selling a product, not men deserving the majesty of the Presidency.

America will always need genuine leaders, men of courage and intellect who will study developments, measure them against history and analyze their impact on our nation's future. We need men who will thus determine what are really the most urgent issues, carefully determine the best course of action, however harsh or unpopular that may be, and go forth to expound that action.

We need to replace the vote-hungry candidate who goes before the people to tell them he is for what his surveys tell him they are for, with the candid, courageous candidate who will go before the people, tell them he is for what they are against, and convince them he is right.

Such men are leaders. Such men are also rare.

America is a search for truth, a continuing struggle for freedom, equality, justice and humanity and for discovering the instruments of government to attain them.

That discovery is supposed to be what our political campaigns are all about.

It is the goal that the learned men who formed our Constitution knew could best be achieved through tough and honest debate, untainted by envy, venom or pride, the debate that is a relentless testing of ideas and solutions, the debate through which honest men change their minds.

We have strayed far in the Twentieth Century, and Mr. McCloskey did much, now that we look back on it, to put us back on the path to truth and purpose.

Mr. McCloskey did not win the primary here. He probably never expected to.

Yet, now that we think of it, he may have done much to accomplish his real purpose, which was essentially to restore our faith in our system of government.

NO-FAULT AUTO INSURANCE

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. HUNGATE. Mr. Speaker, as the debate over no-fault insurance continues, the following article in the New York Times should provide some interesting food for thought:

[From the New York Times Magazine, Apr. 9, 1972]

**IF YOUR HOUSE BURNS, YOU'RE COVERED
NO MATTER WHOSE FAULT IT WAS—AND
IF YOUR CAR CRASHES?**

(By Michael S. Dukakis and
Stephen Kinzer)

(NOTE.—Michael S. Dukakis is a lawyer who served in the Massachusetts Legislature from 1962 to 1970 and was the original sponsor of the no-fault insurance bill. Stephen Kinzer, his legislative assistant then, is now a freelance journalist.)

BOSTON.—Since its adoption in Massachusetts in 1970, no-fault automobile insurance has become the nation's most talked-about consumer issue. Florida has already enacted a plan similar to the one in Massachusetts, and three other states have made small steps toward no-fault. More than a dozen state legislatures—New York's among them—are seriously considering the reform, and a proposal for national no-fault insurance was introduced in Congress last year. Massachusetts itself, which first approved no-fault insurance for personal injuries only, has now extended the new system to property damage as well.

No-fault insurance in Massachusetts, the first reform in this complicated field since the days of Henry Ford, got off to a very confusing start. Only now, more than a year after the system went into effect, is the smoke beginning to clear. Needless to say, approval of no-fault in Massachusetts is not unanimous, although the insurance companies have, somewhat belatedly, become supporters of it. Unforeseen gaps in the plan have also arisen along the way. Nevertheless, a few of the figures so far are heartening, indeed dramatic.

Before the no-fault plan started, actuaries in Massachusetts were predicting a 25-to-30 per cent increase in bodily injury premiums under the old "fault" system. Instead, under the new system, rates for all bodily injury

coverage went down 15 per cent in 1971. Moreover, rates for the basic compulsory coverage went down another 27 per cent in 1972.

There has also been a substantial drop in insurance claims and in reported accidents. The Registry of Motor Vehicles recorded a drop of 30 percent in reported personal injuries in 1971, down to 58,000 from 1970. The number of accidents alleging personal injury or property damage of more than \$200 has dropped by 16,000, or about 10 percent. Apparently, motorists are beginning to realize that a fabricated accident or exaggerated claim of personal injury no longer pays the dividends it used to. And while the decline in reported accidents doesn't necessarily prove the state's motorists are driving more carefully, neither does it support the contention of those who opposed the plan that no-fault would encourage reckless driving by failing to hold anyone responsible for a collision.

The problems that Massachusetts faced under its old system of auto insurance are essentially those that face every state in the union. The traditional system of compensating victims of two-party automobile accidents consists of two main parts: First, it requires the victim of an accident to prove that the other party was at fault and that he, the victim, was blameless. Second, it provides that if the victim can win the fight over fault, he is entitled not only to his actual losses (medical expenses, lost wages, and so forth) but compensation for his pain and suffering—that is, for the emotional distress that presumably goes along with the injury.

The system's gaping holes are obvious. In the vast majority of auto accidents, it is impossible to prove definitively which party was at fault. Poor highway design, weather conditions, lighting and a host of other factors play a role in many accidents. Furthermore, trying to determine what pain and suffering are worth is often impossible. What, for example, is a prolonged backache worth? Three dollars a week? Thirty? Three hundred? Nobody can really say, but today in the states that retain the fault system, judges, juries, lawyers, investigators, claims adjusters, doctors and other members of the tort fraternity spend thousands of hours and millions of dollars each year fighting over that very question.

The result of this inefficient and wasteful system is that a staggering amount of money is paid by policyholders simply for the expense of running the system. In Massachusetts, fully 55 cents of every premium dollar was never returned to the consumer in the form of payments for injuries suffered in accidents. Instead, it was paid to all of the people required by the system to "prove" who was at fault and to argue over the dollars-and-cents value of pain and suffering. The 55-per-cent overhead figure compares with 3 per cent for Social Security and 7 per cent for Blue Cross-Blue Shield. In other words, it is eight times more expensive to settle auto insurance claims under the tort system than it is to handle a payment under common forms of health insurance.

But the huge overhead expense is not the only factor contributing to the spiraling cost of auto insurance in America. A study completed in 1968 by the American Insurance Association revealed that the tort system can be extremely profitable for the trivially injured victim. According to A.I.A., a person injured in an auto accident who sustains actual losses of less than \$100—and these are the great majority of claimants—will on the average receive more than seven times his dollar losses.

Conversely, the A.I.A. found that the more serious one's injury, the less one receives relatively. In fact, those persons whose medical expenses and lost wages exceed \$10,000 because of very serious injuries do not on the average even receive their out-of-pocket

losses, let alone something for pain and suffering.

Because the tort system requires an injured victim to prove that the driver of the other car was at fault, there are many cases in which a seriously injured or crippled victim of an automobile accident receives little or nothing. He may have been perfectly innocent; his injuries may have been severe. But since he cannot prove in court that the driver of the car that hit him was negligent, he receives absolutely nothing from that driver or his insurance company.

The need for reform is obvious. It was even more obvious in Massachusetts than in most states. Here, a 1927 law had made auto insurance compulsory. With motorists in the state spurred on by the knowledge that every car involved in an accident was covered by some insurance company, Massachusetts achieved the unenviable distinction of having the highest claims frequency in the country—twice the national average. This resulted in a lucrative free-for-all in claims settlements, in which a backache or a "whiplash neck" could prove to be a financial bonanza for a driver with minor injuries, who was often healed by a generous settlement.

Progressive lawyers, legislators and consumer spokesmen around the country have been aware of this problem for years. Insurance rates were skyrocketing, and no end was in sight. But until 1966, no serious and feasible alternative had been proposed. In that year, the first real breakthrough in the fight to reform auto insurance was made. Professors Robert Keeton of Harvard Law School and Jeffrey O'Connell of the University of Illinois College of Law, after a three-year study of the problem, presented a blueprint for change in a book entitled "Basic Protection for the Traffic Victim."

Keeton and O'Connell are both specialists in insurance and personal-injury law. Both had tried cases at the bar before beginning their teaching careers. Their recommendations urged the complete scrapping of the existing tort-liability system in all but the most serious cases. In its place they proposed the adoption of a new system of motor-vehicle insurance under which, as in the case of health-and-accident or homeowners' insurance, an injured victim would be paid by his own company for his actual medical expenses, lost wages, and out-of-pocket losses, without regard to fault. The same policy would pay his passenger or a pedestrian injured by him.

Each motorist, under what Keeton and O'Connell called the "basic-protection plan," would be required to carry a policy which provided up to \$10,000 for any one person and \$100,000 for any one accident in this no-fault, economic-loss coverage. Suits between parties would be prohibited except in cases of serious injury that had caused a loss of more than \$10,000 or pain and suffering of more than \$5,000. In these cases—and they are only a tiny fraction of the total claim volume—the injured person could sue the operator of the other vehicle in the hope of receiving a court award, just as he would under the tort system.

The advantages of the Keeton-O'Connell plan seemed obvious to many Massachusetts legislators. The vast majority of accident victims would be paid promptly by their own insurance companies for their actual losses. Court congestion would probably be reduced, exaggerated and nuisance claims would be largely eliminated, and the cost of premiums would be drastically cut as a result of administrative savings and the elimination of payments for pain and suffering in small cases. Innocent victims who sustained serious injuries and could not collect because they were unable to prove fault under the existing system would be entitled to compensation up to the no-fault limit, and seriously injured persons who were able to prove fault

could sue the wrongdoer and still collect their basic-protection benefits promptly, while awaiting the outcome of their lawsuits.

In Massachusetts, where the system was even further out of control than in most states, complaints about auto insurance were deafening. Legislators were constantly asked about their failure to come up with a better auto-insurance system—and at times berated for not doing so. Yet, until Keeton and O'Connell produced their plan, no legislator in Massachusetts or any other state could really give irate constituents a suitable alternative.

Keeton himself was deeply involved in the planning of the Massachusetts drive for no-fault insurance. He met frequently with the original legislative sponsors of the bill and helped put it in a form suitable for Massachusetts. Both he and O'Connell testified at length before the Insurance Committee of the Massachusetts Legislature. Their willingness to iron out problems which arose during the debate over the bill and their ability to work with an increasingly interested Legislature were critical in the effort to win passage of the new plan.

In March, 1967, the Insurance Committee reported out the basic-protection bill (later to become known as the "Keeton-O'Connell," or "no-fault" bill) with a recommendation that it be killed. The bill had not attracted widespread attention, and it was expected to die a quiet death in the Legislature. On Aug. 16, 1967, however, its sponsors moved on the House floor to substitute the basic-protection bill for the unfavorable committee recommendation. To everyone's surprise—and to the consternation of insurance executives and trial lawyers—the House passed the bill by the overwhelming vote of 130-85. In an unprecedented display, the House membership broke into loud cheering and applause upon passage of the measure.

While it is probably fair to say that many of the legislators at that first vote were unfamiliar with the details of the bill, they were under pressure from their constituents to do something to lower auto-insurance rates. The basic-protection bill seemed like the answer. Public reaction to its passage of the bill was overwhelmingly favorable. But three weeks after House passage, Gov. John Volpe announced that he would veto the measure if it came to his desk. All the forces that had not taken the bill seriously until its surprising House passage jumped into action to kill it in the State Senate. After massive lobbying by the trial bar, some segments of the insurance industry and Governor Volpe, the bill was defeated by a vote of 27-8.

In 1968, the measure once again died in the Senate. In its place was substituted legislation authorizing a study of the basic-protection system. By the time the Study Commission released its findings in 1970, political realities in Massachusetts had changed. Governor Volpe had joined the Nixon Cabinet. He had been replaced by Republican Lieut. Gov. Francis Sargent, who had no announced position on the plan. Lobbyists fighting the plan were beginning to show signs of battle fatigue, some going so far as to label it a Communist-inspired plan to undermine the Bill of Rights by taking away the citizen's right to sue. The Study Commission finally recommended that no-fault be applied to property-damage insurance only, and thus did not offer any substantial relief to the state's motorists.

The issue had become a political hot potato. By April 1970, Governor Sargent, then a candidate for a full term, endorsed the idea of no-fault by saying that he would support a reasonable bill and by directing his staff to work with key legislators to produce a sound compromise. The Democratic Senate President, also a candidate for Governor, announced his support of the bill. Beginning

to get frantic, lobbyists had their pet Senators try during late-night sessions to amend the bill to death and to introduce meaningless substitute plans.

Finally, a compromise plan was passed, with only minimal tampering by the Senate. In the election year's greatest political coup, Sargent signed the bill on statewide television, declaring that he wasn't frightened by insurance company threats to leave Massachusetts if the bill was approved. He has since agreed with many Democrats that TV appearance played a significant part in his successful campaign for election.

As finally passed, the Massachusetts bill is solid and workable. It provides for payment of up to \$2,000 in medical benefits and lost wages by the victim's own company without regard to fault. It provides the same benefits for pedestrians injured by the insured or passengers riding with him. Only if the victim's medical bills exceed \$500, or if the accident results in death, loss of a body member, permanent and serious disfigurement, loss of sight or hearing, or a fracture, can he sue the other driver.

As in the past, auto insurance is compulsory. Each motorist must insure his car with the basic no-fault coverage. In addition, he is required to carry a minimum liability coverage of \$5,000 for any one person and \$10,000 for any one accident to cover seriously injured victims, and he may carry more liability insurance to protect himself against large claims, just as he did under the old system. He may also decide that he and his family are already well insured under their own health-insurance policy and that he therefore needs no-fault coverage only for injuries that he causes to others. In that case he gets a substantial premium reduction over the basic rate.

Let's see how the new system would work in a particular case. Suppose, for example, that Mr. X is in an intersection collision, that he is bruised and shaken up but not severely injured, that he misses part of a week's work and loses \$50 in pay not covered by sick leave or salary, and that he sees his doctor immediately after the accident, incurring medical expenses of \$35.

Under the Massachusetts law, Mr. X can expect to be paid the amount of his medical bill (\$35) by his own insurance company within days after he submits the bill. He gets this payment even if his medical bill is actually paid under other medical insurance such as Blue Cross-Blue Shield, unless he has elected not to receive his no-fault benefits. Also, Mr. X can expect to be paid promptly by his own company for 75 per cent of his wage loss. (Since insurance benefits are tax free, 75 per cent of wage loss should be roughly equal to take-home pay in most cases.) If he later has any additional lost time from work or medical expense resulting from the accident, he can expect payment in the same way from his own company, soon after he submits his bills.

In a case such as this, not involving serious injury, he does not have any claim against the other driver or the other driver's insurance company. He handles the entire matter with his own company and does not need a lawyer.

In contrast, under the old system his own company would have had no responsibility for his wage loss, and none for his medical expense. Mr. X would have to make his claim against the other driver and the other driver's company. To collect, he would have to show that the other driver was at fault. If Mr. X succeeded, however, he would be able to get something for his pain and suffering in addition to the reimbursement of his medical and wage loss. If he had a lawyer to represent him, he would have to pay the lawyer about one-third of whatever he recovered.

Now let's assume that Mr. X is seriously injured, incurs medical bills of more than

\$500 and is out of work for several weeks. He may proceed to collect all of his medical and hospital bills and 75 per cent of his lost wages—up to a maximum of \$2,000—from his own company, without a lawyer. He may, however, sue the other driver as well, just as he did under the old system. If he collects in that suit, the money he recovers will be reduced by the amount he has already collected from his own company.

The new plan not only spares the victim long delays in recovering some of his costs but also makes a striking difference in auto-insurance premiums for the average motorist. In 1970, before the coming of no-fault, the average Boston car owner paid \$117 for his basic coverage; if the no-fault system had not gone into effect, he would have been paying \$150 for the same coverage in 1971. Instead, he paid \$99.50 in 1971 for his basic coverage and \$74 in 1972. If he has good health insurance and wage security and chooses not to receive benefits for himself and his family, he will pay only \$52.

There have been additional savings on other kinds of personal injury coverage which many motorists ordinarily buy. Medical-payments insurance, for example, which pays a motorist and members of his family for their medical expenses in the event of an automobile accident, is no longer necessary. Furthermore, "extra-limits" liability coverage above the \$5,000-\$10,000 amount contained in the new Massachusetts basic coverage is 15 per cent cheaper than it was in 1970. (Under both the old and new systems, this fuller liability coverage was optional.)

Property and physical damage were not included in the final no-fault bill largely because of the political clout of certain insurance companies which wrote large amounts of property damage coverage for assigned (high) risks and made money by refusing to pay claims brought against their insureds by motorists whose cars had been damaged by them. Since the new plan required insurers to pay damages to their own policyholders, these companies felt—probably correctly—that they would lose customers if they continued to play their traditional game with property-damage claims.

As a result, rates for property-damage insurance rose 38 per cent in 1971. Physical-damage insurance (fire, theft and collision) rose 27 per cent. Yet, even taking those increases into consideration, most motorists in Massachusetts are paying less for their auto insurance today than they paid in 1970.

One of the mistakes of the original drafters of the bill, in fact was to underestimate the savings that no-fault would bring to the public. Insurance rates for 1971 were set on the assumption that claims would rise slightly; in practice, they have dropped sharply. The number of bodily injury claims dropped 13,000 (48 per cent) during the first nine months of the system's operation. The average settlement per claim dropped 61 per cent, from \$419 to \$165.

It is possible, then, that the insurance companies will walk away from 1971 with a multimillion dollar windfall in excess profits, although attempts are being made to force the companies to refund at least a portion of the unexpected largess. In 1971, the Legislature acted to prevent this from happening again. New legislation was enacted which permits the Insurance Commissioner to recoup excess profits by slashing rates in any year which follows a year in which he finds that the earnings of the companies have been unreasonable.

"Even if the companies prevail in all the court cases and walk away with \$30-million or whatever it is," the Insurance Commissioner John Ryan explains, "it won't happen again, and it shouldn't happen in other states. There's no reason constitutionally why rates for the first year under a new no-fault system can't be set provisionally."

Ryan, a young lawyer who was appointed soon after Sargent's election, had before that lobbied for passage of the no-fault bill as counsel to the Massachusetts Association of Independent Insurance Agents and Brokers. Like most analysts, he now views the new system as a success. "The amazing thing about the bodily injury bill," he says, "is that after all that fighting, it's pretty damn good."

He is hesitant to place much stress on the drop in claims, however. "We still don't know about claims. Here in Massachusetts the number of claims is down substantially, but we aren't sure whether that will hold or whether it should hold. The theory of no-fault is that people are entitled to compensation, that they shouldn't be discouraged from making legitimate claims. We're still projecting a 20 per cent increase in claims, and if the decrease holds, we can get it back. As the plan becomes better understood, you can't expect any decrease in claims unless in particular states there has been very serious abuse of the old system."

Ryan is also impressed that "there is no indication of any trouble with insufficient payment or slow payment. We get an awful lot of complaints in this office. But we haven't had one about payment problems under no-fault. The companies have set up a very efficient uniform system for making payments—about the only worthwhile thing they have come up with on their own," Ryan says, remembering the industry's attempts in the early days to sabotage no-fault.

One of the concerns expressed by some of the proponents of no-fault was that a pattern of \$501 medical bills would emerge because victims were looking for the chance to bring the other guy into court to make some money. It hasn't happened, says Ryan. "Our fraudulent claims bureau is picking up indications of padding by certain doctor-lawyer combinations, but that's nothing new. We don't see many people trying to jump over the \$500 threshold."

Encouraged by the success of no-fault for personal injury, the Massachusetts Legislature last year passed the law that extended the new system to property damage. Under the new plan, every motorist must purchase very inexpensive liability coverage to pay for damage to property other than automobiles—when, for example, he backs into somebody's picket fence—or for damage to out-of-state cars.

If he wants to be protected against damage to his own car, he may—but is not required to—buy one of two kinds of coverage. The first, called "all-risk" coverage, will, subject to the deductible of his choice, pay him for any damage to his car without regard to fault. The second, called "restricted" coverage, will pay him only if the other driver was at fault or if his car is damaged under certain specified circumstances—for example, when it is parked, or when it is struck in the rear by another vehicle moving in the same direction.¹

Benefits under both alternatives are paid by the driver's own insurance company. And if the insurance company does not pay him within 15 days after he submits reasonable proof of damage, a court may order the company to pay him twice his actual damage and attorney's fees.

The new law does away with all claims and suits between Massachusetts motorists for property damage. No longer does a driver have to chase his adversary's insurer for weeks and months to recover for a bent fender. His own company will pay him under either the "all-risk" or "restricted" coverages.

¹ In this respect "restricted" coverage is much like the type of coverage in other states under which a car owner's company agrees to pay him for injuries caused by an uninsured car, but only if the uninsured motorist was at fault.

Moreover, while the savings are not as dramatic as they have been for bodily injury insurance, most Massachusetts motorists will be paying less for their property-damage coverage under the new system than they would have been paying under the old.

Unfortunately, the Legislature, apparently in an effort to discourage frivolous small claims, had provided for mandatory deductibles of at least \$50 under both the "all-risk" and "restricted" coverages. When the new law went into effect in January, Commissioner Ryan was suddenly flooded with complaints from car owners who found that they could not collect for the first \$50 worth of damage to their car, even when someone else was entirely to blame.

Ryan moved quickly to eliminate the problem. He obtained the agreement of the insurance companies to provide the first \$50 of coverage on an optional basis for a few additional dollars, and the complaints have subsided. Ryan himself wonders now whether the mandatory deductible provision should have been included in the 1971 bill. "In theory it made eminent good sense," he explains, "but I'm afraid it's been widely misunderstood and very inaccurately reported in the press. There have been complaints about it, but maybe people are thinking about insurance for the first time, and they're questioning some things that have always been true."

An industry spokesman, John O'Connor of the Insurance Information Institute, says that "the companies are delighted with the actual operation of the system." He agrees with Ryan that "the claims will be back," but he foresees the possibility of some further consumer savings as a result of lessened administrative expenses for the companies. "There have been no dollar savings in underwriting, but some savings in loss adjustment may develop as time goes on," he says. To the often-heard charge that no-fault has caused the wholesale dismissal of claims adjusters and other insurance personnel, O'Connor answers: "It just hasn't happened. Some people have been shifted to other responsibilities, but this talk about so many people being let go just isn't accurate."

One very serious problem that no-fault proponents had pointed to was the huge number of court cases which must be tried under the fault system in courts that are already overburdened with other matters. Affirming in a court decision that no-fault insurance was constitutional,² Justice Paul Reardon of the Massachusetts Supreme Judicial Court spoke directly to this issue:

"No one who has for any time been in charge of a trial court system (as was the author of this opinion for a number of years) can be unfamiliar with the devastating effect upon the administration of justice which the automobile has produced. The courts with their scarce resource of time simply cannot respond to new challenges or meet the new requirements imposed on them in criminal matters as long as their time continues to be consumed to the extent it has been by motor-vehicle accident cases. The problems of society to which the courts have been called no longer permit the luxury of using them as a forum for resolving the ever-increasing numbers of automobile accident claims. . . ."

² In another state, Illinois, a no-fault law was recently declared unconstitutional. The Illinois Supreme Court had not given the reasons for its decision as this article went to press. But the Illinois law differs in numerous respects from the Massachusetts one (for one thing, it excludes taxis and trucks from compulsory coverage) and it is possible that the court decision was on narrow technical grounds that can be easily repaired by the Legislature.

Reardon noted statistics showing that as much as 60 per cent of the lawsuits in Massachusetts trial courts were for motor-vehicle cases, which he called "a cancer to be rooted out in American courts."

Because so many cases initiated under the fault system are still before the courts, it is difficult to determine the effect of no-fault on crowded calendars. One in-depth study is under way, however, and preliminary data from a few courts indicate that the number of cases is down significantly. The hallways of the Suffolk Superior Courthouse in Boston, once jammed with tort lawyers, are now relatively empty. Indeed, with tort practice decimated by the no-fault system, the organized trial bar is as critical as ever of the reform.

"Ninety per cent of tort cases are gone," explains Mrs. Kathleen Ryan Dacey, president of the Massachusetts Trial Lawyers' Association. "I had a woman call me just today from the hospital. Her whole abdomen is bruised, her hips are in bad shape she's spent about \$150 for X-rays, but there's no fracture. This probably would have meant a \$3,000 settlement."

That \$3,000 settlement would have depended, of course, on whether the woman could prove that the other driver was at fault. Under the no-fault system, she will get only her medical and hospital expenses, and 75 per cent of her lost wages, but she will get them from her own company quickly and without having to share them with a lawyer.

Mrs. Dacey's organization and others like it are holding seminars to retrain lawyers for medical malpractice suits and other tort cases, "but there really aren't any new fields of law," she points out. "You can go to a big firm, but most of them don't want trial lawyers. The only other place to go is government, and they only have a limited number of places. We've always had a bad general liability law in this state, and now that may go no-fault, too. They're talking about no-fault divorce and no-fault medical-malpractice insurance. I've been advising trial lawyers to find places in Federal, state, and local governments." (Mrs. Dacey herself has recently been appointed an Assistant District Attorney.)

Besides claiming that no-fault abrogates "the common-law right of a person guaranteed by the Constitution to sue a wrongdoer," Mrs. Dacey has written that the law is "discriminatory," in that a person with a \$501 medical bill may sue for pain and suffering whereas a person with a \$499 medical bill cannot. Further, she cites the hypothetical case of a child who suffers brain damage, is kept out of school for several months and may have his aptitude for study seriously impaired; he would receive no compensation beyond his medical bills and other out-of-pocket losses, she asserts. This assumes that a child with serious brain damage will not incur medical expenses of more than \$500, which is hardly likely.

The American Trial Lawyers' Association, a national organization with headquarters in Cambridge, has also tried to discredit the system. One of their most publicized—and revealing—attempts was a public opinion poll recently released by the Opinion Research Corporation of Princeton, N.J., which A.T.L.A. officials at first denied then later admitted that they had commissioned. On the surface, the poll lived up to its headline, "Massachusetts Accident Victims Consider No-Fault Unfair." The interviewers asked 501 auto-accident victims a series of questions about their opinions on settlement of such cases. One of the results reported was that "77 per cent say that they would favor a system whereby the driver or his insurance company would be required to pay damages in proportion to the degree of fault of the driver in causing the accident."

Among other findings, the survey purported to show that "62 per cent say it's unfair that under the Massachusetts no-fault insurance system neither the driver at fault in the accident nor his insurance company would have to pay for any of their losses." Respondents were asked: "If you were disabled in an accident and lost the use of some part of your body, do you think the other driver or his insurance company should or should not have to pay reasonable compensation for your disability?" Naturally enough, 91 per cent said that the other driver or his company should. Respondents were not asked whether they would be just as happy to have the money come from their own company.

Commissioner Ryan believes no-fault auto coverage sets the stage for other insurance reforms. "For example, it should make it much easier to sell auto insurance on a group basis. We've got some legislation in on that. We're beginning to see what we can do and what we can't. Maybe our threshold ought to go up to \$700 down, down to \$300. Once we have some experience here and with other states, we'll be able to work on a factual basis rather than a theoretical basis.

"Ultimate logic suggests an all-out no-fault plan, but we'll have to wait and see. We're going to need some better way of dealing with seriously injured victims, for one thing, and I don't know what the answer is there."

The "ultimate logic" that Ryan mentions also seems to point to the necessity of enacting a national no-fault system. A patchwork of 50 different plans, some good and some bad, will not solve the auto-insurance mess. Rather, it seems far more sensible for the Federal Government to produce a set of uniform standards for state no-fault plans, answering the questions that are being debated in state legislative chambers across the country, such as: What should be the benefit limit? Can no-fault somehow be extended to the seriously injured victim? Should we allow victims to sue if they sustain a minor fracture (as Massachusetts does)? Should we allow them to sue if they lose a bodily function as minor as the full use of a little toe, something which is not permitted in Massachusetts but is under the new Florida system? Should property damage be covered by no-fault insurance?

There has been some interest from Washington. Transportation Secretary Volpe has become a convert to the no-fault idea; Senators Philip Hart and Warren Magnuson have introduced the national no-fault bill, and extensive hearings have already been held on the measure. In New York, the Legislature is weighing two no-fault bills, one backed by Governor Rockefeller that is much like the Massachusetts plan and another that is favored by negligence lawyers. What is likely to emerge is a compromise plan that will preserve more or less of the tort-liability system.

Massachusetts officials learned through painful experience that Band-aid reform cannot hope to change a system so shot through with decay as the tort-liability system. Other state legislatures are learning the same lessons, and much-needed pressure is being put on Congress to act.

During the Progressive era, there was a great deal of talk about the states being laboratories for change. In a time when the Federal Government seems to be having trouble just keeping up with the treadmill of social progress, the states must begin to think of themselves as proving grounds for important reforms. The Massachusetts experience demonstrates that states can lead as well as follow. In this as in so many other policy areas, however, Congress must become the arena in which significant national reform is enacted.

CHALLENGES IN AMERICAN EDUCATION

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. HAWKINS. Mr. Speaker, I am honored to share with my colleagues in the House the brilliant and thought-provoking ideas on American education by Vivian W. Henderson, the distinguished president of Clark College in Atlanta, Ga.

The address was delivered at the recent National Policy Conference on Education for Blacks in Arlington, Va., on March 31, 1972:

TEXT OF ADDRESS BY VIVIAN W. HENDERSON

In coming before you today I find myself on both familiar and unfamiliar ground. The most recent part of my life has been that of scholarship and educational administration removed from the hurly-burly of politics of every day life. Another part has been that of a political activist in the South. But we have had to face a few things in the colleges in recent years, and my experience as an educator gives me some sense of what it means to be confronted on a regular basis by people who disagree with my programs, criticize my motives, and disturb my routine.

But I didn't come here to try to tell you about my political involvement nor about how difficult my job is. I came, instead, because I have some realization of the difficulty of our time, and because I wanted to add my voice to those of many others in praise of the stands that the Congressional Black Caucus has taken on some of the most significant issues in American society and add my support to the work underway by the Congressional Black Caucus. The Congressional Black Caucus has no equal in the Congress of the United States in defending the underdog and in insisting that all Americans of whatever race, color, or creed not only have equal rights but also require positive action by national government to insure that those rights are available in their daily lives. Members of the Congressional Black Caucus understand better than most people through the experience of being black in 20th century America that putting rights on paper doesn't bring them to the people. The Congressional Black Caucus is a powerful voice in the battle to move from words to action. I trust and hope that that voice will never be stilled or grow tired, and I pledge you my support as you courageously pursue the important business of helping black Americans turn the guarantees of the law and the Constitution from promises to reality.

I am an economist by profession and a college president by accident—and what a hell of an accident. At any rate, I must unfortunately confess that I come before you today from the world of education. Because I come from the world of education, and this is a conference on educational policy, I want to talk about that world. There are other realms of housing, of political rights, of economic opportunity, that may be equally important, but except for economic problems I can't speak of them with the same authority. For 25 years, I have been in direct touch with America's schools and colleges, and with the problems black people have in them, and it is with the knowledge gained from this experience that I make bold to take advantage of the time you have given me tonight. In doing so, I want to comment on five items to which I give highest priority. All are

matters that have been, are, or will be before you for major consideration. All carry with them the hopes, and fears, and future of black people, and of white people as well, in the American republic. I stress this point about white people because I think we blacks sometimes forget, in focusing so intently on our own very real problems, that it isn't only our future that is tied up in the problems we have of achieving equality in American society. It is also the future of everyone else in that society. A man we all respect once said that this nation cannot exist half slave and half free. Neither can it exist in a condition that keeps most of the whites affluent and most of the blacks poor or that opens the doors of education more generally to whites than to blacks. Such a condition is a fundamental denial of the most treasured principles of this republic, and unless we make progress on remedying it, both the principles and the republic will have no meaning for anyone, black or white.

I said that I wanted to talk to you on five matters which have been, are, or will be on your agenda. Let me tell you briefly first what they are and then make some comments upon each:

1. The first is the need to reduce racial isolation in our schools by every possible means.

2. The second is the absolute requirement that we transform the schools in our urban centers so that they serve more effectively the children who attend.

3. The third is the importance of finding ways to pay for our schools that will guarantee quality education even where property values are low, and that will make Uncle Sam a more vigorous partner of state and locality in supporting elementary and secondary education. In advocating this, and here I speak as an economist, I have a deep concern that some simplistic approach like the so-called "value-added tax" will be foisted on our people under the banner of reform, thus charging the poor people proportionately more than the rich for the costs of schooling.

4. Fourth, I would address myself to the education issues now before the Conference Committee of the House and Senate in regard to Federal support of higher education.

5. Fifth and finally, because of the commitment I have to the kind of institution I now lead, I must speak to you of the significance of America's traditionally black colleges and the obligations I see for the Federal Government in insuring their health.

I know that I am trying to cover too much in trying to talk about all five of these items. Each is a speech in its own right. But I don't get the chance to give the Congress of the United States my free advice very often, and so I decided, as the farmer said, "to dump the whole load."

I turn now to my first point about the importance of the effort to reduce racial isolation in our schools. In all the talk there has been about the evils of busing, I haven't heard enough about a fact that has been documented by scholars, verified by our Supreme Court and widely accepted by a growing proportion of Americans—the simple proposition that racial segregation, however caused, creates for its minority group victims a permanent sentence to second-class citizenship. There is no way to make racially segregated schools equal schools and more important there is no way to undo in later life the disqualifications imposed by racial segregation. No amount of money, no combination of additional teachers and new buildings and special services, no compensatory program can provide the racially isolated minority child with the kind of education to which he has a right as an American citizen.

This is not the prejudiced opinion of a

black man seeking special interests. It is the considered judgment of the best minds both black and white with the best available information. By every test we know, it is the truth.

We know also, of course, that the truth is not always popular, and today in the United States one of our central issues is whether we Americans have the guts to face the truth about racial isolation or not.

Demagogues among us are raising all sorts of red herring about busing. They are awakening emotional feelings that may be good politics in the short run, but that are bad Americanism in both the short run and the long. You and I must be vigilant, forceful, united, and courageous on this subject. More than the schools are at stake. The free society that many Americans have given their lives to create can never be built on a doctrine of accepting racial separation in the name of convenience and personal preference.

Some of us here grew up in the South and many South and non-South were bussed to segregated black schools by law. We are denied the right to go to the white school next door. Apparently that was "good busing." The fact is, of course, that in and of itself busing is neutral. It is neither good nor bad, unless it is excessive. It offers a way to get to an educational institution which may be worth the trip or not because of its characteristics—not the characteristics of the bus ride. No racially segregated institution is worth a bus ride; many integrated institutions are worth it. And this goes whether it is blacks going to the white school or whites going to the black school.

I know that some will point their fingers at me and say, "Yes, but you are running a separatist college, a traditionally black institution." I say to them that my college, and others like it, has been open and continued to be open to all comers. We have blacks and whites in our student body and our faculty, although a preponderance of blacks.

I say also, that the process of bringing about integration in America seems for some reason always to involve the black man in joining white institutions run by whites, and I am proud of the fact that I run a black institution, which, as it integrates, will have *black leadership*. Integration must be a two-way street.

I know, also, that there have been some blacks in recent years who have advocated a new kind of separatism on black initiatives. To me that view is self-defeating. We blacks need the identity and the confidence which comes with running some of our own affairs and providing leadership for significant enterprises. This we have already demonstrated in several areas of business, in the newspaper and magazine fields, in education and other areas. In the long run separatism and racial exclusion denies equality. But we must not confuse black leadership, management, control and involvement with racial exclusion by philosophy and design. There is nothing wrong with having black institutions. The pluralism of our society demands the perpetuation of such institutions. But there is much wrong with black institutions that are racial exclusive. I think W. E. B. DuBois made the point many years ago when he pointed out that the true test of democracy in this country would not come by eliminating that which is black from our midst but only when blacks and whites, black institutions and white institutions, can live and function side by side and respect and interact with each other not on the basis of color and race but on the basis of worth as human beings and as human institutions. So I ask you to support the legislation for emergency Federal school aid to assist with integration of the schools and to mount all possible pressures against crippling, anti-busing amendments.

If this country were to pass a constitutional amendment to enable legal segregation

of schools, as has been seriously proposed, it would set race relations back more than 50 years. The only recourse for blacks, who would thus be denied the protection of the Constitution, would be in that fundamental document which reads in part, "... whenever any form of government becomes destructive of these ends (life, liberty, and the pursuit of happiness) it is the right of the people to alter or abolish it..." I refer, of course, to the Declaration of Independence.

While I am no expert on the *inner-city schools*, I know two things about them to be facts. One is that they are increasingly populated by black children, and the other is that they are underfinanced and sometimes ineffective institutions. I am not going to attempt here to explore in detail all the complexities lying behind these facts. But I do believe that you hold in your hands a portion of the solution to the problem of the city schools. The amount of Federal money those schools get and what they can use it for is decided in the halls of Congress. No decision that you make has more important implications for the future of America.

It is fashionable these days to be critical of the Federal efforts in providing additional monies to the schools by saying that the Federal programs have failed. The fact is that the programs have been too small and have only just gotten started. Educators don't know very much about how to overcome through schooling the handicaps that 100 years or more of deprivation and denial of rights have imposed on poor people and black people. They never turned their attention to this matter in any responsible and vigorous way until five or six years ago. It is unreasonable to expect our schools to have solved quickly problems that were 100 years and more in the making.

What I hear from my friends in the world of elementary and secondary education is that these past five years of trial and error, of experimentation, and, indeed, of some wastage of Federal resources have begun to make more clear the kinds of things we have to do if the city schools are to serve the children in them.

Early on in the school reform movement of the 1960's we had the simplistic idea that remedial add-ons to the school program would somehow change everything and made children with massive handicaps suddenly successful. Now we know that without changing the entire program of the schools, re-training the teachers, re-thinking the curriculum, and above all, altering the human relationships that exist there, we are probably not going to get anywhere. To do these things will require still more money and more time than we have invested to date. But there will be more hope in what we do from now on because we have had the opportunity to learn a few things.

