SENATE—*Thursday, April 20, 1972*

The Senate met at 9:45 a.m. and was called to order by Hon. JAMES B. ALLEN, a Senator from the State of Alabama.

PRAYER

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

Eternal Father, who art the same from generation to generation, keep our lives in the light of Thy presence and our actions under Thy constant scrutiny. In days of crisis when the path is uncertain and human judgment frail, we beseech Thee to enlighten us. Make and keep us a people both strong and good. In our efforts to deliver nature from pollution preserve us from pollution of human nature. In our zeal for a way out of war keep the warring spirit out of our personal lives. Care for us and this Nation when we seem least able to care for ourselves.

O Thou restorer of souls, lead us in paths of righteousness for Thy name's sake. May goodness and mercy follow us all our days that we may dwell in the house of the Lord forever. Amen.

DESIGNATION OF THE ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 20, 1972.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JAMES B. ALLEN, a Senator from the State of Alabama, to perform the duties of the Chair during my absence.

ALLEN J. ELLENDER,
President pro tempore.

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

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday April 19, 1972, be dispensed with.

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

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. I ask unanimous consent that all committees be authorized to meet during the session of the Senate today.

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

VACATION OF ORDER FOR RECOGNITION OF SENATOR GRAVEL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order previously entered for recognizing the distinguished Senator from Alaska (Mr. GRAVEL) today be vacated.

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

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar, beginning with New Reports.

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

UPPER MISSOURI RIVER REGIONAL COMMISSION

The second assistant legislative clerk read the nomination of Robert L. McCaughey, of South Dakota, to be Federal Cochairman of the Upper Missouri River Regional Commission.

The ACTING PRESIDENT pro tempore. Without objection the nomination is confirmed.

DISTRICT OF COLUMBIA COUNCIL

The second assistant legislative clerk proceeded to read sundry nominations to the District of Columbia Council.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

DISTRICT OF COLUMBIA REDEVELOPMENT LAND AGENCY

The second assistant legislative clerk read the nomination of Willie I. Leftwich to be a member of the Board of Directors of the District of Columbia Redevelopment Land Agency.

The ACTING PRESIDENT pro tempore. Without objection the nomination is confirmed.

Mr. GRIFFIN. I ask that the President be immediately notified of the confirmation of the nominations.

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

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

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

RECOGNITION UNDER THE STANDING ORDER OF MAJORITY AND MINORITY LEADERSHIP

Mr. ROBERT C. BYRD. Mr. President, I make no request for time.

The ACTING PRESIDENT pro tempore. Does the assistant Republican leader desire recognition?

Mr. GRIFFIN. I do not desire recognition.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. At this time, in accordance with the previous order, the distinguished Senator from Wisconsin (Mr. PROXMIRE) is recognized.

(The remarks Mr. PROXMIRE made at this point on the introduction of S. 3514 are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

Mr. ROBERT C. BYRD. Mr. President, will the Senator reserve the remainder of his time, momentarily?

Mr. PROXMIRE. Mr. President, I reserve the remainder of my time, and I yield to the Senator from West Virginia whatever time he desires.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, on my time.

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

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. At this time, in accordance with the previous order, the Chair recognizes the distinguished Senator from Oklahoma (Mr. BELLMON) for not to exceed 15 minutes.

(The remarks Mr. BELLMON made at this point when he introduced S. 3515 and S. 3516 are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, how much time does the Senator have remaining?

The ACTING PRESIDENT pro tempore. The Senator has no time remaining.

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair. I suggest the absence of a quorum, and I ask unanimous consent that it be without prejudice to the next order.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, without prejudice to the order recognizing the distinguished Senator from New York (Mr. JAVITS), I be recognized on the time allotted to me.

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

ORDER FOR ADJOURNMENT TO 11 A.M., MONDAY, APRIL 24, 1972

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that if the Senate completes its business today on S. 3462, a bill to provide for the development of rural areas, it stand in adjournment until 11 a.m. Monday next.

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

ORDER ON TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday next, after the two assistant leaders have been recognized under the standing order, there be a period for the transaction of routine morning business for not to exceed 30 minutes with statements made therein limited to 3 minutes.

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

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum on my own time.

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

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. ROBERT C. BYRD. Mr. President, how much time do I have remaining under the order?

The ACTING PRESIDENT pro tempore. The Senator has 12 minutes remaining.

Mr. ROBERT C. BYRD. I reserve the remainder of my time.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from New York is recognized for not to exceed 15 minutes.

Mr. JAVITS. I thank the Chair.

VIETNAM CROSSROAD

Mr. JAVITS. Mr. President, we are at a fateful new crossroad in Vietnam. The major new offensive of the North Vietnamese, and the vigorous United States and South Vietnam counterattacks, have forced yet another moment of decision upon the consciousness of the Senate and the Nation. Whatever wishful thoughts that may have been entertained earlier that fate would somehow conspire to present us with an easy way out of Vietnam have been dashed by the cold reality of the great battle now in progress.

It should, finally, be clear that we are just not going to be able to eat our cake and have it too, in Vietnam. We cannot both assure that South Vietnam is protected from the Vietnamese Communist forces and assure an early total U.S. disengagement from the fighting—which I feel the American people so rightly demand. Once again we are in a dilemma—and we must make a choice.

It is in this present set of circumstances that I wish to take my position. In my judgment, it is in the overriding national interest of the United States to set a date for the total U.S. disengagement and withdrawal of our forces from Vietnam this year. That necessity, and that decision, must take priority over the understandable bent of President Nixon and his military advisers to assure, if they could, the military success of the Government of Vietnam, especially in its current very difficult situation.

I have not been an opponent of the "Vietnamization" program and I hope it has succeeded and will succeed. From everything I have seen—and I have been to Vietnam twice in the past 2 years alone—the Vietnamization program under the direction of Secretary Laird and General Abrams has accomplished a great deal in making the ARVN a viable military force.

I hope very much that the ARVN succeeds in standing up to the current North Vietnamese offensive. I can also understand President Nixon's decision to order U.S. air action in support of ARVN's defense—though its reach so far up north raises some doubts in my mind as to its appositeness to the basis which could justify U.S. air action—to insure the safety of the remaining U.S. forces in Vietnam, and for myself, I can see no other justification for it. I can even accept a U.S. air role in tactical support of the ARVN's hard-pressed units near the DMZ and elsewhere—for the same purpose again, only to assure the safety of remaining U.S. forces in Vietnam. But I am very much opposed to making the success of Vietnamization a precondition of U.S. withdrawal.

I am prepared to be quite blunt about that. It is not in the interests of the United States to allow the ARVN to be overrun, and the Thieu government to be blown down, by this current North Vietnamese offensive. But we have already done in Vietnam all that any nation could ever do for an ally in our own casualties and treasure spent, let alone the division in this country. And, we have helped to establish a heavily armed 1-million-man force—and an air force—with a capability at least as great and probably much greater than that of North Vietnam. Now we can do no more in the fighting without serious jeopardy to our own Nation at home and abroad.

We can be sure of the fact that if the South Vietnamese people support the government and want a country, they can have it. We have equipped them generously for the purpose, but for us the time has come to get out completely. We cannot continue for the indefinite future to underwrite the survival and security of South Vietnam.

A gruesome trial of strength is now in progress and the war seems to have acquired a new character. For the first time in Vietnam we are witnessing massive fighting in the conventional—as contrasted to the Guerrilla—mode. The North Vietnamese, with conspicuous Soviet support, have mounted an offensive on a new scale of intensity never before achieved. Clearly, the political embarrassment of President Nixon is a major objective. Characteristically, President Nixon is fighting back vigorously.

There is a grave danger that—in the heat of battle and the pitch of resolve—President Nixon may be tempted to go too far and thus ensnare our Nation in massive new problems. The attacks on our Navy in the Tonkin Gulf already show what could be ahead. The press reports indicate that the bombing of North Vietnam by U.S. Navy and Air Force planes may well have gone beyond any reasonable limits of providing tactical air support for the ARVN and protecting the remaining U.S. forces in Vietnam.

The significance of the raids on Hanoi and Haiphong, in my judgment, is more political than military. In political terms, the objective appears to be punitive—to signal Hanoi that the United States is not prepared to accept the overthrow of the Thieu government on the battlefield through the current offensive. Beyond this, the attacks on Hanoi and Haiphong—including the damage inflicted on Soviet ships in Haiphong harbor and Secretary Laird's intimation that a blockade and mining of Haiphong harbor are not ruled out—seem clearly intended as a signal to the Soviet Union.

It is this aspect of the current U.S. military actions which causes me the gravest concern.

First, because it appears to reflect a fundamental misunderstanding of the whole nature and origins of the Vietnam war—a misunderstanding flowing directly from—and just as colossal—as the misunderstanding which caused President Johnson to involve our Nation so disastrously and so ineffectually in Vietnam in 1964–65. Heaven help us, if we are in 1972 back to thinking that the 25-year struggle of the Vietnamese Communists to reunite Vietnam under their hegemony is an instrument of the international Communist conspiracy directed by Moscow which it is our national interest to prevent at any cost to us.

Second, some aspects of the U.S. military response to the current North Vietnamese offensive suggest that we may be falling into a new ensnarement which could be even more costly and dangerous than the snare we got caught in with the massive ground intervention in 1965.

In a sense we are now in grave danger of becoming the victims of the success of the Vietnamization program, and of all those years in which U.S. foot soldiers fought a war of attrition and search and destroy.

Hanoi is now apparently convinced that it cannot any longer win a military victory through guerrilla tactics. Accordingly, it has shifted to new, conventional war tactics. And, it clearly has persuaded the Soviet Union to provide it with the equipment necessary to pursue a conventional-style war.

But as this is a new war, and the new danger is again what it was in 1964–65 of the Saigon forces being overrun, it is absolutely essential that an irrevocable decision is made now that the United

States will not involve itself in fighting this new war: That the fighting is going to have to be done by the South Vietnamese on their own, and that we wish them all the luck in the world and will give them generous material support so long as they have the will to fight. But we have to decide right now that we are not going to fight the new war for them. That is the principal thrust of what I have to say this morning.

That may be a bigger and more difficult decision than people now realize. We could be heading for a new battlefield situation in Vietnam reminiscent of Korea—in a way that the Vietnam war heretofore has never resembled Korea.

Secretary Laird said in the Foreign Relations Committee hearing on Tuesday that the administration is making its plans in Vietnam on the assumption of the success of the Vietnamization program. He declined to concede even the existence of any contingency planning based on the premise of a failure of the Vietnamization program. Clearly, there is a deep reluctance to face up to the necessity of choice in Vietnam. Maybe everything will come up roses; and the ARVN and the Thieu Government will succeed decisively in putting down the Communists, allowing the United States to continue and complete its unilaterally paced withdrawal by the end of 1972—and to leave and ultimately pull out and "insurance" force—all without having to swallow any more bitter pills—beyond the hemlock we have already drunk at home in terms of the savage damage to our own internal body politic.

But the United States has got to have a better policy than just one of hoping for the best. We have got to have an irrevocable national decision to get out of Vietnam completely by a date certain this year. And we have to make that national decision now.

The time has passed when the Senate can be content with wringing its hands over this question. I think the war powers debate, and the overwhelming Senate vote for the War Powers Act, clarified the basic issues respecting congressional authority and congressional responsibility in this field.

The time has come for the Senate to set a date certain for complete U.S. withdrawal from Vietnam. It is my firm conviction that there should be no preconditions attached to the complete withdrawal of U.S. forces from Vietnam. We cannot accept the success of Vietnamization as a precondition for complete U.S. withdrawal, nor can we insist on Hanoi's agreement to our negotiation terms at the peace table as a precondition to our complete withdrawal. The likelihood of getting out the prisoners is on precedent much greater on this basis. All the lessons of warfare throughout history counsel and teach us with reference to prisoners of war, that it is the only way in which they are eventually released; and we had the same experience in this respect even with the crew of the *Pueblo* held in North Korea.

The task therefore is to establish a national decision to withdraw our forces completely from Vietnam—without preconditions—and without allowing ourselves to get trapped into fighting a new war in Vietnam such as the latest fighting in Vietnam presages and I hope the Senate will enact legislation to this end.

I repeat, we have now armed, supplied, and manned the South Vietnamese in a way in which, if they want an independent country, they should be able to resist and overcome the Communist offensive—this one or the ones that follow—and if they do not want such a country, no power on earth can get it for them, including the United States of America.

I thank the Senator, and I yield back the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, I yield back the balance of my time.

ORDER OF BUSINESS

Mr. JAVITS. Mr. President, may I ask if the morning hour is about to begin?

Mr. ROBERT C. BYRD. Yes, it is.

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. At this time, in accordance with the previous order, there will be a period of not to exceed 30 minutes for the transaction of routine morning business, with speeches of each Senator limited to 3 minutes.

The Senator from New York is recognized.

(The remarks of Mr. JAVITS on the introduction of S. 3517 are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

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

The second assistant legislative clerk proceeded to call the roll.

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

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

PRIVILEGE OF THE FLOOR

Mr. CRANSTON. I ask unanimous consent that until such time as the resolution offered by the Senator from Arizona (Mr. GOLDWATER), coming over under the rule and to be taken up shortly, has been dealt with, I may have present in the Chamber two members of my staff, Ellen Frost and Murray Flander.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from California. The Chair hears none, and it is so ordered.

QUORUM CALL

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

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

The second assistant legislative clerk proceeded to call the roll.

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

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

SENATE RESOLUTION 294—TO CONDEMN THE INVASION OF SOUTH VIETNAM BY NORTH VIETNAM AND TO SUPPORT THE GOVERNMENT OF THE UNITED STATES IN ITS EFFORT TO PROVIDE AN HONORABLE PEACE IN SOUTH VIETNAM

Mr. ROBERT C. BYRD. Mr. President, I have discussed this matter with the distinguished Senator from Arizona (Mr. GOLDWATER) and the distinguished chairman of the Committee on Foreign Relations (Mr. FULBRIGHT). In order to save the time of the Senate today, I ask unanimous consent, with the approval of both of those Senators, that the resolution (Senate Resolution 294) coming over under the rule be placed on the calendar.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

Mr. GOLDWATER. Mr. President, I thank the acting majority leader for doing this. I understand full well the difficulties involved in operating in a delicate area such as this. I shall, at the proper time, move to have this resolution considered, and if I fail in that effort, offer it as an amendment to some appropriate bill.