So I urge you not to give in to the beguiling argument that the educators have failed. The fact is that the educators have just started to learn. They are now beginning to design and to try out the kinds of fundamental changes that are necessary. It is the duty of Congress and the Congressional Black Caucus to make sure that the resources they have from the Federal Government get to the people who need them the most—the poor people and the black people of both our urban and rural areas.

The present administration is making all sorts of plans for what is called "revenue sharing". In effect, this means giving the money to the states to let them do with it what they will. If that is done, I'll tell you where it will go. *It will go to the people who have political power in the states and not to the poor people and the black people.*

One of the great things about the Federal education programs of the 1960's—the Elementary-Secondary Education Act, the Headstart program, the Follow-Through program, and others—is that they were directed

to the concerns of those who were down-and-out in American society and most needed help. So I ask you to think twice about the proposition that the Federal Government has no place in the schools except by turning its money over to the states. I shudder when I think about how some state governors, county commissioners and mayors in the south would do with free unrestricted money coming to them from Uncle Sam. One thing I feel sure of, the poor and the black would come up with the short end of the stick. Black people know so well that state government has provided them precious little for the last 100 years and that the Supreme Court of the United States, the Congress of the United States, and a couple of presidents have done more to bring them long-denied rights than all the other institutions in society put together.

It is imperative, therefore, that we keep Federal programs that focus sharply on the problem of poor people in the schools and that we fund them adequately. This need for adequate funding brings me to my *third point*, the much talked about *value-added tax*.

While President Nixon has apparently not proposed this instrument officially, it is clear that his cohorts are working hard to give it respectability and that it has been floated in an effort to attract the votes of property holders. Make no mistake about it: the value-added tax is nothing but a national sales tax. As such, it is regressive. It takes proportionately more money from the poor than from the rich. It would be an affront to low-income Americans, too many of whom are black.

One of the sad commentaries about our society during the last 25 years is the increasingly regressive nature of the tax structure. Local, state and federal taxes have placed disproportionate burdens on the poor in financing public responsibilities. Whatever else it is called a value added tax is a national sales tax to be disproportionately paid by the poor.

Joseph Alsop predicted in his December 10 column that this tax would raise the ire of the "true blue liberals". I don't know what that phrase means. But I know that I'm a black liberal and that this proposal masquerading as a relief to property taxpayers, will move money from the have-nots to the haves and won't necessarily help the schools. So if this notion surfaces in the Congress, I hope you'll have the nerve to see it for what it is—a *raid on the poor man's and the black man's pocketbook*, regardless of the tricky phrases persons in positions of power and influence may issue.

The way to get more money into all our domestic social programs, including education, is to use the greatest instrument of public policy and social policy this country has ever devised, the progressive income tax. Sad to relate, when the present administration took office, the first thing it did was to abolish the surtax and increase the privileges of corporations. In effect, it passed a relief bill on behalf of the rich, and now it proposes to have us consider a tax bill which will send the bill for social programs to the poor. We must be vigilant on these matters.

The *fourth item* on my agenda is the general problem of *adequate financing for higher education* in the United States. In this area there are two broad issues—1) how are we going to make it possible for every person who wants and can benefit from higher education to have that opportunity; and 2) how are we going to maintain a healthy, diverse set of institutions interested in changing their programs to meet the constantly changing needs of society.

The great Federal role in higher education that has developed over the past 15 or more years has been primarily in response to the first of these items. It has been stated by both Democratic and Republican presidents that the first obligation of the Federal Govern-

ment in higher education is to provide equality of access and equality of opportunity regardless of a student's race, or culture, or financial circumstances.

The programs that have been devised in the Congress have made Congressional Black Caucus and members of the Congress have made significant progress toward this goal, but there is still room to do more. The Senate-adopted higher education bill now in the Conference Committee is a major new step in providing the kind of help poor people need to go to college. In addition, it provides some significant assistance to the colleges themselves by awarding to those colleges that attract Federally-aided students additional funds to help support the institutions. In essence a college is rewarded for providing opportunity for low income students. It provides an incentive for institutions to enroll the poor black student and it certainly helps the black college. This seems to me a totally valid concept and vastly to be preferred to the rather unimaginative and rigid approach found in the House of Representatives bill. That legislation would simply pay colleges on the basis of the number of students they happen to have regardless of their economic status. It would, therefore, rigidify the existing set of institutions in the United States and have little effect on calling forth imaginative responses from colleges in the service of those new classes of people now for the first time having the opportunity to reach for higher education.

Having said this, I have to say also that I am enough of a political realist to believe that a Conference Committee of the Congress can't go all one way. So I suggest that you use your influence to guarantee that the program that emerges for higher education has at least half of its financing based on the Senate-sponsored principle, and the remainder on the idea that has emerged from the House of Representatives for direct pay-off on enrollment.

Finally, I want to comment on the situation of the institutions I represent, at least in the symbolic sense, the predominately black colleges of this country. These institutions have been short-changed by every funding agency there is, public and private. In the lean years of the first half of the 20th century they existed on northern philanthropy, as white Southerners took the view that the Yankees wanted to educate the blacks, so let them pay for it. In the period of the 1960's when most of higher education knew unprecedented growth and prosperity, the black colleges continued to suffer, and they suffer now.

In 1969 we established an organization of black colleges with the name National Association for Equal Opportunity in Higher Education. Our objectives were to provide a voice for black higher education, to actively participate in the development of public policy in higher education and to bring pressure to bear on public and private sources of funding for higher education with the objective of getting a greater share of the funds to flow into the black colleges. Out of the 4 billion dollars of federal funds, black colleges get less than 4 percent, somewhere in the neighborhood of 120 million dollars. Out of the ----- million dollars in corporate giving to American higher education, black colleges get about 2 percent; out of the ----- given by private foundations, black colleges get only about ----- We need more, we are entitled to more, and we must get more.

About two years ago the present national Administration made a \$30 million gesture to the black colleges, but that's all it was. It involved the rescheduling of funds that had already been appropriated. Virtually all was in the form of loans. The timing and nature of its administration were such that few of

the neediest colleges could benefit from it. But at least it was a recognition that the problem exists.

Now I am happy to say that the President's budget contains more than a gesture for the coming year, and I applaud Mr. Nixon for this development. Title III of the Higher Education Act, the Developing Institutions Program, has been augmented by some \$40 million. I have heard that a large proportion of these funds is intended for the traditionally black institutions, although I know of no guarantee to that effect. It seems to me that one of the greatest services you could perform would be to use your influence in ways that will insure the effective flow of these new monies to a group of institutions in dire need, and which include the most important set of institutions under black control and leadership in this country. Their record is clear, it is unmistakably a great record, they are an important national resource. They continue to this day to graduate 70 percent of all black college graduates in the country. Their future is important to all of us.

On our part in the black institutions, I say to you that we will use funds coming to us not just to prop up ailing and inefficient programs, but to devise new efforts leading to new, expanded and better career opportunities and options for young blacks. This \$40 million is not enough to do the job, and it will have to be repeated and increased year after year if a real dent on the problems is to be made. In addition, private philanthropy from many sources will have to do its share. But I am heartened by the existence of this item in the Federal budget, and I hope that with your guidance and appropriation will not only be made but it will be used to provide the kind of help we need.

One of the problems we face in black education, both in college and in elementary and secondary schools, is the absence of structural vehicle or mechanism by which to continually bring the best thought to bear upon the problems. We do not have a firmly established research base which can continually set forth problems, solutions and policies for black education. This is unfortunate and is not right. Significant pressures can be brought to bear on funding agencies, public and private, on policy makers and the educational establishment itself, only to the extent that proper information is available on what is going on. I believe, therefore, that the time is long overdue for the establishment of a well-financed and well-staffed Commission on Black Education under the leadership of blacks with the express purpose of dealing with the problems and finding solutions and recommending policy regarding the education of blacks. This Commission should be privately endowed and have the freedom to act and move according to policies and programs the Commission sets for itself. Let us give some thought to this proposal, and I urge your support of the idea.

I count it an extraordinary privilege to have been given this opportunity to speak to you. There is nothing I can say which will adequately convey my appreciation for the work of the Congressional Black Caucus. The hopes and fears of all Americans are sorted out in these settings from day to day. This is a time and perhaps a place of destiny, and you as black members of the Congress are men of destiny, and those of us in the black public march with you. The degree of your success with the kinds of programs I have been discussing will really determine whether the United States of America becomes the land of promise for all its people, or tends to drift, as it does now, in a limbo somewhere between the hopes of tomorrow and the discouraging actualities of today.

NEED FOR CONGRESS TO PRESCRIBE STRONG TREATMENT FOR AILING FOREIGN AID PROGRAM

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. MOORHEAD. Mr. Speaker, I would like to call to the attention of my colleagues and the American public sections III and VI of House Report No. 92-718 "U.S. Economic Assistance for Laos—Stabilization Programs," correspondence dated March 13, 1972, from the Agency for International Development, and a letter from me—as chairman of the Foreign Operations and Government Information Subcommittee—further pointing out the fallacy of the stabilization program in Laos and again calling upon the Agency for International Development to bring its Laos stabilization program under control.

Copies of the fiscal year 1973 "Congressional Presentation for Security Supporting Assistance" and other programs administered by the Agency for International Development were delivered to my office last Friday, April 7, 1972. The Agency for International Development is again calling upon the American taxpayer to provide another \$18 million for the Laos "Foreign Exchange Operations Fund." Additionally, the Agency wants \$19 million for a "Cambodian Exchange Support Fund." For Vietnam, the Agency is proposing that the American taxpayer provide \$50 million for an "Economic Support Fund" and \$75 million for an "Economic Development Fund."

The FEOF-type cancer has now spread into the U.S. funded economic programs in Cambodia and Vietnam. Our foreign assistance program is thus becoming less healthy each year. It will be the inexorable responsibility of this Congress to prescribe treatment for our ailing foreign assistance program and insist that the prescribed treatment be strictly followed; otherwise, the U.S. foreign assistance program will surely expire.

In an effort to make the utmost use of studies made by the Foreign Operations and Government Information Subcommittee during the last year, I have provided much of the aforementioned data to the Members of the House and Senate foreign assistance authorization and appropriation committees. It is important to the world that the United States remain in the foreign assistance business. It is equally important that our foreign assistance programs be conducted with the utmost of wisdom and efficiency.

Mr. Speaker, at this point I would like to insert in the RECORD sections III and VI of House Report No. 92-718, correspondence dated March 13, 1972, in reply to House Report No. 92-718, my letter dated March 23, 1972, further pointing out the fallacy of the Laos stabilization program, and a recent article on this subject by Tammy Arbuckle which appeared in the Washington Star on April 9, 1972.

The articles follow:

Excerpts From House Report No. 92-718 U.S. Economic Assistance for Laos—Stabilization Programs

III. CASH GRANT PROGRAMS BUDGETARY SUPPORT

The initial U.S. cash grant program started, with the independence of Laos, in 1955. By 1961, when the program was finally phased out—as an undesirable AID program—the United States had provided outright cash grants of \$208 million to the RLG. These cash transfers could be used to pay for imports or services, of any sort, which were not provided under foreign aid donor commodity import programs; end up in the RLG Central Bank or Laos commercial bank reserves; or be held—as a result of capital flight—in personal funds or bank accounts outside of Laos.

The purpose in providing outright cash grants was simply to support the RLG budget. Without foreign exchange, the RLG could not provide the hard currency necessary to obtain the imports not necessarily essential but nevertheless desired by the Lao people nor could it provide the foreign currency needed to pay for RLG governmental operations abroad; international postal, telephone, and telegraph service; schooling of Lao nationals who were studying abroad; and so forth. The United States was overly generous and soon Laos was filled with many luxury goods not really essential to the living standard of the average lower and middle class Lao. It became apparent that certain selected individuals were quickly becoming wealthy—at the U.S. taxpayers' expense—and they were able to open bank accounts abroad or buy gold for a rainy day. The United States was unable to audit the RLG's expenditures and, therefore, had no assurance of what the local currency, which was being soaked up with U.S. dollars, was actually used for.

During the first 6 years of its existence, the RLG was able to open 10 embassies in the free world plus three in the Communist bloc countries. By 1961, the RLG had accumulated more than sufficient foreign exchange reserves for its immediate needs. During the foreign assistance appropriations hearings for 1964, before the House Committee on Appropriations, AID officials readily admitted that the Lao Government had purchased almost \$2 million in gold from the United States in 1961 and that this had been made possible by the United States multi-million-dollar cash grants to Laos. U.S. officials had freely given them the U.S. taxpayers' dollars "needed" to sustain the Lao people. The RLG had not only managed to save some of the U.S. taxpayers' dollars but was wisely buying our gold with "their" savings.

The House Committee on Appropriations repeatedly asked what the RLG was doing with the millions of dollars of cash grants being given to them. Without audit rights, however, our officials simply had no way of knowing. Finally, in 1961, AID closed down its cash grant program for Laos. The program had cost the U.S. taxpayers \$208 million but, unfortunately, it was not a lesson well learned. AID officials testified¹ in June 1963 that they had given up their aid program of budget support for a "well controlled" commodity import program for Laos. Less than 6 months later, however, AID and the RLG concluded agreements whereby AID agreed to provide the foreign exchange required to support both essential and nonessential Lao needs.

LAO STABILIZATION PACKAGE

With the cessation of cash gifts from the United States in 1961, the RLG found itself in a quandary. Its foreign exchange reserves were quickly depleted. The RLG was faced with extreme economic difficulties created by

¹ Hearings on "Foreign Operations Appropriations for 1964," p. 255.

high prices of basic commodities, the disparity between the official rate of exchange and the black-market rate, and the uncertainty caused to its business community and the 500,000 people in the Lao monetized sector by the wide fluctuations in the value of the kip and prices. The RLG decided to enter into new programs to stabilize its economy. It had to come up with the foreign exchange needed to obtain essential commodities for the Lao monetized sector, to pay its foreign currency expenses abroad, and also to provide the dollars desired by its people for luxuries and other nonessential purposes.

Commodity import programs were rapidly established to supply essential commodities needed by the Lao monetized sector. As shown in section IV of this report, fraud and corruption quickly developed in the U.S.-financed commodity import program for Laos. Small commodity import programs provided to Laos by Australia and the United Kingdom were subjected to the same abuses and both of these donors terminated their commodity import programs in 1968.

As shown in section V of this report, the United States financed the foreign exchange expenditures of the RLG abroad until the U.S. Congress strongly questioned the wisdom of a small country such as Laos maintaining governmental activities abroad costing amounts far in excess of its potential foreign exchange earning power. This program terminated in 1969. Currently, financing of these costs is made possible by the Foreign Exchange Operations Fund for Laos.

One additional element was needed to make the Lao stabilization package complete. That was a program to provide the foreign exchange desired for nonessential purposes by the 500,000 people in the monetized sector of Laos. Such a program was brought into being with the establishment of the Foreign Exchange Operations Fund for Laos (FEOF).

FEOF—WHAT IT IS AND HOW IT WORKS

FEOF was established in December 1963 in accordance with arrangements developed between the International Monetary Fund, the RLG, and foreign aid donors to Laos consisting of the Governments of Australia, France, Japan, the United Kingdom, and the United States. The sole stated purpose of FEOF is to stabilize the exchange value of the Lao kip. To the extent that Lao importers are able to consistently trade the same amounts of kip for the same amounts of foreign exchange, prices of imported goods in Laos tend to remain relatively stable. Since the establishment of FEOF, the program has permitted the importation of luxury goods and has undoubtedly led to capital flight. This is so because no controls were imposed upon the expenditure of FEOF funds. Quite candidly, an AID assistant administrator stated, shortly after the program was established, that "FEOF was * * * set up to meet

the demand for foreign exchange for non-essential purposes."

In reality, FEOF is nothing more than a money changing operation. Through FEOF, the market value of the Lao kip has been artificially "pegged" at 505 kip for each U.S. dollar.² The exchange rate remains static simply by FEOF buying and selling kip and dollars in sufficient amounts to meet the demand at the 505:1 price level. Stabilization in Laos is as simple—and artificial—as that. Not too surprisingly, U.S. participation in FEOF started—like many questionable U.S. assistance programs—without the blessing of the U.S. Congress. U.S. contributions to FEOF for 1964 and 1965 were made from funds which AID had requested for financing the commodity import program for Laos.

BUDGETARY SUPPORT IN DISGUISE

At the end of each year, sufficient kip is transferred from FEOF to the RLG to balance the RLG's budget. As with the previous U.S. financed budgetary support programs for Laos, foreign aid donors are unable to examine the RLG's actual expenditures and, therefore, have no real assurance as to the actual use of the kip being soaked up by FEOF and provided to the RLG for budgetary support. In this regard, FEOF has the same exact shortcomings as the previous U.S. multi-million-dollar budgetary support program.

BASIC FEOF DEFICIENCY

While FEOF generally has accomplished the purpose for which it was established—monetary stability—and done so to a greater extent than previous commodity import or cash grant programs, FEOF nevertheless contains a basic fault which could well make it unacceptable for U.S. funding. There are absolutely no controls over use of foreign exchange obtained from the fund. Through FEOF, dollar exchange is available to anyone—Communist and non-Communist alike—for any purpose including capital flight and procurement of nonessential luxury goods from any source—including Communist countries. As communistic Pathet Lao and North Vietnamese are able to acquire kip, they can readily exchange it for U.S. dollars. FEOF readily provides a means for corrupt Lao officials and other profiteers in Laos to convert ill gotten kip to U.S. dollars. FEOF, in reality, promotes rather than discourages fraud, corruption, and dishonesty.

SKYROCKETING COST OF FEOF

Within its first year of operation, sales by FEOF increased markedly due to a lack of confidence in the kip. As foreign aid donor commodity import programs were drastically cut or terminated because of widespread abuses, the demands on FEOF for foreign exchange grew even more. Essentially all of these increases were met by additional U.S. funding as shown in the following schedule.

(In millions of dollars)

Donor	1964	1965	1966	1967	1968	1969	1970	Total
Australia.....	0.4	0.4	0.8	0.6	0.8	0.7	0.7	4.4
France.....	1.7	1.3	1.7	1.7	1.7	1.7	1.7	11.5
Japan.....		.5	1.7	1.7	1.7	1.7	2.0	9.3
United Kingdom.....	1.7	1.7	1.7	1.7	1.7	1.7	1.7	11.9
United States.....	4.0	8.0	13.7	13.8	17.7	19.9	19.9	97.0
Totals.....	7.8	11.9	19.6	19.5	23.6	25.7	26.0	134.1

RATIONALIZATION FOR INCREASED U.S. CONTRIBUTIONS

AID officials rationalized the increases in the U.S. contributions to FEOF on the basis that subsidized commodity import programs were being substantially curtailed. By funneling the U.S. taxpayers' dollars through FEOF, the United States was able to soak up 505 kip for each dollar instead of 240 kip under the commodity import programs.

In response to questioning by subcommit-

tee Chairman William S. Moorhead, an AID official replied³ that "there has been an upward shift in the average rate of all official

² The Lao kip was devalued to 600 for each U.S. dollar in November 1971.

³ Hearing before the Foreign Operations and Government Information Subcommittee, "Economy and Efficiency of U.S. Aid Programs in Laos and Cambodia," July 12, 1971, p. 70, hereinafter cited as hearing.

rate and open market foreign exchange (FEOF) transactions so that the Lao consumer is generally paying more for imports now than he was in 1964. To this extent there has been a "de facto devaluation" and a partial shift of the cost of inflation to the Lao consumer. When gasoline was transferred from the U.S. import program to the open market, for example, the effect was to raise the price of gasoline and reduce consumption."

With the shift of Lao commodity imports from the 240:1 rate to the 505:1 rate, however, also came a 100-percent increase in wages in Laos. While FEOF was soaking up twice as much kip as the commodity import programs, a significant increased amount of kip was being pumped into the Lao economy because a large segment of the monetized sector is made up of military and civilian employees salaries. To the extent that some imports were still available at the 240:1 rate, the Lao importers and merchants profited even more; and, thus, there was an even further demand on FEOF to get their additional profits out of the country.

As shown in section IV of this report, raising Lao importation prices on gasoline had the effect of equalizing Lao and Thai gasoline prices and, thus, the incentive to re-export gasoline to Thailand was eliminated. With the reexport market gone, the importation of gasoline into Laos naturally dropped off.

U.S. officials, by shifting from the U.S. financed commodity import program to FEOF, effectively removed what little control that may have existed over the expenditure of the U.S. taxpayers' money provided to Laos. Although this was done for the attempted purpose of increasing monetary stability, controls to limit type and quantity of goods imported, sources of supply, and end-use checks by U.S. auditors to ensure that the U.S. taxpayers' gift to the Lao people was efficiently and economically used were all casually eliminated by U.S. officials. Without these controls, our officials simply had no basis to file claims for any future irregularities in U.S. financed importation of commodities into Laos—because any future irregularities were effectively concealed.

U.S. financial support to the 500,000 people in the Lao monetized sector—costing the U.S. taxpayers millions of dollars yearly—has, for all practical purposes, reverted to unrestricted cash grants; a form of assistance clearly deemed untenable by the United States in 1961 when the previous cash grant programs for Laos were phased out.

If effective controls could have been imposed on a commodity import program, something that has proved impossible to date, such a program could have been operated at the same rate of exchange as FEOF and could have produced the same degree of stability. There are those in AID who will contend that U.S. financed commodities are simply not competitive in Laos unless provided under a subsidized rate of exchange. As shown in section IV of this report, however, their views are simply unsupported.

WHERE THE FEOF MONEY GOES

Over the past 4 years, officials of the U.S. aid mission to Laos (USAID/Laos) have been repeatedly asked for information on uses made of foreign exchange supplied to FEOF. Essentially, their answers have always been the same. In response to a 1967 U.S. General Accounting Office inquiry, the USAID/Laos mission director replied that "we regard it as unlikely that any reporting system imposed upon users of FEOF will elicit reliable data as to the use of foreign exchange obtained through that mechanism. We have made vigorous efforts to secure such data; the results have not proved to be worth the effort." The director further stated that "the amount and extent of capital flight cannot be directly measured."

AID inquiries directed to the mission in 1970 and 1971, seeking information on possible capital flight from Laos, resulted in a mission reply that "foreign transactions of the Lao economy are too inexact to provide any firm evidence and measure of Lao capital flight." On the basis of the very limited data available, however, the mission did advise that over \$50 million in foreign exchange made available to the public by the Lao banks during 1967-70 could not be accounted for by commodity imports into Laos. All or any part of this \$50 million may well represent capital flight as a result of the fraud and corruption which exists in Laos.

USAID/Laos officials have been well aware of the shortcomings in fiscal management and control of funds within the Lao Government and have considered it necessary to perform certain purchasing functions for the RLG because of the lack of integrity of some of its personnel. Mission officials were aware over 2 years ago that prices paid by RLG agencies for locally purchased commodities were as much as 20 percent higher than prices charged on the local market because of the need for merchants to make kickbacks, not only to obtain the order but also to get paid after delivery of the merchandise. Currently, there are four RLG officials awaiting trial for embezzling large amounts of kip—which could readily be exchanged for U.S. dollars through FEOF.

Instances after instance of outright theft and corruption have been forcefully brought to the attention of our AID officials. They are fully aware of the total lack of control over the FEOF operation. Nevertheless, they are obsessed with the need to generously give the U.S. taxpayers' money to FEOF to obtain the kip needed to balance the RLG's budget. Years ago, AID officials advised AID/Washington that there are "ever-increasing demands on the Foreign Exchange Operations Fund * * * because of the deteriorating RLG budgetary situation."

By mid-1971, with AID still pumping millions of the U.S. taxpayers' dollars into FEOF, USAID/Laos reported that "FEOF sales reached new heights * * * commercial imports remaining low, evidently the demand for exchange for uses other than to pay current imports of goods has been increasing."

Over the years, the United States has spent over \$400 million of the U.S. taxpayers' money to stabilize an economy for less than a half million people. It becomes increasingly apparent that congressional action is required to insure economy and efficiency in our stabilization efforts in Laos.

VI. PROGRAM OVERHAUL NEEDED

CONCLUSIONS

U.S. Government programs designed to stabilize the Lao economy over the past 15 years have been basically uneconomical for the United States and have promoted rather than curtailed fraud and corruption. The value of the Lao currency has been maintained, in recent years, not by any true measure of monetary stability in Laos but simply by foreign aid donors to Laos, mostly the United States, artificially controlling the Lao currency market by buying and selling kip at a fixed price. If the exchange rate rises, kip is bought, if the rate declines, kip is sold back into the Lao money market. Stabilization of the kip is as simple and artificial as that.

The system has provided an excellent vehicle for the Lao importers to import luxury goods for sale, at sizable profits, in Laos, Thailand, and Cambodia. As Lao officials were able to acquire kip, they were able to convert it to hard currency and transfer it to accounts in other more secure countries. Without such convertibility—which is mostly financed by the United States—the kip would hardly have been worth acquiring.

If we are to help the Lao people, a major overhaul of our aid program for Laos is necessary beyond any doubt. Competent personnel need to be assigned. They will need to be thoroughly versed in the shortcomings of the economy and efficiency of our previous programs in Laos and will need to take a realistic approach if we are ever to be successful in our foreign assistance programs for Laos. AID officials in Washington will need to constantly monitor the Laos program to prevent slippage.

Our foreign assistance programs for Laos have contained all the elements needed but our excessive generosity has precluded any real and lasting success. Where a shopping bag was needed, we sent a truck load.

U.S. Government programs for Laos provide food and equipment for the Lao military. Other U.S. programs provide essential government services, such as agricultural development, education, health care, and road maintenance. Still other U.S. programs provide full support in the form of food, clothing, and shelter for Laos refugees. Yet, in addition to all this, we have also saddled the U.S. taxpayers with multi-million-dollar "stabilization" programs to support the monetized sector of Laos, which consists of no more than a half million people. The Lao stabilization programs may have been more successful had they been more limited in size, more efficiently administered, and more firmly coupled with stringent RLG fiscal and monetary controls. Most of the Lao people have not benefited from these programs, only a wealthy few. If our AID program in Laos is to be economical and efficient, it simply must be brought under control. Determinations need to be made as to kind and amounts of commodities actually needed by the Lao monetized or sector—and these commodities need to be supplied from U.S. sources. Controls need to be established to insure that the economic assistance financed by the U.S. taxpayers is properly utilized and benefits the Lao people generally rather than only a selected few.

If fraud and corruption cannot be prevented, then there simply is no basis for a U.S.-financed program.

It is relatively obvious that our partners have never really bought the FEOF stabilization program. As the costs of the Foreign Exchange Operations Fund skyrocketed, our partners have not been willing to increase their contributions; the U.S. taxpayers picked up the tab for the additional input into the fund. Nor has there ever been adequate information or controls to insure the efficient and economical use of the U.S. taxpayers' gifts to the monetized sector of Laos.

From a U.S. Government viewpoint, the beneficial aspects of the FEOF program in providing a degree of economic stability may have been outweighed by the lack of effective controls—leading to the importation of non-essential luxury goods, capital flight, and the acquisition of dollars by Communists.

France, for all practical purposes, has been using FEOF to acquire the kip needed for its local expenses in Laos. Japan has reserved its kip being acquired through FEOF for future uses and has indicated that it will not increase its contributions to FEOF. Australia and the United Kingdom are—in all probability—also looking for ways to gracefully rid themselves of FEOF. Action to establish a properly controlled program is long past due.

Unrestricted cash grant programs of the types funded by the United States in Laos are uncontrollable and lack assurance that the foreign assistance is efficiently and economically used and, therefore, deserve little consideration in our foreign assistance program. Every grant or loan given by the U.S. Government should clearly be for a specific and definite purpose and adequate controls should be established to insure that the U.S.

taxpayers' money is specifically used for the intended purpose. Anything less than this is an open invitation to fraud and corruption.

It's been said¹ before that "this type of administration of this (AID's) program is making us look utterly foolish in the eyes of friend and foe alike."

RECOMMENDATIONS

1. The United States, in assisting Laos to achieve stability, security and development, must devise programs which are far more effective and economical than those of the past. There is a need to develop programs which assure the Laotian people a supply of essential commodities necessary for maintaining a reasonable standard of living, but without facilitating smuggling, corruption, or the importation of nonessential goods. There is a need to develop fiscal and monetary stability, including the imposition of an adequate tax structure and a realistic exchange rate, while preventing the misuse of foreign exchange or an unacceptable burden on the U.S. payments balance. There is a need to assist in the planned development of the Laotian economy, in cooperation with other developed nations, while sharing equitably in the award of sponsored projects and in the supply of goods. Finally, there is a need to establish effective controls and restrictions to assure that the programs so established are working according to plan—something unachieved to date.

To accomplish the above, it is essential that far more information be obtained about the workings of the Laotian economy and society, about consumption habits, about types and quantities of commodities required, and about many other necessary factors. Too often in the past, the United States has been operating in the dark in Laos and has made serious mistakes as a consequence. Neither a commodity import program nor a foreign exchange stabilization program nor a cash grant program has proved satisfactory. The fact is that no acceptable solution has yet been found. In the meantime, the U.S. taxpayers have been subjected to an unfair burden. There is a vital need for AID to initiate studies immediately and intensively with other U.S. agencies, the International Monetary Fund, other international agencies, and with other nations to develop programs that will assist the Laotians in achieving their goals and objectives, but in keeping with the economic needs of the United States.

For almost two decades, U.S. financial assistance has been misused in Laos. The American taxpayers have grown tired and disgusted in seeing their money spent in Laos on nonessentials, luxuries, hoarding, and corruption. AID must assign highly competent personnel under top priority status to develop and recommend to Congress—within 90 days—new programs which will accomplish the goals and objectives outlined above with regard to U.S. assistance efforts in Laos.

2. AID must press for a satisfactory conclusion to negotiation of fair and equitable, freight rates for commodities transported through Thailand to Laos. AID should also conduct appropriate cost audits to insure proper freight charges. If this matter cannot be satisfactorily negotiated—now—with the Thai Government, consideration should be given to making appropriate reductions in U.S. economic assistance to Thailand.

3. AID should also insure that commodities provided for construction of the Nam Ngum Dam in Laos are fairly priced. As the U.S. Government provides 50 percent of the \$30 million required for construction of this dam, it is imperative that AID insure that the funding provided is properly spent.

4. The Committee on Government Operations further suggests that the Foreign As-

sistance Authorization and Appropriation Committees of both the House and Senate consider amendments to Foreign Assistance Authorization and Appropriation Acts specifically prohibiting the use of unrestricted cash grants except in those instances where specifically and separately authorized by the Congress.

DEPARTMENT OF STATE,

AGENCY FOR INTERNATIONAL DEVELOPMENT,
Washington, D.C., March 13, 1972.

HON. WILLIAM S. MOORHEAD,
Chairman, Foreign Operations and Government Information Subcommittee, Committee on Government Operations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am pleased to enclose detailed comments on House Report No. 92-718 of the Committee on Government Operations regarding our economic stabilization assistance to Laos.

These comments sketch the political and economic context within which we must operate in Laos and then respond to the four recommendations made in your report.

Your letter of February 18 to Assistant Secretary of State Abshire indicated special interest in that part of Recommendation No. 1 which states: "A.I.D. must assign highly competent personnel under top priority status to develop and recommend to the Congress—within 90 days—new programs which will accomplish the goals and objectives outlined above with respect to U.S. assistance efforts in Laos."

A.I.D. people highly competent to evaluate U.S. assistance efforts in Laos in relation to U.S. goals and objectives have reexamined these efforts most carefully. They have discussed the report with senior officials of the International Monetary Fund (IMF), on whose expert advice the Foreign Exchange Operations Fund (FEOF) was established, and with representatives of other governments contributing to FEOF. The results of this evaluation are set forth in the report which is attached.

In addition to the evaluation which was carried out, we are seeking to improve on certain aspects of the FEOF operation through the negotiation of the agreements which will govern FEOF during this calendar year. As soon as these agreements have been concluded, we will be pleased to provide the Committee with a summary of the results, including any changes or improvements which are incorporated.

Sincerely,

MATTHEW J. HARVEY,
Director, Office of Legislative Affairs.

AID COMMENTS ON HOUSE REPORT NO. 92-718

RECOMMENDATION NO. 1

This recommendation states, in part: "The United States, in assisting Laos to achieve stability, security and development, must devise programs which are far more effective and economical than those of the past. . . . there is a need to establish effective controls and restrictions to assure that the programs so established are working according to plan. . . . Neither a commodity import program nor a foreign exchange stabilization program nor a cash grant program has proved satisfactory. . . . There is a vital need . . . to develop programs that will assist the Laotians in achieving their goals and objectives, but in keeping with the economic needs of the United States . . . A.I.D. must assign highly competent personnel under top priority status to develop and recommend to the Congress—within 90 days—new programs which will accomplish the goals and objectives outlined above. . . ."

COMMENTS

Importance of Lao political and economic stability

As was stressed by the United States in the recent communique issued by President

Nixon and Chinese Prime Minister Chou En-Lai at Shanghai, a primary objective of U.S. policy in Indochina is that the peoples of the area should be allowed to determine their destiny without outside intervention. The Nixon Doctrine, which provides for a reduction in direct U.S. involvement in Indochina, assumes the continuation of U.S. military and economic assistance to permit these nations to survive. An essential element of this policy is the maintenance of an independent Laos, neutral within the framework of the 1962 Geneva Agreements, and capable of defending itself against North Vietnamese aggression. Essential to this objective is the political stability of the Royal Lao Government, for which economic stability and progress are indispensable.

North Vietnam, although a party to the Geneva Agreements, has openly flouted them by sending to Laos approximately 100,000 soldiers, who deny control of almost half the territory of the country to the Lao Government. In these extremely precarious circumstances, the stability of the Royal Lao Government has been a remarkable achievement which serves U.S. interests by contributing substantially to the prospects for the just and lasting peace we seek in Southeast Asia.

We do not believe that the current degree of political stability could have been preserved had there been serious economic upheavals during the period. We doubt that the government of Prime Minister Souvanna Phouma could have resisted as successfully as it has the political and military pressure resulting from the North Vietnamese invasion if it had also been faced with serious economic disruptions. In addition, it is this government, headed by the Neutralist Prime Minister, which can, better than any foreseeable alternative, facilitate on the international as well as the internal scene progress toward a political settlement for the entire area.

Scope of economic stabilization problem

The war in Laos has forced upon the Royal Lao Government military and civilian expenditures greatly exceeding its revenues. In FY 1971 the RLG expended 19.2 billion kip but collected revenues of only 7.5 billion kip (\$38 million and \$14.9 million, respectively, at the then open market rate of 505 kip to \$1). Thus revenues amounted to only 39 percent of expenditures.

The essential problem confronting the foreign assistance donor governments is how and to what degree to transfer resources to Laos in order to help meet the resource gap of the simple and very unsophisticated Lao economy, with a scarcity of personnel trained or experienced in fiscal, monetary or other types of management. The Committee Report describes the difficulties of the earlier stabilization programs in Laos. The RLG could not play an effective policing role under either the direct cash grant program or the large commodity import program. The former provided too many opportunities for misuse of funds; and the latter, ill-suited to the Lao market with numerous small importers and with many of the eligible commodities not meeting real demands of the Lao economy, afforded too many possibilities for re-export and other abuses.

Current economic stabilization program

In light of the above experiences and on the recommendation of the International Monetary Fund, the current stabilization program, with the Foreign Exchange Operations Fund (FEOF) its core, was established in 1964.

The U.S. had abandoned its direct cash grant program in 1961. With the advent of FEOF, the U.S. substantially reduced its commodity import program; only \$700,000 is being devoted to commodity import financing in FY 1972 and the U.S. plans to devote no more than \$500,000 to this program in FY 1973. Australia and the United Kingdom ter-

¹ Representative John J. Flynt, Jr. Hearings on "Foreign Operations Appropriations for 1964," p. 269.

minated their commodity import programs in 1969. In FY 1969 the U.S. terminated its "invisibles" program, under which it had helped support the RLG foreign exchange budget by providing foreign exchange to help the RLG finance its official expenditures abroad.

FEOF sells foreign exchange contributed by the U.S. and four other donors—Australia, France, Japan, United Kingdom—for local currency which is removed from circulation either permanently or for limited periods. In this way FEOF counteracts inflationary pressures created principally by RLG deficit spending, which is financed by borrowing from the National Bank of Laos.

The terms of the donors' contributions and the fiscal performance expected of the RLG are fixed by written agreements between the donors and the RLG. In addition, the donors and the IMF Resident Representative, on a continuing basis, advise the RLG with respect to fiscal and monetary policy and performance.

Stabilization success of FEOF

Once FEOF got under way, its success in holding down price increases was striking. The Lao general price level, which had risen by 147 percent in 1963, rose by only about 8% a year, on the average, over the period 1964-1970. It remained constant in 1971 until the November devaluation mentioned later in these comments.

Indeed, the Committee's report notes (on page 5) that "FEOF has generally accomplished the purpose for which it was established—monetary stability."

Cost of stabilization

The Committee, however, expresses concern over the "skyrocketing cost of FEOF" (page 5).

The Committee's report contains, on page 5, a table of contributions to FEOF from its inception in 1964 through 1970. From 1968 on, these figures do not agree with—and are higher than—our own, perhaps because the Committee may have included estimates of U.S. purchases through FEOF in those years of local currency for the procurement in Laos of rice for refugees. (The foreign exchange thus made available to FEOF is a FEOF resource but over time does not have a net stabilizing effect because an equivalent amount of local currency is spent for the rice. We finance these purchases of local currency from our refugee relief program rather than from FEOF funds.) Our own figures on FEOF contributions for those years plus 1971 are shown in the first section of the attached table.

Further, a different picture emerges when one looks not at FEOF contributions alone but at total stabilization assistance. The attached table shows, in addition to FEOF contributions, the cost of all donors' commodity import programs and the cost of the U.S. "invisibles" program terminated in FY 1969. (These two types of costs are readily available only on a fiscal year basis rather than the calendar year basis on which FEOF contributions are made.)

Our table shows total U.S. stabilization assistance in 1970 (the last year included in the Committee's table) only \$300,000 higher than in 1964 and substantially lower than in 1966, 1968 (the peak year) and 1969. It shows that the U.S. FEOF contribution increased by \$4 million in 1971 over 1970 but that our total stabilization contribution for 1971 was still less than in 1968. We would also note that in 1969 \$500,000 and in 1971 \$1,000,000 of our FEOF contribution did not represent net additions to our overall economic assistance but came from funds made available from our refugee relief program as the result of Japanese provision of rice we would otherwise have bought for refugees.

Controls on FEOF foreign exchange

The report also criticizes the absence of controls on the use of FEOF foreign ex-

change. It states (on page 23): "Every grant or loan given by the U.S. Government should clearly be for a specific and definite purpose and adequate controls should be established to insure that the U.S. taxpayer's money is specifically used for the intended purpose."

The U.S. contributions to FEOF are clearly for a specific and definite purpose—economic stabilization. Adequate controls do exist to insure that these contributions are used for this purpose. This purpose is achieved, as we have explained above and in presentations of proposed A.I.D. programs to Congress and in Congressional hearings, by the sale of FEOF foreign exchange for local currency which is retired from circulation either permanently or for limited periods.

One of the principal reasons for the establishment of FEOF was precisely that it would not involve import or exchange controls, difficult to administer effectively in most countries, and judged to be, like the previous cash grant program and the large commodity import program, beyond the administrative capacity of the Royal Lao Government. Moreover, limitations on the purposes for which FEOF foreign exchange may be used would result in more local currency remaining in the Lao economy and therefore increased inflationary pressure. Particularly in view of these factors and the fact that, as constituted, FEOF has been achieving its purpose, we do not consider it advisable to require such controls, the cost of which would add to the RLG budgetary deficit that constitutes the principal inflationary pressure in Laos.

The Lao Government cannot purchase dollars from the Fund without the express agreement of the donor governments. The Committee, however, charges fraudulent acquisition of kip by individual RLG officials who then use the kip to buy FEOF foreign exchange. We recognize that corrupt acquisitions of kip within the Lao Government have sometimes occurred, and we can not state absolutely that they will not re-occur. But policing of kip expenditures is essentially an internal matter for the Royal Lao Government, and we feel that the RLG approaches this problem seriously.

The interest of the RLG in improving its capacity to audit kip transactions was demonstrated by the recent activation and staffing of a National Audit Commission with broad fiscal surveillance powers. The Commission has embarked on a program of expenditure audits and our Mission reports that the Commission is taking a strong approach to its work.

The four RLG officials mentioned in the report (page 7) as awaiting trial for embezzlement have each received three and one-half year prison terms. Since then another RLG Treasury employee has been charged and is in prison pending trial. The Treasurer of the RLG has expressed the opinion that he has now cleaned up all such embezzling activities in the Treasury. In a recent private sector case the RLG moved swiftly and decisively to apprehend, jail and prepare court action for embezzlement against a Lao employee of a U.S. petroleum company.

It is not correct that, as the report states on page 5, "foreign aid donors are unable to examine the RLG's actual expenditures". Since 1966 at least one U.S. and two third-country national advisors have worked within the Ministry of Finance and have devoted about one man/year annually solely to expenditure analysis, the balance of their time being devoted to revenue analysis, budget preparation, and other technical assistance. Another U.S. advisor was added in January 1972 and is spending a large part of his time on expenditures. The IMF Resident Representative spends full time on analysis, consultations and advisory services over the entire range of fiscal and monetary problems of the RLG. As a sovereign government the RLG of course retains final control of its records, but access to information has rarely been hampered or denied.

Improving the situation

We have not reviewed with complacency the fact that the FEOF component of our stabilization costs has increased over the years. Although our contribution in CY 1969 was somewhat less than in CY 1968 and again dropped in CY 1970, it went up again, by \$4 million, in CY 1971. This was the result principally of the inability of the Royal Lao Government to keep its budget deficit in check. Revenues lost through the great diminution of gold imports and therefore of gold import duties were not sufficiently offset by increases in other revenues, and expenditures were not sufficiently curbed to prevent a substantial increase in the RLG budgetary deficit.

With this budgetary situation and with demand on FEOF increasing, the RLG on November 8, 1971, at the recommendation of the International Monetary Fund and with the support of all FEOF donors, took courageous remedial measures. It devalued the kip from 505 kip to \$1 to 600 kip to \$1, substantially increased customs duties on luxury goods and other non-essentials comprising about one-third of all imports, and froze government salaries, military and civilian, for at least five months. FEOF demand did not quickly recede, one reason apparently being that numerous members of the Lao business community continued to draw heavily on FEOF out of fear that another devaluation might follow.

The revenue—increasing effects of the new customs rates and the full effects of the devaluation on the economy and on FEOF demand are not yet clear. FEOF demand has somewhat receded, however, in CY 1972. Sales over the first nine weeks amounted to \$4,605,000 (a weekly average of \$511,666) as against sales of \$5,110,000 (a weekly average of \$567,777) over the corresponding period of 1971.

At the present time, the U.S., the other donors and the IMF are working intensively with the RLG to devise techniques for curbing the RLG budget deficit and keeping FEOF demand within available and expected resources. We also hope that means can be found to reduce FEOF demand further in future years, although we cannot predict what financial requirements the war will place on Laos in the future.

Fiscal performance

The Committee mentions as ways to reduce the RLG resource gap improving the tax structure, changing the exchange rate and assisting in the planned development of the Lao economy.

One of the highest priority concerns of the A.I.D. Mission in Laos is to improve RLG fiscal performance. Success in some areas has been achieved but not enough to offset unfavorable developments in other areas. Non-customs revenues have increased by about 48 percent since 1968. Part of this increase was achieved by putting into effect recommendations of a tax expert sent to Laos by the IMF in 1970. But these gains were more than offset by the steady fall-off of tax revenues from the gold trade through Laos which followed the introduction of the new price system for gold in March 1968. As a result, total revenues were less in FY 1971 than they were in each of the previous three fiscal years. During the same four-year period expenditures rose due to increased veterans and dependent benefits and increased expenditures on economic and social development activities. The overall result was an increasing deficit.

We are hopeful that the new import duties will have a salutary effect on RLG revenues, and we are giving the RLG considerable technical help in customs collection, but we are not relying on those measures alone. We have recently stressed to the RLG at high levels the necessity to take all other measures possible to expand revenues and

to avoid any but absolutely essential expenditures. We trust the newly activated National Audit Commission will be helpful in the latter regard.

Although we must not underestimate the difficulties or time required in developing the capacity of the Lao Government in fiscal administration (the RLG became fully independent only in 1953, and very few Lao were involved in the colonial administration), we are hopeful that with the urgings and help of the other donors, ourselves and the IMF the budget deficit can be held within limits that will not exert undue pressure on FEOF.

Exchange rate

As to changing the exchange rate, we have mentioned that this was done in November 1971. This appeared necessary at that time, but the general price level has since risen by about 20 percent in spite of RLG price controls. The experience since November 1971 shows the limited ability of the RLG to control prices. Further price increases stimulated by another devaluation would add to the pressures that already exist for increases in military and civilian salaries which would in turn increase the Government's budget deficit unless revenues could be increased correspondingly. We feel, therefore, that the best course of action at this time is to concentrate on effective means to keep the budgetary deficit down.

Economic planning

Laos is classified by international organizations and students of development as one of the least developed countries in the world. It is recognized by the USG, other donors to Laos and the RLG itself that some economic development of the country must be undertaken concurrently with the highest priority programs—economic stabilization, refugee assistance and maintenance of essential RLG services.

In 1969 with USAID assistance the Commissioner of the Plan published the first economic development plan the RLG had ever prepared. The Plan identified, organized within priority sectors, and costed out development projects the RLG desired to see implemented, and tentatively indicated the proposed source of funds for the project where possible. The Plan Cadre, as it is called while imperfect and by no means all inclusive, represents a positive step forward by the RLG to try to plan orderly development in Laos.

Also, since 1969 a senior U.S. advisor has been working full-time with the Ministry of the Plan to assist with development-planning rationale, project analysis, assignment of priorities, etc., and in general to strengthen the role of the Plan within the RLG as the focal point and coordinating body for all development activities sponsored by the RLG and by the countries and international institutions assisting Laos.

As part of the U.S. effort to encourage de-

velopment of the infrastructure required to support development, a USAID Credit and Banking Advisor has been working closely with the Lao Development Bank to improve and strengthen its capacity to analyze loan applications and administer an Industry Loan Fund established initially with a local currency grant from USAID. In a related activity USAID/Laos has established a modest fund to finance feasibility studies of possible industrial development projects. The USAID has also actively encouraged other donors to prepare investigations of development projects, both in the industrial and agricultural sectors. Recent examples of the latter types of investigations have been a feasibility study for a slaughterhouse by New Zealand, for an industrial estate by India, and for an irrigation project by Israel.

Since 1965 USAID has sponsored and supported the Agricultural Development Organization (ADO) which makes available credit and modern technological inputs such as improved seeds, fertilizers, insecticides and agricultural implements to farmers to assist them in increasing agricultural production. In addition to the U.S. commodities contributed by the U.S. to ADO, the Japanese government has donated on an annual basis several hundred thousand dollars worth of tractors and other pieces of equipment for sale by ADO on concessionary terms. And the United Kingdom has donated irrigation pumps for sale by ADO.

Because of the lack of resources available to the RLG most economic development projects are financed by grants of soft loans, tied to procurement from the donor nations. The Asian Development Bank (ADB) has in the last three years become more active in projects for Laos, making its first loan in 1969 of \$973,000 for the Tha Ngon Irrigation Project, construction of which was open to bidding on an international basis. As the loan was financed by a Special Fund, created within the ADB by contributions of member countries to permit loans on concessionary terms to underdeveloped countries and to which the U.S. had not contributed, U.S. contractors were not eligible to bid on it.

Development of an electrical distribution system is being jointly financed by loans of \$4 million from the Federal Republic of Germany and \$3.3 million from the Special Fund of the ADB. While the U.S. has now agreed to contribute to the ADB Special Fund, at the time of this second ADB loan it had not done so and therefore could not participate in the bidding.

The U.S. contributed 50 percent of the funds of the \$28 million Nam Ngum Dam project sponsored by a nine-nation consortium and managed by the International Bank of Reconstruction and Development. U.S. contractors were encouraged actively to compete for the award of the various contracts. However, three U.S. firms which evidenced preliminary interest in the project did not choose to submit bids on it. There have

been no other multilaterally sponsored projects in Laos since that time in which U.S. firms could have participated.

In the last two years there has been a concerted effort by Japan, France and the U.S. to improve the telecommunications of Laos. The various phases of the project have been coordinated by the RLG with the three donors and the United Nations, which has recently established a school for training telecommunications technicians. The final system will be fully integrated despite the variety of sources of its component parts. The Japanese and U.S. portions of the program are funded by grants and are being installed by engineers of these countries. The French portion is financed by a combination of grants and concessionary loans and is being installed by a French contractor.

While economic development in Laos can not in the midst of a war have the highest priority, the U.S. role in such development has been an active one; and we have encouraged other donors to participate in an ever increasing degree in such development activities. Doubtless when security improves there will be a greater role for the U.S. and all donor nations to play in promoting economic development and hopefully increased opportunities for participation by U.S. contractors and suppliers in such activities.

Summary comments on recommendation No. 1

Given the stakes in Laos, the scope of the stabilization problem there and the vital need to meet it, the experience over the years with other types of stabilization programs and the success of FEOF, we do not feel that the cost of FEOF has been exorbitant or that its essential characteristics should be changed. Given the basic purpose of FEOF and the lack of RLG capacity effectively to administer controls over the use of FEOF foreign exchange, we do not feel that imposing such controls would be advisable or feasible. Some improvements can, however, be made in administering and controlling demand on FEOF. In cooperation with the other donors to FEOF and the IMF we are doing everything possible to urge and help the RLG to take whatever measures it can along these lines, principally by improving Lao fiscal performance.

We also hope that measures can be taken to reduce FEOF demand further in future years, although these efforts are made more difficult and unpredictable because of the war in Laos. In our economic assistance program, stabilization, refugee assistance and maintenance of essential RLG services have to be given highest priority; but we are to the degree feasible helping the Lao plan and undertake long-range development. Other countries and multilateral institutions are also helping Laos in this field. We feel that the nature of our current program is properly geared to basic U.S. foreign policy interests and thus serves the interests of U.S. taxpayers.

COSTS OF ECONOMIC STABILIZATION IN LAOS¹

	1964	1965	1966	1967	1968	1969	1970	1971		1964	1965	1966	1967	1968	1969	1970	1971
FEOF Contributions:																	
Australia.....	.400	.400	.800	.6	.800	.720	.72	.72	United Kingdom CIP..	2.800	2.800	2.800	1.5	.750	.750		
France.....	1.700	1.300	1.700	1.7	1.700	1.700	1.70	1.70	Australia CIP.....	.335	.335	.335	.2	.100	.150		
Japan.....	.500	1.700	1.700	1.7	2.100	1.700	2.00	2.30	Total CIP.....	14.135	10.535	8.135	3.6	5.350	3.400	1.50	1.50
United Kingdom.....	1.700	1.700	1.700	1.7	1.695	1.700	1.70	1.70	Foreign exchange budget support: U.S. invisibles program.....	2.300	3.700	2.500	1.5	1.000	.800		
United States.....	4.000	5.200	13.700	13.8	16.786	16.600	16.10	20.10	Total U.S. stabilization contributions.....	17.300	16.300	21.200	17.2	22.286	19.900	17.60	21.60
Total FEOF contributions.....	7.800	11.900	19.600	19.5	23.083	22.415	22.22	26.52	Total all donor contributions to stabilization programs.....	24.235	26.135	30.235	24.6	29.433	26.615	23.72	28.02
Commodity import programs (CIP):																	
United States CIP.....	11.000	7.400	5.000	1.9	4.500	2.500	1.50	1.50									

¹ FEOF contributions are shown on a calendar year basis, as actually contributed. Commodity import and invisibles costs are not readily available on a calendar year basis and are shown on a fiscal year obligations basis.

RECOMMENDATION NO. 2

"A.I.D. must press for a satisfactory conclusion to negotiation of fair and equitable freight rates for commodities transported through Thailand to Laos. A.I.D. should also conduct appropriate cost audits to insure proper freight charges. If this matter cannot be satisfactorily negotiated—now—with the Thai government, consideration should be given to making appropriate reductions in U.S. economic assistance to Thailand."

COMMENTS

The recommendation is preceded by the following statements, among others, on pages 14-15 of the report: "Imports for Laos, either originating in Bangkok, or coming through the port of Bangkok, are transported to Laos by a Thai Government transportation corporation which monopolizes rail and truck transportation to Laos. . . . In testifying before the Appropriations Subcommittee, on July 1969 and April 1970, A.I.D. officials indicated the total cost for transporting commodities from Bangkok to Laos—for use in A.I.D. projects—for fiscal year 1970 to be about \$600,000.

The organization in question—The Express Transport Organization of Thailand (ETO)—is a Government corporation which exercises, under Thai Government decree, a monopoly on the transportation to Laos of all international cargo offloaded in Thailand. Total USAID/Laos payments to ETO were about \$172,000 in FY 1970 and about \$221,000 in FY 1971. They are expected to approximate \$235,000 in FY 1972.

USAID/Laos is free to, and always does, contract with other companies for the transportation to Laos of goods originating in Thailand or which have entered Thailand as imports (although ETO has the legal authority, which it does not exercise, to monopolize the transportation to Laos of the latter). From these other companies the Mission obtains better rates than ETO's. Included in ETO's rates, however, are the costs of certain services not required of other companies, such as clearing the goods through customs upon their arrival at Bangkok and, if the goods are not received in Laos, paying the Thai customs duties on them since they have then not been delivered to a duty-free customer.

ETO rates have been reduced six times over the past twelve years; they are now more than 20 percent less than they were prior to June 1, 1960. A Joint Lao-Thai Committee for Economic Cooperation, which held its first meetings in 1970 and is concerning itself with transportation matters among others, was responsible for the last two reductions.

In late 1967 the Defense Contract Audit Agency (DCAA) made a special study of ETO in-transit rates for USAID/Laos in connection with a study DCAA was making of rates charged the U.S. military. (The latter rates are higher than those charged for all general cargo, which are the rates charged USAID, partly because of the special handling required for dangerous cargo.) The DCAA concluded that the rates charged USAID were reasonable for the services rendered. Although the present rates are actually somewhat lower than those in effect at the time of the 1967 audit, we will continue to keep the rates under review.

RECOMMENDATION NO. 3

"A.I.D. should also insure that commodities provided for construction of the Nam Dam in Laos are fairly priced. As the U.S. Government provides 50 percent of the \$30 million required for construction of this dam, it is imperative that A.I.D. insure that the funding provided is properly spent."

COMMENTS

Construction of the Nam Ngum Dam, completed in December 1971, was governed by the Nam Ngum Development Fund Agreement,

1966, which among other things defined the project and assigned to the International Bank for Reconstruction and Development the responsibility for carrying out the project. For all commodities procured with funds provided under this agreement, the competitive bidding procedures of the IBRD had to be used. The IBRD utilized the services of Acres International, a Canadian engineering firm, to prepare the contract documents, supervise the bidding and make the appropriate awards. The Bank reported quarterly to A.I.D. on the status of the various contracts and the progress of construction. There was never the slightest indication of an improper award.

Earlier parts of the report (pp. 14-15) indicate that this recommendation is particularly concerned with the supply of \$2.9 million worth of cement from Thailand. Of that cement, \$1.65 million worth was provided under the terms of the Nam Ngum Agreement, using supervised competitive bidding as described above. The remaining \$1.25 million worth was provided under a bilateral agreement between Thailand and Laos. The latter amount is being repaid by the Lao Government in the form of power for Thailand.

RECOMMENDATION NO. 4

"The Committee on Government Operations further suggests that the Foreign Assistance Authorization and Appropriation Committees of both the House and Senate consider amendments to Foreign Assistance Authorization and Appropriation Acts specifically prohibiting the use of unrestricted cash grants except in those instances where specifically and separately authorized by the Congress".

COMMENTS

Cash grants can, in principle, be funded from three separate appropriations accounts—Technical Assistance, Supporting Assistance and the Contingency Fund. The Appropriations Act for Foreign Assistance requires that appropriations from Technical Assistance and Supporting Assistance not "be used to initiate any project or activity which has not been justified to the Congress". Those cash grants whose need can be foreseen in the normal Congressional Presentation for the ensuing fiscal year are included in that Presentation. With respect to a cash grant whose need is unforeseen at the time of the Congressional Presentation, a separate and specific justification is submitted. Therefore, Congress, through the Appropriations Committees, does have an opportunity to review and pass upon the use of cash grants funded from either Technical Assistance or Supporting Assistance. In the case of cash grants provided under the Contingency Fund, the Agency is required by the Foreign Assistance Act Sec. 451(b) "to provide quarterly reports to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Speaker of the House of Representatives on the programming and the obligation of funds under subsection (a) [Contingency Fund]." Present legislation thus in large part meets the concern of the Committee that Congress have a role in approving the use of cash grants.

Rather than the requirement for justification before Congress, the Committee's recommendation, if put into effect, would necessitate specific and separate authorization from Congress, presumably in the A.I.D. legislation, for each grant funded from Technical Assistance or Supporting Assistance. The requirement would also extend to cash grants provided under the Contingency Fund. Such a change would not take into account the need for a cash grant arising during the fiscal year. An approval procedure going beyond that presently utilized under the provisions of the Appropriations Act would affect the speed with which cash

grants could be implemented, a matter which takes on importance because most cash grants serve immediate security-related purposes. The Committee's proposal would appear to unduly limit this flexibility—a flexibility which is preserved while still involving, as noted above, a Congressional role.

The Agency is not now, however, prepared to take a formal position on the Committee's recommendation, for to do so would be premature. The Committee's recommendation is directed toward the Foreign Assistance Authorization and Appropriations Committees of both the House and Senate. Not until those committees consider legislative amendments to carry out the recommendation would the Agency feel it appropriate to provide a formal position.

HOUSE OF REPRESENTATIVES, FOREIGN OPERATIONS AND GOVERNMENT INFORMATION SUBCOMMITTEE OF THE COMMITTEE ON GOVERNMENT OPERATIONS,

Washington, D.C., March 23, 1972.

Hon. JOHN A. HANNAH,
Administrator, Agency for International Development, Washington, D.C.

DEAR DR. HANNAH: I have received Mr. Harvey's letter of March 12, 1972, which represents AID's reply to House Report No. 92-718, "U.S. Economic Assistance for Laos—Stabilization Programs." In my opinion, the reply is not responsive.

I hope that you will personally read and carefully consider House Report No. 92-718, Mr. Harvey's letter, and the contents of this letter. I would also appreciate your personal reply to recommendations 1, 2, and 3 of the report.

AID's reply is essentially the same line that has been used to "justify" the U.S. economic assistance program for Laos for many years. As you know, the United States has provided billions of dollars worth of military equipment and food supplies for the defense of Laos. House Report 92-718, however, is concerned with the weaknesses in the economy and efficiency in U.S. economic programs designed to stabilize the economy for less than a half million people in the monetized sector of Laos.

In this regard, I would like to quote a few lines from a previous Committee report (House Report 546, 86th Congress) on our programs in Laos.

"ICA officials have sought to excuse deficiencies and maladministration in the aid program in Laos, after they have been demonstrated, with the assertion that our aid program, however poorly administered, has saved Laos from going Communist. This assertion is purely speculative, and can be neither proved nor disproved. The subcommittee rejects the reasoning of ICA officials, and, on the evidence, believes that a lesser sum of money more efficiently administered would have been far more effective in achieving economic and political stability in Laos, and in increasing its capacity to reject Communist military aggression or political subversion."

These words are just as true today as when included in House Report No. 546, of the 86th Congress, dated June 15, 1959. It would have been much wiser for the AID officials directly responsible for the U.S. aid program for Laos to have spent the past few months diligently looking for new approaches in Laos rather than attempting to alibi for past mistakes. While it is of no real importance, I think that a careful search of your records will show that the FEOF scheme was in fact developed by the U.S. AID mission in Laos. Subsequently, the FEOF scheme was endorsed—not recommended—by the International Monetary Fund.

The FY 1971 Country Field Submission and page 13, Annex I of the FY 1972 Country Field Submission for Laos clearly show how

the Subcommittee staff arrived at the "Skyrocketing Cost of FEOF." You will also note that the "total U.S. stabilization assistance" referred to on pages 3 and 4 of the A.I.D. comments on House Report No. 92-718 is inconsistent with the data shown in the Laos Country Field Submissions.

According to the Country Field Submissions, the United States supplied \$10.6 million in 1964 to soak up local currency expansion in Laos and, thus, stabilize the Laotian monetary system. Dollars provided to pay for Laos' official "invisibles", i.e., its embassies costs, do not soak up local currency. By 1970, the United States was supplying \$22.2 million—an increase of \$11.6 million over 1964.

This, however, illustrates only a part of the real increase in U.S. support of the Lao monetary system. Because of a change in exchange rates, the \$10.6 million in 1964 absorbed only 3.6 million kip while the \$22.2 million in 1970 absorbed 10.4 billion kip—three times as much local currency had to be absorbed in 1970, as compared to 1964.

FEOF has been able to maintain monetary stability in Laos only as a result of the huge inputs of the American taxpayers' dollars. Further, as clearly shown in House Report 92-718, there are absolutely no controls over use of foreign exchange supplied through FEOF. The dollar exchange is available to anyone—communist and non-communist alike—for any purpose including capital flight and procurement of nonessential luxury goods from any source—including Communist countries.

Further, it is readily admitted by AID officials that the 1964 program, which was mostly a subsidized commodity import program, was laced with fraud and corruption. That is the reason the United States, United Kingdom, and Australia essentially eliminated the commodity import programs. In 1970, the United States provided \$11.6 million more than it did in 1964. What assurance is there that the fraud and corruption didn't exist even more in 1970 (\$11.6 million more) than it did in 1964? Under the FEOF scheme, fraud and corruption is effectively hidden.

The view that FEOF is truly multilateral is a mockery. France and Japan use the fund to convert their currency into Laotian currency which they either use currently or will use at a later date. The FY 1972 Country Field Submission indicates "that the British may be looking for a convenient way to withdraw from FEOF."

AID's reply to our report states "It is not correct that . . . foreign aid donors are unable to examine the RLG's actual expenditures." Though obvious to us, perhaps our meaning was not too clear. What we meant by "examine" is full-fledged audits by qualified U.S. Government auditors. The United States currently provides about \$20 million yearly which is converted into Laotian currency which is then used to pay more than half of the Lao Government's yearly cost. If it is true that the United States has audit rights over the RLG's expenditure records, then by all means, I—as Chairman of the specific Congressional subcommittee which has jurisdiction over the expenditure of the taxpayers' money for U.S. Government foreign operations—want and am entitled to full information as to the U.S. Government's right to audit the Lao Government's expenditures. You may be assured that—if we in fact have this right—I will immediately request the U.S. General Accounting Office to perform such an audit. For your information, following is a listing of the Lao Government's yearly expenditures as reported by the U.S. AID mission in Laos. As you can see, they have been climbing steadily, especially in the civil administration area.

[In billions of kip]

Fiscal year	Armed Forces	Civil police	Civil adm.	Total
1964	3.484	.888	1.708	6.080
1965	6.389	.761	3.165	10.315
1966	8.393	1.173	4.824	14.390
1967	8.345	1.185	5.780	15.310
1968	8.260	1.159	6.565	15.984
1969	8.253	1.160	7.489	16.902
1970	8.534	1.220	8.554	18.308

Dr. Hannah, this subcommittee is well aware of the almost total lack of U.S. Government control over the FEOF in Laos, the Exchange Support Fund being proposed for Cambodia, and the two funds which are being thought of for Vietnam. I understand that the two "free money" funds for Vietnam could cost the American taxpayers one quarter billion dollars a year.

You should be well aware of the substantial loss of Congressional support for the foreign aid program. Each year the aid bill comes closer to defeat. I sincerely hope that you will personally look into these fancy cash grants. It would be very regretful if these cash grants proved to be the final straw in attempting to obtain support for the FY 1973 foreign aid program.

One final comment, Mr. Harvey indicates in the last paragraph of his letter that AID is currently considering entering into a FEOF Agreement which will extend into FY 1973. If AID should enter into such an agreement prior to enactment of the FY 1973 AID authorizing and appropriation bills, I very definitely want a copy of the agreement.

With warm regards,
Sincerely,

WILLIAM S. MOORHEAD,
Chairman.

[From the Washington Star, Apr. 9, 1972]

UNITED STATES TO CURB CASH TO LAOTIAN FUND

(By Tammy Arbuckle)

VIENTIANE.—The United States has told the Laos government that it is no longer willing to put additional dollars into the Lao Foreign Exchange Operations Fund (FEOF) to cover losses caused by merchants' speculation and government overspending.

The fund was formed by the United States, Britain, Australia, France and Japan. Last year it gave Laos \$24 million to back the almost worthless Lao monetary unit, the kip.

Laos Finance Minister Sisouk Na Champasak told reporters yesterday the U.S. contribution will remain \$16.8 million for fiscal 1973 and announced tough reforms to best Chinese merchants-speculators who he said have been "misusing the Laos system of liberty and free life." The minister did not give details on government spending curbs, but indicated tighter revenue-gathering measures were on the way.

A \$12 MILLION JUMP

The government deficit, along with the merchants' steady withdrawal of FEOF dollars to finance according to Sisouk, non-existent imports, raised the U.S. contribution from \$4 million in 1964 to \$16.8 million last year. The contributions of other nations stayed around \$2 million.

An unprecedented \$4 million run on the fund in August by Chinese merchants forced Washington to contribute an additional \$4 million to keep FEOF in action. The kip also was devalued by 20 percent to 600 to \$1.

Between March 20 and 27, local speculators pulled a similar trick, taking \$790,000 out of FEOF in one week, no doubt expecting the U.S. to refill the kitty.

But this time the government has been told there is only so much money available and unless officials impose restrictions, they will be in trouble.

A tightlipped and rather angry Sisouk, in a

series of meetings with merchants and the press, announced the reforms—mostly restrictions on the withdrawal of FEOF dollars under false pretenses.

Merchants will have to take out letters of credit to carry out import business, the special official rate of 240 kip to the dollar for merchants was abolished and foreign embassies have been cutoff from FEOF dollars.

Laos residents can only draw a maximum of \$600 FEOF dollars for travel abroad and then only on showing a foreign visa and air ticket.

Sisouk said some people have been drawing up to \$15,000 for trips abroad, then staying in Laos and depositing the money, which represented profits, into Swiss banks.

Lower-ranking American officials here expressed relief that top officials were not putting more American funds into the FEOF and were halting U.S. funding of the high-living Lao elite and the Vietnamese and Chinese merchant group.

These sources said officials are in effect protecting the Lao and Chinese who have been involved in speculation. Their names must be available, sources said, because since November documents had to be signed to draw out money.

Asked about this, a U.S. official said the documents were in the Lao National Bank and the U.S. did not have access to them.

The black market in U.S. dollars yesterday afternoon soared 25 percent to 800 kip for a dollar.

Angry Lao officials charge the Chinese merchants are establishing a black market and raising prices in retaliation for the new restrictions.

The government says enough dollars are available for bona fide merchants and there is no shortage of dollars to back the kip.

Some U.S. officials are blaming the Lao themselves for not taking stricter price control measures, but top U.S. AID officials doubt if such measures could work.

Meanwhile, the ordinary Laotian is the most hurt.

HELPS HOUSEWIFE

Rising prices make it impossible for most Laotians to even buy a can of sweetened milk for their children. Although the kip was devalued in November by only 20 percent, the cost of a can of milk went up from 70 kip to 150 kip.

Finance Minister Sisouk toured Vientiane's bustling main market yesterday in one stall, when he found a Lao housewife being overcharged for meat, he bought the meat himself at a lower rate and handed it to the woman. The vendor, of course, knew who Sisouk was.

The Lao government, reluctant to admit its budgetary incompetence and overspending, has never fully explained the role of certain powerful Vientiane merchants in the Laos economy.

Instead, it blamed "foreigners," which many Lao translated as Americans, who refuse to support the Lao economy.

One young American official who asked to remain unidentified said a Lao military officer recently tried to run him down with a new Mustang car while shouting imprecations about "Americans not wanting to help Laos any more."

THE ADMINISTRATION'S BUSING AND SCHOOL AID LEGISLATION

HON. JOHN G. SCHMITZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. SCHMITZ. Mr. Speaker, congressional leaders in the fight against busing

called a special meeting which I attended on March 28, to work out their position on the administration's new busing and school aid legislation unveiled by the President March 16. After 2 hours of discussion, the group reaffirmed its previous commitment to a constitutional amendment which would override court busing decrees and to legislation halting the use of Federal funds for busing, but came to no conclusion on the administration's program. Members stressed the need for a realistic appraisal of just what the administration legislation would and would not do.

First of all, it was pointed out that the heavily emphasized "busing moratorium" would be in effect only from the time the bill is signed into law—which could be months away—to July 1 of next year or until the companion measure, the "Equal Educational Opportunities" Act, is passed, whichever comes sooner. This means that if the two bills were passed and signed into law together, the moratorium would never take effect at all. Even if it did apply for a few weeks or months, it would not stop any busing ordered up until then by any Federal judge.

The "Equal Educational Opportunities" Act is much more comprehensive legislation prescribing new ways to spend \$2.5 billion for "compensatory education" for lower income school districts, though the President himself admitted that many of the funds already spent on such programs have been swallowed up in general revenue and used to pay administrative and other overhead costs without measurably improving children's learning. Given the inescapable fact that bureaucrats always first take care of their own, it may be doubted that any new set of criteria for this kind of spending will improve matters.

However, this bill also includes language placing tight new limits on court orders to schools which judges say are racially segregated. Its wording prohibits new busing for younger children—sixth grade and below—and states that racial balance in the schools is not to be required. It would allow busing for older children only after a showing that none of six other remedies for the alleged segregation would suffice. If actually put into effect, these limitations on court-ordered busing could do much to save the neighborhood school.

But will they ever go into effect? Previous legislation, the Civil Rights Act of 1964, contained a specific prohibition on busing public schoolchildren for purposes of racial balance. The Federal courts have simply ignored it, claiming that their interpretation of the 14th amendment to the Constitution supersedes any statute. There is every reason to believe that they can and will likewise ignore these provisions of the "Equal Educational Opportunities" Act of 1972, if it is passed. A constitutional lawyer present at the March 28 meeting cast serious doubt on the power of Congress to prescribe by statute what the courts may or may not order in cases where they have jurisdiction and claim to have found a constitutional violation.

However, participants in the meeting agreed that Congress can take action

under article III, section 2 of the Constitution—such as the Griffin amendment which failed of passage in the Senate by only three votes last February, and H.R. 10614 which I have introduced in the House—to deprive the Federal courts of all jurisdiction over cases involving the transportation of public schoolchildren because of their race.

The other route to the same goal, a constitutional amendment, had been officially recommended 2 years ago by then Assistant Attorney General, now Supreme Court Justice William H. Rehnquist; but the President turned it down. Many of the Members of Congress present at the March 28 meeting evidently still hope to persuade the President to support this course of action or the removal of this issue from court jurisdiction, as the only legal safeguards against forced busing that will really work.

CLEVELAND AS AMERICA'S "ETHNIC CAPITAL"

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. JAMES V. STANTON. Mr. Speaker, as you know, I have expressed myself repeatedly in this Chamber as advocating the establishment of an ethnic heritage studies program with Federal assistance. Many of my colleagues here have also taken a vigorous and affirmative stand on this issue, and I am certain they would be interested in learning about an unusual event that will be held in Cleveland, Ohio, on April 28—on the campus of the Cuyahoga Community College. On that day, for the first time, an International Youth Forum on Heritage will be held under the auspices of Ohio's distinguished morning newspaper, the Plain Dealer, and the National Conference of Christians and Jews. High schools in the area will send student delegations to the forum, where participants will try in various ways to acquaint one another with their diverse ethnic backgrounds. I will add at this point—although I am certain that most of you here already know it—that Cleveland has often been referred to as "the ethnic capital of the United States." We are proud of this reputation, and I, personally, am proud to bring you the news of what my city is contributing to the enrichment of American culture and to the strengthening of mutual understanding. I would like to commend all those persons who are taking part in this event, adults and young people alike.

THE NEED FOR FUTURES MARKETS IN CURRENCIES

HON. ROMAN C. PUCINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. PUCINSKI. Mr. Speaker, Dr. Milton Friedman, the prominent economist

at the University of Chicago, has prepared a penetrating analysis for the Chicago Mercantile Exchange concerning the need to establish in the United States a futures markets in currencies.

Due to the recent dollar devaluation and the closing of the gold window, currencies are now allowed to fluctuate between wider bands than previously allowed under the Bretton Woods system. Therefore, there is a great need for a futures market in currencies to permit foreign traders and investors to hedge against future devaluations or revaluations of currencies, and Dr. Friedman discusses the desirability of basing such a futures market in the United States.

I am pleased that the Chicago Mercantile Exchange is taking steps to organize a futures market in currency exchange in Chicago. The CME is particularly equipped for such a mission because of its tremendous experience in the futures field.

The analysis follows:

THE NEED FOR FUTURES MARKETS IN CURRENCIES

(By Milton Friedman)

Under the Bretton Woods system, the central banks of the world undertook to keep the exchange rates of their currencies in terms of the dollar within ± 1 percent of the par value as determined by the official values of gold registered with the International Monetary Fund. In practice, the central banks generally kept the margins even narrower— $\pm \frac{1}{2}$ of one per cent or $\pm \frac{3}{4}$ of one per cent so long as they had confidence that these limits would be maintained indefinitely, persons engaged in foreign trade were subject to negligible risk from fluctuations in exchange rates. Even so, large traders with sharp pencils found it desirable to hedge any future transactions by buying foreign currencies forward to meet commitments coming due or selling foreign currencies forward to match scheduled receipts. These forward transactions were handled by the large commercial banks, often with the active participation of foreign central banks in the forward market.