Again I thank the Senator from West Virginia.

Mr. GRIFFIN subsequently said: Mr. President, the distinguished Senator from Arizona (Mr. GOLDWATER) submitted the resolution yesterday. I understand that he would like to have had a vote on it today, but because of the parliamentary situation a vote is possible, and the resolution has been placed on the calendar. I wish that the Senate could have voted on the resolution today.

It seems to me that anyone who will take time to read this resolution would find it very difficult to oppose. Since yesterday I have had an opportunity to study the text of the resolution, and I ask unanimous consent that my name be added as a cosponsor.

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

Mr. GRIFFIN. Mr. President, the text of the resolution reads:

Whereas South Vietnam has been the subject of long efforts, by covert and open means, to destroy the government of that nation and bring the people of that nation under the control of the communist government of Hanoi;

Certainly, that is a statement of fact, which is true.

Whereas the Government of North Vietnam has pursued a consistent policy of oppression, terror, and murder toward the civilian population of South Vietnam;

That is a statement of fact, which is true.

Whereas the Soviet Union has provided its client state, North Vietnam, with the means to commit brutal aggression against South Vietnam;

That is a statement of fact, which is true.

Whereas in the prosecution of this armed aggression the Government of North Vietnam on March 30, 1972, unleashed the full power of its military force by a massive invasion of the territory of South Vietnam; and

That is a statement of fact, which is true.

Whereas the Government of North Vietnam in its aggression acted in open violation of the Geneva Accords of 1954;

That is a statement of fact, which is true.

Whereas the Government of North Vietnam has openly violated the 1968 understanding to respect the Demilitarized Zone in return for a halt in the bombing of the sanctuaries of aggression in the North;

That is a statement of fact, which is true.

Whereas this unrelenting effort against the people of South Vietnam has resulted in untold death and suffering to those people:

Certainly, that is the case.

Be it resolved, That the Senate of the United States condemns the invasion of South Vietnam by North Vietnam and calls upon the Government of North Vietnam to end its aggression against the people of South Vietnam and to terminate its invasion.

Surely, no great amount of debate should be necessary to agree on that point.

SEC. 2. The Senate of the United States declares its support of the Government of the United States in its intention to provide an honorable peace in South Vietnam.

I assume all of are—or should be—in favor of an honorable peace in Vietnam. Accordingly, I find it very difficult to understand, frankly, how any Senator could oppose this resolution. I believe the resolution should have been brought to a vote and approved today.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

REPORT OF BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM

A letter from the Chairman of the Board of Governors, Federal Reserve System, transmitting, pursuant to law, a report of that Board, for the calendar year 1971 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

REPORT ON MEDICARE

A letter from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on Medicare, for the fiscal year 1970 (with an accompanying report); to the Committee on Finance.

REPORT OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Problems in Providing Guidance to States in Establishing Rates of Payment for Nursing Home Care Under the Medicaid Program", Social and Rehabilitation Service, Department of Health, Education, and Welfare, dated April 19, 1972 (with an accompanying report); to the Committee on Government Operations.

PROPOSED GRANT TO VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

A letter from the Deputy Assistant Secretary of the Interior, transmitting a proposed grant with Virginia Polytechnic Institute and State University, Blacksburg, Virginia (with accompanying papers); to the Committee on Interior and Insular Affairs.

PROPOSED COMPREHENSIVE YOUTH SERVICES ACT OF 1972

A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to encourage and assist States and localities to coordinate their various programs and resources available for the prevention, treatment, and control of juvenile delinquency, and for other purposes (with accompanying papers); to the Committee on the Judiciary.

REPORT ON WATER POLLUTION CONTROL MANPOWER DEVELOPMENT AND TRAINING ACTIVITIES

A letter from the Administrator, Environmental Protection Agency, transmitting, pursuant to law, a report on Water Pollution Control Manpower Development and Training Activities, dated March, 1972 (with an accompanying report); to the Committee on Public Works.

PROSPECTUSES FOR CERTAIN CONSTRUCTION OF GOVERNMENT FACILITIES

A letter from the Acting Administrator, General Services Administration, transmitting, pursuant to law, prospectuses for the construction of certain government facilities (with accompanying papers); to the Committee on Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

S. 3526. An original bill to provide authorizations for certain agencies conducting the foreign relations of the United States and for other purposes (together with additional views of Mr. SPONG (Rept. No. 92–754).

By Mr. FULBRIGHT, from the Committee on Foreign Relations, adversely:

H. J. Res. 1. A joint resolution concerning the war powers of the Congress and the President (Rept. No. 92–755).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. HUGHES, from the Committee on Armed Services:

Robert D. Nesen, of California, to be an Assistant Secretary of the Navy.

By Mr. HARRY F. BYRD, JR., from the Committee on Armed Services:

John W. Warner, of Virginia, to be Secretary of the Navy.

By Mrs. SMITH, from the Committee on Armed Services:

Frank P. Sanders, of Maryland, to be Under Secretary of the Navy.

Mr. TOWER. Mr. President, from the Committee on Armed Services I report favorably the nominations of 34 flag and general officers in the Army and Navy. I ask that these names be placed on the Executive Calendar.

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

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

Lt. Gen. Hugh McClellan Exton, Army of the United States (major general, U.S. Army), to be placed on the retired list, in the grade of lieutenant general;

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

John D. Chase, and sundry other officers, for promotion in the Navy.

Mr. TOWER. Mr. President, in addition I report favorably 1,593 appointments in the Navy in grade of commander and below; 216 appointments in the Army in grade of major and below; and 1,789 appointments in the Air Force in grade of colonel and below. Since these names have already appeared in the CONGRESSIONAL RECORD, in order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Secretarys desk for the information of any Senator.

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

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

Andrew R. Adams, and sundry other midshipmen (Naval Academy), for assignment in the Navy;

Richard D. Adams, and sundry other Reserve officers, for promotion in the Navy;

Douglas W. Barron, and sundry other officers, for promotion in the Navy;

James C. Akers, and sundry other officers, for promotion in the Air Force; and

Charles W. Boohar, Jr., and sundry other persons, for appointment in the Regular Army.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. PROXMIRE (for himself and Mr. NELSON):

S. 3514. A bill to repeal the Act terminating Federal supervision over the property and members of the Menominee Indian Tribe of Wisconsin; to reinstitute the Menominee Indian Tribe of Wisconsin as a federally recognized, sovereign Indian Tribe; and to restore to the Menominee Tribe of Wisconsin those Federal services furnished to American Indians because of their status as American Indians. Referred to the Committee on Interior and Insular Affairs.

By Mr. BELLMON (for himself, Mr. CURTIS, Mr. DOLE, Mr. HANSEN, Mr. FANNIN, Mr. PEARSON, and Mr. YOUNG):

S. 3515. A bill to provide a practicable precipitation management program for the Nation. Referred to the Committee on Commerce.

By Mr. BELLMON:

S. 3516. A bill relating to the jurisdiction of the Joint Committee on Atomic Energy. Referred to the Joint Committee on Atomic Energy.

By Mr. JAVITS (for himself and Mr. HUGHES):

S. 3517. A bill to amend certain provisions of the Controlled Substances Act relating to marihuana. Referred to the Committee on the Judiciary.

By Mr. TALMADGE (by request):

S. 3518. A bill to amend the Rural Electrification Act of 1936, as amended, to enhance the ability of the Rural Telephone Bank to obtain funds for the supplementary financing

program on favorable terms and conditions. Referred to the Committee on Agriculture and Forestry.

By Mr. GAMBRELL:

S. 3519. A bill for the relief of George E. Ray. Referred to the Committee on Post Office and Civil Service.

By Mr. GAMBRELL (for himself and Mr. TALMADGE):

S. 3520. A bill to designate certain lands in the Okefenokee National Wildlife Refuge, Georgia, as wilderness. Referred to the Committee on Interior and Insular Affairs.

By Mr. MATHIAS (for himself, Mr. BEALL, Mr. BOGGS, Mr. BROOKE, Mr. CASE, Mr. COOPER, Mr. HATFIELD, Mr. JAVITS, Mr. PERCY, Mr. SAXBE, Mr. STEVENS, Mr. TAFT, and Mr. WEICKER):

S. 3521. A bill entitled "The Juvenile Delinquency Prevention Act of 1972." Referred to the Committee on the Judiciary.

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

S. 3522. A bill to authorize the conveyance of certain lands in the District of Columbia to the Greater Southeast Community Hospital Foundation, Inc. Referred to the Committee on Interior and Insular Affairs.

By Mr. BIBLE (for himself and Mr. CANNON):

S. 3523. A bill to amend section 1302 of title 18, United States Code, relating to the mailing of certain matter. Referred to the Committee on the Judiciary.

By Mr. MAGNUSON (by request):

S. 3524. A bill to extend the provisions of the Commercial Fisheries Research and Development Act of 1964, as amended. Referred to the Committee on Commerce.

By Mr. TOWER:

S. 3525. A bill to provide for the conveyance of approximately 5 acres of land, more or less, located at Camp Bullis, Tex., to the Texas National Guard Armory Board, a body politic and corporate of the State of Texas. Referred to the Committee of Armed Services.

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

S. 3526. An original bill to provide authorizations for certain agencies conducting the foreign relations of the United States and for other purposes. Ordered to be placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE (for himself and Mr. NELSON):

S. 3514. A bill to repeal the act terminating Federal supervision over the property and members of the Menominee Indian Tribe of Wisconsin; to reinstitute the Menominee Indian Tribe of Wisconsin as a federally recognized, sovereign Indian tribe; and to restore to the Menominee Tribe of Wisconsin those Federal services furnished to American Indians because of their status as American Indians. Referred to the Committee on Interior and Insular Affairs.

MENOMINEE RESTORATION ACT

Mr. PROXMIRE. Mr. President, on behalf of myself and Senator NELSON I am today introducing a bill to repeal the act terminating Federal supervision over the Menominee Indian Tribe of Wisconsin; to reinstate the Menominees as a federally recognized, sovereign Indian tribe; and to make the tribe eligible for the services the Federal Government furnishes to Indians.

THE MENOMINEE INDIANS

Since time immemorial the Menominee Indians have lived in what is now the State of Wisconsin. In 1854 they entered into a treaty with the United States by which the Menominees ceded to the United States their claim to all their land except for 234,000 acres along the Wolf River. This acreage became the Menominee Indian Reservation.

By the early 1950's the Menominees had become, on paper at least, one of the most prosperous Indian tribes in the United States. This prosperity was in large part due to the excellent forest located on their reservation, which was valued at $36 million. In addition, the tribe had $10 million on deposit in the Federal Treasury. Over three quarters of this money came from a law suit which the tribe won in 1951 against the Bureau of Indian Affairs for mismanagement of the forest. After this law suit was settled the Menominees decided that they wanted approximately $5 million of their money distributed to each member of the tribe—$1,500 per capita. This money was to be used for improving housing conditions and for other necessities of life on the reservation. Because the Federal Government held a trusteeship over the Menominees an act of Congress was needed to release the money.

Appropriate legislation was introduced in Congress in 1953 and soon passed by the House. When the bill reached the Senate it was amended to provide for termination of the Federal trusteeship. The Interior and Insular Affairs Committee recommended that termination be coupled with the provisions granting the Menominees access to their money because the committee felt the tribe had sufficient assets to exist without Federal support. There is some confusion as to whether or not the tribe gave its informed consent to this policy. On June 20, 1953, the principle of termination was approved at a tribal council meeting held on the reservation by a vote of 169 to 5. But it was later rejected at another council meeting by a vote of 197–0. It should be noted that these two votes represented only 5 percent of the membership of the tribe. Today there is resentment among the Menominees who feel that termination was forced on them as a condition for receiving their money.

In 1954 the Menominee Termination Act was passed. The tribal roll was closed and the Indians were ordered to produce a termination plan. Because of difficulties in drawing up this plan the final date for termination was put back from 1958 to 1961. With the implementation of termination the Federal trusteeship ended, BIA services were withdrawn, and the Menominees ceased to exist as a legal entity. A corporation, Menominee Enterprises Inc.—MEI—was established to manage the tribal assets—the forest, saw-mill, public utilities, and land. Each enrolled Menominee was given 100 shares of stock in this corporation.

EFFECTS OF TERMINATION

It was the intent of Congress that the Menominees should be able to develop on their own initiative free from the control of the Federal Government. By being placed on an equal legal footing with the general population, it was felt that the Indians would be able to expand their economy and to plan their future. But this has not happened. The Menominees have been unable to develop and prosper as it was hoped they would. The observable results of termination are far different from what was expected.

First, the Menominees have lost their liquid assets. The payment of the $1,500 per capita to the tribe and the payment of termination costs exhausted the $10 million which the tribe had. The pretermination assets of the Menominees proved to be insufficient to establish them on a sound economic footing. Although these assets appeared to be substantial on paper, in reality they were not. As a result the Menominees have been hard pressed to obtain the funds needed to survive.

Second, the ending of BIA services cost the Indians their school and hospital. Now most of the children must go to neighboring Shawano County for their education. The Indians are having difficulties obtaining adequate health and dental care.

Third, the Menominee Reservation became Menominee County, one of the smallest and poorest counties in Wisconsin. As a county the Indians now had to meet State standards in all the services they provided. This required large initial expenditures which the county was unable to raise through its taxing power. Since 1961 the Federal Government has spent over $12 million and the State of Wisconsin over $7 million to keep Menominee County functioning. It has cost the American taxpayer over $19 million to support a tribe that before termination was able to pay for its own support.

Menominee Enterprises, Inc., pays only $347,000 a year in property taxes and the individual Indians pay a meager amount. The dollars raised by the community in taxes have not been sufficient to finance adequate services. Part of the deficiency has been made up by State and Federal funds. But where this has not been done, the services have not been provided and the Menominees have suffered. As an example, the Menominee County government is now under two pollution abatement orders from the Wisconsin Department of Natural Resources for failure to bring the county sewage disposal system up to State standards. The Menominees do not want their lands and waters spoiled. They would like to meet the State standards and are making every effort to do so. But they are having an extremely difficult time in trying to obtain the necessary funds.

Fourth, in an attempt to expand the tax base of the county and raise needed money, 8,760 acres of land was sold to non-Menominees as home sites. Slowly but surely the Indians are being forced by economic necessity to give up their ancestral land.

The present situation in Menominee County is bleak. Average unemployment in 1970 was 22.4 percent, well above the national average. Per capita adjusted gross income in 1969 was $1,048 as compared with the $2,950 figure for the State of Wisconsin as a whole. The Indian children who have gone to Shawano County for their education have found it difficult to compete with the better prepared

white children. And the Shawano School District has been having trouble providing the Indian children with an understanding of their Menominee heritage.

The prospects for the future of Menominee County are even bleaker. The community does not have the funds necessary to expand their industry or to increase the tax base. Economic stagnation is probable. The policy of selling off the land to non-Menominees in an attempt to ease the financial situation may continue. If carried on long enough it could result in a permanent loss by the Menominees of their land and control of the county. If this were to happen the Menominees would be through as a community. Their heritage, their cultural identity, their unity would be destroyed. Without their land they will be unable to survive as a people.

PREVIOUS ASSISTANCE

The Menominees are not satisfied with the present condition in their county. They do not want their future to be as I have outlined it. But there is little they can do because of their limited wealth and resources. The Federal Government, which by adopting the policy of termination helped to bring about the condition of the Menominees, is in a position to provide assistance to them so that present problems can be alleviated and future problems avoided.

Both the Federal Government and the State of Wisconsin have attempted to provide monetary assistance to Menominee County. In 1965 the Nelson-Laird Act, which I was proud to cosponsor, authorized the Secretaries of Commerce, Interior, and Health, Education, and Welfare to make grants and loans available to the Menominees for economic development, health and educational services. Those funds are no longer available.

While this money has saved the county from total disaster it has not solved the problems that plague the Menominees. Additional funding of this nature is not a long-range solution. It would serve only to postpone such a solution. The Menominees do not need another stop-gap measure. They need a measure that will help them overcome their problems of poverty, their lack of adequate educational, health and community services, and their poor economic conditions.

RESTORATION OF INDIAN STATUS

Mr. President, the bill which I am introducing is such a measure. It seeks to provide the Menominees with the long-range assistance which they so desperately need. The Menominee County government, Menominee Enterprises Inc. and a group known as DRUMS—Determination of Rights and Unity of Menominee Stockholders—have all endorsed this bill. In meetings held over the past few months these parties agreed to a program of action which they feel will substantially alleviate the problems of the Menominees. This bill is the product of those meetings and has received wide spread support from the Menominee community. They feel that if this bill is not enacted the Menominees will be unable to survive as a people.

The general intent of this bill is to restore the Menominees to trust status and put them in the same relationship to the Federal Government that all other federally recognized tribes are in. It will help solve their problems by removing them from their present disastrous status. The bill repeals the Menominee Termination Act of 1954 which was the beginning of the tribe's problems. As I have stated at length above, the 1954 act has been of no benefit to the tribe, but rather has created insoluble problems. Removing the act from the books is the first step in helping the Menominees.

The bill then reopens the rolls of the tribe that has been closed since 1954. All the Menominee children who have been born in the interim will be legally recognized as members of the tribe. Opening the rolls is necessary to determine who is eligible to receive the services being made available. Provision is made to assure that all potential enrollees are considered.

The Menominees are to be made eligible to receive all the services and funding that the Federal Government makes available to Indians because of their status as Indians. In addition to funds they will be able to receive the technical assistance that they must have to adequately provide community services and to develop their economy. This should cost the Federal Government less in the long run than continual allocations of funds through legislative measures such as the Nelson-Laird Act. The Bureau of Indian Affairs has estimated that the yearly cost of providing Menominee County with adequate education, training, and social services is about $1,300,000. In addition the U.S. Public Health Service estimates that $638,000 per year would have to be paid for proper health care. Before termination the Menominees were able to reimburse the Government for the costs of running the reservation. It is a possibility that given enough time they will be able to do so again.

The next sections of the bill enable the Menominees to establish their own tribal government and business organization. The provisions are similar to those of the Indian Reorganization Act. This will give the Menominees the control over their internal affairs that Congress intended all federally-recognized Indian tribes to have.

A restoration date is established, at which time the important provisions of the act will go into effect. On the restoration date the new governing body of the tribe will begin operations, Federal services will commence, and the trust relationship will be established. This date will be approximately 13 months after the passage of the act, so that there will be ample time to prepare for restoration.

The Secretary of the Interior is authorized to receive and hold in trust for the Menominees such assets as the present tribal corporation, Menominee Enterprises Inc., or individual Menominees, may wish to convey to him. Both MEI and the Menominee people have expressed a desire for their assets to be placed in such a trust. In addition the Secretary is authorized to spend whatever funds the tribe may have on account with the Federal Treasury to purchase additional assets for the tribe.

Since termination MEI has sold some of the Menominee land to non-Menominees. This bill will not adversely effect the ownership of this land in any way. The purchasers of this land bought it in good faith and it is theirs as long as they wish to retain it. However, should any individual owning land in Menominee County desire, for reasons of his own, that his land be added to the trust for the benefit of the Indians he can sell it back to the tribe or to the Secretary. Furthermore, after consultation with the Secretary of the Interior the tribe will make what rules and regulations it feels are necessary to protect the land which they own, including the forest land, so that it will not be destroyed or unwisely used.

The U.S. Supreme Court in 1968 ruled that the Menominee Termination Act did not extinguish the hunting and fishing rights guaranteed by the Wolf River Treaty of 1854. But the decision was vague as to what persons possessed those rights. This bill will clear up that ambiguity by plainly stating that the Menominees retain all the rights guaranteed them by their treaties with the United States.

The final sections of the bill authorize the appropriation of necessary funds and allow the Secretary of the Interior to make necessary rules and regulations.

Menominee County and its government were established by the Wisconsin State Legislature. This bill will not alter or abolish the county structure. The State legislature will have to decide at a future date what action, if any, should be taken in this regard.

NEED FOR ACTION

It is my hope that this bill will soon be the subject of hearings in the Senate Interior Committee so that the Menominees will be able to tell their own story. The problems which they have had since termination are manifold. The facts when presented will speak for themselves. After the hearings I hope this bill will be able to receive speedy and sympathetic consideration by the full Senate. Each passing day increases the problems of the Menominee people. Assistance should be provided for them as soon as possible.

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

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

S. 3514

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

SEC. 2. For the purpose of this Act—

(1) "Tribe" means the Menominee Tribe of Wisconsin, as determined by the membership roll prepared pursuant to section 4 of this Act;

(2) "Secretary" means the Secretary of Interior;

(3) "Menominee Restoration Committee" means that committee of nine Menominee Indians, who have been elected at a Gen-

eral Council meeting open to all living persons on the final roll of the Tribe published pursuant to the Act of June 17, 1954 (68 Stat. 250; 25 U.S.C. 893) (hereinafter referred to as the "final 1954 roll"), and their descendants. The Secretary shall approve the membership of the committee if he is satisfied that the above requirement of this section have been met. Immediately upon the enactment of this Act, the Secretary shall publish the names of the membership of the Menominee Restoration Committee in the Federal Register. The Menominee Restoration Committee shall be the entity which shall represent the Menominee people in coordinating and negotiating the implementation of this Act prior to the restoration date, as described in section 8 of this Act. The Menominee Restoration Committee shall have no powers other than those given to it by this Act.

SEC. 3. Effective on the restoration date established pursuant to section 8 of this Act, the Act of June 17, 1954 (Public Law 399 of the Eighty-third Congress; 25 U.S.C. § 891–902) is repealed and shall be of no further force and effect.

SEC. 4. As soon as practicable, the Secretary shall establish a membership roll of the Tribe (hereinafter referred to as the "membership roll"). The roll shall contain the ages and quantum of Indian blood and, when approved by the Secretary, shall constitute the legal membership of the Tribe for all purposes. The membership roll shall include all persons listed on the final 1954 roll who are still living on the date of the enactment of this Act. The membership roll shall also include all descendants of persons listed on the final 1954 roll, if such descendants have at least one-quarter Menominee blood and if such descendants are living on the date of the enactment of this Act. Applications for inclusion in the membership roll may be filed with the Secretary for a period of four months after the enactment of this Act. Within 30 days after the enactment of this Act, the Secretary shall notify in writing all persons who were listed on the final 1954 roll for the purpose of ascertaining the names of all descendants of such persons. The Secretary shall also make all reasonable independent efforts to ascertain the identity of all persons entitled to be included on the membership roll. For a period of three months after the closing of the period for applications, the Secretary shall provide a reasonable opportunity for any person to protest against the inclusion or omission of any name on or from the roll. During such period of three months, the Secretary shall permit the examination of the applications by the Menominee Restoration Committee for the purpose of lodging protests in regard to the inclusion or omission of any name on or from the roll. The Secretary shall publish the membership roll in the Federal Register within 30 days after the last day on which protests may be filed pursuant to the above provisions of this section. After the restoration date, as described in section 8 of this Act, the Secretary shall make additions, deletions, and modifications to the membership roll, based upon written notice from the governing body of the Tribe, according to tribal rules and regulations which have been approved by the Secretary.

SEC. 5. All persons on the membership roll shall be eligible, as of the restoration date as described in section 8 of this Act, to receive all Federal services furnished American Indians because of their status as Indians. Such services shall include, but shall not be limited to, all health, education, employment, welfare, loan, financial, and other assistance and services which are provided to American Indians because of their status as American Indians.

SEC. 6. (a) Subject to the approval of the Secretary, as set forth in section 7(a) of this Act, the Tribe shall organize a governing body for the Tribe's common welfare and shall adopt an appropriate constitution and by-laws, which shall become effective pursuant to the provisions of section 7 and 8 of this Act. Such constitution and by-laws shall be revocable by an election open to the same voters and conducted in the same manner as provided in section 7 of this Act. Amendments to the constitution and by-laws may be ratified and approved by the Secretary in the same manner as the original constitution and by-laws. In addition to any powers which were vested in the Tribe before the termination of Federal supervision and in addition to any powers which may be vested in any Indian Tribe or tribal governing body by existing law, the constitution adopted by the Tribe may vest in the Tribe or its governing body the following rights and powers; to employ legal counsel, including the choice of counsel and fixing of fees; to prevent the sale, disposition, lease, or encumbrance of tribal lands, interests in lands, or other tribal assets without the consent of the Tribe; to purchase property, real and personal; to create a tribal corporation or corporations to conduct all or some of the economic activities of the Tribe, subject to the provisions of subsection (b) of this section; and to negotiate with the Federal, State, and local governments; except that no authority shall be granted to sell, or to mortgage or lease for a period exceeding 25 years, any of the land included within the limits of the Reservation. The Secretary shall advise, and consult with, the governing body of the Tribe concerning all appropriation estimates of Federal projects for the benefit of the Tribe prior to the submission of such estimates to the Office of Management and Budget or to the Congress.

(b) Subject to the approval of the Secretary, the Tribe may organize a tribal corporation or corporations to conduct all or some of the economic activities engaged in by the Tribe. The corporation or corporations may be organized pursuant to the laws of any State. In addition to all powers which may be vested in any corporation pursuant to the laws of the State in which the corporation is incorporated, the tribal corporation or corporations may be granted the following rights and powers: to purchase, take by gift or bequest, or otherwise own, hold, manage, and operate property of every description, real and personal; to purchase property, real and personal; to exchange interests in corporate property for any property, real or personal, acquired by the corporation; to dispose of personal property; to sue and be sued for matters involving such economic activities engaged in by the corporation or corporations, as may be incidental to the conduct of corporate business; and such further powers, not inconsistent with law; except that no authority shall be granted to sell, or to mortgage or lease for a period exceeding twenty-five years, any of the land included in the limits of the Reservation.

SEC. 7. (a) The Secretary shall conduct an election by secret ballot, pursuant to the provisions of this section, for the purpose of determining the Tribe's constitution and by-laws. Within fifteen days after the publication of the membership roll, the Secretary shall announce the date of the election. The date of the election shall be within sixty days after the publication of the membership roll. All adult members on the membership roll shall be entitled to vote in election, either in person or by absentee ballot. The constitution and bylaws shall be adopted if they receive a vote of the majority of those actually voting and if they receive the approval of the Secretary, who shall give his approval or disapproval within thirty days after the date of the election. The Secretary shall approve any constitution and bylaws chosen by the Tribe if he finds that the constitution and bylaws will treat with reasonable equity all persons on the membership roll and that they conform to applicable Federal and State law.

(b) The texts of the constitution and by-laws which shall be on the ballot at the election shall be determined by the Menominee Restoration Committee, after consultation with the Secretary. The Menominee Restoration Committee shall distribute to all persons entitled to vote in the special election, at least thirty days before the special election, a copy of the constitution and bylaws which will be presented at the election, along with a brief, impartial description of the constitution and bylaws, the Menominee Restoration Committee shall freely consult with persons entitled to vote in the special election concerning the texts and description of the constitution and bylaws.

(c) If the constitution and by-laws presented at the election are not adopted, pursuant to the provisions of subsection (a) of this section, a second election shall be held. The Secretary shall announce the date of the second election within 15 days after the proposed constitution and by-laws failed to receive the requisite number of votes or, if applicable, within 15 days after disapproval by the Secretary. The date of the second election shall be within 60 days after the proposed constitution and by-laws failed to receive the requisite number of votes or, if applicable, within 60 days after disapproval by the Secretary. Such election, and any subsequent election, shall be conducted in accordance with the provisions of this section in all other respects.