Episodically, confidence that the par value could be maintained waned. Whenever this occurred, there were major movements of funds both in the spot and futures markets. Since there was seldom any doubt which way the exchange rate would be changed, if it were changed, the movement was in one direction only, and the funds could be absorbed only by large scale central bank operations in both the spot and futures market.

The most recent episodes of this kind were in the spring of 1971, when appreciation of the German mark became widely expected; and after President Nixon's August 15 measures, when appreciation of the Japanese yen became widely expected. The German central bank bought something over \$5 billion before finally letting the mark float; the Japanese central bank a similar or even larger sum before letting the yen float. In both cases, the currencies appreciated promptly by over 5 percent as soon as they were permitted to float and then continued to appreciate subsequently.

Under a system of rigidly fixed rates that do not change—the ideal envisioned by some supporters of Bretton Woods—there is only limited room or need for a broad, resilient public futures market in currencies. The central banks plus the large commercial banks can readily provide the need. Under a system of rigidly fixed rates subject to large jumps from time to time—the Bretton Woods system in practice—there is great need for a futures market in currencies to permit foreign traders and investors to hedge against the occasional large changes that will occur.

But it is almost impossible for such a market to exist because most of the time there is little for it to do, and when there is a role for it, the speculation is one-sided.

Bretton Woods is now dead. The President's action on August 15 in closing the gold window was simply a public announcement of the change that had really occurred when the two-tier system was established in early 1968. No one can be sure just what kind of a system will develop in coming years—whether the world will continue on a dollar standard or whether a substitute international standard will emerge; what role the International Monetary fund will play; whether the recent formal agreement among the Group of 10 on a pattern of exchange rates will last, or will be extended to a broader group of countries, and so on. But two things do seem clear.

First, even when central banks establish official exchange rates, they will permit a wider range of fluctuations about them—the recent agreement provided for a range of ± 2.25 percent instead of ± 1 percent. This reflects the widespread acceptance of the view that greater flexibility is essential to avoid repeated crises.

Second, the official exchange rates will be less rigid, will be changed in response to much less pressure, and transitional floats will probably be resorted to as the chief device for shifting from one level to another.

The German Central bank in the spring of 1971 in effect paid well over \$500 million to postpone the floating of the mark by two weeks—this minimum estimate assumes that it purchased only \$5-billion to hold the earlier par and that it will be able to dispose of these dollars at a mark exchange rate appreciated only 10% above the prior par. Similarly, the Japanese Central bank paid a comparable price to postpone floating the yen for about two weeks. Once bitten, twice shy. It is hard to believe that any foreign central bank will again be willing to pay so high a price for so trivial a gain.

Transitional floats have now become respectable. In mid-1970, almost any U.S. banker would have been willing to give heavy odds against what actually occurred: a situation a year later when the mark, the guilder, the Canadian dollar and the Japanese yen were all floating. No one will any longer be surprised at such developments.

Whatever else happens in international financial arrangements, these two changes create a major need for a broad, widely based, active, and resilient futures market. "Foreign trade is often conducted on narrow margins." A range of ± 2.25 percent in exchange rates offers a risk to a trader selling goods for future payment that he may receive 4.5% less—or more—than he might judge from spot rates. This could make a substantial difference to the profitability of a trade. The actual risk may be even greater if he is operating in different currencies. If the pound and the mark, for example, are each held within 2.25% of a par stated in terms of the dollar, the cross-rate between the pound and the mark can vary within ± 4.5 % (from the pound at top of its range and the mark at the bottom, for example, to the other way around). And the occasional transitional floats add to the possible exchange risk.

Foreign trade will not be hampered by these risks if, and only if, there is a futures market in which they can be hedged. There is such a futures market now—in London, Zurich, New York—but it has neither the breadth, nor the depth, nor the resilience that is needed.

A really satisfactory futures market can-

not depend solely on hedging transactions by persons involved in foreign trade and investment. Even though foreign payments are in balance so that, over a long period, forward sales of currencies for hedging purposes just balance forward purchases for hedging purposes, there is nothing to assure such a balance within short periods of time or for each foreign country separately. The market needs speculators who are willing to take open positions as well as hedges. The larger the volume of speculative activity, the better the market and the easier it will be for persons involved in foreign trade and investment to hedge at low costs and at market prices that move only gradually and are not significantly affected by even large commercial transactions.

Fortunately, the same features that make a futures market so essential for foreign trade assure that it will also attract speculators. The wider range of fluctuation even when central banks are pegging, and the occasional transitional floats provide much greater and more continuous opportunity for profitable—or interesting—speculation than has hitherto existed.

The demand that will arise for forward cover under the new circumstances, and the greater opportunities for speculation, mean that the present futures markets are bound to expand—soon and rapidly. The only question is where—in London, Zurich, or the United States.

The U.S. is in many ways a natural place for the major futures markets to develop and it is very much in the national interest that it should develop here.

The U.S. is a natural place for the futures market because the dollar is almost certain to continue to be the major intervention currency for central banks and the major vehicle currency for international transactions. Exchange rates will almost surely continue to be stated in terms of the dollar. In addition, the U.S. has the largest stock in the world of liquid wealth on which the market can draw for support. It has a legal structure and a financial stability that will attract funds from abroad. It has a long tradition of free, open, and fair markets.

It is clearly in our national interest that a satisfactory futures market should develop, wherever it may do so, since that would promote U.S. foreign trade and investment. But it is even more in our national interest that it develop here instead of abroad.

As Britain demonstrated in the 19th century, financial services of all kinds can be a highly profitable export commodity.

The development of the Euro-dollar market abroad is a cautionary tale. It developed abroad largely because of the imposition of a Regulation Q ceiling on interest rates that commercial banks could pay on time deposits and of controls on foreign lending and investment. The result was a seriously disturbing element for U.S. monetary policy as well as the loss of profitable business. If the futures market develops abroad, it will encourage further expansion of the Euro-dollar market. On the other hand, if it develops here, it will not only yield earnings from the export of services, it will also encourage the return of international financial business of all kinds to the U.S. and the gradual reduction of the Euro-dollar market.

As the British example illustrates, there is a high degree of complementarity among different financial activities connected with foreign trade. If we develop an active futures market, it will be used for hedging by traders involved in deals between two other countries and this in turn will attract them to the U.S. for still other financial services.

The development of an active futures

market in the United States would ease the problem of executing monetary policy in several ways. In the first place, it would reduce the problems that have been raised by the growth, and more important, the fluctuations in the Euro-dollar market. The Euro-dollar market would decline in importance. In the second place, if the futures market develops mostly outside the United States, its operations will produce flows of dollar funds out of and into the United States as speculation waxes and wanes in non-dollar currencies, because the dollar will continue to be the vehicle and intervention currency for such transactions. If the market develops in this country, the effect will mostly be to transfer existing balances from one account within the United States to another. In the third place, a minor by-product of the development of a futures market here would be the further broadening and strengthening of the money market in this country in which the Fed now conducts its open market operations.

The one objection that is sometimes made to encouraging a futures market in foreign currency is that extensive speculation will prove destabilizing and will lead to wider fluctuations in exchange rates than would otherwise occur. There are three answers to this objection.

First, a more active and broader market will unquestionably develop in any event; certainly its being in the U.S. rather than abroad will not make it more destabilizing.

Second, the behavior of the current exchange rate depends on actual spot transactions, not on future transactions, and a futures market has no direct effect on spot markets. Consider, for example, a wholly separate futures market in which in practice all contracts are settled in dollars so that delivery of a foreign currency never occurs. Such a market would clearly have no direct effect on spot exchange rates since it would provide neither a supply of spot currency nor a demand for spot currency. The linking of such a futures market with a spot market and the settling of some transactions by delivery does not affect the basic situation. No participant needs to accept spot delivery unless he wishes to possess the currency involved. Hence, the linking of the two markets simply leads some transactions to take place through delivery on the futures market that would otherwise have taken place on the spot market. Insofar as the availability of hedging facilities provided by the existence of the futures market expands trade, it leads to a larger volume of commercial transactions that are surely stabilizing. In addition, the futures market may have an indirect effect insofar as it leads speculators to hold changing spot inventories of foreign exchange to take advantage of abnormal spreads between spot and futures prices. These too are almost surely stabilizing. Only insofar as the futures market somehow leads speculators to hold widely varying open spot inventories of other currencies is there even a possibility of a destabilizing effect.

It is worth noting that in general speculation can destabilize exchange rates only if speculators buy spot to hold when prices are high and sell spot out of inventories when prices are low. In that case, speculative transactions do make the swing in rates wider—but also speculators lose money. The belief that speculation is destabilizing is therefore largely equivalent to the belief that speculators on the whole lose money. It is not easy to accept such a view, but if it were true, the speculators' loss would be the trader's gain.

Third, a great deal of empirical evidence has accumulated in recent years, particularly on the basis of studies of Canadian experi-

ence with flexible rates, indicating that speculation stabilizes exchange rates and reduces their fluctuations, rather than the reverse. Canada had floating rates from 1950 to 1962 and again since 1970. After the first few years, the Bank of Canada almost completely stayed out of the foreign exchange market. The rates have been highly stable and show no signs of the erratic behavior that some critics of floating rates have feared. More important, students of the detailed pattern of rate changes, in accordance with the analysis of the preceding paragraph, demonstrated that there was no systematic opportunity for profitable speculation based on the pattern of rates sufficient to offset trading costs. The clear conclusion is that speculation was stabilizing.

To summarize this analysis: changes in the international financial structure will create a great expansion in the demand for foreign cover. It is highly desirable that this demand be met by as broad, as deep, as resilient a futures market in foreign currencies as possible in order to facilitate foreign trade and investment. Such a wider market is almost certain to develop in response to the demand. The major open question is where. The U.S. is a natural place and it is very much in the interests of the U.S. that it should develop here. Its development here will encourage the growth of other financial activities in this country, providing both additional income from the export of services, and easing the problem of executing monetary policy.

THE 26TH ANNUAL TECHNICAL CONFERENCE

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. BROYHILL of Virginia. Mr. Speaker, the American Society for Quality Control is presenting its 26th Annual Technical Conference in cooperation with the International Academy for Quality in its first triennial conference in Washington, D.C., on May 8-10, 1972. The theme of the conference is "The Consumer—An International Quality Concern." Proven principals and advance techniques for applying these principals within the assurance sciences will be presented by outstanding leaders in their respective field. Representatives from many industries, governmental activities, educational institutions, and foreign countries will provide a wealth of broad experience and afford conferees the opportunity to update their knowledge of the state of the art in quality practices throughout the world. Two afternoon sessions each day will be presented by representatives from some 17 countries sponsored by the International Academy for Quality. Twelve sessions per afternoon will be presented by the nine technical divisions and 17 technical committees of the American Society for Quality Control. The Governor of Maryland, the Governor of Virginia, and the Mayor of Washington, D.C. have signed proclamations designating the week of May 7-13, 1972, as Quality Control Week in their respective States and District. This conference will stress the important need of improving the quality of product, service, and life in our modern and complex technological society.

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MUNICIPAL BOOTSTRAPS

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. ESCH. Mr. Speaker, I would like to take this opportunity to introduce an article which appeared in the magazine, *Nation's Cities*. The article makes some extremely valuable points about the direction of today's cities and offers some alternatives to urban blight. The article follows:

MUNICIPAL BOOTSTRAPS

There is nothing to keep the cities from putting more of their idle cash balances to work earning interest instead of (as too often now) just letting it lie in some favored financial institution.

There is nothing to keep the cities from assembling the land for in-city industrial parks and using tax-exempt bonds to finance them (as New York has done and is doing).

There is nothing to keep the cities from providing better street lights to make their streets safer. (But the rise in crime on the streets will not be reversed until (1) the rise in drug abuse is reversed, and (2) teenage and Negro unemployment is corrected. The Devil finds work for idle hands to do, especially if those idle hands can lay hold of a needle.)

There is nothing to keep the cities from inaugurating an occupancy permit program under which all residential units must pass inspection for code compliance before a new owner or a new tenant can move in. University City, Mo., won a management innovation award from ICMA for launching such a program, under which 40,000 building deficiencies have been corrected in the past five years and urban decay has been first halted and then reversed in several neighborhoods.

There is nothing to keep the cities from trying to balance housing growth and job growth by using some of their federal urban renewal money to help build places for people to work along with building places for people to live. In Washington's North Capitol Street project, for example, urban renewal has built housing on one side of the street and an industrial park on the other.

Finally, there is no reason why cities should let themselves be pushed or drawn into new programs they cannot pay for or do right. They should try to limit their spending to what they can do well.

TODAY'S URBAN CRISIS IS JUST NOT A FINANCIAL CRISIS BUT ONE INVOLVING ALMOST EVERY ASPECT OF URBAN LIFE

Most of the \$190 billion a year for federal taxes and most of the \$50 billion for state taxes comes from our urban areas and is paid by city-centered business and people who earn their money in the cities.

If the cities are rich enough to pay most of the costs of state and federal government, how can they be too poor to pay their own? Why must so many mayors spend so much of their time begging the state and federal governments to share with the cities these city-derived and city-paid revenues?

This is the great urban paradox, and until that paradox and its reasons are understood it will be hard for anyone to understand why so many cities cannot in reality do most of the things they could and should be doing to help themselves and why so many cities now need so much help from other layers of government.

As things are today, too many cities do indeed need more help than they are getting from the federal government—mostly money help to tide city governments over their immediate money crises. All the cities need more help and a big new deal from their state

governments. They need help and a closer working partnership from their countries. And they need a self-evident kind of help from their own suburbs that are now taking advantage of an almost free ride on so many services the cities are providing for them. The bigger the city and the older the city the more help it is likely to need.

More specifically, the cities need help to straighten the jumble and confusion of intergovernmental relations so their taxpayers will no longer be stuck with such an excess tax burden for costs like poverty and education that are no longer truly local. They need help to end the fragmentation of local government. They need help to correct what is so obviously wrong with their tax system. They need help to cut their municipal costs. They need help to reverse the exodus of industry and the outmigration of middle- and upper-income taxpayers that is eroding their tax base.

But most of all they need a freer hand to help themselves, more willingness and determination to help themselves if they are given that freer hand, and a better understanding of how to go about working together to help themselves. And alas! Too many of the things cities might be doing to help themselves could be politically costly to the mayor who tried them.

Some of the reasons for the paradox that leaves our cities needing so much help are fiscal, some are competitive, some are legal, some are political, some are traditional, some are humane, some are organizational, some are due to unionization, some reflect poor city management, and some stem from the misapplication of their biggest tax. We must take time to spell out these reasons before it would make much sense for us to venture our suggestions for what our cities could do to help themselves.

For the short pull, the most immediate need of too many cities is money help to meet their soaring municipal budgets, so most of us would favor some form of federal revenue sharing at least as generous as anything now contemplated by either Congress or the President. And most if not all the added dollars for the cities should go to the responsible elected city government instead of being fragmented around a long list of independent urban agencies, thereby making the confusion in local government even worse.

But more money from Washington is only a small and perhaps temporary part of the help the cities need, for today's urban crisis is not just a city-hall-is-broke crisis. It is not just a race crisis or a slum crisis.

It is an almost total crisis involving almost every aspect of urban life and the urban economy—downtown decay, white flight to the suburbs, housing abandonment, welfare-as-a-way-of-life, air pollution, water pollution, traffic congestion, crime on the streets, soaring municipal labor costs, school desegregation and now resegregation up to 80 per cent black, neighborhood resistance to change, underused and wasted land, too much demolition, too little rebuilding, etc.

All these urban problems are interrelated, so whatever is done to solve one problem will affect the solution of one or more of the others. All of them will cost money to solve.

And most of them are either causes or consequences of one great basic problem that haunts most of the central cities. . . .

JOBS AND TAXPAYERS ARE LEAVING THE CENTRAL CITIES AS JOB NEEDERS AND WELFARE FAMILIES KEEP MOVING IN

For this, the all-too-obvious and all-too-simple explanation is that too many central cities have let themselves become less attractive to employers and taxpayers than they are to the jobless and the poor.

So New York, to cite one extreme example, has lost more than 400,000 industry jobs and put 800,000 more people on welfare. St. Louis

has lost 380,000 population and more than 200 industrial employers while adding 100,000 people below the poverty line. Chicago's no-population-growth master-plan would make it necessary for 500,000 white adults plus say 500,000 still-to-be-born white children to move to the suburbs between now and 1980 just to make room in the city for the natural growth of 500,000 still-to-be-born non-whites.

Concludes a study by the Congressional Research Service for the Subcommittee on Intergovernmental Relations:

"Since World War II this country has seen a mass migration of the more affluent from cities to suburbs; and another mass migration, this one involving the rural poor, black and white, from farm to center city. The city has lost those who are able to care for themselves and gained those who require the help of city institutions and funds. The municipal government must finance an increasing load of welfare, public health, and public recreation. It must continue to provide sanitation, transportation, and police services for hundreds of thousands of suburban commuters as well as for its own residents. It must maintain the facilities of its role as the educational, cultural, and governmental center of the metropolitan area. Meanwhile, the affluent, whose taxes would support these functions, have moved beyond the city's taxing powers. . . ."

All this is eroding the central city tax base just when the poverty influx is increasing the central cities' revenue problems. It raises the preposterous prospect that before long most of the central cities' white-collar workers may be living out of town and commuting in to their office jobs while most of the poor live in town commute out to look for factory jobs. But now office jobs are beginning to follow the exodus of their workers; since 1965 New York has lost (or is losing) the headquarters of 22 very big companies, including, for example, Univeral Oil, Johns Manville, American Can, Shell Oil, Cyanamid, Pepsi-Cola, and Flinkote.

This job-and-taxpayers' exodus is the central cities' most urgent problem, and the one best thing our cities could do to help themselves would be to shift enough of their priorities so business and taxpayers would want to move in instead of moving out.

This poses for the cities some very tough decisions about how to allocate their far-from-unlimited resources.

The suburbs almost everywhere have made this decision. They have decided they want to make themselves attractive to middle- and upper-income families who will pay taxes instead of expecting public support. They want to attract tax-paying industry to help hold down the taxes on their homes. Conversely, they want to keep out people who will not be able to carry their full share of local costs, i.e., the poor.

None of us would want to suggest that the cities should try to make themselves unattractive to those in need, but unless the cities can make themselves at least equally attractive to taxpayers and employers the poor may find themselves abandoned and jobless in bankrupt cities they would not want and could not afford.

So the poor have as much reason as anyone else to want the cities to make themselves more attractive than they now are to business and to higher-income families.

Unless some way can be found to make the leaders and pleaders for the poor understood that the poor have a big selfish stake in reversing the industry-and-taxpayer exodus there is a very grave danger that as the welfare vote grows and the poverty vote grows they will put stronger and stronger pressure on City Hall to spend more and more of its limited resource to do more for the poor and correspondingly less to keep city locations attractive to business and the middle-class. This would create a vicious circle that could soon fulfill the forecast that

Newark provides a foretaste of what will soon happen to many other cities.

Suburbs and satellites likewise have good reason for wanting to strengthen instead of (as now) weakening the economic base of their central cities. For without a good central city to subtend most of them would just be a huddle of country towns, few if any of them big enough to offer their people the choice and variety job opportunities, recreation opportunities, cultural opportunities, and social contacts that only a sizable city can provide and few of them big enough to offer business the variety of job skills, supply sources, supporting services, and local markets that are so essential to all but the biggest and most self-contained companies.

Sooner or later suburbs, satellites, and counties will have to recognize their own stake in the future of their central cities, but this recognition will not come quickly. For the present, few of us think the suburbs will willingly share the city burdens and problems their people moved out to escape. Few of us think the suburbs will willingly stop bidding against their cities to lure away more jobs and strengthen their own industrial tax base. And few of us think either the state or federal governments will do much to right the city vs. suburb imbalance, for the suburbs have grown to have more voting population and more political clout than the cities they subtend.

So better late than never the central cities had better start giving much more thought to what they can do to help make themselves more attractive to taxpayers and employers. As a first step to that end we suggest that every city should ponder some simple questions about why the poor are still pouring into the cities and what employers and taxpayers want that too many central cities no longer offer them.

The reason why the poor keep pouring into the cities is the same today as it has always been for thousands of years: they know no other place to look for jobs and no other place to try to find housing—good, bad, or worse—that they could afford. Even if today's suburbs would take them the suburbs have little to offer anyone who cannot afford a car. Farm mechanization has driven and is still driving millions of workers off the farms. Urban slums are their only refuge, even where the cities offer too few jobs they are qualified to hold or (in these days of rising expectations) willing to take. Higher welfare payments in some states like New York, New Jersey, and Connecticut and more subsidized housing in some cities like Newark and New Haven may have made some cities extra attractive, but even cities that were slow to accept federal subsidy money like Colorado Springs, Indianapolis, Fort Wayne, and Manhattan, Kan., have tripled their low-income population.

Industry gives two primary and two secondary reasons for quitting the central cities. The secondary reasons are:

(1) The cities have let their streets get so traffic jammed that in-city locations are losing their long-time advantage of easier accessibility. Many suburban locations near expressways are now easier to reach for trucks and for anyone who can afford a car.

(2) City streets are not as safe as suburban streets. This can be a real problem for the night shift.

The two primary reasons given are:

(1) Around every central city there are dozens of tax jurisdictions where local taxes are much lower.

(2) Land in the central cities is much too expensive and much too hard to assemble. This is not because there is any land shortage in any city; it is because underused land in most cities is so underassessed and, undertaxed that its owners are under no tax pressure to release it for reuse at a price that would be profitable for the buyer. That's why federal urban renewal subsidies are now

needed to buy up land at three or four times its reuse value. And that's why, to cite a specific and shocking example, the owners of one almost-abandoned block in St. Louis that was taxed only \$700 a year could afford to hold out for a price of \$519,000 before they would release it for reuse.

Reasons middle- and upper-income taxpayers give for leaving the cities are:

(1) Property taxes are lower in many suburbs for the services they want.

(2) Streets and homes are safer in the suburbs.

(3) Air is cleaner in the suburbs.

(4) Schools are better in the suburbs and their children won't be bused to schools that are fast being resegregated close to 90 per cent black (in Washington) or close to 80 per cent black (in Manhattan, Philadelphia, Baltimore, etc.).

None of these reasons for employers and taxpayers wanting to move out is incurable if the cities can get the needed state, federal, and county cooperation. But that will still leave the problem of how to make the cities more attractive to employers and taxpayers so they will actually want not to leave.

THE STATES ENACT MOST OF THE LEGAL REASONS WHY OUR CITIES FIND IT SO HARD TO HELP THEMSELVES

So the cities need more responsibility-sharing by the states at least as urgently as they need more revenue-sharing from Washington. For the long pull this may well prove much more important, for cities are the creatures of their states and have no independent powers of their own.

Under today's setup the cities have most of the domestic problems, the federal government has most of the money, and the states have most of the authority to make the needed changes.

All of us support the Advisory Committee on Intergovernmental Relations conclusion that:

"State governments occupy the strategic high ground from which basic urban and rural problems can be attacked effectively. . . . The states can and must provide constructive leadership and assistance on the local government frontier by strengthening their counties and cities, by providing direct fiscal and program incentives, by expanding the local revenue base, by arbitrating intra-jurisdictional disputes—in short, by fully recognizing and accepting their responsibility as the legal parent of local government."

Here are some of the areas where help from the states is urgently needed:

(1) The states determine the form and organization of city government, and too many states have fragmented local government under a host of semi-independent boards, agencies, commissions, authorities, and special districts. "By fragmenting local authority and responsibility we have made it impossible for local governments to govern," says HUD's assistant secretary for Model Cities. In Oakland, Calif., for example, only 15 per cent of the federal subsidy dollars poured into that city under 134 federal subsidy programs was channeled through the elected city government. California is not the only state where 50 per cent of the property tax receipts are likely to be earmarked for the independent school board, 30 per cent for the county, and perhaps another 8 per cent for various independent agencies, so only 12 per cent ever reaches City Hall. As for state aid to cities: in New York 60 per cent goes to the independent school board, only 8 per cent to the city government.

(2) The states set the rules under which city boundaries are fixed, and too many states have so written those annexation rules that expanding the city to facilitate metropolitan planning and broaden the tax base for urban services is difficult if not impossible. Notable exceptions are Texas and North Carolina.

(3) The states determines the scale of wel-

fare payments and allocate how much of the poverty cost must be paid out of local city or county revenues. In some cities like New York these state-assigned welfare costs consume more than half as much money as is collected from the local property tax.

(4) Too many states weaken the local property tax base by adding homestead exemptions, veteran's exemptions, farming exemptions, disability exemptions, low-income homeowner exemptions, senior citizens exemptions, and even golf course exemptions to charitable and religious exemptions that in some states cover commercial uses too. Most notoriously, California has exempted temporary open space reserves, thereby enabling big landowners to hold land off the market indefinitely at virtually no tax cost at all! The least the states should do is reimburse local governments for tax losses the legislature votes for added exemptions.

(5) Most states multiply the cost and difficulty of slum clearance by prescribing long waiting periods before tax-abandoned properties can be taken over for redevelopment.

(6) All states provide the judicial system to which police must take their cases. Too many states make it harder for the police to cope with crime on the streets by providing too few courts and too few prosecutors so too many criminals know they can get off with almost no punishment if they make a deal to relieve the overcrowded court calendar by pleading guilty.

(7) The states provide the prison system, and in too many states prison inmates come out more hardened criminals than they went in.

(8) The states decide what responsibilities should be assigned to the cities and paid for by the cities, which should be assigned and paid for by the counties, which should be scattered around among independent agencies, and which should be kept in the hands of the state and paid for by the state. Under this state-determined allocation, too many cities and city-centered-counties are burdened with more costs than their state-authorized tax resources can meet—including heavy costs for welfare and education that are borne as a matter of course by the national governments in almost every other country.

(9) The states determine the basis on which the cities must compete with their suburbs to attract and hold industrial jobs and taxpaying industry, and too many states permit suburban tax shelters where the taxes of industrial parks may be as little as 10 per cent as high as in the nearest cities.

(10) Almost all states are delaying, complicating, or blocking county home rule that is so important to better teamwork between city and county.

(11) The states write the minimum wage laws that worsen the cities' poverty problem by making it hard for teenagers and other untrained labor to find work.

(12) Too many states fail to live up to the responsibilities they do accept in principle. For example, Houston had to set up a city university because the state refused to provide a state university in the state's largest city, and Houston had to build a tuberculosis hospital because the state would not put up the money for a state tuberculosis hospital there.

(13) All states except Texas let the fire insurance companies set wasteful and archaic fire protection standards for their cities to meet.

(14) Some states are enacting shorter work weeks for municipal workers. For example, New York has ordered a 40-hour week for firemen that will add \$1.7 million a year to the Syracuse payroll.

(15) Perhaps most important, the states determine what taxes the cities may impose to meet their state-assigned responsibilities. Too many states forbid or limit their cities' power to levy sales and/or income taxes. Too

many states set a low ceiling on how much money their cities can raise by the only levy traditionally reserved for their use, the property tax. And with two minor and half-way exceptions (Pennsylvania and Hawaii) all states forbid their cities to shift the weight of the property tax off the owner-paid value of improvements (which in many states are so overtaxed that the levy is a major deterrent to improvements) onto the community-created value of the location (which almost everywhere is so undertaxed that the undertaxation encourages and subsidizes decay, blight, slum formation, land waste, and sprawl).

We are almost unanimous in recommending that the states should repeal their constitutional limits on local taxing powers and reconsider the need, wisdom, and desirability of their legal limits.

ANOTHER REASON WHY CITIES NEED HELP IS TO MEET LOW-TAX COMPETITION FROM THEIR LOWER-COST SUBURBS

Too many cities feel that in order to attract and hold taxpaying and job-creating business and industry they must keep their tax rates lower than the rates needed to cover their municipal costs.

State governments could minimize this problem if they would take over the basic costs of school education as recommended by the Advisory Commission on Intergovernmental Relations and the National League of Cities. Then the cities would no longer have to compete with outlying tax shelters zoned to enjoy a big industrial tax base with few children to educate. Freed from any gross inequality in the school tax—an inequality that helps some New Jersey tax shelters offer tax rates nearly 90 per cent lower than the nearby cities—much if any remaining tax difference would just reflect the comparative quality and desirability of local service plus whatever excess costs of poverty the state may make the city carry.

Some of us believe very strongly that the states should raise the money for education from some source other than the property tax, but others agree with the recommendation of the Fiscal System Task Force in Oregon that most of the money should be raised by a uniform statewide property tax on land only. They argue that taking school costs entirely off the property tax would be capitalized into higher land prices (as shown by the experience of Australia and many other countries) and so worsen the land price inflation that has sent land prices here soaring six times as fast as the rest of the price level; and they cite the California referendum in which the voters turned down a proposal to cut the property tax there by some 50 per cent by setting a 1-percent-of-true-value ceiling on the levy. Said the California Taxpayers' Association "such a ceiling would necessitate either tripling the state sales tax or doubling the state income tax." Said the California Statewide Homeowners' Association: "Our members would have ended up paying more taxes instead of less if the property tax had been cut in half. The only beneficiaries would have been land speculators and slum owners."

In California the property tax base per school child ranges from a low of \$103 to a high of \$952,156 and the state supreme court has ruled that this unbalance denies children in poorer districts their constitutional rights under the equal protection clause. So legislation is already pending in Sacramento to levy a uniform statewide property tax for redistribution to local school districts on an equal per pupil basis. This would not necessarily preclude an additional local school levy where the voters wish to tax themselves more heavily to provide better-than-state standard schooling for their children.

A uniform statewide school tax would ease the property tax burden in most cities. For Los Angeles, for example, it would lower the

tax rate by about 22 cents per \$100 of assessed valuation and still give the school board \$25 million more to spend.

Similar court rulings to that handed down in California regarding school taxation have been rendered in New Jersey and Texas. Others are expected.

HERE ARE FIVE MORE REASONS THAT HELP EXPLAIN WHY CITIES FIND IT HARD TO HELP THEMSELVES

Traditional Reason is that our American tradition and practice has left local governments burdened with two very heavy costs that are no longer truly local—poverty and education. These costs are borne as a matter of course by the national governments in almost every other country. They fall most heavily on the central cities because (1) poverty and welfare families are concentrated in the city slums and (2) it costs more to educate slum children than to provide the same quality of education to children from more cultured homes. We are unanimous in recommending that the basic costs of education should be taken over by the state and the basic costs of welfare should be borne by the federal government.

Fiscal Reason is that the state and federal governments are taxing so many tax dollars out of the cities and there is a limit to how big a total tax burden any community can support. To meet this problem we are almost unanimous in recommending that the higher level governments should let local taxpayers take more credit for their local taxes as a bigger deduction on their state and federal income taxes. That would give the cities a bigger incentive to help themselves by raising their own taxes, for the more local taxes a local resident or business was asked to pay the less his state or federal tax would be.

Labor Union Reason is that labor accounts for some 75 per cent of all municipal costs and most cities are peculiarly vulnerable to strikes. We can stand an indefinite auto strike; we got along without any new cars at all for four years during World War II. We can stand an indefinite construction strike—we got along with no new construction except for defense all through the war. Stockpiles and imports can make a long steel strike tolerable; truck competition can ease a long rail freight strike. But few central cities can stand a week's garbage strike, no city should have to stand even a one-day police or firemen's strike, and few cities can stand more than a few hours' utility strike.

The long pull solution of this labor and unionization problem will depend on what city governments themselves can do to professionalize their labor relations, improve the morale of the work force, and upgrade its lagging productivity; but right now the cities need much more help from their states to establish reasonable and effective labor relations systems for public employees to replace today's ineffective and unenforced laws forbidding public service strikes.

We will have more to say in another section of our report about their labor problems.

Misapplication-of-the-property-tax Reason is that as now applied with too much weight on the owner-paid-for value of the improvement and too little weight on the community-created value of the location the tax abets and subsidizes urban decay and penalizes urban improvement. We will have more to say later about the urgency of property tax reform.

Humane Reason is that even if the cities had no legal obligation to care for their poor few cities would willingly neglect them.

DESPITE THESE OBSTACLES, BETTER MANAGEMENT COULD ENABLE MOST CITIES TO DO THEIR JOB MUCH BETTER

Here is a 14-point checklist every city could profitably apply to see how well and how

economically each municipal function is being performed. Some of us think many cities could achieve very great savings if they would apply these better management standards.

(1) There is nothing to keep the cities from increasing their top management salaries to attract the kind of competence needed to run large and complex enterprises. Too many cities set the pay of their mayors and/or their key department heads at about the federal GS-8 grade for senior clerks. In some cities they get less than the new scale for postmen! No city can hope to attract and hold the needed quality of public official unless it is willing to pay for good work.

Too many cities now need a much more professional competence at the level between the politically elected mayor and city council and the appointed operating heads of the various city departments. Without a highly competent professional staff the mayor will too often find it impossible to pass informed judgments on departmental performance and economy, to appraise departmental progress in introducing new and better methods, and to assure good teamwork between departments (each with its own internal pressures for self-aggrandizement in order to get more money to pay more people more).

(2) There is nothing to keep a city from coordinating its zoning, land acquisition, and improvement spending with a carefully conceived plan for orderly urban growth instead of yielding (as too often now) to selfish pressures for rezoning here and improvements there that would serve mostly to enrich the applying beneficiary.

Planning ahead for growth can save many millions of dollars. For example, planning ahead enabled Cincinnati to buy park sites at \$1,800 an acre that would cost \$13,000 now, school sites at \$3,600 an acre that would cost \$20,000 now. Dayton saved a total of \$512,000 by advance purchase of the land for eight neighborhood playgrounds. Tacoma saved \$150,000 by holding on to land acquired through tax delinquency for inclusion in future school sites.

But far more important than this savings potential is the need to focus the city's investment spending on the kind of services and facilities that will best contribute to the kind of growth the city wants. No city can afford to dissipate its far-from-unlimited resources trying to be all things to all people and provide everything for everybody. Wichita's Planning Department applied systems analysis to give scores and rankings to competing proposed capital improvements projects for water, parks, sewers, thoroughfares, and urban renewal.

(3) There is nothing to keep a city from employing systems analysts for continuing systems analysis that would explicitly consider citizen impacts, forecast future as well as current costs, evaluate capital vs. operating expenses, consider viable alternatives, and help identify unnecessary or marginal services.

(4) There is nothing to keep a city from taking fuller advantage of expert volunteer help from the private sector like the long-range planning committee set up by the Houston Chamber of Commerce. A still better example might be the way the New York Economic Development Council fielded a team of 10 executives on leave at full pay from the Metropolitan, New York, and Equitable life insurance companies to work full time for nine months on a program for rationalizing the operation of New York's almost hopelessly backlogged criminal courts. Within four months prompt action on the task force recommendations reduced the backlog from 59,406 cases to a still-impossible total of 39,573. The presiding justice has called the report "a landmark in pointing out to the entire nation how the private and public sectors can work together for the common good."

Now the Economic Development Council

has been asked to field similar task forces to study the workings of the city's \$2-billion-a-year school system and the Human Resources Administration whose costs (including Welfare) are budgeted for \$2.4 billion.

In Newark a similar study team provided by the Chamber of Commerce at the request of Mayor Kenneth A. Gibson found ways to cut city costs by more than \$10 million.

(5) There is nothing to keep a city from attacking the red tape, inertia, and ancient procedures that cause so many delays on city projects. For example, the project monitoring approach recently adopted by New York.

(6) There is nothing to keep a city from giving its employees a better understanding of the objectives of the service on which they are employed and holding them responsible for maximizing the desired output. Most specifically, most of us think it is high time to begin regrading the school systems that consume most of the local tax dollars on the basis of their outputs instead of on the basis of their inputs, that is, on the basis of how much the pupils learn instead of on the basis of how many teachers are paid how well to teach.

(7) There is nothing to keep a city from making fuller use of private facilities when, as, and if private enterprise could perform some service (like waste removal, water supply, and some health care or education functions) better for less. For example, a 1970 study for the New York City administrator's office found that private cartmen can collect refuse at \$18 a ton while paying taxes and making a profit vs. the Sanitation Department's cost of \$50 a ton. Gary, Ind., has contracted with Behavioral Research Laboratories to run a school for \$800 a pupil and guarantee 100 per cent faster learning than the previous average. Newark cut the maintenance cost of city hall from \$500,411 to \$97,713 by farming the job out to a maintenance company.

(8) There is nothing to keep a city from offering financial and advancement incentives to encourage a more innovative attitude among city employees, so they will be among the first instead of the last to introduce new labor-saving and money-saving equipment, methods, and techniques.

(9) There is nothing to keep a city from employing outside experts on a short-time basis to help introduce more efficient methods, systems, and equipment.

(10) There is nothing to keep the cities (or their counties) from raising their assessment standards by employing only trained and classified appraisers and paying them enough to attract and hold good men, and there is nothing to keep the cities (or their counties) from introducing computers to keep their assessments closer to current values. Correcting today's gross underassessments on properties that underuse or misuse valuable locations could be the quickest and best (though not necessarily the most popular) way for most cities to increase their local tax revenues, but no city should expect to get good assessments at a cost lower than 1 per cent of its projected property tax receipts.