SEC. 8. Within 15 days after the Secretary approves the Tribe's constitution and by-laws, as provided in section 7 of this Act, the Secretary shall announce a restoration date. The restoration date shall be within 90 days after the Secretary approves the constitution and by-laws. The Secretary shall promptly publish the restoration date in the Federal Register. On the restoration date, the following events shall occur:

(1) Subject to the approval of the shareholders as required by the laws of the State of Wisconsin, the Board of Directors of Menominee Enterprises Inc., or the appropriate officers at the direction of the Board of Directors, shall execute all necessary and appropriate documents to transfer to the Secretary all assets held by Menominee Enterprises, Inc. Such assets shall be held in trust by the Secretary, on behalf of the United States, for the Tribe. Such assets shall include, but shall not be limited to, all cash, buildings, personal property, lands, waters, and interests therein owned by Menominee Enterprises, Inc., as of the restoration date. The transfer of assets shall be exempt from Federal, State, and local taxation. All such assets, while held in trust by the Secretary, shall be exempt from Federal, State, and local taxation.

(2) The land which is transferred pursuant to paragraph (1) of this section shall become a Federally recognized Indian Reservation.

(3) All provisions of the constitution and by-laws selected by the Tribe and approved by the Secretary pursuant to section 7 of this Act shall become effective. The governing body selected by the Tribe at the election and approved by the Secretary pursuant to section 7 shall begin operation and shall be the official governing body of the Tribe in all respects.

(4) The Tribe shall be a Federally recognized Indian Tribe.

(5) All persons on the membership roll shall be eligible to receive the Federal services set forth in section 5 of this Act.

SEC. 9. The Secretary is hereby authorized, in his discretion, to acquire for inclusion in the Menominee Reservation through purchase, relinquishment, gift, exchange, or assignment, any interest in lands, water rights, or surface rights to lands, within or without the Menominee Indian Reservation as

those boundaries were established by the treaties of 1854 and 1856, except that land within the present boundaries of the Stockbridge-Munsee Reservation shall not be acquired by the Secretary pursuant to this provision. The Secretary is further authorized to receive on behalf of the United States from the governing body of the Tribe, or from any person on the membership roll, voluntarily executed deeds to such lands as the Tribe or person may own in fee simple free from all encumbrances. Any property purchased, or received from the Tribe, pursuant to this section shall be held in trust by the Secretary, on behalf of the United States, for the benefit of the Tribe. Any property received from any person on the membership roll pursuant to this section shall be held in trust by the Secretary, on behalf of the United States, for the benefit of such person. Any land or rights transferred under this section shall be exempt from Federal, State, and local taxation.

SEC. 10. The governing body of the Tribe, after full consultation with the Secretary, shall make rules and regulations for the operation and management of the tribal forestry units on the principle of sustained-yield management. The governing body of the Tribe, after full consultation with the Secretary, shall make such other rules and regulations as may be necessary to protect the lands of the Tribe from deterioration. The governing body of the Tribe, after full consultation with the Secretary, may regulate hunting, fishing, and trapping on the Reservation.

SEC. 11. This Act shall reinstitute all, and shall not abrogate any water, hunting, fishing, and trapping rights or privileges, and any other rights and privileges of the Tribe and its members enjoyed under Federal Treaty or otherwise.

SEC. 12. The Secretary is hereby authorized to make such rules and regulations as are necessary to carry out the provisions of this Act.

SEC. 13. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

Mr. HARRIS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HARRIS. Mr. President, I join the distinguished Senator from Wisconsin (Mr. PROXMIRE) and his colleague (Mr. NELSON) in urging swift approval of the proposed legislation to restore Federal services and recognition to the Menominee. They have suffered greatly and unjustly as victims of a now discredited termination policy. We must right this wrong at once, and I am pleased to join in this vital effort to do so.

Mr. NELSON. Mr. President, the bill introduced today, the Menominee Restoration Act, repeals the Menominee Termination Act of 1954 which terminated Federal jurisdiction over the Menominee Indian Tribe of Wisconsin.

As Governor of Wisconsin in 1961, it seemed to me that the policy of termination was unwise and unsound. I came to Washington at that time to oppose the policy on the ground that it would not work. It is quite obvious now that it has not worked and will not work.

After termination it very soon became clear that Menominee County—which is what the Menominee Reservation became once termination was effected—was in desperate economic straits. Accordingly, in 1966 the Nelson-Laird bill was introduced in the Senate; this bill resulted in an appropriation of over $1.8 million for Menominee County for the purposes of education, public welfare benefits, health, and sanitation services, and the construction of sanitation facilities. The fact that such a measure was needed was an indication even then of the failure of the policy of termination.

The Menominee Termination Act was passed in 1954. A brief history of the events leading up to termination is necessary to understand it fully. In 1951, the U.S. Court of Claims awarded the Menominee Tribe a $7,650,000 judgment against the Bureau of Indian Affairs for mismanagement of the tribe's forest. By 1953, the Menominee had $10 million in the U.S. Treasury and their tribal forest valued at $36 million. Also, the tribe was one of only three tribes in the country who were able to pay for most of the cost of the Federal services provided to them. However, the appearance of tribal wealth should not be allowed to overshadow the reality of the poverty of the individual Menominee at that time. Housing, education, and health care on the reservation were well below national norms, and the Federal services provided were not of the highest quality. But it was at this stage of development that Congress decided on the policy of termination.

In 1953, the Menominee decided that they wanted to have $5 million of their settlement distributed to them on a $1,500 per capita. Even though the Court of Claims had previously awarded the settlement to the tribe, congressional approval was required before any money could be distributed to the tribe.

A bill was introduced in the House to provide for the desired per capita payment of $1,500 from tribal funds. However, in the Senate the bill was effectively rewritten to provide for the "orderly termination of Federal supervision over the property and members" of the Menominee Tribe. The Senate version of the bill passed and was signed by President Eisenhower on June 17, 1954. Thus one can see that the Menominee, in an attempt to gain the money legally awarded them, wound up with far more than they had bargained for or wanted; namely, termination.

After termination was proposed the Menominee were understandably eager to find out exactly what it would mean to the tribe. On June 20, 1953, they were told that Congress had already decided on termination of the Menominee and that they would not receive their per capita allotments until after termination. The manner in which the policy was explained to the tribe made it appear that if you do not vote for termination, you will not receive your per capita allotments.

Later that same day, the general council of the tribe voted 169 to 5 in favor of the "principle of termination." However, after the Bureau of Indian Affairs greatly modified the termination bill drafted by the tribe and after another termination bill continued to make headway in Congress, another meeting was called. The 197 members present at this second meeting voted unanimously to oppose the bill, showing their willingness to forgo the payments in order to prevent termination.

But regardless of the feelings of the Menominee, the Menominee Termination Act was passed by Congress and signed into law on June 17, 1954. The measure required termination no later than December 31, 1958, but the act was amended several times and termination did not take effect until April 30, 1961. On that date, the Menominee Reservation became Menominee County.

In testimony on the Termination Act, the overwhelming majority of Indians testified in opposition to the legislation. The arguments presented touched on the following matters: First, financial concerns; second, loss of treaty rights and privileges; third, concern for the state of tribal preparedness; fourth, procedural issues; and fifth, emotional ties to tribal lands.

Not only did the Menominee Tribe object to the policy of termination before the act was passed, but also after the passage of the act they tried in vain to prepare themselves for the withdrawal of Federal services. They were successful in extending the effective date until 1961, but, as was evident then and has become increasingly evident since, this was not long enough to adequately prepare for termination.

In 1961 the Bureau of Indian Affairs terminated all education, health, and utility services which had been provided for years. But what the Menominee were left with is graphic testimony to the woeful inadequacy of the preparation for termination. They were saddled with a school and hospital both of which had to be closed because they did not meet State standards. The sewerage system was also substandard and had to be renovated at Menominee expense. It was discovered that the sawmill had over 100 State safety code violations. In addition, the roads were substandard and required substantial repair work.

It was bad enough that the Menominee had to undergo termination at all. But not only were they forced to do so, but also, as a result of a congressional decision, they had to pay for most of the costs of termination.

Mr. President, the present situation of the Menominee people offers ample evidence of the failure of the policy of termination.

From the latest 1970 census data relating to the Menominee Indians living in Menominee County, one can get a good idea of the depressed economic situation of the tribe. Nearly 25 percent of all Menominee families receive welfare assistance, compared to a statewide average of only 3 percent; 40 percent of Menominee families have incomes below the Federal poverty level as compared to 8 percent for the State as a whole.

The average per capita income for the county is $981 compared to a statewide average of $2,915. The unemployment rate was 10.9 percent, compared to 4 percent for the State as a whole. Both unemployment rates are now higher.

To a large extent the extremely high rate of unemployment can be directly attributed to the Termination Act. After termination, Menominee Enterprises, Inc.—the corporation set up to run the

affairs of the Menominee, was faced with the task of paying taxes and making profit enough to support all the costs and services related to running a county government. Thus, MEI was forced to maximize efficiency in the Indian-owned sawmill. Doing this meant dismissing a large number of Menominee who worked in the mill. Since the mill is virtually the only source of employment in the area, the unemployment rate rose dramatically.

Since the hospital was closed in 1961, there has been no adequate health care. In fact, shortly after termination there was a tuberculosis epidemic, which was finally brought under control after State and county spending of some $200,000.

One major effect of termination was the end of tribal ownership of the land. Under the termination plan, the tribal land was transferred to MEI. The Menominee people were forced to buy, from MEI, the land which they had lived on for years and which they had always considered to be their own.

Not only were the Menominee forced to buy their land but also as a result of termination they have been forced to sell part of their land. This selling of land may well be of more long-range harm to the tribe than anything else which has resulted from termination. In an effort to expand the tax base and provide money for all the badly needed services of the county, MEI, in cooperation with a recreation developer has sold more than 8,700 acres of land to non-Indians. In the words of one Menominee, this is roughly analogous to "burning down your house to keep warm in a blizzard."

To an Indian tribe, land is much more than just a material asset; it is a birthright, symbol of a proud cultural heritage, and the last refuge from an encroaching white society which has refused to leave the Indian tribes in peace. When a tribe begins to sell its land, it can truly be said that the end is in sight; for, once the tribal land is sold, dispersal of the Indians cannot be far away. If termination is not reversed then the Menominee might well become another victim of Government policy and join the ranks of the landless Indians.

Under the termination plan, a corporation, Menominee Enterprises, Inc., was formed in order to hold and manage all Menominee assets: forest, sawmill, utilities, and land. Each of the 3,270 Menominee received 100 $1 par value shares of stock in the corporation and an income bond guaranteed to mature at $3,000 in December 2000, and bearing interest at the rate of 4 percent—$120—per year.

Many Menominee were forced to sell their bonds in order to buy the land which they had lived on for their whole lives. Menominee were also required to sell their bonds in order to qualify for welfare. Accordingly, the State of Wisconsin has accumulated over $1,200,000 worth of these bonds.

The Menominee voted to maintain the nonnegotiability of their stock until 1974. But it may be only a matter of time before the pressing economic demands on the tribe will force a vote for negotiability. And, of course, if this happens, the tribe will lose what little control it has over its own destiny.

One Menominee summed up the present plight of the tribe in the following statement:

> We are much worse off now as the 72d county of Wisconsin than we ever were as a reservation. We have more to lose now. We are losing our land, our assets, our people.

The only other major Indian tribe to be terminated was the Klamath Tribe of Oregon. The Klamath termination took effect in 1962. The last termination act passed by Congress was also in 1962, dealing with the Ponca Tribe of Nebraska. Since then no Indian tribe has been terminated. The reason is that all parties concerned realize that the policy of termination has been a failure. In fact, in 1969 Congress voted to halt previously ordered termination proceedings dealing with the Oklahoma Choctaws.

The policy has been rejected in deed, if not in words, by both the Bureau of Indian Affairs and the Congress. The President himself has come out quite strongly against the policy. In a 1968 speech to the National Congress of American Indians, Richard Nixon stated:

> Termination of tribal recognition will not be a policy objective, and in no case will it be imposed without Indian consent.

In 1970, President Nixon stated that:

> Because termination is morally and legally unacceptable, because it produces bad practical results, and because the mere threat of termination tends to discourage greater self-sufficiency among Indian groups, I am asking the Congress to pass a new Concurrent Resolution which would expressly renounce, repudiate and repeal the termination policy as expressed in House Concurrent Resolution 108 of the 83rd Congress [August, 1953].

Mr. President, this legislation would do that which President Nixon has asked the Congress to do, namely repeal the past policy of termination.

Certainly it would be indefensible to admit that Congress erred in its policy of termination, and then not to rectify that error by reversing termination. The experiment of termination was a failure. The very least we can do is come to the aid of one of the tribes upon which the experiment was tried.

Quite apart from the argument based on moral, social, humanitarian, and legal grounds, it can also be shown that even on the basis of economics it would behoove the Congress to repeal termination of the Menominee Tribe. Before termination, the Menominee Tribe was one of the few which was able to pay for almost all of the Federal Government services provided them. Since 1961, when termination took effect, the Federal Government has spent more than $11.5 million in regular and special grants for health care, education, welfare, highways, housing, property tax relief, sewer and sanitation facilities, shared taxes, and other purposes.

I ask unanimous consent that a table, "Menominee County Aids and Grants," compiled by the Menominee Indian Study Committee, be inserted in the RECORD at the conclusion of my remarks. The table shows exactly how much Federal and State money has been spent in Menominee County for fiscal years 1961 through 1971.

In 1971, the Federal Government spent more than $2,444,000 in Menominee County. The Bureau of Indian Affairs has estimated that it would cost approximately $1,415,000 per year to restore BIA-authorized services to the Menominee. The Public Health Service estimates that it would cost approximately $638,000 annually to provide adequate health care for the Menominee.

Thus, the total annual cost of restoring the Menominee to their federally recognized tribal status would be $2,053,000 or $391,000 less than the Federal Government spent in Menominee County in fiscal year 1971. Moreover, this annual cost of restoration is over $1,421,000 less than both the State and Federal Government spent in 1971.

Not only have the Federal aids and grants been quite costly, but they have also been ineffective. This fact can be easily recognized by considering the terrible economic and social plight of the Menominee people today—even after millions of Federal dollars have been spent.

One of the motives for passage of the termination act was a desire for the Federal Government to save money when the Menominee became self-supporting. As the above figures indicate this economic saving has not been realized and the Federal Government currently spends more in Menominee County than would be spent for regular Federal services to the Menominee should their status as federally recognized Indians be reinstated. So even when considering the most basic economic argument, the continued termination of the Menominee cannot be justified.

The bill introduced today is a simple one with one main purpose: the restoration of Federal services and recognition to the Menominee Tribe. A brief synopsis of the proposed legislation is as follows:

Section 1 gives the short title of the bill as the "Menominee Restoration Act."

Section 2 provides for a democratically elected "Menominee Restoration Committee" to represent the tribe in restoration negotiations.

Section 3 repeals the termination legislation.

Section 4 requires the preparation of a Menominee tribal roll, including all Menominee on the "formal" 1954 roll as well as their descendants.

Section 5 makes all persons on the tribal roll eligible for all Federal services to which American Indians are entitled.

Section 6 outlines the nature of the governing body of the tribe after restoration; also specifies the nature of the corporate entity which will transact the business of the tribe.

Section 7 establishes an election procedure for the selection of the governing body and the corporate entity of the Tribe.

Section 8 establishes a restoration date, approximately 13 months after the passage of the act, on which the important

provisions of the bill will go into effect. On this date Federal services will begin, and the new governing body will begin operation.

Section 9 permits the Secretary of the Interior to repurchase and hold in trust land formerly within the reservation. This section also authorizes the Secretary to hold in trust any land transferred to him by the tribe or by an individual Menominee.

Section 10 permits the tribe, after full consultation with the Bureau of Indian Affairs, to manage their forest on a sustained-yield basis.

Section 11 protects water, hunting, fishing, trapping, and treaty rights.

Section 12 authorizes the Secretary to make regulations necessary to carry out the provisions of the act.

Section 13 authorizes appropriations necessary to implement the act.

Mr. President, now is the time for Congress to act and move toward righting the wrongs perpetrated on the Menominee people. We must reassert and reassume our treaty obligations toward the Menominee. The proposed bill would do just that: protect their assets, lands, resources, and rights and provide the basic and necessary community services to which the Menominee people are justly entitled.

There being on objection, the table was ordered to be printed in the RECORD, as follows:

MENOMINEE COUNTY—AIDS AND GRANTS

Fiscal year	Aid and grants due to special legislation or programs			Regular aids and grants			Total special and regular aids and grants
	State	Federal	Total	State	Federal	Total	
1960–61				$70, 953. 52		$70, 953. 52	$70, 953. 52
1961–62	$34. 32	220, 000. 00	$220, 034. 32	124, 327. 85	$64, 575. 89	188, 903. 74	408, 938. 06
1962–63	1, 703. 65	596, 065. 01	597, 768. 66	239, 473. 80	82, 996. 84	322, 470. 64	920, 239, 30
1963–64	523, 381. 00	149, 934. 99	673, 315. 99	330, 023. 48	111, 384. 99	441, 408. 47	1, 114. 724. 46
1964–65	589, 486. 75	179, 895. 43	769, 382. 18	298, 711. 79	141, 399. 22	440, 111. 01	1, 209, 493. 19
1965–66	100, 000. 35	356, 083. 35	456, 083. 70	420, 532. 55	161, 824. 85	582, 357. 40	1, 038, 441. 10
1966–67	346. 084. 96	631, 344. 64	977, 429. 60	666, 811. 73	264, 978. 15	931, 789. 88	1, 909, 219. 48
1967–68	334, 097. 25	2, 800, 136. 58	3, 134, 233. 83	671, 843. 77	382, 255. 45	1, 054, 099. 22	4, 188, 333. 05
1968–69	204, 399. 59	1, 505, 516. 52	1, 709, 916. 11	724, 663. 83	456, 028. 24	1, 180, 692. 07	2, 890, 608. 18
1969–70	301, 750. 52	747, 639. 06	1, 049, 389. 58	517, 684. 18	406, 430. 25	924, 114. 43	1, 973, 504. 01
1970–71	273, 504. 00	2, 039, 622. 80	2, 313, 126. 80	756, 551. 08	404, 472. 49	1, 161, 023. 57	3, 474, 150. 37
Total	2, 674, 442. 39	9, 226, 238. 38	11, 900, 680. 77	4, 821, 577. 58	2, 476, 346. 37	7, 297, 923. 95	19, 198, 604. 72

Note: The material in this report was compiled by Faith Moulin, researcher, Menominee Indian Study Committee (M.I.S.C.) from Wisconsin Department of Revenue's Taxes and Aids, 1961–68 and Wisconsin Fiscal Digest, reports submitted to the M.I.S.C. and other data supplied by State and Federal agencies.

By Mr. BELLMON (for himself, Mr. CURTIS, Mr. DOLE, Mr. HANSEN, Mr. FANNIN, Mr. PEARSON, and Mr. YOUNG):

S. 3515. A bill to provide a practicable precipitation management program for the Nation. Referred to the Committee on Commerce.

WEATHER MODIFICATION AND PRECIPITATION MANAGEMENT ACT OF 1972

Mr. BELLMON. Mr. President, since the time pioneers first settled the great plains and southwestern United States, drought has been a periodic enemy of man. Records of the National Weather Service for the State of Oklahoma, for example, show that a critical dry period has recurred every 20 years since 1870. The most disastrous of these dry periods came during the mid-1930's, producing the devastation we know as the "Dust Bowl" when a quarter million persons gave up their homes and migrated out of the panhandle region of Oklahoma, Texas, Kansas, and New Mexico.

The drought of the 1930's lasted for more than 8 years—100 consecutive months during which time precipitation averaged only 65 percent of normal.

According to the best available rainfall records, drought index, the long range predictions of the National Weather Service, a severe drought is once again spreading across the southern Great Plains—perhaps worse than that of the 1930's.

Since late in 1970, precipitation throughout large areas of the Great Plains has averaged less than 60 percent of normal. Some relief was experienced in the last quarter of 1971, but the areas of critical drought are growing rapidly again this spring.

The 14-county area which comprises southwest Oklahoma has had less than one-half inch of rain in the last 4 months, which is only 14 percent of normal precipitation. Similiar conditions can be found over wide areas of New Mexico, Arizona, and Texas.

Mr. President, last night we did have some rain in a portion of Oklahoma, and we are thankful for the relief; but we realize that this is only a temporary relief.

As of April 1, 1972, the National Oceanic and Atmospheric Administration, published information showing drought conditions ranging from moderate to extreme in Oklahoma, Texas, Kansas, Nebraska, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, and California, and a few other isolated areas to the east of the Great Plains. Many of these same areas experienced severe drought last summer with resulting losses of crops and critical shortages of municipal and industrial water. They have not yet recovered from that hardship and most cannot withstand a second consecutive summer without near normal rainfall. If current conditions are not relieved, much human suffering and great economic losses are a certainty.

Because of the drought, the wheat crop in Texas last year was 25 million bushels below the harvest of 1970, representing a loss of approximately $35 million. In Oklahoma, the loss was even greater, and similar calculations can be made for other crop and livestock losses throughout the region.

In the four State region of Oklahoma, Texas, Arizona, and New Mexico, over 9,000 farmers and ranchers received emergency drought loans from the Federal Government totaling more than $100 million. Countless more drew upon their own reserves or borrowed money from private institutions to stay in business.

The citizens of the Southern Plains and Southwest United States are in desperate need of help. Fortunately, the Federal Government has the ability to provide the relief, they need.

For the past 10 years, the Bureau of Reclamation's division of Atmospheric Water Resources Management has conducted comprehensive research and development programs to perfect the techniques of cloud seeding and weather modification. These research programs have been highly successful, generally increasing rainfall by as much as 10 to 30 percent.

Equally as significant is the relatively low cost of such operations. Benefit to cost ratios generally range above 10 to 1 and sometimes as high as 100 to 1.

Last summer, the Bureau of Reclamation conducted an emergency 60-day cloud-seeding program in portions of drought-stricken southwestern Oklahoma. Evaluation of that program indicates natural precipitation was augmented by 85,000 acre-feet at a total cost of $290,000. That amounts to less than $3.50 an acre-foot—far less than most farmers and ranchers pay for irrigation water. Some cities are paying upward of $100 an acre-foot for municipal and industrial water.

More importantly, the emergency rainmaking program in Oklahoma broke the drought—at least temporarily—and helped the region recover from the long, dry summer. During the period in which the Bureau of Reclamation operated, several weather reporting stations measured the highest monthly rainfall in 70 years. The program proved beyond doubt that techniques developed by the Bureau can successfully augment natural precipitation and can be a valuable tool in stabilizing rainfall in arid regions of the Nation.

Mr. President, there is a general consensus of opinion among professional meteorologists and weather modification authorities that the time is right to put weather modification to work on an operational, large-scale basis to demonstrate its potential and to make it an integral part of our Nation's water resources management program. By neces-

sity, these programs must be directed by the Federal Government since weather systems are regional in nature and pay no attention to State boundaries.

The severe drought conditions now existing in the Southern Plains, and the long-range predictions that the dry period will likely continue until several more years provide additional impetus to make use of our weather modification knowledge at the earliest possible time.

For these reasons, I am today introducing the Weather Modification and Precipitation Management Act, a bill to authorize the Department of the Interior and Bureau of Reclamation to engage in operational weather modification programs and to undertake two operational programs in fiscal 1973.

The first of these programs is for the Southern Plains, including the States of Kansas, Colorado, Oklahoma, Texas, New Mexico, and Arizona. The second is for the Northern Plains, to include the States of North Dakota, South Dakota, Wyoming, Montana, and Nebraska. Each program is authorized for a period of 5 years.

Mr. President, I have been joined in the authorship of this legislation by Senators representing these areas: Senator CURTIS of Nebraska, Senator DOLE of Kansas, Senator HANSEN of Wyoming, Senator FANNIN of Arizona, Senator PEARSON of Kansas, and Senator YOUNG of North Dakota.

I am very much pleased to have the cosponsorship of these distinguished Members of the Senate.

Four million dollars annually will be required to operate the Southern Plains program, and $3 million annually for the Northern Plains program. Past experience indicates these programs will increase rainfall substantially over the entire project area. According to conservative estimates, the additional precipitation would produce annual benefits of $200 million to the agricultural industry, and would greatly increase the amount of water available for municipal and industrial needs in critically dry areas. The economic benefits to the U.S. Treasury could be many times the cost.

The total 5-year cost of the two operational projects will be $35 million, about the same cost as an average size multiple-purpose reservoir, capable of supplying water for one average size city. That same amount of money spent in weather modification has the potential of filling numerous dry reservoirs supplying water to scores of towns and cities throughout 11 States.

Plans are underway now to construct a conveyance system for moving water from regions of excess precipitation to the high plains of Oklahoma, Texas, and Kansas. The cost of the project will run between $5 billion and $10 billion. From a purely economic point of view, weather modification should be put into effect first.

An operational cloud-seeding program that will increase precipitation by 10 percent or more can achieve many of the same beneficial results as a water conveyance system at a tiny fraction of the cost.

When implemented, the programs authorized in the weather modification bill will help provide the drought relief so desperately needed in many areas; and will refine the techniques that can be used in the future to prevent recurring drought. The programs will likewise provide the additional research experience needed to integrate weather modification techniques into our overall water resource management program for augmenting water supplies, increasing crop yields under all weather conditions, and suppressing many forms of severe weather, which cause substantial damage each year.

Strong support for federally operated weather modification programs has been demonstrated throughout the Plains States. Some State legislatures have already appropriated funds for use in weather modification, and, in the Southern Plains, representatives of seven States are negotiating a regional weather modification compact. Letters and telegrams representing a wide variety of individual and group interests are coming to us daily from drought-stricken States asking for Federal assistance in weather modification; and the Oklahoma State Legislature recently adopted a resolution urging the Federal Government to undertake a long-term, multistate operational program. I ask unanimous consent that a copy of this resolution be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. BELLMON. Mr. President, it was the great humorist Will Rogers who once said:

> Everybody talks about the weather, but no one does anything about it.

That need not be true any longer. We have the capability and the knowledge to modify the weather and manage precipitation to a significant degree. If we use this ability and knowledge properly, we can relieve great anxiety and human suffering, prevent disastrous drought, significantly reduce the damage from hail, tornadoes and other severe weather, and greatly increase the productivity of our land.

In view of the worsening drought conditions throughout much of the Southwest and Southern Plains, immediate implementation of an operational weather modification program must be considered vital to the welfare of the citizens of those States.

And in view of the great potential of weather modification for permanent, long range improvement of the economic and social well being of the entire Nation, enactment and adequate funding for the provisions of this bill must be considered one of the best investments that could be made by the Congress of the United States.

Mr. President, any Member of Congress who has personally witnessed the violent whims of nature—the ravages of drought, the destructiveness of hail and tornadoes or the heartbreak of floods—anyone who has seen these things will agree that the Weather Modification and Precipitation Management Act is a matter of urgent national concern. I ask unanimous consent that the full text of the bill be printed in the RECORD.

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

S. 3515

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Weather Modification and Precipitation Management Act of 1972."

SEC. 2. The Congress recognizes (1) that weather systems, severe storms and the ravages of drought affect large areas of the United States without respect to State or other jurisdictional boundaries, and that the present and growing water shortage in many areas of the Nation has created serious problems of national concern, with an urgent need to find new sources of water supply to support rapid advances in population, agricultural production and industrial development; (2) that large quantities of nonprecipitating moisture are frequently present in the atmosphere over critically dry areas of the Nation where additional precipitation would be of measureable benefit; (3) that the science of weather modification has been developed and proven to a degree that predictable and beneficial results can be achieved by augmenting precipitation an average of from 10 to 30 percent, (4) that a major advance in large scale use and public acceptance of weather modification for the prevention of human suffering and serious economic losses is imminent; and (5) that a program of weather modification and coordinated application of precipitation management techniques is in the national interest.

TITLE I—PRECIPITATION MANAGEMENT PROGRAMS

SEC. 101. The Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to carry out precipitation management projects throughout the United States designed to augment or otherwise benefit, to the extent practicable, the usable water resources of the Nation.