(11) There is nothing to keep a city from seeking to create a more friendly and cooperative attitude at City Hall and so encourage a more cooperative response from more people and a revived belief that the city is worth working together to save. For example, Greensboro, N.C., earned a management innovation award from the International City Management Association for setting up a human relations department, a human relations commissioner, and a community relations office in the police department.

(12) There is nothing to keep the cities (especially the smaller cities) from coordinating their specifications and pooling their purchases to get better and more competitive prices reflecting bigger volume (as in Michigan through the Michigan Municipal League)

and there is nothing to keep all the cities—big and small—from putting more money into cooperative product and method research through their state and national organizations.

(13) There is nothing to keep the cities from applying the new concept of "total cost" or "guaranteed maintenance" purchasing instead of today's common practice of accepting the lowest price offered by a responsible bidder. This can be particularly important on the heavy equipment needed for various public works, including dump trucks, waste collection trucks, and motor graders. More than 35 communities in Massachusetts alone are saving money by this new procedure, which invites the bidder on big-ticket items to include with his standard quotation (1) a trade-in offer for any equipment to be replaced, (2) a guaranteed maximum maintenance price covering the anticipated useful life of the new equipment, and (3) a guaranteed repurchase price at the end of that time.

(14) There is nothing to keep a city from inviting large-scale citizen involvement, like the sensationally successful Goals for Dallas Program launched by former Mayor Erik Jonsson—a program that enlisted the active participation of 75,000 citizens and has already (among other achievements) floated a \$180-million bond issue, bought the first 5,000 acres for a 10,000-acre greenbelt around the city, started a \$20-million Science-Technical Center to help provide the kind of technical workers needed by the city's industries, started a flood-control program to salvage 10,000 never-before-usable acres along the Trinity River, and played a large part in creating 34,300 new jobs in 1970, half of them in industry.

PERHAPS MOST IMPORTANT, THERE IS NOTHING TO STOP A CITY FROM PROFESSIONALIZING ITS LABOR RELATIONS

Employee relations and union relations are now the gut problem for almost every city budget. They are the gut problem because (1) three out of every four operating dollars go for the payroll, (2) the recent and perhaps belated unionization of so many municipal employees is now pushing up city payrolls faster than any other municipal cost and faster than wages in industry, (3) city wage costs have already soared 118 per cent in the past five years and huge further increases are built into current contracts, (4) higher pay has brought little if any corresponding rise in municipal productivity, and (5) most cities feel pretty helpless when, as, and if some union defies the usually pretty toothless laws forbidding public service employees to strike.

Coping with this gut problem calls for a high degree of professional know-how, but the sad fact is that most cities are letting amateurs handle their employee relations and are paying a high price for so doing. In too many cities the mayor is tempted to pay too high a price for labor peace or to include in the settlement pensions and other fringe benefits that will not hit the city budget until after election. And too often the city finds higher wages and shorter hours mandated by state legislation.

We can't even begin to list here the changes a professional team would want and need to make in municipal labor relations. Among other things, they would have to be knowing and alert to correct legitimate grievances before they could become an issue. They would find out which classes of municipal workers are making quite a bit less than they could make in private employ and would take the initiative to get their pay adjusted. In contract negotiations they would press for work rule and compensation method changes (like differential pay based on better outputs rather than straight seniority) that would permit and encourage greater productivity as at least a partial offset to higher pay scales.

They would try to get down to the nitty-

gritty of better job definitions, performance ratings, and output standards—like the aerial photographic study that showed up street-by-street just which waste collectors were doing their job well or badly in Washington. They would insist that department heads should think of themselves as representatives of management even if they themselves belong to the union. They would try to make workers realize how much their tax-free fringe benefits are adding to their weekly pay, and they would take steps to make sure the voters understand that any unreasonable wage cost increase would have to come right out of their own pockets through higher taxes.

Whether even the most professional labor relations team could stop the accelerating inflation of city labor costs is another question. Even with Taft-Hartley injunctions and/or last minute antistrike laws (two big assists no city could invoke) the well-paid professionals employed by the auto industry and the railroads could not save their employers from highly inflationary wage increases running to more than 40 per cent over the next three years. All we can say for sure is that professionals could not do worse than most of the nonprofessionals who now handle municipal labor relations.

Public service strikes are the most unpopular strikes of all for the simple reason that their whole purpose is to inflict such immediate loss, inconvenience, and sometimes danger on the public that the city government will have to pay a high price to get the strikers back on their jobs quickly (whereas in most private sector strikes the public feels little effect unless and until any wage increase included in the settlement is passed on in higher prices). But inflicting such quick and painful loss on the voters can be a dangerous game for labor to play. The unions can ill afford to thus antagonize the public on whose goodwill and support the unions must depend for continuing today's very favorable labor laws.

Sooner or later our cities will have to learn how to take public service strikes and how to meet the problems such strikes entail. Milwaukee took a police strike and the strikers must have been chagrined to find there was less crime on the streets than when the police were on the job (presumably his own and his family's safety). London took a garbage strike that lasted much longer than New York's. It was unpleasant, but after the strike was settled without meeting the union's demands labor found that something very significant had happened in municipal labor relations in England.

And some of us think that sooner or later we will all have to face up to the question of "How much longer and how much further can the unions in either the private sector or the public sector force wages up without a corresponding rise in productivity?" It used to be held axiomatic that where prices are not regulated by competition they must be regulated and fixed by government. But we have specifically exempted the unions from the antimonopoly provisions of the antitrust laws without imposing any corresponding requirement for regulating the wages their monopoly power lets them impose. As a result, thousands of union members enjoy compensation based not on what they earn by working but on how much loss they could cause by not doing their jobs and not letting anyone else do their jobs.

Compulsory arbitration is not the right answer or even a good substitute for the right answer to the cities' need for better labor management and better labor relations. In Michigan, for example, compulsory arbitration awards for police and firemen last year averaged 13 per cent, which is 61 per cent more than the 8 per cent increase the Civil Service Commission approved for state employees.

FIRE SERVICE OFFERS A PRIME TARGET FOR APPLYING THESE BETTER MANAGEMENT PRINCIPLES, BECAUSE—

(1) Next after schools, police, streets, and sewage, fire service costs more money than any other municipal operation—a total of \$1.6 billion in 1969. This \$1.6 billion fire protection cost is three-quarters as much as the 1970 building fire loss of \$2.2 billion.

(2) Because in too many cities close to 90 per cent of that money goes for standby charges. When fire service is needed it has to come fast and it has to be good, but nearly 90 per cent of the time the pumpers, the trucks, and their crews just wait in the fire stations to be called out. On three eight-hour shifts the average fire company answers hardly one alarm, and more than half of these fires are so small that two men and a minipumper could put them out instead of the standard first-alarm response of two or three big pumpers and a truck.

Standby costs were no problem when yesterday's firemen were willing to stay on duty around the clock with only a few days off each month, living, cooking, and eating upstairs at the fire house, sleeping half dressed on cots, and sliding down poles to get to the trucks and their always-half-harnessed horses a few seconds faster. As late as 1918 their workweek was just being shortened to 80 hours. But now firemen work as little as 40 hours a week and expect to go home like everyone else when their stint is over.

(3) Because today's far better fire engines (costing up to \$150,000 vs. say \$3,000 some 60 years ago and pumping 1,500 gallons a minute vs. say 250 then), plus today's better city water systems and higher pressures, today's better and faster communications, today's wider and better streets, and today's more fire-resistant construction all work together to permit far more changes and economies than any city has been able to realize.

(4) Because there is still no such thing as a standard fire engine, so every pumper and truck purchase entails the added costs of a special order.

(5) Because no one city can afford to put up the money needed for basic fire safety research, no one manufacturer can afford the money needed for basic equipment research, and the federal government has failed to provide more than token funding under the 1968 Fire Safety Research Act.

(6) Because firemen who come to the rescue in time of need are just about the most popular public servants, so there is little public resistance to their union demands which have raised fire service wage and fringe benefit costs in some cities as high as \$20,000 a year per man.

(7) Because fire service costs are inflated by requirements that seem to us archaic and excessive in the American Insurance Association's deficiency rating schedule on which fire insurance premium charges are based. This schedule has been only slightly modified since the 1922 revision, and its specifications are so stiff that despite all today's firefighting advances not one city has been able to qualify for a No. 1 rating.

It may have made good sense when fire engines were horse-drawn to insist that "No point in any high value district shall be more than one mile from an engine company," but today it makes little or no sense to base this location requirement on distance rather than on response time. It makes little or no sense to impose the same full-crew requirements night and day when almost twice as many fires occur at night. It makes little sense to measure fire service against the danger of conflagrations which are now not only improbable but almost impossible in most cities.

As an example of what can be done to meet all these problems, consider some of the things one city (Syracuse) is actually doing to hold down the cost of better fire service:

(1) Launching a \$4-million fire service im-

provement and rationalization program budgeted to save \$400,000 a year and reduce from 121 to 69 the number of additional men required to meet the new state-mandated 40-hour week.

(2) Erecting seven better-located fire stations that will enable 11 fire stations to serve the city's needs faster than today's 16 and yesterday's 26 whose locations were chosen in the days of horse-drawn engines. The new locations were picked with special attention to the path of urban blight where the fire load is heaviest.

(3) Cutting the number of fire companies from 26 to 21 over the objections of the rating board.

(4) Programming the purchase of eleven \$15,000 minipumpers (one for each fire station), so only two men will be needed for 59 per cent of all alarms, leaving enough men at the station to answer another alarm should it come in while the minipumpers are out. This minipumper economy is possible only because (unlike too many other cities that still stick to telegraph alarms) Syracuse long ago farmed out its alarm system to the telephone company, which provides (along with a teletype hookup) a direct line from each callbox to the fire alarm switchboard. This phone service not only saves money; it lets the caller report not only the location of the fire but also its size and kind, giving the dispatcher the information he needs to decide whether more than a minipumper is needed.

(5) Concentrating its other equipment purchases on \$60,000+ maxipumpers with 1,500-gallon-a-minute capacity and a 50-ft. telescopic water tower and aerial ladder.

(6) Equipping all its pumpers (as fast as the needed \$4,000 hardware can be brought) so they can use "slippery water"—water chemically treated to reduce friction so it will flow faster through smaller, lighter, and easier-to-handle hoses.

(7) Activating a manpower company with an on-duty strength of seven men that will respond to all full alarms. This will permit first-alarm assignments to be reduced from three to two pumpers.

(8) Starting a recall procedure under which off-duty firemen will be recalled on overtime pay perhaps 15 times a year when more men are needed to back up the standard on-duty force of 95.

(9) Assigning on-duty firemen between alarms to do fire safety inspection and fire safety instruction work.

(10) Sponsoring a fire-science course at Onondaga University in the hope of recruiting higher quality fire service personnel.

Scottsdale, Ariz. (population 73,000) farms out the operation of its firefighting equipment to a private company that provides 12 full-time trained firemen who man one of the five fire stations around the clock. The city mans the other four stations with a fully-trained reserve of "fire wranglers" who also have full-time city jobs in the sanitation, park, street, maintenance, and other departments and get paid an extra \$25 a month standby fee plus \$4.80 an hour for their fire service work.

Each wrangler working on his other job wears a page boy radio on his belt that buzzes to sound the alarm and call him to fire duty. The wrangler working nearest the fire brings the fire engine to the blaze; the others rush directly to the spot. This system provides 12 full-time firemen and 10 wranglers on call at all times and holds Scottsdale's fire service budget to \$246,000 a year, hardly a third as much as two nearby cities of about the same population.

All these improvements still leave a great need for basic research no one city can afford, including specifically more research into how to improve the fire safety of today's theoretically fireproof buildings, too many of which are turning out to be "stoves," that is, buildings whose contents can be destroyed

and whose occupants killed by smoke or poisonous fumes without destroying the structure. Even a 50-foot tower is not much help fighting a fire on the 20th floor of a "fire-proof" office building.

CITIES SHOULD HELP THEMSELVES BY USER CHARGES BUT MOSTLY TO ALLOCATE THEIR RESOURCES BETTER

Whether or not they bring in more revenue, some user charges can serve a good purpose by letting the price mechanism show what municipal services the public is willing to pay for and whether the public is ready to pay for them in locations where their cost is high.

For example:

We all think that where parking is permitted on busy streets it is foolish not to set the meter rates at least as high and preferably higher than the rates charged nearby for off-street parking. The higher rates might not bring in more revenue, but they would permit faster traffic and less congestion by getting parked cars off the street.

Likewise:

We all think water should be metered. Without a big rate increase this might not bring in enough more money to cover the added cost of metering, but in the long run it could save a lot of money by discouraging the waste of what is no longer an unlimited resource.

All of us think that other cities might be wise to ponder the example that may soon be provided by New York where the authorities have approved new and/or doubled bridge and tunnel tolls in the hope that they will help keep more cars from entering Manhattan than its streets and parking facilities can handle. If the rates are set high enough to discourage traffic they might not bring in any more revenue, but they might save the money that would be needed to pay the cost of more expressways, bridges and tunnels (a cost officially estimated at \$22,000+ for each added car the new facilities could bring in during rush hours. If the double tolls do bring in more money it might well be used to subsidize mass transit inside the city.

Most of us wish some way could be found to impose rush-hour tolls on expressways leading downtown.

All of us applaud the Minneapolis example of financing the capital cost of new neighborhood parks by neighborhood assessments against the landowners whose property values the park will increase. These assessments do not provide more money for the city's general purpose budget, but they have given Minneapolis the world's finest system of neighborhood parks.

Contrariwise, and again for example:

We think it would be a mistake to raise the admission charge (if any) for a city's swimming pools. This might price them beyond the means of too many of the poor children for whose use the pools were built.

We think a good case can be made for reducing mass transit fares instead of raising them again in the vain hope that the unions will let the transit system break even. Higher fares have always resulted in less use of mass transit and more downtown congestion due to more people switching to more private cars. Conversely, lower fares or no fares should pay off in more use of mass transit, thereby cutting the cost of too many cars in town.

Today, alas, too many hard-pressed cities are rushing to pile on more or bigger user charges just to get more money. The sorry joke is that they are trying to tax everything that moves, and if it doesn't move they tax it for not moving. We are unanimous that before any user charge is changed the city government should give careful thought to the good or bad side effects the heavier charge will induce. Some user charges can safely be used primarily for revenue; some

should be used for reallocation purposes only. The cities must look to their "product mix" to achieve a balanced distribution of services and a balanced receipt of revenue.

User charges can also serve to make suburbanites pay more of their share of some central city costs. Syracuse found, for example, that 41 per cent of the people using its \$1.1 million-a-year public library system lived out of town and were contributing nothing towards its cost.

To discourage waste and allocate resources better, user charges should vary not only with how much is used but also in some cases with where it is used. Everyone understands that parking charges should be higher in high-land-cost areas, but too few people seem to understand that for similar reasons water, mass transit, and other utility charges should be much higher when extended into outlying low-density areas, for the cost of most municipal services is not only increased but multiplied by distance. Charging the same rates where the cost is high as where the cost is low can serve only to subsidize sprawl at the expense of the city center.

We are almost unanimous that for many urban user charges the state and federal governments should allow taxpayers the same income tax deduction that they allow for property taxes. There is no earthly reason why, for example, water charges should be tax deductible when they are hidden in the property tax but not if the city bills them separately; there is no good enough reason why the cost of a neighborhood park should be a tax deduction if buried in the property tax, but not if financed by a special assessment.

IF THE STATES WOULD LET THEM, CITIES WOULD RAISE MANY BILLIONS MORE BY REFORMING THE PROPERTY TAX

Even now property tax receipts are climbing far faster than receipts from any other long-established levy. In 25 years from 1946 to 1970 they climbed 617 per cent from \$4.986 billion to \$35.723 billion. This is 28 per cent faster than the 460 per cent rise in federal income tax collections and 53 per cent faster than the 368 per cent growth in the Gross National Product.

Without any rate increase at all property tax receipts would have risen at least \$10 billion more if assessment increases had kept pace with the rise in property values (as the tax returns every taxpayer must file each year automatically keep the income tax base rising in step with each taxpayer's rising income). Most assessors would agree that the assessment lag averages about five years. If so, the five-year lag would multiply out to 36 per cent at the 7.2 per cent-a-year assessment growth rate indicated by the actual 1961-66 rise; and 36 per cent higher assessments in 1970 would have brought in \$12.96 billion more revenue.

Without any rate increase at all property tax collections could be increased an estimated \$ 6.66 billion more just by correcting assessment disparities and bringing all assessments up to the same percentage of true value that the top quartile accepts. (The \$6.66-billion figure is taken from the consensus of an earlier roundtable cosponsored by the International Association of Assessing Officers. [See "Better Assessments for Better Cities," *NATION'S CITIES*, May 1970, Page 17.] The added billions would come largely from correcting the widespread and often notorious underassessment and undertaxation of vacant acreage, slums, and otherwise misused or underused land.

Without any assessment change at all, property tax collections could be increased several billions more if tax districts in the South would raise their property tax rates to the level that has long prevailed in most of the Northeast and Middle West. (Georgia 2.99 per cent of personal income, Louisiana 2.30 per cent, North Carolina 2.58 per cent,

Alabama 1.54 per cent, Texas 3.98 per cent, Kentucky 2.44 per cent vs. New York 5.16 per cent, New Jersey 5.78 per cent, Connecticut 5 per cent, Massachusetts 5.86 per cent.)

Economic impact of collecting so much more money by property taxation would be much better if the states would let their cities shift most or all of the tax off improvements (which in some cities like Boston, Baltimore, New York, Syracuse, Milwaukee, and Minneapolis are already so overtaxed that the tax is a major deterrent to in-city improvements and is helping to drive businesses and taxpayers out) onto land, which is almost everywhere so undertaxed that land prices have been soaring 6.19 times as fast as the rest of the price level, climbing so high that high land prices are providing a second major deterrent to investment in improvements.

If the cities should try to increase their revenue by increasing their sales taxes they would drive many more sales out across the city line. New York City reduced its sales tax instead of increasing it when the figures came in showing how many jobs and how much business each 1 per cent added to the sales tax was driving out of town.

If the cities should try to increase their revenue by increasing their income taxes they would speed the taxpayers exodus that is already one of the cities' most basic problems.

Urban land is the only taxable that cannot move out of the city to escape taxes. By definition the value of unimproved urban land means what land in that location would be worth if its past or present owners had never done anything or spent anything to improve it; it is a value created not by the owner but by an often enormous investment of other people's money and other taxpayers' money to develop the community around it and make land in that location reachable, livable, and richly salable. So how big a land tax increase a city would want to impose would depend on how much of this community-created value the city would want to recover through higher taxes.

Any economist can show that a tax on unimproved land values is the only tax that cannot discourage production (because all the unimproved land in America was produced millions of years ago). Coupled with a lowering of the improvement tax, a higher tax on unimproved land values would actually stimulate instead of discourage improvements by increasing the holding cost of underused land and thereby putting tax pressure on its owners to let it be put to better use to bring in the added income needed to pay the levy.

And any economist can show that a tax on land is the only tax that cannot be passed on to the consumer, so (except under rent control) there is no way slum owners could pass a higher land tax on to the poor people who live in the slums. They are already paying all the traffic will bear, so over the years a heavy tax on land would tax the slums out of existence.

SOME CITIES COULD HELP THEMSELVES BY JUST DUMPING SOME OF THEIR PROBLEMS BACK ON THE STATES TO MEET

For example, the Constitution of New Jersey (and quite a few other states) specifies that it is the state's responsibility to provide a fair and equitable education for every child in the state. Up to now the local government of every New Jersey community has relieved the state of most of this cost, but now a number of New Jersey cities have taken the state to court and are successfully challenging the state's legal right to dump the state responsibility on the local governments.

Most suburbs have picked and chosen what services the people want the local government to provide—mostly fire protection, police protection, and a special kind of school that explains at least in part why suburban

schools cost so much more per pupil than city schools—a special kind of school that often provides a baby sitting service, a dance hall service, a cafeteria service, an athletic field for the children to play on, a community theater, runs a library, teaches tennis, swimming, and archery, etc. For many other services they try to spend as few of their own tax dollars as possible, hoping these needs will be met for them by the state or the county or private enterprise or the nearby city.

There is nothing in the law to keep city governments from being equally selective about what services they want to use their tax dollars to support. Some of us would go further and wish that above a certain minimum standard our cities could allow a certain amount of neighborhood option to decide what the city should spend more for in that part of town. A survey might find some neighborhoods willing to put up with less frequent waste collection and street cleaning in exchange for more police protection or better street lights, and vice versa.

There is nothing in the law to compel cities to provide services whose cost is beyond their tax resources. There is nothing to keep cities from going into what some of us would call "creative bankruptcy." So Syracuse has announced that it is closing down its public libraries because it cannot raise the tax revenue needed to cover their \$1.1 million-a-year operating cost, and Syracuse may soon close down the local zoo. Syracuse hopes the county will take over these functions the city can no longer afford, pointing out that 41 per cent of its library users live outside the city and have not been contributing to the library's support. By threatening to close its libraries and museums St. Louis has pressured its suburbs to create a special city-and-suburb tax district for their support. But Oakland has just about decided there is no reason why any level of government should pay to continue to support the public libraries there, for their cost has been running \$9 per book circulated—nearly half of it for comic books the children could have bought for 25¢ or less!

No city can afford to provide the best of everything. If any city should succeed in providing more jobs than job seekers, more good housing than home seekers, more recreation facilities than recreation seekers, etc., it would soon attract so many of the jobless and the homeless that almost overnight it would once again have too few jobs and too little housing.

FASTER APPLICATION OF NEW TECHNOLOGIES OFFERS MANY OPPORTUNITIES TO CUT MUNICIPAL COSTS

If every city could take advantage of all the new labor-saving methods and technologies some other city has found a way to employ they could lower the cost of municipal service by hundreds of millions of dollars a year.

Many if not most operations in both private business and government service can be done better by fewer people today. Without the great growth in productivity made possible by better work organization to use new and better equipment, industry could not possibly afford today's much higher wages—and neither can city governments.

We can't even begin to list here the hundreds of ways already being used to cut the cost of better municipal service. Milwaukee alone reports saving \$700,000 on 234 different operating improvements last year, including such prosaic economies as \$30,000 saved by renting better duplicating machines and \$40,000 saved by switching one big building from steam to gas-fired hot water.

Here are just a few examples of the savings offered by common-sense application of today's new capabilities:

(1) Scottsdale, Ariz., has developed a fork lift waste-collection truck that enables one man listening to taped music in an air-con-

ditioned cab to collect and empty standard-size waste containers faster than the four sweating men formerly employed to do the job. This helped win Scottsdale a management innovation award from the International City Management Association. It will cut Scottsdale's waste collection costs by \$200,000 a year (44 per cent) while absorbing the cost of the equipment and also the cost of supplying every home with a \$35 standard wheel-mounted waste container. Applied nationally, this one innovation alone could cut the soaring cost of waste collection by much more than \$100 million a year.

(2) New York is applying today's new chemical knowledge to fire fighting, injecting a polymer to make water so "slippery" that it will flow as fast through a light 1½-inch hose as ordinary water will flow through a heavy 2½-inch hose. At a yearly cost of \$100,000 this weight cut can save as much time getting water on a fire as adding a man to each engine crew at a cost of \$20 million—a 200-to-1 savings ratio.

(3) Aerial photographs from helicopters have helped both New York and Washington re-study just how their waste collection system was functioning as a first step towards improving both its service and its economy.

(4) Computers provide a revolutionary new means to cut the cost of getting better assessments much quicker. After a first cost of \$1.50 per house to tape the answers to 100 pertinent questions, California assessors are finding that computers can keep 85 per cent of their assessments current and accurate within 5.25 per cent of market at a yearly cost of only 11 to 15 cents each. Applied nationally, any program that can shorten today's assessment lag by as little as one year (from five years to four) could increase property tax collections by more than \$2.5 billion a year. Keeping them all current could bring in another \$10 billion.

HERE ARE SIX WAYS CITIES COULD BE RELIEVED OF SOME OF THEIR EXCESS LOAD OF REGIONAL COSTS

(1) The city and the county could be combined into a single unit, following the examples of Nashville-Davidson County in Tennessee, Indianapolis-Marion County in Indiana, Jacksonville-Duval County in Florida, Columbus-Muscogee County in Georgia, and seven others. Many more are now being agitated.

(2) Without a merger the state could shift to the county government some regional costs that are now borne only by the central city. (Today, alas, too many counties use county taxes collected on in-city property to pay part of the cost of county services the county provides only outside the city line).

(3) The states can make it easy for the central cities to extend their boundaries and annex nearby unincorporated territories that might otherwise be able to take advantage of city services without contributing to their support. Such annexation can too often be blocked by the hasty incorporation of the outside area, so the cities of North Carolina are asking the state to forbid any further incorporations within five miles of a city of 100,000 population, three miles of a city of 50,000 population, and one mile of a city of 5,000 population.

Even without annexation some states are giving the cities extraterritorial planning and zoning authority to control development of the surrounding area and provide for orderly expansion.

(4) The cities can make a deal with their suburbs under which each suburb will take a percentage of low-income families instead of zoning them all out and leaving the central city stuck with almost 100 per cent of the poverty problem and poverty cost. Such a deal was worked out and accepted unanimously by all the suburbs of Dayton, each of which decided it would be wiser to accept its proportionate share of the pov-

erty problem staged over 10 years in return for being freed from the fear that suburban blockbusting might bring in a minority flood. When they were shown a list of the numbers to be assigned to each suburb the suburban voters decided they were too small to be a menace.

(5) The states can authorize regional councils of local government and empower them to undertake for the whole region any functions that either cities or counties are authorized to perform, including specifically water supply, sewage disposal, pollution control, solid waste disposal, and area mass transit. Eight such regional councils are now operating in North Carolina. The biggest such regional council is off to a very good start in the seven-county Twin Cities area in Minnesota.

(6) The states can follow the example set by Minnesota for the Twin Cities area and spread 40 per cent of all tax increases over the entire territory.

None of these plans for getting the suburbs and satellites to share the cost of regional services now borne by their central cities is likely to find wide acceptance unless and until the people who live in suburbs and satellites can be persuaded to recognize how dependent they are on the variety and diversity that only the nearness of a thriving central city can assure them. The Indianapolis-Marion County merger was enacted by the state legislature without giving the county people living outside the city a chance to vote it down. The Columbus-Muscogee County merger was approved only because the 4-to-1 "yes" vote inside the city outnumbered the 5-to-3 "no" vote outside.

Alternatively, the suburbs and satellites might be easier to interest in sharing regional costs if they knew more about the added benefits being achieved in the 11-county Dallas-Fort Worth area, which includes more than 100 cities. This area is implementing a regional purchasing program that will assure the smallest city the same prices as the biggest, standardizing and coordinating its 100-odd building codes to reduce construction waste, operating a regional police academy and working towards the establishment of training centers for other municipal services, exploring the possibilities of inter-local contracting, and (in a state notorious for the fragmentation of its assessments into hundreds of districts too small to employ competent appraisers) it is trying to improve and speed up assessments by making the county the smallest assessment district.

Meanwhile, many cities—including a few that are far from small—are finding they can reduce the cost of improving many of their services by contracting them out to the county. More than half the 77 cities in Los Angeles County (back East some of them would be villages) have entered into a total of 1,650 separate contracts with the county covering a wide range of services, including police and fire protection, health service, and street construction and maintenance. In the first year this system saved Glendora \$125,000 on fire service alone. In Monroe County around Rochester, N.Y., 15 joint departments and city-county agencies are functioning well.

WHEATON: A LACK OF RESEARCH AND IMAGINATIVE PLANNING

Many of our urban problems are generated by persistent poor-mouthing and inadequate performance.

New York City still is the highest per-capita-income city in the world. It still has the greatest productivity, per capita, of any metropolitan area in the world—twice that of any other city outside the United States and about 20 or 30 per cent greater than that of any other metropolitan area within the United States—so there is good reason why people continue to want to move to this horror. They pay a very high price to

share in a very substantial benefit. By and large, the people who move to New York improve their condition and contribute to the production of the metropolitan area and we have good studies to show that by and large, they don't go on welfare any more quickly than people who have lived there all their lives.

So a lot of our real problems stem from misapprehensions combined with the problem of too-rapidly-rising expectations.

Too many cities have been chasing something that's gone—chasing manufacturing industry. Why, that's a declining sector of the American economy; in another decade, it will be down where agriculture is now. There hasn't been any real growth in manufacturing employment in the country for a decade....

There are some functions that still belong in the cities—the managerial functions, the entertainment functions, the finance functions, the government functions, and, in some degree, the education functions. Those are the pre-eminent central city functions—and, fortunately for the cities, they are the growth areas in our economy.

By effort and confidence and faith and a sense of community and willingness to take risks, we could keep central cities viable....

Let's consider New York as an example of what the cities have been doing wrong. New York has built more office buildings than the rest of the country put together—and it's all trash. It's all built on exactly the same model of 1920, and it's obsolete. These tall office buildings should have been built on a platform probably five or six levels high, to house functions like stores, restaurants, etc., that need easy access to the street, all connected by some modern systems of transportation connected by moving walkways out to the edges of the area where you have to put the cars. You can see that kind of building on a pad in Hartford's Constitution Plaza, in San Francisco's Golden Gateway, and now on a still bigger scale in the new projects for Houston.

Not just New York, but all our cities need to think much more imaginatively about the requirements of the future....

The federal government has been spending \$5 billion a year for research, but not 1 per cent of it was being spent for research into any urban problem unless you consider health a strictly urban need....

Today we just plain don't know what policies our cities should be following because we haven't researched the facts. If Congress won't give HUD the money it needs for research, the cities had better get together and put up their own cooperative money for the research they need.

Without researching the facts too many people are saying we ought to scatter the poor and ease their concentration in the cities. But it's a good hypothesis that we can more efficiently modernize the poor and make them self-sustaining right in the cities where they seem to want to live than by scattering them over the landscape.

FRYER: IT'S NOT TOO LATE FOR SMALLER CITIES

The report that our cities are dead is greatly exaggerated.

The great cities may be almost over the dam, but it is not too late for the great majority of the 13,500 smaller cities to solve their problems if they work together. They can work together. They can work together to help the counties get county home rule. They can work together to get better annexation laws. They can adopt uniform building codes. They can impose user charges that will let the pricing mechanism function to ration certain municipal services. They can learn by each others' past mistakes to avoid those mistakes in the future.

MADDEN: A NEED FOR A NATIONAL URBAN GROWTH POLICY

People who have been voting with their feet to escape the city can only run so far. The bulk of the country's physical assets now domiciled in cities cannot be allowed to rot in discard.

In fact, concern with environment argues squarely for economizing such physical resources as never before. Ecology adds a new dimension to scarcity—the scarcity of earth, air, and water. The duplication of utilities that suburbanizing the whole population would involve comes only at astronomical real cost. Looking ahead for half a century, can anyone seriously argue that dominant civilizations will abandon cities?

If we are to rebuild our cities rather than desert them, how shall we assure a livable environment?

We need a government policy for urban growth and metropolitan innovation. It should preserve our remarkable freedom of movement for people, jobs, and money but set national environmental standards.

It should foster mass-produced modular and component elements, promote revision of state building codes to set uniform nationwide performance standards, and free up the nation's construction work force from its scandalous monopoly grip on large portions of the building industry. It should reject the financial gimmickry which now pushes the housing industry further into government control and unleashing private creativity from the shackles of outmoded habit.

Government policy cannot function by thinking of the city itself alone. The archaic restriction of the city will kill it in a few years. Already suburbs are learning that a dying city spreads its infection. The suburbs cannot fence themselves away from the city, because they live on it.

Reform is badly needed in municipal tax systems. The metropolitan tax base needs broadening. A powerful tool for rebuilding urban centers through private initiative lies in reforming the property tax. Higher urban taxation of location values and lower taxation of improvements would help push land into more effective use. Growth of the city upwards rather than outwards would economize on expensive utilities. Combined with multi-use zoning, such development would restore human scale to urban life, create variety, and contribute to urban safety.

BECKER: SHIFT REALTY TAXES TO LOCATION VALUES

If improvements were untaxed and the whole weight of the realty tax were shifted to location values:

(1) More new homes would be built in the city to take advantage of the tax exemption of improvements.

(2) Building more new homes would give slum dwellers a better chance to escape from the slums.

(3) Rents would come down as new construction eases the housing shortage.

(4) Urban redevelopment would be accelerated at no cost to the taxpayers. Over the years the heavier land tax would tax the slums and their almost worthless buildings out of existence.

(5) Commercial and industrial construction would likewise be stimulated.

(6) This would create more commercial and industrial jobs.

(7) New buildings would be built better and existing buildings would be improved if we stop penalizing quality by taxing good buildings more heavily than cheaper buildings.

(8) The building boom would create many more jobs in the construction trades.

(9) The construction boom would give city

planners a better chance to get their plans off the drawing board and translated into reality.

(10) Less close-in land would be wasted. This would save city governments billions of dollars now wasted by sprawl, for all municipal costs are multiplied by distance.

(11) Premature subdivision would no longer be profitable, and this change should make ecologists and other lovers of open space much happier.

(12) Subsidies would no longer be needed to make it profitable for private enterprise to take on most of the job of rebuilding and revitalizing our cities.

(13) The new construction and all the resulting increase in in-city business activity would strengthen the local tax base and make our cities less dependent on state and federal aid.

FORRESTER: CURRENT URBAN PROGRAMS WON'T ALLEVIATE THE CRISIS

The search for more money from outside dominates almost all discussion of the urban crisis, but no one stops to explain why we have an urban system that demands ever more outside support. We built our cities in the first place by internal economic processes. Why do we believe it is impossible for internal forces to maintain them? There are indications that cities would revive by themselves and be self-sustaining if we eliminate the positive incentives that are causing their decline. There are also indications that at best more money would just postpone the day when the fundamental causes of urban decline must be faced and at worst more money would hasten this decline.

The desperate effort to raise more money is leading to actions that are self-defeating, even from the monetary viewpoint. The graduated state income tax, the tax on improvements rather than on land, the tax shift from persons to business, and similar proposals all penalize the most mobile parts of the urban community. The result is a selective process that draws to the central city those people and activities that are not self-supporting and repels those people and activities that are most needed to maintain a heterogeneous community, social stability, and economic vitality. The current crop of urban programs will not alleviate the urban difficulties. They will fall at one of two stages. First, most of them depend on huge infusions of outside money, money which will not be available, so the programs will fail by not being implemented. Second, if such a program is implemented it will not be dynamically sound.

Today's property and income tax laws both favor old buildings whose aging is an intimate part of the urban decline process. Shifting taxes off from real estate and onto incomes means that the old buildings and the land they occupy can be allowed to decay with little tax penalty. This reduces the pressure for replacement. The income tax laws allow a building to be depreciated several times against current income; this gives an old building value and helps to keep it in place until it contributes to urban decline.

Zoning allocates too much urban area for residential use and not enough for industry. Unless there is rezoning to provide more space for industry the aging area lacks economic vitality to maintain all of its housing stock and the area begins to depreciate. Failure to zone so that only forests and agriculture are allowed in the rural areas immediately adjacent to urban areas permits urban sprawl and removes the necessity to rebuild and reuse the aging urban areas so these aging areas are abandoned rather than being revived.

A low-cost housing program alone moves exactly in the wrong direction. It attracts more low-income people. It makes the area differentially more attractive to the poor who need jobs and less attractive to those who create jobs.

Over the last several decades the country has slipped into a set of attitudes about our cities that have become an integral part of the system that is generating greater troubles. If we were malicious and wanted to create urban slums, drop low-income people in ghetto areas, and increase the number of people on welfare, we could do little better than follow the present policies.

ALEXANDER: GHETTO CONDITIONS MUST BE ELIMINATED

The Syracuse city administration has poured in \$18 million into building downtown garages to attract business and industry into the city, including specifically insurance companies and department stores. We have built skyscrapers for these insurance companies. A \$4 billion corporation came into the city, and [we] gave it over \$6 million to come.

But during that same period of time, 12,000 people left the city to live outside and I will tell you why. It is because they are scared to death of the central-city crime rate and ghetto conditions. As long as we have the slums and ghettos inside the city, the city is never going to be an attractive place, even if we bring the jobs inside.

ROVNER: HOW CAN THE CITIES MEET THE COSTS OF POVERTY?

We keep talking about the core city as if it is the dominant force, but the fact is that the core city is no longer the colossus sitting there with the satellites around it. The satellites have more people, more votes, and more political power than the city.

Now we must decide what the future function of the core city should be. Is its function to include playing host to the remittance men of America, the poor and the underprivileged and people who can't pay their way?

Somebody has to provide a place for the poor to live. I don't think New York or Philadelphia or Baltimore has any right to say "No more public housing in our city—go out and starve in the fields." If the cities won't take them, where can these millions of poor people go? But if they are to stay in the city, the city must be given the outside help it needs to do something more than "warehouse" them, which is what most cities are doing now.

I will give you a very quick example of just what I am talking about.

If you put public housing in, the city now has to accept a payment in lieu of taxes that comes to roughly 10 per cent of what the taxes would be if the housing were privately held and operated. Instead I would suggest that the federal subsidy should be, not 10 per cent, but 110 per cent.