SEC. 102. (a) In order to carry out the provisions of this Act, the Secretary shall—

(1) identify, through an adequate program of planning, field surveys and data collection, the situations in which precipitation management is advantageously applicable to meeting water needs of the Nation, taking into account State or local interests and the regional differences in the requirement for additional water, the nature and timing of productive opportunities to apply developed precipitation management techniques;

(2) contract with institutions of higher education, Federal agencies, State or local governmental agencies, business concerns skilled and experienced in weather modification, in order to conduct precipitation management activities, including "emergency" drought relief cloud seeding projects specifically authorized by, and conducted in coordination with, the Office of Emergency Preparedness;

(3) contract or enter into other appropriate types of financial arrangements with Federal, State or local entities benefiting directly from precipitation management projects, including augmentation of storage supplies derived through such management, for the payment of the direct costs thereof, exclusive of costs of supporting research, environmental monitoring and studies of similar activities which do not contribute directly to increased water supplies;

(4) continue in close coordination with research programs of other agencies, particularly those of the National Science Foundation, Department of Agriculture, and Depart-

ment of Commerce, the applied research and development effort of the Bureau of Reclamation's Atmospheric Water Resources Management Program to complete the development of techniques for application where current techniques may not be applicable, to improve techniques currently known to be applicable, to determine the feasibility of utilizing new and innovative methods or materials, to evaluate the practicability and efficacy of the program authorized by this title, with particular emphasis upon environmental studies designed to determine the ecological, economic, legal and social effects of such program, and to provide research and evaluation support to local precipitation management activities funded and conducted by other persons or agencies when such support would be of benefit to this program or otherwise in the national interest; and

(5) make recommendations to the Congress of additional legislation which may be required in carrying out the provisions of paragraph (3) of this subsection.

(b) In the performance of the duties specified in subsection (a) of this section, the Secretary is authorized to—

(1) accept gifts and bequests, including gifts or bequests restricted or limited by the donor for use in connection with certain projects or areas;

(2) acquire by purchase, license, lease, or donation such inventions, patents, patent applications, licenses, real property, and interests therein as he deems necessary;

(3) utilize the property, equipment and personnel of other agencies of the Federal Government, with the approval of the head of such agency, and pay for such property, equipment and personnel out of funds made available pursuant to this Act, either in advance, by reimbursement, or by direct transfer;

(4) deploy or otherwise make available personnel, equipment and instruments in weather modification activities under the direction of other agencies upon specific request of those agencies;

(5) consult with appropriate representatives of other agencies which have expertise or programs in weather modification, and such representatives of other Federal agencies are authorized and directed to furnish such assistance as the Secretary may require;

(6) participate, upon request, on regional coordinating commissions or boards which have responsibilities for directing operational activities; and

(7) cooperate in any international activities relating to precipitation management subject to the approval of the Secretary of State to assure consistency with foreign policy objectives of the United States.

SEC. 103. All additional supplies of water derived from the development of precipitation management techniques, the improvement of such techniques, or the determination of the feasibility of utilizing new and innovative methods, as well as water produced in the course of "emergency" drought relief seeding, shall be considered a product, the cost of which shall be nonreimbursable.

SEC. 104. (a) The Secretary is authorized, on behalf of the United States, to consider, ascertain, adjust, determine, settle, and pay any claim against the United States for bodily injury, death, or damage to or loss of real or personal property resulting from the modification of the weather pursuant to the provisions of this Act where such claim is presented to the Department of the Interior in writing within two years after the incident out of which the claim arises, and the claimant establishes to the satisfaction of such Department the extent of the damages claimed, and that such damages were caused by the weather modification activities of such Department; except that in no event shall a payment in excess of $25,000 be made with respect to any one claim.

(b) If the Secretary considers that payment in excess of $25,000 thereon is meritorious and would otherwise be covered by subsection (a), he is authorized to report the facts and circumstances thereof to the Congress for its consideration.

(c) No action shall lie by any person against any Federal employee, or any other person when acting solely as an employee, agent or independent contractor of the Federal Government in performing weather modification activities pursuant to the provisions of this Act, for bodily injury, death, or damage to or loss of real or personal property resulting from the modification of the weather.

(d) Any award, compromise or settlement in an amount of $2,500 or less made pursuant to this Act shall be paid by the Secretary out of appropriations available to the Department of the Interior. Payment of any award, compromise or settlement in an amount in excess of $2,500 made pursuant to this Act shall be paid in the same manner as judgments and compromises for similar amounts are paid under section 2672 of title 28, United States Code, and appropriations or funds available for the payment of such judgments and compromises are hereby made available for the payment of awards, compromises or settlements under this Act.

SEC. 105. Any precipitation management activity referred to in section 102 of this Act which may be expected to adversely affect another country, shall be authorized only with the concurrence of the Secretary of State.

SEC. 106. (a) Each recipient of assistance under this Act pursuant to contract or other agreement entered into under other than competitive bidding procedures shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit, and shall comply with any other established reporting procedures as required by the Secretary or other appropriate authority.

SEC. 107. The Secretary shall prepare and forward to the Congress an annual report which summarizes results and provides information of future plans of this precipitation management program.

SEC. 108. As used in this Act, the term "precipitation management" includes any intentionally produced changes, including changes induced through cloud seeding, in the composition, behavior, or dynamics of the atmosphere on or over the territory or territorial waters of the United States whereby the amount or location of precipitation that would normally be expected from the atmosphere is varied for the ultimate benefit of society.

SEC. 109. (a) There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be required to carry out the purposes of this title.

(b) All funds appropriated to carry out the purposes of this title which are not expended during the fiscal year for which they are authorized are to remain available until expended.

TITLE II—DEMONSTRATION PROJECTS

SEC. 201. (a) The Secretary of the Interior, acting through the Bureau of Reclamation, is authorized to engage in operational demonstration projects for the purpose of carrying out precipitation management programs in each of the following:

(1) The Southern Plains-Southwestern States, including the States of Arizona, New Mexico, Texas, Oklahoma, Colorado, and Kansas; and

(2) The Northern Plains States, including the States of North Dakota, South Dakota, Nebraska, Wyoming and Montana.

(b) Each such operational project shall commence July 1, 1972, or as soon thereafter as may be practicable, and shall continue through the fiscal year ending June 30, 1977. There shall not be included in any such project lands located within any State unless such State has executed an agreement with the Secretary of the Interior pursuant to which such State agrees to cooperate in such project and to provide (directly or through any political subdivision or other local entity of such State, or any public trust or other authority established within such State for purposes of weather modification) with respect to such project, for the costs of operation thereof during fiscal years ending June 30, 1975, June 30, 1976, and June 30, 1977, an amount equal to ten per centum of the costs of such project, during such fiscal years, attributable to lands within such State (as determined under subsection (c) of this section) affected by such project.

(c) For purposes of subsection (b) of this section, the costs of any project which is attributable to the lands affected by such project within any State shall be an amount which bears the same ratio to the total costs of the operation of such project as the number of acres of land within such State which are affected by such project bears to the total number of acres of land affected by such project.

(d) (1) For the purpose of carrying out the Operational Demonstration Project under this title for the Southern Plains-Southwestern States, there is authorized to be appropriated for the fiscal year ending June 30, 1973, and for each of the next following four fiscal years, the sum of $4,000,000.

(2) For the purpose of carrying out the operational Demonstration Project under this title for the Northern Plains States, there is authorized to be appropriated for the fiscal year ending June 30, 1973, and for each of the next following four fiscal years, the sum of $3,000,000.

SEC. 202. Nothing in this title shall be construed to limit the authority of the Secretary of the Interior or the Bureau of Reclamation in conducting additional research, experimental or emergency weather modification programs with funds appropriated for those purposes.

EXHIBIT 1

A CONCURRENT RESOLUTION EXPRESSING SUPPORT FOR A WEATHER MODIFICATION PROGRAM IN THE STATE OF OKLAHOMA AND SOUTHERN GREAT PLAINS; AND DIRECTING DISTRIBUTION

Whereas, the Bureau of Reclamation, Department of the Interior, has been engaged in a research program to develop techniques which utilize cloud seeding to augment precipitation in water-short areas; and

Whereas, the water storage supplies in parts of the State of Oklahoma are currently below minimum levels, and forecasts indicate that the State of Oklahoma will again be faced with a prolonged drought during 1972; and

Whereas, the development of the industry and resources of Oklahoma and the stability of the economy of this State are vitally affected by water supplies and precipitation.

Now, therefore, be it resolved by the Senate of the 2nd session of the 33rd Oklahoma Legislature, the House of Representatives concurring therein:

Section 1. That the Bureau of Reclamation, Department of the Interior, be encouraged and supported in its research efforts to manage precipitation, and that the Governor of Oklahoma be encouraged to continue his cooperation and coordination with the members of the Oklahoma Delegation in the Con-

gress of the United States in seeking federal support for a major long-term operational weather modification program in the State of Oklahoma and other states of the Southern Great Plains.

Section 2. That copies of this Resolution shall be forwarded to the Governor of Oklahoma, the Secretary of the Interior and each member of the Oklahoma Congressional Delegation.

Adopted by the Senate the 29th day of March, 1972.

FINIS SMITH,
President pro tempore of the Senate.

Adopted by the House of Representatives the 30 day of March 1972.

REX PRIVETT,
Speaker of the House of Representatives.

By Mr. BELLMON:

S. 3516. A bill relating to the jurisdiction of the Joint Committee on Atomic Energy. Referred to the Joint Committee on Atomic Energy.

Mr. BELLMON. Mr. President, on May 20 of this year, I introduced a bill that would amend the Natural Gas Act and provide for the establishment of a minimum wellhead price for natural gas and the graduated deregulation of natural gas by the Federal Power Commission.

Today I would like to coordinate this effort to help solve our energy crisis in another way. In my statement that accompanied the introduction of the prior bill, I indicated that it was my intent to introduce legislation as I saw necessary to facilitate the orderly development of our natural resources. Over the years, in numerous hearings relating to energy, it has been abundantly clear that countless agencies, departments, bureaus, commissions, in one form or another, have shaped our national energy policy with very little, if any, coordination. The President has recognized that this cumbersome apparatus has made the implementation of a well coordinated, national energy policy more difficult day by day. He has called for the establishment of a Department of Natural Resources, which I strongly support. This Department would truly be responsive to the needs of these times, and without question, would assist the country in extricating itself from the confusion that persists today. The administration has taken a necessary and courageous step, and yet the Congress has not acted.

Mr. President, without question, the complexities of issues relating to energy are difficult. They seem to defy an orderly resolution of the present crisis. I would like to believe that a proper concern by Congress coupled with a more orderly and systematic approach can cure the present energy crisis and prevent its recurrence.

For that reason I am today introducing another bill intended to be helpful. I am supported in this belief by the fact that a workable example exists today. I am referring to the Joint Committee on Atomic Energy. This committee was established to oversee and guide the development of our atomic resources. It has done an admirable job. During difficult times, this committee helped guide and sponsor the development of our nuclear capability.

Given a broadened responsibility, the necessary authority, and wider membership drawn from the Members of Congress, coupled with the experience and expertise the committee already has, I believe this committee could be of great assistance in the resolution of the current crisis.

I am today introducing a bill amending the Atomic Energy Act of 1954 to broaden the responsibility of the Joint Committee on Atomic Energy to include the entire energy spectrum. I firmly bebelieve that this Joint Committee on Energy will provide the needed congressional focal point to enable Congress to effectively deal with issues relating to energy and to formulate legislation that will solve the current crisis and prevent its recurrence.

By Mr. JAVITS (for himself and Mr. HUGHES):

S. 3517. A bill to amend certain provisions of the Controlled Substances Act relating to marihuana. Referred to the Committee on the Judiciary.

CRIMINAL LAW AND MARIHUANA USE

Mr. JAVITS. Mr. President, on behalf of myself and the Senator from Iowa (Mr. HUGHES), who is the distinguished chairman of the Subcommittee on Alcoholism and Narcotics, I send to the desk a bill which would repeal certain criminal penalties relating to the possession and use of marihuana in private.

The bill would not change the Federal law regarding criminal penalties which apply to the sale of the drug for profit.

The National Commission on Marihuana and Drug Abuse—of which the Senator from Iowa (Mr. HUGHES) and I are both members—has now completed and made public an exhaustive and comprehensive year-long study of marihuana. It has recommended to the President and the Congress that criminal penalties be eliminated for private possession and use of the drug.

Its recommendations were based upon extensive evidence gathered from all points of view, including those of public officials, community leaders, district attorneys throughout the country, young people, medical and professional experts and students. More than 50 projects were funded ranging from a study of the effects of marihuana, to a field survey of the enforcement of the marihuana laws in six metropolitan jurisdictions.

The bill we introduce today would implement this recommendation and, in addition, carry the decriminalization a step further to certain other activities which are deemed to be necessarily incident to private possession and use.

Treating the user of marihuana as a criminal, can and has had a shattering effect upon the lives of thousands of individuals who are otherwise law-abiding citizens. The consequences of such a policy for the individual and society are far more serious than any personal or societal harm resulting from the use of the drug itself.

We do not at this time advocate removal of all restrictions on the use of marihuana. We firmly support the view of the Commission that national policy on this issue ought to discourage use of the drug, and that those who traffic in marihuana for profit must be prosecuted. We cannot say at the present time that the drug is totally harmless from the medical point of view.

But criminal penalties for its use and possession in private are so disproportionate to the degree of mental and physical risk involved that there can no longer be any justification for their imposition in view of the Commission's findings. To equate the risk of using marihuana—which the Commission found to be a relatively benign drug—with the risk inherent in the use of hard narcotics is in our view totally indefensible. Yet in many jurisdictions throughout the country, this equation is written into the criminal law.

While the enforcement of laws against possession and use of marihuana is principally a matter for State and local governments, we hope that the State legislatures throughout the country will follow the policy approach which we are today proposing for the Federal law.

Our bill would change existing Federal law in that it would no longer be unlawful for a person to possess within a private dwelling marihuana for his own use, or for the use of others, so long as it is not possessed with the intent to sell it for profit.

It would also no longer be unlawful to possess in public an amount not to exceed 3 ounces of marihuana, if such possession is incident to a private use and is not with the intent to sell it for profit. Also, marihuana which is lawfully possessed by any person would no longer be considered to be contraband and would not be subject to seizure or forfeiture. Lastly, in the prosecution of any person charged with a violation of Federal law, the fact that such person was under the influence of marihuana would not be a defense to that charge.

Every provision in the bill specifically relates only to personal use of marihuana in private. The bill does not provide decriminalization for activities of any kind involving commercial and nonpersonal possession and sale. Although we go further than the majority of the Commission in terms of our decriminalization approach, we believe that the bill reflects the general policy recommendation of the Commission to concentrate the weight of the criminal sanction upon significant supply and distribution activities, rather than upon casual consumption.

Mr. President, the Commission has performed a singularly important public service in that it has provided a rational and objective perspective on the problem of marihuana. It has presented the facts in a straightforward and unequivocal way. We believe that the time has come for Congress to act upon these facts and to repeal those provisions of the Federal criminal law dealing with marihuana which have now been demonstrated to be ill-conceived and unfair.

Both Senator HUGHES and I consider this to be a very important reform of our Federal criminal law. We must finally

answer the legitimate complaints of American youth that those in our society who drink cocktails discriminate against those who in private, and in the same way, engage in the casual use of marihuana. We must answer the legitimate complaint that respect for the law has been undermined, and that thousands of young lives have been damaged—and in some cases wrecked—because of the present state of Federal and local criminal laws on this subject.

The Senator from Iowa (Mr. HUGHES) and I believe this proposal to be essential, rational, and fully supported by the findings of the Commission. We shall do our utmost to get early action on the bill.

I ask unanimous consent that the text of the bill be printed in the RECORD as a part of my remarks.

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

S. 3517

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Controlled Substances Act is amended by inserting immediately after section 404 thereof, the following new section:

"SEC. 404A. (a) Notwithstanding the provisions of section 308, 401(a)(1), 404, or any other provision of this title or any other Federal law, it shall not be unlawful for any person—

"(1)(A) to possess, within a private dwelling or other residence, marihuana for his own use, or for the use of others, within any such residence or dwelling, if such marihuana is not possessed with the intent to distribute, transfer, or sell such marihuana in violation of this title or any other Federal law; or

"(B) to possess, in a public area, marihuana in a reasonable amount, if the possession of such marihuana is incident to a private use within the purview of subparagraph (A) of this paragraph, and is not with the intent to distribute, transfer or sell such marihuana in violation of this title or any other Federal law; or

"(2) to distribute, transfer or sell, in public or private, any marihuana, lawfully possessed, to any person for a private use within the purview of subparagraph (A) of the first paragraph of this subsection, if such distribution, transfer, or sale is not made for profit.

"(b) Notwithstanding the provisions of section 511 or any other provision of this title or any other Federal law, marihuana in the lawful possession of any person shall not be considered contraband and shall not be subject to seizure or forfeiture by the United States.

"(c) In the prosecution of any person charged with an offense in violation of any Federal law, the fact that such person was suffering from marihuana intoxication at the time of the commission of that offense shall not be a defense to that charge or any element thereof.

"(d) For purposes of subparagraph (B) of paragraph (1) of subsection (a) of this section, the possession of marihuana in an amount not to exceed three ounces shall be deemed to be a reasonable amount, if such possession is incident to a private use within the purview of subparagraph (A) of paragraph (1) of subsection (a) of this section, and is not with the intent to distribute, transfer or sell such marihuana in violation of this title or any other Federal law."

Mr. HUGHES. Mr. President, I am pleased to join my distinguished colleague, the Senator from New York, in introducing a bill to carry out the recommendations of the National Commission on Marihuana and Narcotics Abuse contained in the Commission's recent report on marihuana. The bill would substantially reduce and in some instances eliminate all Federal penalties for the possession and use of small amounts of marihuana. Our bill would also move somewhat beyond the Commission's recommendations in order to reflect the separate views which the Senator from New York and I have expressed as members of the Commission.

Mr. President, it should not be necessary to emphasize once again that neither the Senator from New York nor I, nor any other member of the Commission would encourage the use of marihuana. We all believe that Government should not encourage the use of any drug or hallucinogen, no matter how mild, for purposes which are recreational rather than medical. Our objective here is not to "legalize" marihuana, but to "decriminalize" the private possession and use of small amounts.

Over the past year the Commission has conducted an exhaustive study of marihuana from the medical, legal, social, and political standpoints. As a result of this study, even the most conservative members of the Commission reached the conclusion that our criminal penalties against marihuana were based largely on sheer myth. It is not a physically addictive substance and of those who do use it, only a very small number develop any psychic dependency. That small number for whom marihuana becomes a device for avoiding reality would in all probability find some other substance, perhaps a very harmful one, to obtain the same objective if they were not using marihuana.

At the same time, Mr. President, we recognize that although it has not been possible to identify physically harmful effects of marihuana, more research is needed in order to be certain that there are no incipient effects which might not appear until after long usage.

In introducing this bill, my distinguished colleague and I are addressing ourselves to an effect which is in fact certain and which is most surely damaging to the lives of many young Americans; this is the effect of incarceration and a criminal record that will follow these young people for a lifetime simply because they have been caught in possession of very small amounts of the substance intended for their own use. In short, the penalties do not fit the crime. The time has come for us to decide honestly what the crime is. If we decide that certain private conduct is not a crime, then we should eliminate the penalties for it, and to the extent that we believe that criminal sanctions should be retained for conduct, then we should measure the penalties in relation to the seriousness of the conduct.

In asking the Congress to face this duty, Mr. President, we recognize that there may be a political cost. We will be criticized by those who in clinging to the old myths refuse to examine the facts. All too often the criticism will come from middle-aged adults who enjoy shaking their heads over the behavior of the young while sipping their own form of pleasure-producing substance which is likely to be at least as dangerous as marihuana. I believe that it is our duty to endure this criticism in the interest of saving the productive lives of thousands of young Americans whose reputations and careers are being irreparably damaged by the injustice of our criminal laws against marihuana.

Mr. President, young people accuse the adult world, sometimes unjustly, of hypocrisy. In this case, they are right. These laws are hypocritical. It is time to separate the treatment accorded to the private user of marihuana from that accorded to the dealer who sells for a profit. If we can do this rationally, we will be living up to the American system of justice at its best, and we will be preserving the good order of our society.

By Mr. GAMBRELL (for himself and Mr. TALMADGE):

S. 3520. A bill to designate certain lands in the Okefenokee National Wildlife Refuge, Ga., as wilderness. Referred to the Committee on Interior and Insular Affairs.

THE OKEFENOKEE WILDERNESS ACT

Mr. GAMBRELL. Mr. President, for myself and Senator TALMADGE I am today introducing S. 3520, a bill to designate as wilderness 343,850 acres in the Okefenokee National Wildlife Refuge, Ga., in accordance with the provisions of the Wilderness Act of 1964. This bill is identical to H.R. 11852 which has been introduced in the House of Representatives by Mr. STUCKEY.

I have frequently said that southeast Georgia is the environmental capital of the world. It contains the Golden Isles with their unsurpassed beauty, the Marshes of Glynn, and the majestic Altamaha River. It is one of the largest expanses of open space, clean air, and pure water in the world, and it offers an abundance of natural and human resources. Finally, there is the Okefenokee Swamp, the brightest star of the ecological crown.

This swamp, which is second only to the Everglades in size, extends about 30 miles east to west and about 45 miles north to south. The name of the swamp comes from the Seminole Indians "ecunnau finocau," which means "land of the trembling earth."

I am told that the biological balance of the Okefenokee Swamp is unique; that its ecology offers to scientists one of the most important opportunities for wilderness study in the country. The swamp abounds in wildlife, offering a home to over 41 species of mammals, 54 of reptiles, 32 of amphibians, 34 of fish, and 223 of birds. Efforts to introduce alien species into the swamp have repeatedly failed, and the swamp remains one of the few areas of our country that man has not succeeded in altering to his own purposes.

The swamp, too, has resisted man himself. At least five Indian tribes, the Uchees, Yamasces, Apalachees, Timuquas, and the Seminoles each at one

time or another attempted to live in the swamp, only to be ultimately driven out by military forces in the mid-19th century. But the settlers who followed did no better, and the swamp was left alone to prosper as it had done for centuries until the harvesting of cypress lumber threatened its extinction in the early part of the 20th century.

In 1919, the Okefenokee was first set aside as a game reservation by the Georgia General Assembly. It was purchased and made into a national wildlife refuge by the Federal Government in 1937.

Hundreds of thousands of Georgians and other Americans have visited the Okefenokee Swamp since its designation as a national wildlife refuge, and the bill that I propose today is intended to secure for future generations the opportunity to view and enjoy the flora and fauna of this beautiful reminder of primitive time.

I feel strongly that the designation of the Okefenokee as a wilderness is needed to insure its preservation. The transition of the Okefenokee from a wildlife refuge to a wilderness transfers the burden of protecting the swamp from a discretionary basis to a statutory requirement. We cannot allow politics or the whims of a future Secretary of the Interior to enter into decisions affecting the Okefenokee.

The "wilderness" designation should insure the protection of the swamp for posterity, but this will involve tremendous responsibilities on the Secretary of the Interior. The management of the Okefenokee is not a purely protective problem. It calls for an active and creative role. The Okefenokee is not static like other wilderness areas but is dynamic. The forces of nature at work in the swamp are unlike those existing elsewhere. If not intelligently controlled, it is possible that the natural dynamics of the swamp could develop a harmful imbalance. There must be a constant monitoring of the Okefenokee to insure that the natural dynamics of the swamp are not destroying those very wonders which we are attempting to preserve. The swamp is not in a virgin state now, and is unlikely to restore itself to its condition prior to man's arrival within a millennium.

There is another reason that creative management is called for in preserving the Okefenokee. Although this is a wilderness area, it is not remote from human contact. Besides being on several major arteries of tourist traffic, it has for two centuries been a viable part of the local community. To the local residents, the Okefenokee is a beloved institution, and one of their most important economic assets. Residents have tended to treat the swamp as a member of their family, or as a good neighbor, and the managers of the wilderness should encourage this relationship rather than attempt to divorce the swamp from the community.

The bill which I am offering today recognizes the role the swamp has played in the community, and provides for the use of small powered watercraft which are necessary to navigate the swamp, and for fishing under the direction and supervision of the Secretary of the Interior. Our goal is to both enjoy and preserve the great Okefenokee.

In his letter of April 28, 1971 to the House and the Senate, the President expanded his proposal for designating the Okefenokee Swamp as a national wilderness area, saying that:

> Its designation . . . would auger well for the continued existence of the nearly 400 species of birds, mammals, reptiles, amphibians, and fish that frequent this valuable ecosystem.

The fact is that in addition to its natural beauty, and the preservation of its ecosystem, the swamp holds the potential of such future contributions to life as the use of peat for food, and insights into other problems of biological study. It is even possible that some forms of life may be found in the Okefenokee which could not survive outside the swamp.

The Okefenokee Swamp is one of our priceless natural resources, one which I hope we will preserve for future generations of Americans by designating as a Wilderness Area.

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

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

S. 3520

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in accordance with section 3(c) of the Wilderness Act of September 3, 1964 (78 Stat. 890, 892; 16 U.S.C. 1132 (c)), certain lands in the Okefenokee National Wildlife Refuge, Georgia, which comprise about three hundred forty-three thousand eight hundred and fifty acres and which are depicted on a map entitled "Okefenokee Wilderness Proposal" dated October 1967, revised August 1971, are hereby designated as wilderness. The map shall be on file and available for public inspection in the offices of the Bureau of Sport Fisheries and Wildlife, Department of the Interior.

SEC. 2. Within the wilderness designated by this Act, subject to such restrictions as the Secretary of the Interior deems necessary for public safety and to protect flora and fauna of the wilderness, (1) the use of powered watercraft, propelled by outboard motors of ten or less horsepower, will be permitted, (2) watercraft trails consisting of approximately one hundred twenty miles as delineated on the attached map will be maintained. Access to watercraft trails in the wilderness area will be provided from the Suwannee River Sill, Steven Foster State Park, Kings Landing, and Suwannee Recreation Area (Camp Cornelia).

SEC. 3. Fishing shall be permitted in the waters of the Okefenokee Wilderness, in accordance with applicable State and Federal regulations, except that the Secretary of the Interior may designate zones and establish periods when no fishing shall be permitted for reasons of public safety, administration, fish and wildlife management, or public use and enjoyment.

SEC. 4. As soon as practicable after the Act takes effect, a map and a legal description of the wilderness area shall be filed with the Interior and Insular Affairs Committees of the United States Senate and the House of Representatives, and such description shall have the same force and effect as if included in this Act: *Provided,* however, That correction of clerical and typographical errors in such legal description and map may be made.

SEC. 5. The area designated by this Act as wilderness shall be known as the Okefenokee Wilderness and shall be administered by the Secretary of the Interior in accordance with the provisions of the Wilderness Act.

By Mr. MATHIAS (for himself, Mr. BEALL, Mr. BOGGS, Mr. BROOKE, Mr. CASE, Mr. COOPER, Mr. HATFIELD, Mr. JAVITS, Mr. PERCY, Mr. SAXBE, Mr. STEVENS, Mr. TAFT, and Mr. WEICKER):

S. 3521. A bill entitled "The Juvenile Delinquency Prevention Act of 1972." Referred to the Committee on the Judiciary.

Mr. MATHIAS. Mr. President, on April 12, on behalf of myself and Senators BEALL, BOGGS, BROOKE, CASE, COOPER, HATFIELD, JAVITS, PERCY, STEVENS, SAXBE, TAFT, and WEICKER, the Omnibus Criminal Justice Reform Amendments of 1972 were introduced. S. 3492 is a comprehensive bill containing 19 programs intended to assist and upgrade the Nation's criminal justice system. Introductory remarks were made on April 12 for those who have an interest in the bill and wish to cosponsor the legislation.

The Juvenile Delinquency Subcommittee of the Senate Judiciary Committee will soon be holding hearings on the Federal Government's bureaucratic and organizational problems with regard to juvenile delinquency. It is important, I believe, that this bill be considered by this subcommittee. It is for this reason that I am now introducing the juvenile delinquency prevention part of this omnibus crime bill as a separate and independent act.