Another function that should stay in the core cities is to house the highly specialized services that make it possible for the ancillary services to function in the ring around the city—the specialized services that can exist only where there is a tremendous concentration of population. And the core cities should provide for people who want immediate proximity to these specialized services and are willing to pay for it.

If these are the assignments given to the city and a rational distribution of ancillary ones is given to the rest of the metropolitan area, I think you can start adjusting costs, programs, service, delivery, allocation of resources, and so forth.

SVIRIDOFF: WHAT ELSE COULD THE CITIES DO ABOUT THE POOR?

It's wrong to look to the city to develop a systems approach to problems which are really national problems; it's wrong to blame the mayors for what has happened to the cities; it's wrong to say that mayors should not use urban renewal, Model Cities, public housing, or manpower programs; it's wrong to say the mayors should not use whatever is

available when their backs are against the wall.

When the poor and unskilled keep pouring into the cities and staying there while large sectors of the middle-income population leave, are the mayors to do nothing? In 1953 when one of the few tools available was urban renewal, should New Haven not have availed itself of it? Should it have allowed itself to go the way of neighboring Bridgeport or other cities which have deteriorated more rapidly?

No mayor could survive in office if he neglected the housing needs of the people in order to concentrate exclusively on the strengthening of the job base. Indeed, why should these objectives be considered mutually executive?

WOODRUFF: A PRESCRIPTION FOR FINANCIAL DOWNFALL

High welfare payments help make any city attractive to welfare families, and high taxes help make it unattractive to working taxpayers, so working taxpayers move out and so do many of the companies where they work. The taxes in New York, for instance, are much higher than the taxes outside. The size of the "welfare vote" is now such in New York that the attitude of the community is no longer friendly to business. Any city that simultaneously hangs out bait for further immigration of the poor and pulls in the welcome mat for solvent corporations and individuals is writing a prescription for its own financial downfall.

Not long ago a survey was made of people who recently moved out of one city to find out what they wanted in the suburbs that they were not getting in the city. They wanted (1) safety, and they feel safer in the suburbs. They wanted (2) better schools for their children, and feel that suburban schools are "better," and they wanted (3) clean streets. These are the very services on which many cities economize in order to meet mandated welfare costs.

Each welfare family averages \$1,703 per year for direct benefits and has an average of 2.75 children in school; since the education cost is \$904 per child, the family education bill is about \$2,486, so each family costs \$4,189. The average tax contribution of each working family is about \$920, so it takes all the taxes paid by 4½ families working full time to support one welfare family.

KEANE: THE BIGGEST NEED IN LOCAL GOVERNMENT

Elected political leaders need topnotch overall management in order to be effective. Individual departments have a natural tendency to be isolated, independent, and focused on a narrow field. The biggest need in local government is to pull it all together so it makes sense and provides services to all the citizens on an equitable and efficient basis. Local government will break down unless the political leaders have an experienced, tough-minded and socially-oriented executive who can make their programs work on an integrated basis.

CHARKOUDIAN: CAN WASHINGTON BUY OUT THE CITIES' PROBLEMS?

The states hold vast powers over local governments—almost life and death—including the power to restructure them geographically, administratively, and fiscally. These powers, if wisely used, can be more important than the efforts of the federal government over the past 20 years to "buy out" community problems. Money from Washington has not solved these problems. On the contrary, some federal grants have actually aggravated local difficulties.

But the cities can themselves undertake many self-help activities, including structural reorganization, new management techniques, intermunicipal cooperative agree-

ments, and contracting with private firms to provide certain municipal services. This last could achieve greater productivity and avoid the constraints that occur in civil service procedures.

In larger cities any major reorganization should envisage the decentralization of certain responsibilities to the neighborhood level to make these functions more responsive to neighborhood wishes. . . . Today's outdated civil service laws should be revised to permit better and current personnel and recruitment procedures. . . .

Local education systems too often attempt to meet state and/or federal criteria rather than meeting local needs. They should strive to meet the community's particular needs for vocational training and be flexible enough to adapt to changing local job markets and changing local income levels. . . .

Decentralization of government operations is just as necessary as regionalization of government sources.

JACKSON: THE CITIES ARE TRYING TO DO TOO MUCH

I am convinced that the cities are trying to do too much. They are trying to do more than they have the financial resources to support.

By way of contrast, consider what a smart game the suburban cities of from 15,000 to 50,000 population have been playing—and I commend them for it. They have identified what services and functions their people want enough to pay for them—mostly quality education for their children, good fire service, and good police protection. They have excluded from their spending the costs that are least likely to make their cities work. They try to get these less profitable services from the central city without paying for them or they try to get them provided by some other level of government.

If we go on expecting the core cities to perform all the many services that government can perform and continue to let suburban governments accept responsibility for only a limited number of services the central cities will always be at a disadvantage both economically and tax wise.

So the central cities might be wise to declare a creative bankruptcy in regard to those government functions they do not have the money to perform and let the states take over.

ANCIENT ORDER OF HIBERNIANS OF MAHONING COUNTY, OHIO, HONORS THOMAS BARRETT OF YOUNGSTOWN AS "IRISHMAN OF THE YEAR"

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. CARNEY. Mr. Speaker, recently I had the privilege of attending the Mahoning County Ancient Order of Hibernians testimonial honoring Mr. Thomas J. Barrett of Youngstown, Ohio as "Irishman of the Year." This honor was presented to Mr. Barrett at the Order's annual luncheon on St. Patrick's Day by Judge Joseph O'Neill. The invocation and benediction were given by Father Thomas Kelly, introductions by Richard McGuire, welcome address by Judge John Lynch, songs by the Cow Singers Division 5, and special award by State Representative John V. McCarthy.

Tom Barrett has been a lifelong member of the AOH and has served many

years in public office, including 10 terms as an Ohio State Representative. In addition, he has held the position of Youngstown finance director, member of the Ohio Water Resources Commission, member of the board of review of the Ohio Bureau of Unemployment Compensation, and member of the Ohio Comprehensive Health and Planning Council. He is currently serving as a Mahoning County commissioner.

Mr. Speaker, Tom Barrett is known throughout the Mahoning Valley as an able and dedicated public servant. Among his close friends, he is also known as an Irish singer of great note. It is with much pride that I join with the AOH Mahoning County Board and his many friends in congratulating my good friend and fellow Irishman, Thomas J. Barrett.

The names of the members of the AOH Mahoning County Board and the many friends of Thomas Barrett follow:

Congratulations Tom.—A.O.H. Mahoning County Board.

Richard E. McGuire, President, Charles Bryne, Vice President; J. Edward Joyce, Treasurer; Joseph Nalley, Fin. Sec.; Joseph Nalley, Jr., Rec. Sec.; Agnes Burke, Ladies Aux.; Father Paul McNally Chaplain.

FRIENDS

Mr. and Mrs. Joseph T. Nalley Sr., Mr. and Mrs. Joseph T. Nalley Jr., Mr. and Mrs. Charles V. Byrne, Mr. and Mrs. Thomas J. Glenn, Mr. and Mrs. James D. Kelly, Mr. and Mrs. Ronald J. Hagan and family, Mr. Thomas Miller.

Mr. and Mrs. Timothy Franken and Family, Mr. and Mrs. John F. Hynes II and Family, Mr. Sam Capusela, Florence Tavern, Mr. and Mrs. W. J. Peake III, Lame Duck, Mr. Robert W. Hartwig Jr.

Jim Anker, Bob Sheridan, George Franklin, Mr. and Mrs. Jerry Sause, Mr. and Mrs. James Murphy, Dave Crosetto, Mr. and Mrs. Chuck Phipps, Mr. James Cortese.

Mr. and Mrs. Gregory M. Dunn, Kathleen Kracko, Mr. and Mrs. James Cahill, The Zanzi Bar, Mr. and Mrs. George A. Hunter, Tom T. Kelly, Joe Shirilla, Don McKenzie, Bill Grady, Mr. and Mrs. Philip E. McGuire Jr.

Mr. and Mrs. William Gorkie, The Troubadore Lounge, T. Gordon Welsh, Toots and Honey Crawford, Mr. and Mrs. Joseph Bannon, Don Skrowron, Bob Hardie, Mr. and Mrs. Norman Newell, Mrs. Marguerite I. McGuire, Mr. and Mrs. Charles White, Mary Margaret McGuire, Mr. and Mrs. Donald Rudolph.

MAN'S INHUMANITY TO MAN— HOW LONG?

HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

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

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

How long?

PROBLEMS OF DRUG ABUSE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. DERWINSKI. Mr. Speaker, WMAQ-TV, NBC, Chicago, channel 5, presented what I believe to be an especially thoughtful, pertinent commentary on the report of the National Commission on Marihuana and Drug Abuse in its news broadcast of April 1.

The point very properly made in the editorial is that there are still questions to be answered and that the recommendations of the Commission contained many inconsistencies. As a result, the entire report adds fuel to the controversy rather than producing clear-cut answers to the problems of drug abuse.

The editorial follows:

EDITORIAL

One way we try to solve problems in this country is to appoint committees or commissions to study them. But the answers you get from a committee can be more perplexing than the original question.

Take the issue of marijuana use. For a long time we have needed some solid evidence about the effects of using marijuana. So a year ago, the National Commission on Marijuana and Drug Abuse started to work. It listened to the experts and collected the evidence. Now there's a report.

The commission decided that marijuana is not very dangerous. It does not kill people nor cause them to kill. The normal use of marijuana does not lead to sexual promiscuity or to harder drugs. There's no evidence it causes genetic damage. But, the commissioners could not agree whether marijuana should be legal or illegal, so they compromised. They recommended that marijuana use be "decriminalized." Now there's a word that sounds like it was invented by a committee.

We're going to try to explain the commission's recommendations for new laws as clearly as we can. But if it sounds like all the possibilities were thrown into a hat and the final recommendations were picked out at random, don't be surprised.

The commission thinks it should be all right to have marijuana in your home and to smoke it there. But, if a policeman catches you taking a little bit home to smoke, he would confiscate it, but you would not be charged with a crime. If he catches you smoking it on your way home, that would cost you a hundred-dollar fine, and it would be another hundred if you were carrying more than a little bit—more than one ounce.

It would not be against the law to buy marijuana for your own use. But no one would be allowed to grow it or sell it for profit. You could sell some to a friend on a non-profit basis—except if the transaction took place out in public. Then it would cost you a \$100 fine.

We realize the commission was dealing with a delicate issue. It is no easy job trying to convince the American public that marijuana appears to be a lot less dangerous than alcohol. But these recommendations are so utterly contradictory that they're almost funny.

If it is true we now have sufficient evidence that marijuana is not dangerous, then it would make a lot more sense to legalize it and control its use as we do with alcohol.

We do not think anyone should be encouraged to use marijuana. But let's have

a sensible policy. Straddling the fence is such an awkward position.

(This editorial was broadcast at various times on April 1 and April 3, 1972.)

NORTHERN ENVIRONMENTAL COUNCIL

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. DINGELL. Mr. Speaker, pursuant to permission granted I insert into the CONGRESSIONAL RECORD the very fine resolutions adopted by the Northern Environmental Council composed of a number of organizations in the Northern Great Lakes Basin States.

These resolutions merit careful consideration by all men interested in advancing the cause of conservation and good environmental management in this country:

NORTHERN ENVIRONMENTAL COUNCIL RESOLUTION

Full finding of Land and Water Conservation Fund

Whereas, the Land and Water Conservation Fund was enacted several years ago to provide \$2,000,000,000 annually for all levels of government to purchase outstanding scenic and recreational lands, and

Whereas, from this fund, the allocation to the U.S. Forest Service is \$31,900,000 for fiscal year 1973 for all the nation with \$9,800,000 going to Region 9, which is east of the Mississippi River where the need for recreational land is the greatest, and

Whereas, the administration's Office of Management of Budget is now cutting this amount to \$10,919,000 for the nation and to \$2,396,100 for Region 9 for fiscal year 1973.

Now therefore be it resolved that the Northern Environmental Council, meeting in quarterly session on February 26, 1972 in Duluth, Minnesota, urges the Senate and House Appropriations Committees to restore the full allocations of money to the U.S. Forest Service from the Land and Water Conservation Fund for fiscal year 1973.

February 26, 1972.

NORTHERN ENVIRONMENTAL COUNCIL RESOLUTION

National forest "mini-wilderness"

Whereas, east of the Mississippi River, the U.S. Forest Service has no areas large enough with pristine values that it would qualify to be under the protection of the National Wilderness System, and

Whereas, within the 1.4 million acres of the Nicolet and Chequamegon National Forests in Wisconsin there is not one acre that has been designated a no-cut area or is not subject to all terrain vehicles, and

Whereas, within these two National Forests there are many places with unique natural values such as: Blackjack Springs—Vilas County, Dumbell Springs—Forest County, Porcupine Lake and Marengo Hills—Bayfield County, Tucker Lake—Price County, Morgan Falls and St. Peters Dome—Ashland County, to name a few,

Now therefore be it resolved that the Northern Environmental Council meeting in quarterly session in Duluth, Minnesota on February 26, 1972 urges the U.S. Forest Service to adopt (by law, if necessary) a special

designation of "Mini-Wilderness" or "Primitive Area" for places with unique timber stands or ecological interest from timber cutting, road building and all-terrain vehicles. February 26, 1972.

NORTHERN ENVIRONMENTAL COUNCIL
RESOLUTION

Lake Superior water level

Whereas, the construction of water level control structures at the end of Lake Superior above the Soo Locks and St. Mary's River and diversion of Canadian water into the Lake have been constructed to hold the Lake at an artificially high water level, and

Whereas, the red clay banks along Wisconsin's South Shore and Apostle Islands are caving in disastrously as the result of continued uninterrupted high water levels, and

Whereas, the U.S. Army Corps of Engineers maintains these high water levels solely for commercial navigation with regard to other environmental impacts, and

Whereas, in the memory of older citizens a fine sandy beach once existed all the way along the South Shore of the Lake and has since been covered by sliding red clay banks, Now therefore be it resolved by the Northern Environmental Council, meeting in quarterly session in Duluth, Minnesota on February 26, 1972, that the International Joint Commission and the U.S. Army Corps of Engineers be requested to provide a full set of data and analysis of the status and changes in Lake levels before the control structures were erected in the 1920's and since that time. February 26, 1972.

NORTHERN ENVIRONMENTAL COUNCIL
RESOLUTION

Funding atomic breeder reactors

Whereas, the Atomic Energy Commission is requesting from the Congress \$230 million for construction of a liquid metal fast breeder reactor (F.B.R.), and

Whereas, a F.B.R. cooling system will utilize liquid sodium, which is highly corrosive and explodes on contact with air, and

Whereas, F.B.R.s generate plutonium which, unlike uranium fuel currently used in present reactors can easily be used for construction of nuclear weapons by unauthorized parties, and

Whereas, the F.B.R. will generate even greater increases in radioactive wastes (currently we have 100 million gallons of potentially lethal radioactive waste in storage) and pose greater accident hazards than current reactors,

Now therefore be it resolved by the Northern Environmental Council meeting in quarterly session in Duluth, Minnesota on February 26, 1972 that Congressmen and Senators from this Region be requested to halt funding of the Fast Breeder Reactor until an independent review of the hazards of this program be conducted and the Atomic Energy Commission's environmental impact statement be presented at open public hearings. February 26, 1972.

NORTHERN ENVIRONMENTAL COUNCIL
RESOLUTION

Channelization and impoundments

Whereas, channelization and impoundments will convert more than one-half of the nations free-flowing waters into artificial ditches and reservoirs within twenty-eight years, and

Whereas, these so-called water improvement projects are responsible for the extinction of many aquatic species of life from the earth, inundation of archaeological and historical sites, drainage of vast areas of wetlands that supported wildlife, and the loss of much high quality fishing,

Now therefore be it resolved by the Northern Environmental Council meeting in quarterly session in Duluth, Minnesota on Feb-

ruary 26, 1972 that the Governor of Minnesota withdraw the State's support of the channelization and impoundment projects presently being carried out by the U.S. Army Corps of Engineers and the Soil Conservation Service, and

Further that the Governor encourage more extensive studies of the many alternatives to channelization and impoundments for purposes of flood protection, irrigation, power generation, pollution dilution, or transportation. February 26, 1972.

NORTHERN ENVIRONMENTAL COUNCIL
RESOLUTION

New recycling industry for Duluth-Superior region

Whereas, the closing of the blast furnaces by U.S. Steel Company has left over 1,000 men without jobs, and

Whereas, the local market for iron and steel scrap has been seriously impaired by the loss of this plant, and

Whereas, a demand for finished steel products manufactured in Duluth still exists for nails, wire, etc., and

Whereas, thousands of tons of scrap iron are shipped to Japan and other foreign countries which could be smelted in this area, and

Whereas, *Fortune Magazine* in an article on recycling stated:

"Because there is a pervasive throwaway psychology in the U.S., we do not come close to realizing—or even envisioning—the potentialities of recycling. In many instances where recycling is dismissed as economically unfeasible, the possibility has not been carefully examined. The steel industry nowadays recycles much less scrap than it used to because the basic oxygen furnace, unlike the older open hearth, supposedly cannot assimilate very much cold scrap; industry leaders argue that heating costs make recycling uneconomic. Research scientists at M.I.T. disagree. They point out that the basic oxygen furnace produces a lot of hot waste gases. These could be passed up a tower filled with pulverized steel scrap, which could thus be heated enough for recycling."

Now therefore be it resolved that the Northern Environmental Council, in quarterly meeting on February 26, 1972 at Duluth, Minnesota strongly urges the Northeastern Minnesota Development Association (NEMDA) and United States Steel Company to undertake a joint study of the economic feasibility of a basic oxygen process to replace the out-dated and closed down blast furnaces. February 26, 1972.

NORTHERN ENVIRONMENTAL COUNCIL
RESOLUTION

Knife River, Minn., uranium enrichment facility

Whereas, in October 1968 the press carried a story that the Atomic Energy Commission and Union Carbide Corporation were acquiring options on lands along the Knife River for a nuclear fuel enrichment plant, and

Whereas, investigation indicates that these options are still being held and that the Northeastern Minnesota Development Association is actively promoting the establishment of such a plant, and

Whereas, irreparable damage in the form of a two billion gallon per day (2,000,000,000) effluent of hot water with radioactive materials would be discharged into Lake Superior, and

Whereas, the affected region including people living on Lake Superior's shoreline have not been consulted or given the benefit of any hearing on this issue and all plans have been made at the Washington political-industrial level without public participation,

Now therefore, be it resolved that the Northern Environmental Council, meeting

in quarterly session in Duluth, Minnesota on February 26, 1972, requests that full public disclosure of the current status of the proposed Knife River uranium fuel enrichment facility be made at public hearings in Minnesota during 1972, and

Be it further resolved that any planning and actions regarding the proposed Knife River uranium fuel enrichment facility be halted until an environmental impact statement complying with provisions of the National Environmental Policy Act of 1969 is made public,

Be it further resolved that representative John Biatnik and Atomic Energy Commission Chairman James Schlesinger be specifically requested to provide full current information on the status of this project in response to this request. February 26, 1972.

NORTHERN ENVIRONMENTAL COUNCIL
RESOLUTION

Opposition to Project Sanguine appropriation

Whereas, the Defense Department and Navy have requested the Congress to triple the budget for Project Sanguine from \$4 to \$12 million in order to go into Phase II, and

Whereas, specific instructions and prohibitions were given to the Navy in the current Fiscal Year 1972 appropriation bill to complete an Environmental Impact Statement and a feasibility study by the National Academy of Sciences to the satisfaction of qualified objective scientists not tied to Pentagon contracts, and

Whereas, the Navy has the audacity and effrontery to request a triple increase in appropriations for this project, which promises to be environmentally very damaging and over which serious questions as to its feasibility have been raised, and

Whereas, alternative and superior communication systems to underwater submarines have been developed with satellites and aircraft, and

Whereas, there are other much greater needs for federal program funding in northern Wisconsin which would provide far greater employment as well as natural resources benefits such as sewage treatment plants, soil conservation in the red clay area along Lake Superior, and protecting lake and river shorelines from encroachment.

Now therefore be it resolved by the Northern Environmental Council, meeting in quarterly session in Duluth, Minnesota on February 26, 1972, to oppose any further appropriations for this unnecessary and wasteful Project Sanguine and urge instead the Congress allocate the \$12 million for sewage treatment plants at Ashland and Superior, Wisconsin and for stabilizing the eroding red clay watershed and lakeshore banks on Lake Superior, and

Be it further resolved that this resolution be sent to Senators Proxmire, Nelson, Stennis and McIntyre; Representatives David Obey and Mahon of the House of Representatives Appropriations Committee; President Richard M. Nixon; and Secretary of Defense Melvin Laird, and

Be it further resolved that the Northern Environmental Council immediately enlist all nationwide conservation groups to assist in defeating this environmentally destructive project. February 26, 1972.

RADIO FREE EUROPE

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. McCLOSKEY. Mr. Speaker, with the funding and continued existence of

Radio Free Europe and Radio Liberty at issue, I would like to suggest careful consideration of the point of view of a great American whose foresight and vision have been proven correct on many occasions, Mr. Cyrus Eaton:

STATEMENT BY CYRUS EATON

The appeal to President Nixon by eight members of the West German government underlines the desirability of closing down Radio Free Europe and Radio Liberty. Location of these sources of American propaganda in West Germany constitutes a considerable source of embarrassment to Chancellor Brandt, and impedes his efforts to establish friendship with the countries of eastern Europe.

In my frequent visits to these communist nations, I have made a special study of the effect of broadcasts from the two stations. As could naturally be expected, the statesmen, press and radio are offended, because their unreliability is strongly implied by the broadcasts. The vast majority of the people themselves are similarly affected. Since the regular broadcasts of BBC and French stations are readily available, it is not as if they had no contact with the outside world.

The origin of the broadcasts in Germany, moreover, serves as a constant and unfortunate reminder to eastern Europeans of Hitler and his savage campaigns against their countries. Instead of making converts, therefore, the broadcasts stir up anger and bitterness toward the United States, which finances them, and resentment toward West Germany, where the stations are located.

Let us ask ourselves how we would feel if the Soviets set up a special station in one of our neighboring countries in an attempt to arouse the American citizenry, or some racial or ethnic segment of it, against its government and media. Not only would the politicians and the press and radio of the United States be deeply resentful of the implication of their unreliability, but the American public itself would also be in an uproar of protest against such obvious propaganda. The American people would certainly not for one instant put up with being told what to do and how to do it by an outside power of opposing ideology.

The proponents of our propaganda stations go after Senator Fulbright hammer and tongs, on the grounds that he is trying to deny the people of eastern Europe access to the truth. Actually, he is completely right in his recognition that these radio programs are unwise and counterproductive and, in addition, place a further burden on the American dollar, already in serious trouble.

The flight from the dollar continues on an alarming scale. America must give up the luxury of overseas spending to tell the rest of the world what to do and how to do it. A good place to start is by terminating the folly and expense of Radio Free Europe and Radio Liberty.

IRS TURNABOUT

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. HANNA. Mr. Speaker, over the course of the past 14 months I have, along with a few other Members of the House, attempted to call the attention of the Congress and the Internal Revenue Service, to the need for protection of U.S.

taxpayers from unscrupulous and unqualified tax return preparers.

On May 3, 1971, I expressed concern that the IRS seemed unwilling to take the necessary steps to remedy the problem. In a letter dated March 8, 1971, the service informed me that:

Frankly while we are concerned about the increases in the number of incompetent preparers, we are still of the view that the service should not attempt to control these firms or individuals.

The letter further claimed that "the service is without authority to police this area." It was this attitude which caused me to introduce H.R. 7973 giving IRS the authority to establish regulatory procedures in the area of tax return preparers. Similar legislation has been introduced by Senator MATHIAS and Congressman MONAGAN.

Interest in this subject has been widespread, especially in this current tax season. A number of newspaper articles have appeared across the country, and three States, California, Vermont, and Massachusetts, have shown some interest in dealing with the problem.

Over the past 5 months the IRS seems to have changed their turn 180 degrees. Last December, Commissioner Walters was reported to have said that the Service was considering several alternative regulatory possibilities. The Service subsequently called for advisory opinions and suggestions from concerned groups. The first to respond with specific recommendations was the National Society of Public Accountants.

The latest evidence of a change of heart is a speech by Treasury Secretary John Connally in Chicago yesterday. According to an AP release, the Secretary told a meeting of the National Association of Broadcasters that a departmental survey revealed that 97 percent of the returns prepared by someone other than the taxpayer involved instances of fraud. The Secretary is quoted as saying bluntly:

We are going to do something about this.

My reaction to the Secretary's remarks are mixed. On the one hand, I am glad to see the Department reverse its head-in-the-sand position of last year, but at the same time, I am concerned about the tone and implication of the Secretary's remarks. He is making a very sweeping indictment which must cover the professional trained and experienced accountant as well as the quick-buck artist to whom I have been calling attention. It would seem that the Secretary has failed to take account of the complexity of tax law and of tax forms and the great extent to which both are open to conflicting interpretation. No two tax authorities are going to agree on the fine points of tax law. To apply the term "fraud" to a situation of conflicting interpretation of the law is, I think, intemperant and unfair. Who, after all, is responsible for the complexity of our tax law. The blame must be borne jointly by IRS and the Congress.

The Legal and Monetary Affairs Subcommittee of the Committee on Government Operations has announced that it

will hold hearings on the subject of tax preparers during the next 2 weeks. I am hopeful that during the deliberation of the survey to which Secretary Connally referred will be made available. I further hope that due considerations will be made of the complexity of existing tax law and the fact that the Congress and the IRS have forced the average taxpayer into the position of having to seek outside help in the preparation of his returns.

Following is a copy of the report of the Secretary's remarks:

[From the Washington Post, Apr. 11, 1972]

CONNALLY REVEALS WIDE FRAUD BY TAX CONSULTANTS

(By Dennis J. Sorensen)

CHICAGO, April 10.—Treasury Secretary John Connally said today that perhaps millions of tax returns that might have gone uninspected will receive a thorough audit by the Internal Revenue Service because of what he called widespread fraud by tax consultants.

Connally, addressing the 50th annual meeting of the National Association of Broadcasters, said a survey of several hundred recently completed by the Treasury Department in the southeastern United States showed that 97 per cent of tax returns prepared by persons other than the taxpayer were fraudulent.

"We are going to do something about this," he declared, "Forty indictments have been handed down as a result of the investigation we made, and we are going to check thousands, perhaps millions, of returns we had not intended to check before."

He did not elaborate further.

Talking about the nation's economy, the former Texas governor said Americans are in for rough days and that individual sacrifices will have to be made to return the country to the world leadership status it enjoyed in post-World War II days.

In 1946, he said, the United States had the only viable economy in the world and was alone in its ability to produce. He said America set out to share with the people of the world, to rebuild and rehabilitate.

"And we have been successful," he said, "because we no longer stand alone on a pedestal. We have expended our surplus to the point where we've had to devalue the dollar."

Now, he said, there are other economic forces in the world and the United States is in competition with equals that often out-produce this country and often are more efficient.

"We have to make some basic decisions about what kind of a nation we are going to be," he said. "We have to make certain sacrifices. We didn't ask for the mantle of leadership that we had."

"It was a conscious decision on the part of everyone to accept it and it will take the same kind of individual decisions to restore America to its position of world leadership."

In defending President Nixon's economic policies, Connally said the President "knew we could no longer live with the inflation, wages and prices we had. He knew we had to pause and take stock. He realized that the leadership this nation provided for a quarter of a century was in danger. And he had the raw courage to take unprecedented action and institute freezes."

He said Phase II of the Nixon plan is going to work "because there is no alternative." But he said it will not work if no one supports it and no one cooperates because the program is primarily a voluntary one.

AMERICAN FISHING INDUSTRY

HON. LOUISE DAY HICKS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mrs. HICKS of Massachusetts. Mr. Speaker, I would like to share with my colleagues a most timely and informative talk made recently at the State Club in Boston by Mr. Joseph S. Gaziano, president of the Prelude Corp. of Westport, Mass.

Mr. Gaziano, the dynamic young president of the Prelude Corp. has been the most powerful and outspoken champion of the American fisherman and his dwindling supply of gear and fish. The Prelude Corp. is the largest and only deep sea lobstering firm in the United States owning more than \$4 million of highly sophisticated fishing gear and equipment and has suffered the highest losses of any U.S. lobstering company from damage and harassment by foreign fishing vessels.

The speech is as follows:

Ladies and Gentlemen: Thank you for inviting me to be your speaker tonight.

I should like to comment on our company's rather unusual name. The dictionary defines Prelude as an introductory performance of action preparing for the principal or a more important matter. And in fact, that's just how the founders of the Prelude Corporation regarded their activities a few years ago when the company had its start. More recent events, however, have given this choice of names an ominous overtone.

Since I left the defense business for a peaceful and serene life in Westport, I've begun to ponder if this is the Prelude, then Black Plague has to be next.

When the company was organized in 1966, the then President—or more properly the entire company, Bill Whipple, was a divinity student at Boston University and he started lobstering as a means of paying his tuition. As luck would have it, the place he chose to start was Westport, Massachusetts.

Before long Bill Whipple had discovered that at certain times of the year, he could catch significant quantities of lobsters many miles further at sea from traditional lobster grounds. Bill fortunately had the vision to see that he was on to something big, and thus Prelude Corporation had its beginning.

The company has come a long way in the past few years. We now have four 100-foot semi-automated, refrigerated, vessels fishing the edge of the continental shelf, fishing a new, plentiful, untapped resource which scientists assure us is completely separate from our traditional inshore lobster harvested for generations off the New England coast.

One eventual result of all this find should be of particular interest to tonight's audience. Prelude is able to harvest lobsters year round, efficiently enough to achieve substantial volumes at a steady rate. This year, for example, we are operating at about 30% the volume of the total Maine lobster industry. The results of these factors should eventually be that the rarest of all restaurant delicacies; the premium lobster will have a guaranteed year round price. That's what we're aiming for, and to that end we have recently acquired the elements of a substantial nationwide distribution system—Wickford Shellfish Company in Rhode Island, and Deep Deep Ocean Products in Boston and Gloucester.

Aside from our success at fishing lobster, I am sure you are aware of the ecological disaster which is occurring off the East Coast of the United States. The rush towards this

disaster begun in 1961 when a Soviet Armada, which peaked at 460 ships in 1965, began saturation fishing the traditional and very productive grounds off New England. This area known as Georges Bank was the most abundant fish resource in the world.

In 1965 the Soviets alone took 2½ billion pounds of fish from these waters. This catch was mostly composed of cod and haddock; and, as a result of this overfishing, we have now an almost totally depleted resource. This level of total catch maintained itself until 1968; and as the foreign vessels absorbed more and more of the resources, the catch, of course, began to decline. One by one they have picked off haddock, cod, yellow tail, herring, scallops and who knows what's next! In 1971 there are still 310 foreign fishing vessels in Georges Bank area; however, the catch in 1971 has fallen to the lowest yield in the 10-year history—less than 400 million pounds or down eight-fold from the peak yield in 1965.

I think of significant interest to us is what happens to a good deal of this fish. Does it go back to the Communist-bloc nations to feed their starving proletariat? I'm afraid not. A good deal of it goes to Canadian ports where it is off loaded onto freighter vessels and shipped to the United States for our domestic market. Some United States companies admit and are proud of the fact they are buying millions of dollars of Communist-bloc fish. In effect these vessels are not fishing for fish at all; they are fishing for dollars. They are catching or destroying resources off our banks and bringing home American dollars which are used to finance additional fishing vessels in Communist shipyards. Recently the Japanese and Spanish are beginning the same process. The American fisherman, of course, feels this equation unfair, at best. He must compete with a wholly owned and wholly government subsidized fishing enterprise at sea and then compete with the same subsidized fishing product in the United States market. I personally know of no other industry that has ever been saddled with such a handicap.

To get some perspective of the dollars involved, the Soviet fishing industry is over \$2.7 billion per year. A significant contribution to their economy.

Prelude was unlucky enough to bring this problem to international attention over our conflict with Soviet fishing trawlers off the East coast last spring, then again with our seizure of a Russian freighter in San Francisco harbor and finally when we settled the dispute in direct negotiations with representatives of the Soviet government at Prelude in November. During this conflict, it was a difficult task to get any action from the United States government. We received much advice but little support. I am sure there is nothing unusual about our plight.

Since that time I have attended many meetings with State Department officials and officials of other branches of the government over the terrible position of the United States fisheries, and it is obvious to me that very few members of our government are interested in this problem. Most alarming, however, is that they offer little encouragement other than that somehow we must learn to live and compromise with the vast foreign fishing fleets off our shore.

In the meantime,

1. A great and plentiful fishing resource is being destroyed.

2. The American fishing industry is in a bad financial situation, unemployment in this industry continues to rise and fewer and fewer young people are interested in fishing as a way of life.

3. Our fishing vessels are being seized off foreign shores while foreign fishing vessels continue to harvest off ours.

4. New resources attract new foreign fishing vessels to our shores to deplete new resources as they have the old in the past.

5. Our American fishermen receive continued harassment from foreign fishing fleets.

With all this, it appears that little in the way of positive action is being taken by our government. However, I do not feel that this lack of action stems from ineptitude, but from lack of "National Fisheries Policy." I feel that our entire heritage will be lost unless the United States government forms a policy and makes a commitment to the preservation of our fishing resource and fishing industry.

What does the lack of "National Fisheries Policy" mean to the restaurateur? I am sure that you gentlemen know better than I that fried chicken now comes in a bucket and that Massachusetts restaurants earned their fine reputation from the great seafood, indigenous to the region, which your restaurants have delightfully prepared for generations. The increase in cost and gradual disappearance of these products from your menus, I am sure, will prove very harmful to you in the future. People come to New England to eat our clam chowder, lobsters, fish and scallops, so obviously you can see that it is in our interest to stop the destruction of these resources.

What does all this mean to an average American citizen? Dr. Frederic Stare, a renowned nutritionist and head of Harvard Department of Nutrition stresses that we in the United States are in the midst of a coronary epidemic and that the American diet must, not should, include more fish to stem this epidemic. Let us then suppose that medical researchers determine in the coming years that we must eat certain quantities of fish each day for us to stay healthy. Where will the fish come from? Once this resource has been destroyed by the foreign fleets, it will not return. Are we so wise in 1972 to abandon a resource that may be critically needed in 1982? Our wisdom and foresight in the past give me little confidence that this traditional and natural food supply won't be abandoned.

Unfortunately, in my opinion, a disease has permeated our country in the last decade, somehow we have adopted the policy that all our problems must be solved by compromise and compromise means choosing the lesser evil. Rape is better than murder, and of course robbery is better than rape. The United States must constantly surrender some of what rightfully is hers to obtain something where we have no business. In this we have destroyed our willpower, and what is certainly more harmful, the eroded confidence in our government. I unfortunately share some of that lack of confidence, but like most Americans fervently want to regain the spirit and confidence that made America a great nation, a respected nation. I cannot believe that in a democracy's interest to ignore injustices and evils for the penalty for such a policy is to lose respect throughout the world.

Nations respect the character of the United States or any other government when it has the fortitude to protect itself, its people, or its resources. The cost of such unwillingness to protect the country's great resource and her fisherman can be measured both in lost catch and respect. I can personally assure you after many hours of negotiations with foreign fishing interests, that they are bewildered with the United States lack of action to protect its fisherman and resources, and I assure you that they intend to take full advantage of the situation.

Now the point of this entire discussion focuses on what you can do to stop the foreign fishing fleets from destroying the resource. I would not be speaking to you tonight if Prelude had not received considerable notoriety and public support in our conflict with the Soviets last spring. It is obvious that the wheels of this government and all democratic governments turn on public opinion. When the administration and Congress feel that destruction of our fishing re-

sources is of significant public concern it will move to protect it quickly. Therefore, it is your opinion that is important not this speech. Your opinion carries value and weight, why not use it? Let your congressman know how concerned you are about this problem. Ladies and gentlemen—the weight of public opinion can “tip the scale” and put the United States back as a leader in world fisheries where she rightfully belongs.”

The Ninth Congressional District which I represent, has a fishing industry depletion and imminent extinction of the fishing resources plus the serious damage to the gear. I feel the State Department has been almost completely indifferent to their plight and the time is now that all Americans awaken to the plight of the fishing industry which unless we lend the helping hand, will become extinct. I commend Mr. Gaziano for his courageous stand and trust his message will bring a response from the American people to save America's fishing industry.

MONTHLY CALENDAR OF THE SMITHSONIAN INSTITUTION

HON. HENRY P. SMITH III

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. SMITH of New York. Mr. Speaker, it is my privilege to insert in the RECORD the Monthly Calendar of the Smithsonian Institution. The April Calendar of Events follows:

APRIL AT THE SMITHSONIAN

SATURDAY, APRIL 1

Exhibition: *Arabia Felix*. An exhibition of the culture of Ancient South Arabia—the homeland of the Queen of Sheba—showing the agriculture, incense trade, and art in Islamic times. Museum of Natural History.

Exhibition: *A Korean Village: Its Changing Culture*. Based on collections recently made in South Korea, the rapidly changing life-style of the Korean people is shown by a comparison of old and contemporary objects. Museum of Natural History.

Exhibition: *Apollo 16*. Information about the mission and objectives the Apollo 16 flight plans to accomplish. Arts and Industries Building.

Kite Flying Competition: Sponsored by the Smithsonian Associates and Parks for All Seasons, National Capital Parks, Washington area competition: 10 a.m.—1 p.m. (registration closes at 12 noon). National competition: 2—3:30 p.m. No recreational flying will take place this day. Washington Monument Grounds. For weather cancellation, call 381-6354. In case of rain, competition will be held on April 2. For detailed information on competition rules, call 381-5157.

Workshop/Lecture: *Indian Music Traditions*. Louis Ballard, American Indian composer and music-curriculum specialist for the Bureau of Indian Affairs, will lecture on how these music traditions have influenced his work. Mr. Ballard will also conduct a workshop in chanting and show a film “Discovering American Indian Music.” 1 p.m., Lecture Hall, National Collection of Fine Arts.

Concert: *The Dupont Circle Consortium* performs Louis Ballard's music. (See Workshop above.) 3 p.m., Granite Gallery, National Collection of Fine Arts.

TUESDAY, APRIL 4

Illustrated Lecture: *Civilization and the Cochiti Potters*. Robert S. Stites discusses the controversy over the origins of prehistoric

American culture and the similarities between Cochiti pottery and that of ancient China and Greece. Mr. Stites is the author of *The Sublimations of Leonardo Da Vinci*. 8:30 p.m., Natural History Building auditorium. Sponsored by the Smithsonian Associates.

WEDNESDAY, APRIL 5

Free Film Theatre: *Hemingway's Spain*. Three films showing different aspects of Spain as related to Hemingway novels. 12:10 and 1:10 p.m., Natural History Building auditorium.

Design Films: *The Music Rack*. Craftsman Wendell Castle is shown making a complex plywood music rack. Continuous half-hour showings from 11 a.m.; last showing at 2:30 p.m. Grand Salon, Renwick Gallery.

THURSDAY, APRIL 6

Free Film Theatre: *Hemingway's Spain*. Repeat. See April 5 entry for details.

Creative Screen: *Now That the Buffalo's Gone*—a powerful protest against the decline of the American Indian; *The Real West*—legends of famous gunfighters narrated by Gary Cooper; *Catlin and the Indians*—the paintings and contributions of artist George Catlin. Films shown continuously from 11 a.m., last showing at 2 p.m. National Collection of Fine Arts.

Seminar: *Dynamics of the American Political System, 1972: Trends and Directions*. “What Do People Want”—an examination of the mood of the country, “the hopes and fears” of the American people. Moderator: former Presidential Assistant George Reedy, Guest Scholar at the Woodrow Wilson Center. Speakers: David Broder, Richard Scammon. Commentators: Meg Greenfield, Denis Hayes, Daniel Mahoney, Louis Martin. 8 p.m., Natural History Building auditorium. First in a series of four public seminars sponsored by the Woodrow Wilson International Center for Scholars. Remaining seminars: April 27, May 18, June 8.

FRIDAY, APRIL 7

Exhibition: *Two American Painters: Fritz Scholder and T. C. Cannon*. The Pop, put-on and protest paintings of Scholder, considered “the best Indian painter working today” and the highly individualistic paintings of Cannon, whose work represents an affirmation of traditional American Indian culture. Approximately 30 large paintings are included. National Collection of Fine Arts, third floor. Through May 29.

Exhibition: *World Health*—an exhibit commemorating World Health Day. Museum of History and Technology. Through April 1973.

SATURDAY, APRIL 8

Exhibition: *The Edith Gregor Halpert Memorial Exhibition*. Paintings, drawings and five small sculptures from the vast collection of the late Mrs. Halpert, acknowledged dean of dealers in 20th century American art. Among the many artists represented are John Marin, Yasu Kuniyoshi, Ben Shahn, Charles Sheeler and Stuart Davis, National Collection of Fine Arts, through June 25.

Creative Screen: *Now That the Buffalo's Gone; The Real West; Catlin and the Indians*. Films of the American West. Repeat. See April 6 for details.

Folk Concert: *Sampler*. A special concert featuring performing members of the Folklore Society of Greater Washington. \$1 FSGW members; \$2 non-members. 8:30 p.m., Natural History Building auditorium. For ticket information call 381-5395.

MONDAY, APRIL 10

Audubon Lecture: *Ecological Ecstasy*. Dr. Maurice Broun, professional photographer and ornithologist, presents his color slides which reveal the startling beauty and design in the varied inhabitants of the natural community, 5:15 and 8:30 p.m. Natural History Building auditorium. Sponsored by the Audubon Naturalist Society.

WEDNESDAY, APRIL 12

Lunchbox Forum: *Bombers of the Black Cross*. Informal discussion led by Ray Frette, USAF Historical Division, Room 449, Smithsonian Institution “Castle” Building. 12 Noon—Bring your lunch.

Design Film: *Glas-leerdam*. A Dutch film on the design and manufacture of glass, shown in conjunction with the Renwick exhibition “The Glass of Frederick Carder.” Continuous showings every half hour from 11 a.m.; last showing at 2:30 p.m. Grand Salon, Renwick Gallery.

Free Film Theatre: *The Day Manolette Was Killed*—The story of the death of the great matador; *I Think In Shapes*—The works of Henry Moore exhibited at the London Tate Gallery, discussed in the film by the artist. The two-film program begins at 12:10 and 1:10, Natural History Building auditorium.

THURSDAY, APRIL 13

Seminar: *Evolution As Reflected in the Fine Structure of DNA*. Lecturer: David Kohne, University of California. One in a series of graduate level lectures on current research in the origin of life, genetic engineering and evolution jointly sponsored by the Consortium of Universities of the Washington Metropolitan Area and the Smithsonian Institution. A question and answer period follows each lecture. 7:30 p.m., History and Technology Building auditorium. Additional lectures April 20 and 27.

Illustrated Lecture: *The Sanchi Torso, an Indian Masterpiece*. John Irwin, of the Victoria and Albert Museum, discusses this work of art of the Gupta period. The Freer Gallery of Art. 8:30 p.m.

Free Film Theatre: *The Day Manolette Was Killed; I Think In Shapes*. Repeat. See April 12 for details.

FRIDAY, APRIL 14

Preservation Conference: *The People Speak*. Two-day conference on the preservation problems and potentials in the nation's capital. Open to the public. Natural History Building auditorium. For information on attendance or participation, call 524-9867. Sponsored by the Society of Architectural Historians and the National Trust for Historic Preservation.

Folk Concert, *David and Tony Arthur and John Harrison*, British singers, perform original and traditional songs. 8:30 p.m., Natural History Building auditorium. Sponsored by the Folklore Society of Greater Washington. Free to FSGW members; \$1 non-members.

MONDAY, APRIL 17

Concert: *Hanna Lachert*, violinist from Poland, presented by the Washington Performing Arts Society and Carnegie Hall-Jeunesse Musicales, Inc. 8:30 p.m., History and Technology Building auditorium. For ticket information call 393-3808.

TUESDAY, APRIL 18

Demonstration Lecture: *The Contribution of Progressive Myopia to the Rise of Impressionism: Visual Problems in the History of Art*. Dr. Cary Lu, of the California Institute of Technology explores some of the subtleties of vision and explains the distinction between appearance and reality. 8:30 p.m., Natural History Building auditorium. Sponsored by the Smithsonian Associates.

WEDNESDAY, APRIL 19

Informal Concert: *Roberta Caraviallo*, soprano, and *Richard Glenn*, lute and guitar, performing works of Almeida, Compion, Dowland, Gerard, van der Staak and Villa-Lobos. 1:30 p.m., Hall of Musical Instruments, Museum of History and Technology.

Free Film Theatre: *Matisse*—A vivid view of the achievement of this great artist; *Raphael*—The tapestries in the Sistine Chapel designed by Raphael for Leo X are analyzed as works of art and revolutionary designs. Two-film program begins at 12:10 and 1:10 p.m., Natural History Building auditorium.

Design Film: *The Music Rack*. Repeat. See April 5 for details.

THURSDAY, APRIL 20

Seminar: *Genetics of Isoenzymes in Fish*. Lecturer: James E. Wright, Pennsylvania State University. See April 13 for seminar details.

Creative Screen: *Now That the Buffalo's Gone*—a protest against the decline of the American Indian; *Discovering American Indian Music*—songs and dances of several tribes performed in costume; *The Hands of Maria*—the remarkable talent and techniques of a famous Indian potter. Films shown continuously from 11 a.m.; last showing at 2 p.m. Lecture Hall, National Collection of Fine Arts.

Free Film Theatre: *Matisse; Raphael*. Repeat. See April 19 for details.

FRIDAY, APRIL 21

Illustrated Lecture: *The Chesapeake . . . People, Places and Resources*, by William W. Warner, Smithsonian Assistant Secretary for Public Service. A dedicated conservationist, Mr. Warner will discuss the effect of the Bay on the people around it and the people's effect on the Bay. He will also cover the history of the Bay from its formation to the present time, its current ecological and economic problems and the outlook for the future. 8 p.m., Natural History Building auditorium.

SATURDAY, APRIL 22

Creative Screen: *Now, That the Buffalo's Gone; Discovering American Indian Music; The Hands of Maria*. Repeat. See April 20 for details.

Exhibition: *22 X RISD*: Prepared by advanced sculpture students of the Rhode Island School of Design, exhibit includes photographs, drawings, scale models and full-sized works. National Collection of Fine Arts, through June 2.

Demonstration: *Sculpture techniques* demonstrated by students whose work appears in the *22 X RISD* exhibition, including raku, stone carving, welding and metalworking. 11 a.m.-4:30 p.m., National Collection of Fine Arts courtyard.

Lecture: *Wendell Castle*, whose work is included in the Renwick exhibition "Wooden-works," lectures at 3 p.m. in the Grand Salon, Renwick Gallery.

SUNDAY, APRIL 23

Demonstration: *Sculpture techniques*. Repeat. See April 22 for details.

TUESDAY, APRIL 25

Illustrated Lecture: *Nejerliti and the Computer*, by Ray Winfield Smith, Director of the Akenaten Temple Project. The reconstruction by means of photography and computer of ancient buildings at Karnak on the Nile. A BBC documentary film on the computer project will be shown. 8:30 p.m., Natural History Building auditorium. Sponsored by the Smithsonian Associates.

WEDNESDAY, APRIL 26

Free Film Theatre: *Siberia: The Endless Horizon*. A new image of a country long associated with faceless exiles and a grim, unrelenting climate. 12:10 and 1:10 p.m., Natural History Building auditorium.

Lunchbox Forum: *U.S. Coast Guard Aviation*. Informal discussion led by Cdr. W. S. Black, U.S.C.G. Room 449, Smithsonian Institution "Castle" Building. 12 Noon—Bring your lunch.

Design Films: To be announced. Continuous showings from 11 a.m.-2:30 p.m. Renwick Gallery.

THURSDAY, APRIL 27

Seminar: *Genetic Variation and Evolution*. Lecturer: Ernst Mayr, Harvard University. See April 13 for seminar details.

Seminar: *Dynamics of the American Political System, 1972: Trends and Directions*. "Four Megastates: California, Illinois, New

York and Texas"—a comparison and contrast of the characteristics and attributes of four key states. Moderator: Alton Frye, Joint Fellow of the Woodrow Wilson Center and the Council on Foreign Relations. Speaker: Neal Peirce. Commentators: Lou Cannon, Jack Germond, D. B. Hardeman, Adlai E. Stevenson III, Robert Teeter. 8 p.m., Natural History Building auditorium. Open to the public. Sponsored by the Woodrow Wilson International Center for Scholars.

Free Film Theatre: *Siberia: The Endless Horizon*. Repeat. See April 26 for details.

Demonstrations

Museum of History and Technology

Musical Instructions, from the Smithsonian's collection, Monday, Wednesday, Friday, 3 p.m. Hall of Musical Instruments, 3rd floor.

Music Machines—American Style. Mechanical and electronic music machines. Monday, Tuesday, Thursday and Sunday, 1:30 p.m., 2nd floor. As part of this exhibit, films are shown continuously as follows:

March 31—April 6, MGM Musicals.

April 7-13, Musicals of '30s II.

April 14-20, MGM Musicals.

April 21-27, Musicals of the '30s, I.

April 28-May 5, MGM Musicals.

Spinning and Weaving. Tuesday, 10:30 a.m.-12:30 p.m.; Wednesday through Friday, 10:30 a.m.-12:30 p.m. and 1:30-3:30 p.m.

Museum tours

Highlight Tours, conducted by Smithsonian volunteers, begin at the Info Desks by the Mall entrances, on the following schedule. No tours will be conducted March 31 through April 9, in any but the Renwick Gallery.

Museum of History and Technology:

Monday through Friday, 10:30, 11:30 a.m.

Saturday and Sunday, 10:30 a.m., Noon, 1:30, 3 p.m.

Museum of Natural History:

Saturday and Sunday. By appointment, call 381-6471.

Arts & Industries Building (Air & Space Museum):

Saturday, 10:30, 11, 11:30 a.m., 1, 2, 3 p.m.

Sunday, 1, 2, 3 p.m.

National Collection of Fine Arts:

Saturday and Sunday, 2:30 p.m. (Tour begins at 9th Street entrance)

Renwick Gallery:

Half-hour walk-in tours of the building architecture and the two period rooms, 12 and 1 p.m. Monday through Friday.

Radio Smithsonian

Radio Smithsonian, a program of music and conversation growing out of the Institution's many activities, is broadcast every Sunday on WGMS-AM (570) and FM (103.5) from 9-9:30 p.m. The program schedule for April:

2nd—Folk Concert. Alan Jabour and Pete Hoover playing fiddle and banjo.

9th—*How To Live in a Stately Home and Stay Solvent*. An interview with Lord Montagu of Beaulieu, owner of one of England's most impressive mansions; *Ecolibrium*. Dr. Athelstan Spilhaus, Chairman, AAAS, discusses his thoughts on maintaining an environmental balance.

16th—*Ballooning: Man's First Step into the Air*, with Roger Pineau, historian for the Smithsonian's new exhibit on ballooning, and Constance Wolf, holder of the major world's records for women balloonists.

23rd—*Concert*. The Danzi Woodwind Quintet of Amsterdam.

30th—*Latest Discoveries at Lake Rudolf*. Dr. Richard Leakey talks about his newest findings concerning man's ancestors; *A Global View of the Human Environment*. Interview with Swedish statesman Rolf Edberg.

Domestic tours

A Musical Weekend in Washington: April 28-30. Splendid music, tours of the Smith-

sonian, Kennedy Center, Filene Center, and social events in private Georgetown homes, and historic houses. For information and reservations write to Mrs. Lois Howard, Division of Musical Instruments, Smithsonian Institution, Washington, D.C. 20560.

The Smithsonian Associates sponsor tours listed below. For further details, write Mrs. Kilkenny, Smithsonian Associates, Washington, D.C. 20560.

Death Valley: April 14-20.

Northern Pueblo Indians: June departures.

Navaho Land: June departures.

Windjammer Cruise: June 25-July 1.

Solar Eclipse: July 15-11. Prince Edward Island.

Archaeology Dig: August 6-12. New Hampshire.

Foreign study tours

For members of the National and Resident Associates. For further details on tours, listed below, write to Miss Schumann, Smithsonian Institution, Washington, D.C. 20560.

No-tour Tour: Dulles-Paris-Dulles. May 29-June 19.

Greece and Yugoslavia: June 12-July 10.

No-Tour Tour: New York-Amsterdam-New York, July 17-Aug. 7.

King Arthur's England: July 11-Aug. 1.

The Pilgrimage Road: Sept. 11-Oct. 9.

No-Tour Tour: Dulles-London-Dulles, Sept. 11-Oct. 2.

Russia: Sept. 12-Oct. 3.

Pakistan and Afghanistan: Oct. 9-Nov. 8.

Summer hours

(Beginning April 1)

Museum of History and Technology; Museum of Natural History; Arts and Industries Building: 10 a.m.-9 p.m. seven days each week.

Freer Gallery of Art; National Collection of Fine Arts; National Portrait Gallery; Renwick Gallery; 10 a.m.-5:30 p.m. daily.

National Zoo buildings: 9 a.m.-4:30 p.m., daily. Beginning April 30: 9 a.m.-6 p.m.

Anacostia Neighborhood Museum: 10 a.m.-6 p.m., weekdays; 1-6 p.m., weekends.

THE AMERICAN COLLEGE THEATRE FESTIVAL

(Produced by the Smithsonian Institution and the Kennedy Center for the Performing Arts)

Ten American College Theatres and a Warsaw Theatre Academy—the first foreign group to participate in the Festival—have been chosen to present their theatre productions at the Kennedy Center April 17-29. Each company will give two performances at 2 and 7:30 p.m. Matinee seats \$2.50; Monday-Thursday evenings \$3 and \$4; Opening night, Friday and Saturday evenings \$3.50 and \$5. Student tickets available. Schedule listed below. For more information call 254-3600.

The Roar of Greasepaint, The Smell of the Crowd, United States International University (April 17); *Oedipus Rex*, So. Methodist University (April 18); *The Price*, Montana State University (April 19); *Acts & Exercises on Shakespeare*, Warsaw Theatre Academy (April 20); *The Little Foxes*, North Carolina School of the Arts (April 21); *Black Dragon Residence*, University of Hawaii (April 22); *Evening of Scenes*, Irene Ryan Scholarship Awards (April 23); *365 Days*, University of Minnesota (April 24); *Acts & Exercises on Shakespeare*, Warsaw Theatre Academy (April 25); *The Misanthrope*, Portland State University (April 26); *Home*, Southern Illinois University (April 27); *Of Mice and Men*, Southeastern Oklahoma State College (April 28); *The Boy Friend*, University of Miami (April 29).

RESIDENT PUPPET THEATRE

Eureka! The story of a small boy, Murphy, his unusual friend Worm and their travels through time and ideas. Performances continue through April 16—Wednesday through Friday, 10:30 and 11:30 a.m.; Saturday and

Sunday, 10:30 a.m., 12:30 and 2:30 p.m., in the History and Technology Building auditorium. Admission: \$1 children; \$1.25 adults; group rates available for 20 or more. Tickets are on sale at the box office; or call 381-5395.

The *Marvelous Land of Oz*. Beginning April 26. L. Frank Baum's own sequel to his classic *The Wizard of Oz* tells the further adventures of the Scarecrow, Tin Woodsman and introduces many new characters. Same hours and prices as above.

NEWS BULLETIN OF THE AMERICAN REVOLUTION BICENTENNIAL COMMISSION

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. WHITEHURST. Mr. Speaker, I am inserting in the RECORD the April 3 edition of the American Revolution Bicentennial Commission's News Bulletin. I take this action to help keep my colleagues informed of bicentennial activities. The bulletin is compiled and written by the Communication Committee staff of the Commission. The bulletin follows:

BICENTENNIAL BULLETIN, APRIL 3, 1972

On Saturday, April 1, the U.S. Postal Service announced that four 8-cent postage stamps commemorating the Bicentennial will be issued on July 4th at Williamsburg, Virginia. The stamps depict four colonial craftsmen—a glass maker, a silversmith, a wig-maker and a hatter. These will be printed on the same sheet. The horizontal stamps have identical inscriptions, and will be printed deep brown on buff paper. The print order is 135 million. Across the top is "Colonial American Craftsmen," and "Bicentennial Era" appears in the upper center. The vignettes were engraved by Edward P. Archer and the lettering was engraved by Albert Saavedra of the Bureau of Engraving and Printing. The Designer is Leonard Everett Fisher, Westport, Conn., who is well known for the books he has written and illustrated on colonial life. First day cancellation requests should be directed to "Bicentennial Stamp, Postmaster, Williamsburg, Va. 23185," enclosing proper remittance which is 8 cents for each stamp desired, and with request postmarked no later than July 4.

The next meeting of the ARBC Executive Committee will be on Thursday, April 20, in New York. On Tuesday, April 18, the ARBC Communications Committee and the Philatelic Advisory Panel will both meet in Washington, D.C.

The New York State ARBC has announced that publication of a paperback edition of Carl Becher's essay, "The Spirit of '76," with introduction and notes by Dr. Louis L. Tucker, Executive Director of the Commission. The book may be purchased for \$1.00 from Gifts and Exchange Section, New York State Library, State Education Department, Albany, New York 12224.

The Director of the Seattle, Washington Opera Association, Glynn Ross, recently called a meeting of 100 interested Seattleites to enlist their support for an American Wagnerian Festival as part of the national Bicentennial celebration. The Wagner Festival would take place in the summer of 1976 and Mr. Ross hopes that a special new theatrical facility, similar to Wolf Trap Farm outside Washington, D.C., could be created for the Bicentennial event.

Temple University's campus and activities were proposed recently as an educational at-

traction for the Bicentennial in Philadelphia. University officials have offered to organize and sponsor with appropriate groups an artistic, musical, performing arts and sports program for Bicentennial visitors. In addition, it will organize a series of exhibits, films, displays, workshops, conferences and field events, as well as "Bicentennial Scholarships" to Temple for at least two students "from every country in the world" during 1976.

The Gaspee Day Committee, Warwick, Rhode Island, has informed the ARBC that in honor of the 200th anniversary of the Year of the Gaspee Incident (on June 9, 1772 some Rhode Islanders burned the British customs schooner, the Gaspee, that was patrolling the coastal waters for smugglers), the Havilland China Company of France has chosen the episode as the first of five major events to warrant attention in the production of U.S. Bicentennial Commemorative special additions. Governor Frank Licht was presented with the first plate by Mr. Havilland on March 21. Rhode Island will be commemorating the Year of the Gaspee throughout 1972 as the first of several Bicentennial events.

Mayor Julius Wilensky of Stamford, Conn., has confirmed that restoration of old Fort Stamford will be the highlight of that city's observance of the national Bicentennial. Fort Stamford, it is believed was laid out by General Waturbury, a close friend of General Washington. Its very existence is thought to be a strong reason why Stamford was not invaded during the Revolution.

The recently organized Women for the Bicentennial in Philadelphia have announced plans to establish one or more youth hostels during the Bicentennial to encourage young people to come to Philadelphia and stay for a small fee. The Women's group is also encouraging young people to play an active and important role during the Bicentennial celebration, such as serving as tour guides and host and hostesses at hospitality centers.

As of April 1, 1972, the ARBC has received 182 press clippings pertaining to the Bicentennial Parks concept from newspapers in 43 States. The concept has also been endorsed in 33 newspaper editorials. Below are comments extracted from correspondence from Governors on the Bicentennial Parks concept:

William A. Egan, Governor, Alaska, March 14: "The concept is indeed all encompassing and will, I am sure, provide many states an opportunity to provide additional leisure and recreational facilities closely tied to historical events for the people of urban areas."

Stan Hathaway, Governor, Wyoming, March 16: "I am excited about the Bicentennial Parks concept. I hope that Congress will look favorably upon this program in appropriating sufficient money to implement it."

"I met with my Bicentennial Commission in Wyoming for two and a half hours yesterday, and you may be sure of our support and enthusiasm for the work that lies ahead."

Dale Bumpers, Governor, Arkansas, March 13: "I am asking the Chairman of this Commission to give serious thought and consideration to the Bicentennial Parks concept for the Commission's review and study."

"We hope to cooperate in every way possible in making the Bicentennial Celebration a success in Arkansas."

Cecil D. Andrus, Governor, Idaho, March 9: "It is indeed a stimulating and original concept and one which I hope we will be able to implement."

"We have, as you probably know, a vigorous and active state commission, headed by our Attorney General. I intend to work closely with them—not only on the park concept, but on other matters as well."

SEXISM IN MORTGAGES

HON. MARTHA W. GRIFFITHS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mrs. GRIFFITHS. Mr. Speaker, for years I have raised the question of the credit practices both of lending institutions and the Federal Housing Administration concerning the lending of money to women for the purchase of homes. The smooth answer always has come back that there is no discrimination. This, of course, has been a complete lie.

Approximately 3 years ago a friend of mine told me that her beauty operator's husband had died. The man had been ill a long period of time. The wife had been the complete support of the family. Before the body was cold in the ground, a representative of the FHA had the colossal nerve to call that woman and ask her to use the insurance, if any, to make a complete payment on the home. She inquired from me if she had to do it. I assured her that she did not. The truth was that the woman's money had paid for the home from the beginning.

This is one of the types of discrimination that the equal rights amendment would wipe out. Mortgage lenders have told me that a woman is more apt to pay for a home than a man.

When the housing legislation comes to the House floor, I intend to offer an amendment that FHA cannot back the mortgage of any lender who makes any discrimination in lending practices on the basis of an individual's sex.

At this time, I insert two articles that appeared recently in the Detroit press on this subject of women and mortgages. The articles follow: Detroit Free Press, "Sexism Lessens in Mortgages"; Detroit News, "Income of Wife Carries Weight in Home Buying." The articles follow:

SEXISM LESSENS IN MORTGAGES

It's still not as easy for a woman to get a mortgage as it is for a man, but it's getting easier.

John P. Farry, president of the United States Savings and Loan League, says that traditional barrier to granting mortgages to women are falling fast.

"There are regional differences as well as differences between one institution and another in the same locality," said Farry, who is president of First Federal Savings and Loan Association of Albert Lea, Minn.

"But generally speaking, the working woman or the divorcee or widow with their own financial resources has a far better chance of getting a mortgage today than she had two or three years ago."

One reason, Farry said, was the changing attitude toward women in the work force. As more women work and move into positions of greater responsibility, it becomes obvious that their sex is no barrier to handling the obligations of a mortgage.

Other reasons include new birth-control methods and changing attitudes toward family size, which mean that young women are more likely to continue working when they marry. And the women's liberation and consumer movements have also helped to persuade lenders to review policies toward women borrowers.

"But the most important reason is probably the development of the condominium,

and along with it the planned unit development," Farry said.

"This is the logical type of housing for a woman because it provides the benefits of home ownership without the hard work involved in maintaining a single-family dwelling.

"In the past, many lenders have been reluctant to make home loans to women because they doubted the woman's ability to maintain the property.

"With the condominium, where all outside maintenance is taken care of, this is no longer a factor. The question now becomes purely one of economics—can she afford the home and is her income sufficient and steady enough to make the payments?

Other reasons why women can now get mortgages include the growth of the private mortgage-insurance business, which reduces the lender's risk, and the creation of secondary markets in conventional mortgages through the Federal National Mortgage Association and the Federal Home Loan Mortgage Corp.

Under the latter two plans associations can sell non-government backed loans to these agencies.

"Naturally," Farry said, "the type of work a woman does will have a bearing on her ability to get a mortgage, especially if she's still of child-bearing age.

"Just as with working wives, lenders give more weight to applicants with skills likely to remain in demand even if she should marry later and drop out of the work force to have children."

INCOME OF WIFE CARRIES WEIGHT IN HOME BUYING

Not long ago, if a working wife was of child-bearing age, the only jobs recognized as contributing to her husband's ability to carry a mortgage were those of nurse or school teacher.

It was felt that no matter how many children she had, a woman with training in those fields could always find work to go on supporting the family's mortgage obligation.

But John P. Farry, president of the United States Savings and Loan League, said that in recent years there has been a marked increase in the weight given to the money which all working wives earn.

Savings associations are the nation's biggest mortgage lenders, and the U.S. League's nearly 5,000 member-institutions make more home loans than do all other major home lenders combined.

"When a couple applies for a mortgage, the lender's main concern is the husband's ability to carry the debt," Farry explained.

"If the husband can swing it alone, there's no problem.

"But if he can't, even the most conservative lender today would recognize at least part of the wife's income if there was a reasonable chance of her continuing in her job—and the more liberal lenders might credit all of it."

Farry said the reasons for this change include new attitudes toward working women generally.

"Where young couples are concerned, in some sections of the country today the working wife is the rule, not the exception," he said.

"Today's mortgage-lending practices merely reflect the fact that working women are earning higher salaries and moving into positions of greater responsibility."

Another reason, he went on, is the changing attitude toward family size. With families getting smaller, it's easier for a woman to go back to work after having one or two children.

Still other reasons include the development of private mortgage insurance, which has reduced the lender's risk, and the creation of a secondary market in conventional loans by some government agencies, which means

these loans can be sold if the lender wishes to sell them.

Farry emphasized that policies toward working wives' incomes vary from institution to institution and according to the circumstances of each case.

"The work the wife does is still of crucial importance," he explained.

"The higher her skill or training for her services, the more weight her income will command.

"If the couple depends on her income to carry the mortgage and she takes off to have children, there should be some assurance her skills are such that there would be little question about her being able to find work later."

Farry also observed that lenders would be more inclined to credit a wife's income if the couple had been married for several years and she had been working all that time. Similarly, income would be more likely to be credited if the wife had left her job to have one or more children and then returned to work.

GOV. BUFORD ELLINGTON

HON. RICHARD H. FULTON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. FULTON. Mr. Speaker, the people of Tennessee were shocked and saddened to learn of the untimely death of our former Governor, Buford Ellington.

Mr. Ellington was stricken last Monday morning while playing golf at his retirement home in Florida.

Only 15 months out of political office, Buford Ellington had earned, deserved, and reason to look forward to a full and pleasant retirement but he was taken at the relatively young age of 64.

Mr. Ellington twice served the people of Tennessee as their chief executive, from 1959 to 1963 and from 1967 to 1971. Prior to that he served in our State Senate and a Secretary of Agriculture under the late Governor Frank G. Clement. Governor Ellington was well known throughout the Nation for his work in behalf of State government under former President Lyndon B. Johnson whom Mr. Ellington served as Director of the Office of Emergency Planning in 1965. In that capacity he also served as Mr. Johnson's personal White House liaison officer with the State Governors.

One of the late Mr. Ellington's close personal friends was James G. Stahlman, dean of southern newspaper publishers, who is president and publisher of the Nashville Banner.

Mr. Speaker, I include in the RECORD at this point an editorial, "Buford Ellington," which was published in the Nashville Banner on April 4, 1972, and commend it to the consideration of my colleagues.

The editorial follows:

BUFORD ELLINGTON

Shock and sorrow mark Tennessee in the passing of former Gov. Buford Ellington—more than a name, a personality and character high on the honor roll of the state; esteemed in memory for the faith he kept in public service.

In that concept bespeaking conviction—first and foremost, a sense of duty—acquaintance with the man would discern his proper epitaph. It was coextensive with his

public career; an able steward in every responsibility, possessed of rare administrative skill, and with that the eye to discern and the courage to pursue the course of conscience.

Buford Ellington had no illusions of personal grandeur; he aspired to no garlands of rank and adulation. He was a man of the people—basically of the soil that was his first calling; and he served the people by repeatedly taking time out from his personal business. Though comfortable in the presence of those associate dignitaries who sought and received his valued assistance in bearing problems of state—at both the Tennessee and the national level—he was at home on the farm; and he shared, as one of them, Lincoln's classic view that the Lord must have loved common people because He had made so many of them.

Tennessee knew him in that image, without frills and without subterfuge—speaking his mind frankly on any subject under discussion, and with a sense of honor paramount keeping every promise.

As distinguished citizen, as Commissioner of Agriculture, and as Chief Executive twice elected to the highest office within the power of the people to bestow, constituents of the state he loved knew and respected and honored him—feeling close to him with the regard of kinship and mutual interest he reciprocated.

The nation recognized his administrative stature—as underscored by President Lyndon B. Johnson's recruitment of him as old and trusted friend to serve as director of the Office of Emergency Planning. He ably filled that assignment, as the President's right arm in a period of crisis, and resigned that vital national post only to accept the urgent call of Tennessee to stand again for the gubernatorial position.

The former President put into words the feelings of a personal and public grief when he noted that with the passing of this longtime associate "all 50 states have lost an advocate. We shall all miss him."

He was one who could fulfill with distinction the exacting standard stated in Kipling's "If":

*"If you can walk with crowds and keep your virtue,
Or talk with kings, nor lose the common touch;
If neither foe nor loving friend can hurt you—
"If all men count with you, but none too much . . ."*

The breadth of Buford Ellington's interest in people was the span of society; young and old, rich or poor, irrespective of race, they were constituents—and he respected them as people; the components of a state to whose service he had taken oath.

In any showdown with a threat against the peace and order within the domain of his authority, he was always on the side of law; and acted with courage when, in contrast to that, at some points across the nation, there was surrender.

For Buford Ellington believed in the integrity, the conscience, the judgment and courage, of the people of Tennessee; he reciprocated in that the trust these had placed in him.

Public office in its numerous aspects of assigned responsibility was, to him, a public trust.

Heavy and time-consuming as was the load he carried, involving the business of his state, he always gave liberally of his time to assist in youth work . . . the ready colleague of Boy Scout and Girl Scout efforts, Boys Club activities, 4-H and Future Farmer work.

His dedication to the economic development of Tennessee was a feature of his Executive tenure; it was an interest antedating election in that capacity, and did not cease with expiration of his term. Much of the indus-

trial expansion that has occurred, particularly in the matter of new industries attracted, was the direct result of recruitment campaigns led by the state.

In still another wondrous detail, Buford Ellington will be remembered. He was a distinguished family man, beloved of his wife, the treasured father and grandfather—his exemplary home life the ideal of responsible society; the churchman, worthy of that illustrious calling, too.

As he has honored the trust reposed in him by his state and his generation, so will history honor his memory.

METROPOLITAN WASHINGTON
COUNCIL OF GOVERNMENTS

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. GUDE. Mr. Speaker, the Members of this body are well aware of the problems caused by growth in metropolitan areas, both in their home jurisdictions and here in the Metropolitan Washington area. Today, I would like to bring to their attention 15 years of progress in helping to relieve such problems as traffic congestion, inadequate housing, crime, air pollution, water supply, and the need for regional planning—all problems which defy city, county, and State lines.

Fifteen years ago tonight 40 key officials from the District of Columbia and surrounding suburban areas met to discuss common problems. Their goal was the establishment of some forum in which to share their jurisdictions' common concerns and their ideas on alleviating them. This early roundtable of regional officials grew into the successful Metropolitan Washington Council of Governments of today.

The 193 local elected officials from the 15 major cities and counties of Metropolitan Washington, and the State and Congressional Representatives from the area make up the Council of Governments. Together they establish regional policies aimed at the solution of these intergovernmental problems, the same problems that confront every metropolitan area of the Nation in this generation.

I am pleased to be a member of the Council of Governments along with four other distinguished Members of this body, Mr. HOGAN of Maryland, Mr. BROYHILL and Mr. SCOTT of Virginia, and Mr. FAUNTROY of the District of Columbia.

Individually our elected officials—and only they—can carry out these policies in their local areas. Thus, they can develop recommendations on the solution of regional problems without sacrificing any traditional authority or responsibility.

The Council of Governments works on a broad spectrum of regional concerns. In the past 15 years the progress which this voluntary association of local officials has made in strengthening regional public safety programs is typical of its work in other fields as well. Even in its formative years COG established radio and teletype networks linking area police and fire departments and established an areawide

computerized police information system.

In more recent years, police mutual aid agreements were worked out, which now make it possible for police officers to cross city, county, or State lines to aid neighboring jurisdictions in times of areawide emergency.

I might point out, Mr. Speaker, that this is the first interstate area in the Nation to accomplish such regional agreements. This was recognized by President Nixon, who through Attorney General Mitchell, sent his personal congratulations on the occasion of the signing of these pacts in January of last year.

Similar arrangements were developed for fire mutual aid in 1968, enabling suburban jurisdictions to answer 268 fire alarms in the District of Columbia during the civil disturbances in April of that year.

I am proud to say, Mr. Speaker, that I had a hand in the beginning of the COG work in trying to combat one of the most recent threats to our young people in city and suburb alike, that of drug abuse. I was privileged to address the board of directors of the Council of Governments in the summer of 1969 and to share with them my concern that positive action must be taken quickly to save our youth from the pitfalls of hard drugs. At the direction of the local officials on its drug abuse task force, COG has since developed an innovative drug abuse prevention curriculum that is being tested in seven of our area junior and senior high schools and three youth correctional facilities, including the Federal reformatory at Lorton.

This spring, teachers from all 24 school districts in my home State of Maryland will be trained in the use of this very different approach at showing students some of the reasons people turn to various forms of escape including drugs, and ways they can deal with their own individual worries. By next fall I hope that this curriculum will be taught in at least one high school in each Maryland county and the city of Baltimore.

As an example of its progress in other fields, the Council of Governments has developed and adopted a distribution formula devised to help allocate federally subsidized low- and moderate-income housing units throughout the Washington area on a "fair share" basis. This concept has already been endorsed by two of the largest suburban jurisdictions, my own Montgomery County and Fairfax County, where the major portion of the low- and moderate-income housing would be apportioned, and by the cities of Rockville and Alexandria.

COG was a pioneer in the air pollution battle before the subject became a household word, by establishing a scientific laboratory analyzing the region's air on a 24-hour-a-day basis and with a guide ordinance which is the basis for air pollution laws adopted in every major jurisdiction of our urban area. It was my pleasure to sponsor the law adopted by the Congress for the District of Columbia. The region's air pollution alert system—which informs citizens in advance of potential air pollution build-up and steps they can take to help reduce pollutants—was also prepared through COG.

The area's first major transportation survey since 1955 was conducted by the Council of Governments' Transportation Planning Board. This was the most complete survey ever attempted here, interviewing 100,000 citizens to determine travel needs and habits as part of a regional transportation plan being prepared by COG.

Through the Council of Governments, express bus experiments have been started in Maryland, Virginia, and the District, using shopping center parking lots to help both District of Columbia residents and suburbanites get to work more easily. Ten of these express bus lines have been made permanent as a result of the COG-conducted experiment, and each week several thousand of my constituents are able to get downtown to their jobs without relying upon automobiles.

Several hundred more suburban businessmen and Federal employers such as the Department of Health, Education, and Welfare in Rockville are benefiting from the express transportation which brings their workers from the inner city.

Another experiment conceived and begun by the Council of Governments created express "bus-only" lanes on Virginia's Shirley Highway. Four thousand former auto users have switched to riding the bus. This project was begun through the Council of Governments in 1969, and is currently operated by the Northern Virginia Transportation Commission.

The Council of Governments is the only agency responsible for regional planning for all of the Washington area. In this role it is undertaking an exhaustive look at the "Year 2000 Plan" with an eye toward giving local jurisdictions a choice in the kind of region they want now and by the turn of the next century. COG is also the agency charged with review of all applications by local governments for projects involving Federal funds. In the first 4 years of this process the Council of Governments has reviewed 516 applications for projects totaling more than \$655 million.

As a State legislator in the Council's formative years and as a Member of Congress during the time when the Council of Governments has become a guiding force in regional progress through cooperation, I ask you, Mr. Speaker, and the Members of this House to join me in saluting the Metropolitan Washington Council of Governments on its 15th anniversary.

HAVE FUNDS, NEED DEMAND
TO FIT SUPPLY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. ASHBROOK. Mr. Speaker, we are led to believe that the executive departments are retrenching, cutting expenditures to the bone, in response to President Nixon's effort to reduce deficit spending and to curb inflation. Poor

mouthings is the order of the day. But the economizing is quite selective.

Currently, one department is soliciting applications for projects to be funded by the Federal Government. The Behavioral Scientist Administrator of the Population and Reproduction Grants Branch of the Center for Population Research, of the National Institute of Child Health and Human Development, of the Public Health Service, of the Department of Health, Education, and Welfare, has sent letters to members of the American Sociological Association inviting them to submit proposals for research grants "on the behavioral-social science aspects of population, family planning, and reproductive behavior." Translated this means: bring in your pet projects and we will see how much money we can give you.

The solicitation reads as follows:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, PUBLIC HEALTH SERVICE, NATIONAL INSTITUTE OF HEALTH, Bethesda, Md., November 15 1971.

DEAR DOCTOR: The Center for Population Research is deeply interested in research grant proposals on the behavioral-social science aspects of population, family planning, and reproductive behavior. This is viewed as a highly important long term program, with a continuing need for many more members of your discipline to become involved in population research. Research grant proposals submitted by social scientists in your profession are especially welcome and will receive careful evaluation by expert reviewers.

Postdoctoral and Special Research Fellowships are also offered by the Center.

Enclosed is material intended to give you some idea of the broad scope of population areas of interest to the Center. This is meant to suggest research ideas, but you may think of additional ones, since the enclosure is not considered all-inclusive.

The deadlines for submission of research grant proposals are February 1, June 1, and October 1, while deadlines for Fellowship applications are January 1, June 1, and October 1.

I will be looking forward to hearing from you. If information is needed quickly, or if it is desired to discuss any matters with me, please call me (area code 301, 496-6515).

Sincerely yours,

SIDNEY H. NEWMAN, Ph.D.,

Behavioral Scientist Administrator, Population and Reproduction Grants Branch, Center for Population Research, National Institute of Child Health and Human Development.

OUTLINE—BEHAVIORAL AND SOCIAL SCIENCE ASPECTS ON POPULATION AND REPRODUCTION RESEARCH PROGRAM

I. Fertility and fertility trends.

A. Determinants; related factors:

1. Age.
2. Familial.
3. Social-political.
4. Economic.
5. Educational.
6. Psychological.
7. Urban-rural.
8. Historical.
9. National.
10. Other.

B. Fertility regulation; family planning programs; contraception.

1. Factors contributing to or related to family planning, child spacing, and contraception.
 - a. Origin and development of motivations, attitudes, and preferences involved in family planning and contraception.

2. Antecedents and consequences of abortion and sterilization.

3. Effects of family planning and contraception.

- a. Medical.
- b. Familial.
- c. Psychological.
- d. Social-political.
- e. Economic.
- f. Other.

4. Frequency, antecedents and consequences of pre-marital conception and illegitimacy.

C. Measurement and prediction (forecasts).

1. Development of methods of measuring and predicting.

- a. Base lines.
- b. Trends.
- c. Expectancy and prediction figures.
- d. Simulations.
- e. Data systems.

II. Antecedents, Processes and Consequences (demographic, social, psychological, political, economic) of Population Structure, Distribution, and Change.

A. Population Structure.

1. Age and sex.
2. Marital status.
3. Ethnic.
4. Income.
5. Education.

B. Population Distribution.

1. Political and territorial (county, state, region).

2. Urban and rural.

C. Change.

1. Growth or decline.
2. Migration (redistribution).

III. Family Structure, Sexual Behavior, and the Relationships Between Childbearing Patterns and Child Development.

A. Variations in family structure and fertility behavior.

1. Major patterns—minority groups.

- a. Male and female roles.
- b. Nuclear and extended families.
- c. Family solidarity and stability.
2. Role of women in society.

3. Motivations for childbearing and parenthood.

4. Status of children.

5. Factors in divorce and broken homes.

B. Variations in sexual behavior, attitudes, and norms.

1. Familial factors.
2. Educational factors, especially sex education.
3. Social, psychological, and economic factors.

C. Childbearing patterns and child development.

1. Ages of spouses at time of first and subsequent children.

2. Child spacing.

3. Family size and interactions.

4. Role of family and other institutions in rearing children.

5. Unwed mothers and illegitimate children.

6. Role of adoption.

7. Socio-economic factors on childbearing patterns.

IV. Population Policy.

A. Implications of population dynamics, structure, distribution, and growth for national policy.

B. Relation of educational, political, social, economic, and other policies and practices on population growth and development.

C. Attitudes and values in relation to population policy on the part of:

1. "General public"
2. Various socio-economic groups
3. Legislators and opinion leaders
4. Business and financial community
5. Others

D. Effects of selected legislation on population phenomena.

1. Housing legislation.
2. Tax legislation.
3. Food programs.
4. Other

E. Prediction of probable effects of population policy and relevant legislation on population phenomena.

1. Development of methods for predicting.

For further information, telephone Area code 301, 496-6515 or write Sidney H. Newman, Ph.D., Behavioral Scientist Administrator, Population and Reproduction Grants Branch, Center for Population Research, National Institute of Child Health and Human Development.

I AM A SICK AMERICAN

HON. ROBERT PRICE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. PRICE of Texas. Mr. Speaker, in this day of the so-called new morality, when so many prominent figures and such a great proportion of the news media are apologizing for, attempting to vindicate, and even glorifying that which is off-color, perverted, warped, indecent, and immodest, the voices of the old morality grow fewer and weaker. Many newspapers, magazines, and movies sink ever deeper into the quagmire of journalistic rubbish—the exposes are drenched in sensationalism—"anything goes" in most cases is the motto of today.

And yet, what are the fruits of the new morality—what are the effects on our society of the standards of the now generation? To get the answer, all we need do is look at the statistics which measure the heartbeat of society—we find skyrocketing rates for crime, divorces, illegitimate births, suicides, broken homes, drugs and all the other symptoms of a demoralized people.

It does not have to be that way, for I believe the great majority of Americans to be responsible—they still believe in God, they still love their families and their Nation, and they possess the spirit of a great people. It is up to us as their leaders to restore their faith in their government and in their institutions. And in spite of the prognosticators of gloom and doom, we can overcome our problems and continue building a better America to leave for our children.

Mr. Speaker, I have been reminded of the spirit of frustration felt by so many Americans today by a most interesting article appearing in a recent North Plains Electric Cooperative, Inc., Newsletter entitled "I Am a Sick American." Although anonymous, the writer of this statement tells it like it is. He has spoken eloquently that feeling which is held in the hearts of so many Americans. And if anyone should care to label this statement as a bit of flag waving, I say, great. Until recently, flag waving was not a dirty word.

I commend this article to each of my colleagues. We have been charged to represent and lead the American people. And if we let the frustrations expressed by this American go unnoticed, we have failed our countrymen and are not deserving of their continued confidence.

Mr. Speaker, I insert into the RECORD the article "I Am a Sick American" by an unknown author.

The article follows:

I AM A SICK AMERICAN
(Author Unknown)

There are those that claim ours is a "sick" society; that our country is sick; our government is sick; that we are sick. Well, maybe they're right. I submit that I'm sick . . . and maybe you are, too. I am sick of having policemen ridiculed and called "pigs" while cop killers are hailed as some kind of folk hero.

I am sick of being told that religion is the opiate of the people . . . but marijuana should be legalized.

I am sick of being told that pornography is the right of a free press, but freedom of the press does not include being able to read the Bible on school grounds.

I am sick of commentators and columnists canonizing anarchists, revolutionaries and criminal rapists, but condemning law enforcement when such criminals are brought to justice.

I am sick of paying more and more taxes to build schools while I see some faculty members encouraging students either to tear them down or burn them.

I am sick of Supreme Court decisions which turn criminals loose on society—while other decisions try to take away my means of protecting my home and family.

I am sick of being told that policemen are mad dogs who should not have guns—but that criminals who use guns to rob, maim and murder should be understood and helped back to society.

I am sick of being told it is wrong to use napalm to end a war overseas—but if it's a molotov cocktail or a bomb at home, I must understand the provocations.

I am sick of not being able to take my family to a movie unless I want to have them exposed to nudity, homosexuality and the glorification of narcotics.

I am sick of pot-smoking entertainers deluging me with their condemnation of my moral standards on late-night television.

I am sick of riots, protests, demonstrations, confrontations, and the other mob temper tantrums of people intellectually incapable of working within the system.

I am sick of hearing the same phrases, the same sick slogans, the cries of people who must chant the same thing like zombies because they haven't the capacity for verbalizing thought.

I am sick of reading so-called modern literature with its kinship to what I used to read on the walls of public toilets.

I am sick of those who say I owe them this or that because of the sins of my forefathers—when I have looked down both ends of a gun barrel to defend their rights, their liberties and their families.

I am sick of cynical attitudes toward patriotism. I am sick of politicians with no backbone.

I am sick of permissiveness.

I am sick of the dirty, the foul-mouthed, the unwashed.

I am sick of the decline of personal honesty, personal integrity and human sincerity.

Most of all, I am sick of being told I'm sick. I'm sick of being told my country is sick—when we have the greatest nation that man has ever brought forth on the face of the earth. Fully fifty percent of the people on earth would willingly trade places with the most deprived, the most underprivileged among us.

Yes, I may be sick, but if I am only sick, I can get well. I can help my society get well—and help my country get well.

Take note, all of you . . . you will not find me throwing a rock or a bomb; you will not find me under a placard; you will not see me take to the streets; you will not find me ranting to wild-eyed mobs.

But you will find me at work, paying taxes, serving in the community where I live. You will also find me expressing my anger and indignation to elected officials.

You will find me speaking out in support of those officials, institutions and personalities who contribute to the elevation of society and not its destruction. You will find me contributing my time, money and personal influence to helping churches, hospitals, charities and other establishments which have shown the true spirit of this Country's determination to ease pain, suffering, eliminate hunger and generate brotherhood.

But, most of all, you'll find me at the polling place. There—if you listen—you can hear the thunder of the common man. There, all of us can cast our vote . . . for an America where people can walk the streets without fear.

THE PROPOSED "WEST FRONT"
EXTENSION OF THE U.S. CAPITOL

HON. FRED SCHWENDEL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. SCHWENDEL. Mr. Speaker, continually the public has been given information in some of our most prestigious newspapers that is untrue, partially true and irrelevant in regard to the proposed "West Front" extension.

One of the latest appeared in the Sunday New York Times on April 2, 1972. The article is entitled "Capitol: A Slight Delay for Alterations."

Mr. Speaker, I have evaluated and analyzed the article and have written an answer and forwarded it to the New York Times. So that the Members and others may have a correct and factual statement. I am inserting the article with my answer in the RECORD.

The article and answer follows:

CAPITOL: A SLIGHT DELAY FOR ALTERATIONS
(By Robert Sherrill)

WASHINGTON.—It had seemed inevitable: The Congressional leadership was going to rip out the West Front of the United States Capitol—the last remaining exterior portion of the original Capitol building—to allow an expansion that would include 40 toilets, a barbershop, two "garbage refrigeration rooms," six dining rooms and cafeterias, and about a hundred posh offices for the comfort of the Congressional leaders.

In addition, the grand old terraces designed by Frederick Law Olmsted—best known in New York City as the designer of Central Park—were to be torn down and a new driveway installed to make things easier for deliverymen and garbage collectors who come to the Capitol. (At present the West Front contains about 60 offices—including those of the majority whip and the Capitol architect—a prayer room and other rooms.)

The beginning of the end seemed imminent on March 8 when the Commission on the Extension of the Capitol—Spiro Agnew, Carl Albert, Hale Boggs, Gerald Ford, Mike Mansfield and Hugh Scott, along with the architect of the Capitol, George M. White—met secretly for an hour; and then emerged to say that they were ordering the extension work to proceed immediately.

As always when the West Front is in peril, there were vigorous protests. New York Congressman Samuel S. Stratton warned that the new Capitol bulge would be nothing but "a giant Howard Johnson." Senator Edward Kennedy said the leadership was planning a sacrilegious act, comparable to tampering with St. Peter's in Rome. Senator William Proxmire called Capitol architect White a

disgrace to his profession for approving the plans and demanded that he resign.

Everybody agrees that the sandstone front is cracked and run down. But history buffs argue that it can be preserved by internal renovation. Not so, say the expansionists; they fear the West Front may come tumbling down on the Capitol's occupants any day and that it simply has to be replaced. Anyway, the senior Congressman want more rooms with that handsome view down the Mall.

To settle the argument—or so it thought—Congress in 1969 said the front should be torn down and rebuilt unless an independent study showed that it could be renovated safely, conveniently and for less than \$15-million. But when the study, completed in December, 1970, by Praeger, Kavanaugh and Waterbury of New York City, showed that renovation was indeed possible under those terms (a report supported by a task force of the American Institute of Architects), the Congressional leadership early in March simply junked the report and ordered the extension program to begin anyway—at an estimated cost of at least \$60-million.

There seemed little hope of stopping this push to "rebuild" the West Front—until, that, is, last week, when Senator Ernest Hollings of South Carolina, chairman of the subcommittee through which the rebuilding money must pass, stepped to the fore. He rounded up the votes to checkmate, at least temporarily, Senator Mansfield's amendment to appropriate the \$60-million to push on with final extension plans.

Senator Hollings certainly dominated the two-hour debate on the issue, but perhaps that isn't saying much. The extensionists hardly could have expected to overpower him with arguments like Senator John Pastore's that \$60-million is a relatively trivial amount considering how much tax money is "going down the drain" elsewhere and considering the pressing need to have in the Capitol "a place where visitors can get a hamburger."

But perhaps Senator Hollings's biggest assist came from Senator Mansfield himself, who, it turned out, was asking funds for the final restoration plans when, as he admitted, he didn't even know what the preliminary plans contained.

APRIL 6, 1972.

The EDITOR,
The New York Times,
New York City, N.Y.

DEAR SIR: You published in your April 2, 1972, Sunday edition, a misleading and highly inaccurate article relating to the West Central Front of the Capitol, by Mr. Robert Sherrill, whom you describe as a Washington-based freelance writer. I believe you will wish to correct, through the publication of this letter, the most flagrant statements of your freelance writer.

Article: Congressional leadership is going to rip out the West Central Front, the original exterior portion of the building to allow for expansion:

Correct Information: The leadership has approved extension of the West Central Front of the Capitol, in a manner similar to Extension of the East Central Front 1958-1962. The old wall will not be ripped out, but will remain in place and become an inside wall, portions of which will be exposed for historic and esthetic reasons. Thus, protected, the old wall should last indefinitely.

Article: The expansion will be used for toilets, a barbershop, refrigerated garbage rooms, dining rooms and cafeterias and about a hundred posh offices for the comfort of the Congressional leaders.

Correct Information: The writer of the article picked out just those new facilities which suited his purpose to mislead the public. He did not say that the toilets and eating facilities are primarily for the use of the public which now visit their Capitol in numbers

of 30,000 or more in one day during the Spring and Summer months. He did not mention the substantial space in the extension that would be available as committee and subcommittee hearing rooms and offices close to the legislative chambers, where they are needed for official purposes.

Article: The Commission in charge met secretly and then emerged to say that they were ordering the extension work to proceed immediately.

Correct Information: The Commission was required by law to determine whether the so-called restoration study and report met five conditions spelled out by the Congress itself. The Congress directed that if any of the five conditions could not be met, then the Commission must direct the final planning of the extension. The Commission, having determined to its satisfaction that all five of the conditions could not be met, unanimously agreed to direct the Architect of the Capitol to proceed with the final extension planning. This is precisely what the Commission was required to do.

Article: One Member of the House described the new extension as "a giant Howard Johnson".

Correct Information: This is a worn out expression which we have heard for years and years to whip up anti-extension passions. It was coined some years ago by an elderly Member of the Congress, now retired. In fairness, will you again look at the beautiful rendering of the new front, published with Mr. Sherrill's article and determine if it resembles any building except the Capitol itself. The fact is that many reporters and others don't know that the rendering is not the existing front.

Article: Everybody agrees that the sand stone front is cracked and run down. But History buffs argue that it can be preserved by internal renovation.

Correct Information: No one, not even the history buffs, have argued that the building can be preserved by "internal renovation". Whatever is done, is essentially an outside operation.

Article: But when the restoration report showed that renovation was indeed possible under those terms (five conditions specified by the Congress), the Congressional leadership early in March simply junked the report and ordered the extension to begin anyway.

Correct Information: While the restoration report, as an opinion, gave answers purporting to say all five conditions could be met, those answers were glossed over and qualified. The Commission gave thorough consideration to the report and in doing so asked the present Architect of the Capitol, an eminently qualified professional architect and engineer, if each of the five conditions could be met. His answer was that in his professional judgment, after studying the project for more than a year and discussing it with general contractors and other professionals, that two of the five conditions could be met; that one was in doubt; and that two could not be met. The Architect also considered, beyond these specified conditions, what solution would best serve the people of the Nation and on that question, he felt compelled by sound planning and good judgment to vote in favor of extension. The decision of the Commission was made, therefore, on the basis that the five conditions specified by the Congress could not be met through restoration.

Article: Senator Hollings rounded up the votes to checkmate Senator Mansfield's amendment to appropriate \$60 million to push on with final extension plans.

Correct Information: There was no money in the bill under consideration for either the final plans or construction of the extension. Senator Mansfield's amendment had nothing to do with an appropriation of \$60 million. His amendment would have per-

mitted the final planning to proceed in the usual order and in the manner already agreed to by the Congress. The \$2 million for this purpose was appropriated in the 1969 Legislative Appropriation Act.

With respect to the preliminary plans and estimates of cost for the extension, the Congress appropriated funds for that purpose; the plans were made in great detail and distributed to every Member of the Senate and House in 1967. These plans were given freely to the press and were examined in great detail before both the Senate and House Appropriations Committee and on the floor of the House. The Rendering you published with Mr. Sherrill's article resulted from these plans.

Your freelance writer, like so many who write about the West Front project, obviously had few facts available or, if he had the facts, he used them sparingly.

Sincerely yours,
 FRED SCHWENDEL,
 Member of Congress.

ARKANSAS WILDLIFE FEDERATION

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. DINGELL. Mr. Speaker, I have received a report from Ralph Gillham, president, Arkansas Wildlife Federation, on the actions taken during the Federation's annual meeting in Fort Smith, Arkansas, on March 17-19, 1972. I insert the text of this report in the RECORD. The report follows:

ARKANSAS WILDLIFE FEDERATION ANNUAL MEETING, FORT SMITH, ARK., MARCH 17-19, 1972

Quote Preface—1971 Resolutions

1. We oppose the extent and scope of channeling, impounding and other structural developments of streams and waterways because of their effects on timberlands, streams systems, associated Fish and Wildlife and outdoor recreation values, and support the Blackburn and/or comparable legislation which would permit the Department of the Interior (Fish and Wildlife Service) to make judgments on the effects of channeling on other natural resources.

2. We support proposed legislation and other actions, which would separate the planning and construction phases of water development projects now planned and constructed by the U.S. Corps of Engineers and other Federal Agencies, which would delegate planning functions to the U.S. Department of the Interior, a (proposed) Federal Department of Natural Resources, or other agency which is not committed to construction aspects of such developments.

3. The Cache River system constitutes one of the few remaining lowland streams that are important to wildlife and recreation in this section of Arkansas. We believe that drainage adequate to accomplish protection of adjacent agricultural land can be achieved without the destruction of vast acreages of rare woodlands, and oppose, existing Federal plans for channeling this stream with its attendant projected losses of thousands of acres of bottomland hardwoods and damages to the biology and hydrology of the Cache River and its tributaries.

4. Whereas Big Bayou Meto and its tributaries, comprising 160 miles of lowland streams and hardwood timber, is one of the better wetland wildlife areas remaining in Arkansas:

And whereas any drainage project in this basin would do irreparable damage to the

34,000 acre public-owned Bayou Meto Wildlife Management Area:

And whereas channelizing of these streams would cost approximately \$50 million of public tax monies resulting in an increase of surplus croplands:

Be it herein resolved that the Arkansas Wildlife Federation opposes any and all plans directed toward channelization of these streams.

5. We support the continued efforts of the State Committee on Stream Preservation to establish a Scenic River System, and recommend that the administration pursue this effort in the best interests of the people of Arkansas.

6. We support efforts to ban the use of hard pesticides which have been proved to be destructive to fish and wildlife and human and other natural resources.

7. We support efforts to regulate strip mining and establishment of laws requiring restoration of damaged lands and resources.

8. We believe coordination of various agency plans and efforts to manage natural resources is essential, and propose establishment of a Federal Department of Natural Resources. We likewise support establishment of such a department in the Arkansas Government to coordinate programs of the State Natural Resource Agencies.

9. We support the development of an Arkansas land and water use plan which is identified as a state plan and takes precedence over plans and proposals developed by Federal agencies.

10. The Federal Land and Water Conservation Fund Act, administered by the State Government, was promoted by Conservation interests to provide for acquisition and preservation of lands and waters important to wildlife, for outdoor recreation and environmental preservation, which are so rapidly disappearing. We propose that the original intent of this legislation be redefined, and acknowledged, and that acquisition and preservation of such lands and waters take precedence over programs which utilize large portions of these funds for such things as golf courses and artificial swimming pools which can be developed at any time and through other means.

11. We fully support revisions in guidelines for planning and construction of water resource projects as proposed by the Water Resource Council, particularly revisions in discount rates, but request further clarification of these guidelines with more concern for development of standards to preserve and protect flood plains, establish flood insurance as a substitute for structural means in the management of water resources, and more concern for environmental impacts not definable nor defined as economic benefits.

12. We support efforts to preserve the Cossatot River in South Arkansas as a free flowing stream.

13. We wish to commend the Congress on passage of the Bill establishing Buffalo National River, and recommend that the Wildlife Federation express its appreciation to members of Arkansas' Congressional delegation.

14. We support plans of the Arkansas Department of Planning for establishment of a system of natural and wild areas for their historical, scientific, educational and other important values.

15. Recognizing that there are many conservation and resource problems of common concern to all conservation and outdoor recreation interests and that there is strength in unity, we recommend that the Arkansas Wildlife Federation coordinate its conservation efforts with those of other citizens groups, including the Audubon Society, Ozark Society, Friends of the Land, Sierra Club and others.

The following resolutions were separately presented by Federation chapters:

I. We support the addition of certain areas

of the White River National Wildlife Refuge into the National Wilderness Preservation System.

II. Whereas timber can and should be managed for the betterment of wildlife:

And whereas proper management should include selective cutting;

And whereas the State Game and Fish Commission owns and manages over 250,000 acres of timberland for public hunting;

And whereas the Game and Fish Commission recently initiated a new timber management program under the guidance of a timber specialist with assistance from biologists in the Commission's Game Division;

And whereas the program provides for public hearings prior to cutting on any area;

Be it herein resolved that the Arkansas Wildlife Federation does support the Game and Fish Commission's timber management program as presently designed.

III. Whereas this organization feels that the present Federal land management program fails to place the propagation of fish, wildlife and recreational uses in proper perspective with commercial management practices and, whereas, increased access restrictions to public lands are denying their free use for recreational purposes.

The Arkansas Wildlife Federation proposes a re-evaluation of the federal land management program that would place increased emphasis on the improvement of game and fish habitat that shall include the guarantee of reasonable free access to all federal lands for the purpose of engaging in legal recreational activities.

And after securing the proper permit, no state, county or individual shall possess the authority to impose guide or discriminatory residency requirements as a prerequisite for gaining access or use of public lands for legal recreation purposes.

And those engaged in the leasing of public lands for grazing purposes shall provide free reasonable public access to such leased lands.

This resolution passed March 2, 1972 by the Yell County Wildlife Federation for recommendation to the Arkansas Wildlife Federation.

TRIBUTE TO THE PRESIDENT

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. GUDE. Mr. Speaker, as we look ahead to President Nixon's forthcoming trip to Moscow, the memory of his historic journey to China is still fresh in our minds.

The people of this Nation are behind the President in his efforts to lessen world tension and establish a lasting peace. I would like to insert at this point a text of a resolution passed by the Maryland House of Delegates, at the time of the China trip, congratulating the President for his initiative.

The resolution follows:

HOUSE RESOLUTION No. 71

(By Delegate Hopkins)

House Resolution congratulating and commending President Richard Nixon on his efforts toward world peace and unity.

Whereas, The House of Delegates is totally in favor of any actions which contribute to the cause of world peace and unity; and

Whereas, President Richard Nixon has visited 71 foreign countries while in office in search of world peace and unity; and

Whereas, The attention of the entire world is focused on the President's current history-

making visit to the People's Republic of China; and

Whereas, The very fact such a journey could be made reflects a lessening of international tension; now, therefore, be it

Resolved by the House of Delegates of Maryland, That President Richard Nixon be congratulated and commended for his continuing efforts toward world peace and unity on the occasion of his departure from the People's Republic of China; and be it further

Resolved, That copies of this Resolution be sent to President Richard Nixon, 1600 Pennsylvania Avenue, Washington, D.C., The Honorable Charles McC. Mathias, New Senate Office Building, Washington, D.C., The Honorable J. Glenn Beall, Jr., New Senate Office Building, Washington, D.C., and the Honorable William O. Mills, Clarence D. Long, Edward A. Garmatz, Paul Sarbanes, Lawrence J. Hogan, Goodloe E. Byron, Parren J. Mitchell, Gilbert Gude, House Office Building, Washington, D.C. 20515.

By the House of Delegates, February 25, 1972.

Read and adopted.

By order, James P. Mause, Chief Clerk.

MRS. M. EDNA McLEAN—36 YEARS SERVICE WITH RED CROSS

HON. F. BRADFORD MORSE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1972

Mr. MORSE. Mr. Speaker, during my 11 years in the Congress, I have had the high privilege of working with Mrs. M. Edna McLean, one of the most dedicated and outstanding members of the Lowell Red Cross Chapter.

Mrs. McLean, who first joined the Red Cross in 1936, has devoted abundantly of her time and energies to serving the veterans in the Greater Lowell area. Now in her 36th year of service, her impressive record includes everything from helping to acquire the present headquarters of the Lowell Chapter House of Red Cross, to filing veterans' pensions, insurance and burial claims, to assisting with all disasters and emergencies that occurred in the area, regardless of the time of day or night.

Always available to those in need, Mrs. McLean has built a long and widely admired career, and has contributed tirelessly to the well-being of the residents of the Lowell area. Although she officially retired as Veterans Claims Officer in January of this year, it is to the enormous benefit of everyone in the Greater Lowell area that she is continuing her duties on a voluntary basis. Few people have given so much of themselves to the needs of others, and Mrs. McLean's years of dedicated service will be long remembered. I am honored to have the opportunity to bring to the attention of my colleagues a recent article in the Lowell Sun on the outstanding service of this most remarkable woman, and I insert the article at this point in the RECORD:

SERVICE TO VETERANS A LIFE-TIME DEVOTION

(By Ann Geib)

LOWELL.—When you mention service to veterans in the Greater-Lowell area, you automatically associate the term with Mrs. M. Edna McLean of the Red Cross Chapter on

Pawtucket Street which services the city and surrounding towns.

Mrs. McLean, now in her 36th year of dedicated service, officially retired on Jan. 1 of this year as Veterans Claims Officer, but still maintains her duties at the office two days a week on a voluntary basis.

She also made it very clear that her "clients" may reach her on a 24-hour basis either at the office or at home.

This is how it has always been with her and how she wants to keep it.

Sitting back in her desk chair, Edna briefly recalled her long and highly admired career with Red Cross.

It was back in 1936, at the end of the Great Flood in the Merrimack Valley, that Edna was asked at the request of a friend who was a key worker at the Lowell Chapter House of Red Cross, to come to their assistance. Mrs. McLean's acquaintance knew of her excellent social service work in the Boston area and knew Lowell and the surrounding towns would benefit if Mrs. McLean would accept the position.

Mrs. Donald McNeill was Home Service Director and Edna McLean was her assistant. First Aid and Safety Director then was Stephen Ashton, who has recently retired, and William Burke was his assistant. Mr. Burke is still with the Red Cross.

Edna also reminded the Sunday Sun that Theodore Reed was chapter chairman that year and Mrs. Virginia Cole was the executive director with Floyd B. Harold, assistant to the director.

"All aspects of Red Cross in Lowell," said Edna, "have changed in the last 30 years, both in work and personnel. I'm the last of that senior group that help acquire this building."

The building Mrs. McLean refers to, is at the present Pawtucket Street location which was donated by Dr. John Lambert in 1939. The many offices were furnished by area business merchants and citizens.

Mrs. McLean's duties involve filing claims for the veteran servicemen, they include pension claims for the veteran and their dependents, insurance and burial claims, as well as school approval forms.

In her work, Edna keeps in close touch with field directors in Washington, D.C., Philadelphia, Pa., and Boston for new legislation for the veteran.

As she puts it, "The legislation for veterans is always changing and I keep right up with the newest rulings. Congressman F. Bradford Morse's office works very closely with me and if there is any tardiness in processing forms in Boston, Congressman Morse gets on the problem and assists."

At present, the Red Cross veteran worker handles between 40 and 50 cases of all types.

But, back during the days of World War II, it was a 24-hour-a-day job. "I handled anywhere from 400 to 500 cases a month in those years," remarked the spry Mrs. McLean, "and you didn't make any hullaboo about it!"

Continuing, she commented, "I covered all the fires, floods and any other emergency that came up, no matter what time it was. I did a lot of emergency case work at night and the former Lowell Police Chief, Michael Winn, assisted with my night emergency trips by supplying me with an officer and cruiser."

During those trying years, Lowell had many lodging houses and this is where emergency cases were put up. If the lodging houses were filled, they were accommodated at the Tewksbury State Hospital until room was available.

It wasn't unusual for Mrs. McLean to accompany the wife of a soldier to court if she was involved in any kind of a crime. Oftentimes, a serviceman during World War II would be concerned and worried about his wife if he hadn't heard from her. Edna would hear about it and get in touch with the woman in question and try to straighten her out.

As she said, "I went through the alleys and byways to clean up for the military and, believe me, I saw a lot."

Prior to and during World War II, Mrs. McLean organized a group of 100 women who

would meet at the First United Baptist Church and make clothing for military families.

For 20 years, this highly respected lady covered disasters for Red Cross by herself

until 1966 when the new disaster group was founded.

Mrs. McLean summed it up very appropriately by saying, "I'd be lost if I gave up my work, it's in my blood."

HOUSE OF REPRESENTATIVES—Wednesday, April 12, 1972

The House met at 12 o'clock noon.

Dr. Jack P. Lowndes, president, Home Mission Board, Southern Baptist Convention, and pastor, Memorial Baptist Church, Arlington, Va., offered the following prayer:

So teach us to number our days, that we may apply our hearts unto wisdom.—Psalms 90: 12.

We join in prayer together.

O God, You have given to those here the great responsibility of making laws for our Nation. We are thankful for their willingness to accept this place of service for their fellow men.

Help all of us to remember that people are always more important than things and men are always more important than machines.

Give to them, we pray, wisdom in mind, clearness in thinking, truth in speaking, and love in the heart so that what they do will unite us and not divide us. May they put loyalty to what is right above loyalty to any other interest so that at the end of the day they will have the respect of a grateful nation and "Well done" from Thee.

This I pray in the name of Jesus who walked among people as one who served. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment joint resolutions of the House of the following titles:

H.J. Res. 563. Joint resolution to authorize the President to proclaim the last Friday of April 1972 as "National Arbor Day";

H.J. Res. 687. Joint resolution to authorize the President to designate the third Sunday in June of each year as Father's Day; and

H.J. Res. 1095. Joint resolution authorizing and requesting the President to proclaim April 1972 as "National Check Your Vehicle Emissions Month."

The message also announced that the Senate had passed a bill and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 1943. An act to provide for the mandatory inspection of rabbits slaughtered for human food, and for other purposes.

S.J. Res. 208. Joint resolution authorizing the President to proclaim the first Sunday in June of each year as "National Shut-In Day"; and

S.J. Res. 210. Joint resolution to authorize the President to issue a proclamation designating the last full calendar week in May of 1972 as "Clean Waters for America Week."

The message also announced that the Vice President, pursuant to Public Law 84-689, appointed Mr. TUNNEY to attend, on the part of the Senate, the North Atlantic Assembly.

THE LATE HONORABLE ADAM CLAYTON POWELL

Mr. ROONEY of New York. Mr. Speaker, just a few short days ago, last Sunday afternoon, funeral services were held in New York City for a great man. I refer of course to our late colleague, the Honorable Adam Clayton Powell. Much has been said and much will continue to be said about Adam, but I would like to say at this point that he was without a doubt the ablest person who ever ran for public office in his part of New York City. I knew Adam well since I came to the House of Representatives in June 1944 and he came in January of 1945 and over the years we became very good friends. Adam was a proud man—proud of his blackness and proud of his ability and, when you were with him, you could not help but share in his pride. He led and fought for equality long before the fight was popular or even close to success.

He was above all things a man. He was, too, an excellent Congressman and his record as chairman of the House Committee on Education and Labor will stand for many, many years as his monument. He led the fight for, and produced, legislation increasing minimum wages, guaranteeing equal pay for women, manpower development and training, and care for the aging. Through the committee he brought forth a host of laws improving all phases of education—from elementary schools to colleges and vocational training. Adam Powell was a fighter all his life and we shall not see his like again for many a year. Mr. Speaker, I wish that all my colleagues could have been in New York last Sunday afternoon. They would have seen just how many, many people this man affected and how he was loved in Harlem. It was a sad but deeply moving experience. To his family and many friends I offer my sincere condolence in their great loss.

COMMITTEE ON FOREIGN AFFAIRS

Mr. BOGGS. Mr. Speaker, I offer a resolution (H. Res. 922) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 922

Resolved, That during the remainder of the Ninety-second Congress, the Committee on

Foreign Affairs shall be composed of thirty-nine members.

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

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

NATIONAL HUNTING AND FISHING DAY

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate joint resolution (S.J. Res. 117) asking the President of the United States to declare the fourth Saturday of each September "National Hunting and Fishing Day."

The Clerk read the title of the Senate joint resolution.

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

There was no objection.

The Clerk read the Senate joint resolution as follows:

S.J. Res. 117

Whereas in the congestion and the complexities, the tensions and frustrations of today's life, the need for outdoor recreation—the opportunity to "get away from it all"—has become of crucial importance, and

Whereas there are few pursuits providing a better chance for healthy exercise, peaceful solitude, and appreciation of the great outdoors than hunting and fishing, and

Whereas this is evident in the fact that more than fifteen million hunting licenses and twenty-four million fishing licenses were issued in 1970, and

Whereas the purchase of these licenses brought nearly \$200,000,000 into State and local government treasuries, and

Whereas this income provides a rich source of funds for fish and wildlife conservation and management and for the salvation, preservation, and propagation of vanishing species, and

Whereas hunters and anglers traditionally have led in the effort to preserve our natural resources, and

Whereas outdoor sportsmen also have led in the promotion of proper respect for private as well as public property, of courtesy in the field and forest, and in boating and firearm safety programs, and

Whereas there is no present national recognition of the many and worthwhile contributions of the American hunter and angler: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States declare the fourth Saturday of each September as "National Hunting and Fishing Day" to provide that deserved national recognition, to recognize the esthetic, health, and recreational virtues of hunting and fishing, to dramatize the continued need for gun and boat safety, and to rededicate ourselves to the conservation and respectful use of our wildlife and natural resources.