By Mr. BIBLE (for himself and Mr. CANNON):

S. 3523. A bill to amend section 1302 of title 18, United States Code, relating to the mailing of certain matter. Referred to the Committee on the Judiciary.

Mr. BIBLE. Mr. President, on behalf of myself and my colleague Senator CANNON, I introduce for appropriate reference a bill to amend section 1302 of title 18 of the United States Code relating to the mailing of certain matter.

Section 1302 of title 18 is that part of the Federal criminal code making it an offense to use the mails to conduct or promote lotteries and other games of chance.

Among other things, section 1302 makes it a criminal offense to deposit in the mail or to send or deliver by mail any publication of any kind containing any advertisement of a lottery or other gaming activity. It makes no difference that the lottery or other gaming enterprise is entirely lawful in the State where it is conducted. Nor does it make any difference that the reference to a lottery or other game of chance in a particular publication occupies only a small part or is merely incidental to the overall purpose of that publication. If the material is viewable as a gaming advertisement, it is barred from the postal system, and violations of the law are punishable by heavy penalties.

Mr. President, I think the time is ripe for a reevaluation of this aspect of the Federal criminal code.

We have a situation today in which not only my State of Nevada but more and more of our States are turning to legalized gaming enterprises in an effort to generate revenues to pay the increasing cost of essential public services. The passage of the New Hampshire Sweepstakes in 1963 precipitated widespread interest in legalized gambling. Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania—and recently Connecticut—have established State-conducted or State-sponsored lotteries. New York has legalized off-track parimutuel betting. And many other States appear to be looking with increasing interest at legalizing lotteries, off-track betting, and other forms of gaming.

The existing prohibition against the mailing of gaming advertisements makes the task of promoting and disseminating information concerning these and other legal gaming enterprises unnecessarily difficult.

The present law is a major handicap for the legalized gaming enterprises in the State of Nevada. The gaming activities of Nevada's resort hotels are licensed, regulated, and closely monitored by the State. Yet, these hotels may not advertise by mail if any part of the advertisement relates to the entirely lawful gaming activities.

A situation was recently brought to my attention in which a major Nevada hotel undertook to place certain literature in the hands of travel agents located in various cities in Eastern States. The material consisted of a 50-page brochure generally descriptive of the hotel, its facilities, services, rates, food services, and other attractions. A minor portion was devoted to describing the legal gaming activities available at the hotel. And, because of its reference to gaming, the entire brochure was deemed nonmailable by postal authorities.

This was a perfectly legitimate promotional effort, by an entirely legitimate business enterprise. The hotel merely sought to place travel agents in a better position to inform prospective guests of its attractions.

I submit, Mr. President, that the law making it a crime to use the mails for this kind of legitimate business purpose must be changed.

The bill I am introducing today would modify existing law so that it will no longer be a criminal offense to mail a gaming advertisement when the material mailed does not relate solely to a gaming enterprise, and when the material mailed is directed to a party to be used by that party in advertising or promoting lawful activities of the sender.

Prompt action on this bill would be a first step in an already overdue reexamination of our criminal laws on this subject. It makes no sense at all to make it a Federal offense to use the mails to disseminate information regarding activities that are entirely lawful within a State.

By Mr. MAGNUSON (by request):

S. 3524. A bill to extend the provisions of the Commercial Fisheries Research and Development Act of 1964, as amended. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I am introducing, by request, a bill to extend the period of authorization of appropriations of the Commercial Fisheries Research and Development Act of 1964 for an additional period of 5 years.

The purpose of the act is to coordinate State-Federal efforts in research and development for the conservation of the commercial fishery resources of the Nation, as well as the environment that supports them now and for the future by authorizing Federal assistance for State programs meeting Federal approval. Additionally, funds are provided to relieve resource disasters affecting commercial fishery production and utilization.

Conservation and development of the fishery resources and supporting environment have largely been the responsibility of the individual States. However, most of the States have not had the financial resources and facilities to conduct fishery programs necessary to carry out the responsibility. This program has provided research laboratories and vessels that will have lasting benefits to the States in carrying out research and development programs. It has enabled the States to secure needed information to better manage important commercial fishery resources. It has provided funds to better utilize underdeveloped resources.

All 50 States, the Commonwealth of Puerto Rico, and the Governments of American Samoa, Guam, and the Virgin Islands are participating under this authorization. A total of 455 projects have been approved and funded at an estimated total cost of more than $40 million, both State and Federal, of which the Federal share is approximately 67 percent. Of the total projects, 293 have been completed at a total cost of more than $24 million, and 162 projects, at various degrees of completion, are continuing at an estimated total cost of nearly $16 million. Programs are in the general areas of research, development, construction, and planning and coordination. Research continues to be the backbone of the program where about 55 percent of the Federal dollars are spent, with about 25 percent of the Federal dollars for development, 12 percent for construction, and 8 percent for planning and coordination.

Examples of specific accomplishments are:

First, marine research laboratories have been constructed in Maine, Massachusetts, New York, Puerto Rico, Texas, and Washington. Additionally, research vessels have been constructed or acquired in American Samoa, Georgia, Massachusetts, Montana, New Hampshire, New York, Puerto Rico, and Texas. These facilities have greatly increased States' capabilities for carrying out fishery research and development projects.

Second, significant advancements have been made in the fields of aquaculture; that is, cage rearing of catfish and trout, and mass culture of shrimp, oyster, and other shellfish. Techniques developed are rapidly expanding in commercial fishery operations and will help increase supplies of fish and shellfish to meet demands of increasing population and improved standards of living.

Third, 14 resource disasters from such causes as hurricanes, fish diseases, and others have been alleviated.

Fourth, much scientific information has been obtained on fish and shellfish and their environment such as the timing and sizing of runs, effects of logging and other land use on the resource, in species relationships, abundance of stocks and their removal, and so forth. The work has resulted in more than 200 reports in scientific journals and publications in partial fulfillment of requirements for college degrees.

The benefits from this program are widespread and enjoyed not only by all participants, but by external groups as well. The States have benefited by increased research capabilities through the construction of laboratories and vessels and have enhanced fishery stocks through the construction of hatcheries and other facilities. Federal agencies benefit as the program contributes supporting knowledge resulting in a strengthened national effort. There is also substantial benefit to industry from projects dealing with technology, extension, and research enabling industry to make better use of and provide better fishery products.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 738

At the request of Mr. CRANSTON, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 738, a bill to amend the Immigration and Nationality Act with respect to the waiver of certain grounds for exclusion and deportation of permanent residents for possession only of marihuana, by the U.S. Attorney General.

S. 855

At the request of Mr. COTTON, the Senator from Indiana (Mr. BAYH), the Senator from Maryland (Mr. MATHIAS), and the Senator from Georgia (Mr. GAMBRELL) were added as cosponsors of S. 855, a bill to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement.

S. 1520

At the request of Mr. MATHIAS, the Senator from Kentucky (Mr. COOK) was added as a cosponsor of S. 1520, a bill to require that all materials prepared by the Internal Revenue Service for public use be as clear, concise, and comprehensive as possible.

S. 2163

At the request of Mr. MATHIAS, the Senator from Massachusetts (Mr. BROOKE) was added as a cosponsor of S. 2163, the Vietnam Veterans Act of 1971.

S. 2689

At the request of Mr. CHURCH, the Senator from Indiana (Mr. HARTKE) was added as a cosponsor of S. 2689, a bill to promote development and expansion of community schools throughout the United States.

S. 2749

At the request of Mr. HART, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 2749, the

Regulation of Trade in Drugs Act of 1971.

S. 3205

At the request of Mr. MATHIAS, the Senator from Delaware (Mr. BOGGS), the Senator from Hawaii (Mr. FONG), and the Senator from Montana (Mr. MANSFIELD) were added as cosponsors of S. 3205, a bill to provide for the acquisition of Oxon Hill Manor for use as the official residence for the Vice President.

S. 3231

At the request of Mr. PACKWOOD, the Senator from California (Mr. TUNNEY) was added as a cosponsor of S. 3231, a bill relating to the reimbursement of actual travel expenses of Senators and employees of Senators.

S. 3394

At the request of Mr. DOMINICK, the Senator from Nebraska (Mr. CURTIS), the Senators from Montana (Mr. MANSFIELD and Mr. METCALF), and the Senator from Alaska (Mr. STEVENS) were added as cosponsors of S. 3394, a bill to permit citizens of the United States to buy, hold, and sell gold.

S. 3472

At the request of Mr. ANDERSON, the Senator from Montana (Mr. METCALF) was added as a cosponsor of S. 3472, a bill to authorize Federal cost sharing in promoting public safety through the elimination of hazardous open canals by converting them to closed conduits and by fencing.

ADDITIONAL COSPONSORS OF A RESOLUTION

SENATE RESOLUTION 273

At the request of Mr. MATHIAS, the Senator from Oregon (Mr. HATFIELD) and the Senator from New York (Mr. JAVITS) were added as cosponsors of S. Res. 273, calling for a comprehensive nuclear test ban treaty.

FOREIGN RELATIONS AUTHORIZATION ACT OF 1972—AMENDMENT

AMENDMENT NO. 1140

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

Mr. ROBERT C. BYRD. Mr. President, I send to the desk an amendment to the bill (S. 3526) to provide authorizations for certain agencies conducting the foreign relations of the United States and for other purposes, which was reported earlier today.

I submit the amendment on behalf of the distinguished majority leader; and, having supported the amendment in the past, I also join myself as a cosponsor.

Mr. President, I ask unanimous consent that the amendment be printed and lie on the table.

The ACTING PRESIDENT pro tempore. Without objection, the amendment will be received and printed, and will lie on the table.

AMENDMENT NO. 1145

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

Mr. BAYH. Mr. President, on Monday, April 17, the Committee on Foreign Relations approved an amendment to the State Department authorization bill designed to establish an independent grievance board, and to provide the framework of a grievance procedure with accompanying basic guarantees of due process for employees of the Foreign Service. The committee amendment is generally parallel to S. 2659, a bill I introduced last June after the tragic suicide of Charles Thomas, a foreign service officer who committed suicide after being fired because of a clerical error. I commend the committee for its willingness to take action on this bill after countless delays by the Department of State in negotiating its own final grievance procedures with the employee organizations, Senators FULBRIGHT, COOPER, and CASE have been especially interested in the problem and have all contributed to the amendment as reported by the committee.

On the whole, I am in support of the committee amendment and urge the Congress to approve this legislation to protect foreign service officers from a system which, until the introduction of S. 2659, had granted only one hearing in 15 years. The amendment provides such basic guarantees as the right to a hearing, the right to representation at all stages of the proceeding, the right of access to documents relevant to a grievant's case, the right of a transcript of the hearing and cross-examination of witnesses, and the right to call witnesses under the supervision of the Department. Most important, the board's findings and recommendations are binding on the Department of State with narrow exceptions. None of these provisions are guaranteed under the Department's Interim Grievance Procedures now in operation.

In spite of my general support for the committee action, I do believe that one change is absolutely essential to insure that the grievance board established by this legislation is an independent and judicious as possible. As a result of last minute confusion, the committee approved one change which I believe would seriously undermine the integrity and independence of the grievance board. As approved, the board consists of a panel of three members, one of whom shall be appointed exclusively by the Secretary, one by the employee's, union, and one by the other two members.

Unfortunately, this procedure would result in a highly political board, rather than a judicial body all of whose members are independent and neutral. I believe further amendment is needed to insure the board's complete independence and impartiality. Secondly, there is no assurance that the appointees would be experienced arbitrators, comfortable with the difficulty of making judgments in highly complex, sometimes acrimonious disputes.

Finally, since the officials of the labor unions are Foreign Service officers themselves, vulnerable to the approval or disapproval of the Office of Personnel in the Department, they would be subject to subtle pressure from that Office while choosing the second member of the board. Since the Department has traditionally had the power to influence not only the employee bargaining agent but even the board itself, it would be especially unwise to risk continued influence of this kind. Without true independence on the part of the board, the bill is totally meaningless and no other procedural protections can be of any value.

Mr. President, I wish to bring the attention of the Senate to an editorial which appeared in the April edition of the American Foreign Service Association's journal, indicating that concern about the impartiality of the board is a real and widely-recognized problem. The Association represents 7,500 Foreign Service employees and is generally expected to be elected as the exclusive bargaining agent for foreign service employees. The editorial concludes:

If this system is to succeed and if we are to realize our goal of effective co-determination, the Board must enjoy the full confidence of both the Foreign Service and Agency leadership. It can no longer be the prestigious rubber stamp for management decisions that it has been in the past. It must speak with its own voice and its procedures must be impartial.

I urge the Senate to approve my perfecting amendment and then to pass legislation desperately needed in the State Department. It has now been over a year since the State Department secured for the Foreign Service an exemption from the President's labor-management Executive Order 11491. It has been 1 year and 1 week since the death of Charles Thomas, and 10 months since I first introduced a grievance bill. And yet the Department still has not begun the process of negotiating its own grievance procedures as an alternative to Executive Order 11491. My office has received letters from all over the world about this issue; congressional action will boost the seriously low morale of some of the most highly trained executors of this country's foreign policy. I ask unanimous consent that the text of my amendment and the editorial quoted be printed at this point in the RECORD.

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

AMENDMENT NO. 1145

In the second sentence of subsection 692 (2)(A), strike out the words "The board shall consist of panel of 3 members," and insert in lieu thereof the following: "The board shall be appointed from a recommended list of at least fifteen arbitrators submitted by the American Arbitration Association, and shall consist of a panel of three members,"

[From the Foreign Service Journal, April 1972]

TOWARDS AN IMPARTIAL BOARD OF THE FOREIGN SERVICE

The deliberations of the Board of the Foreign Service since the promulgation of E.O. 11636 have raised questions regarding the Board's procedures and impartiality.

Our major concern is that the Board has insulated itself from the employee's representatives but not the personnel managers. The Board's agenda is secret; documents sent to the Board for action are closely held. Employee representatives have been permitted to appear only once before the Board to present their views, while personnel management officials are *always* present.

Conflicts of interest also concern us. Individual Board members, who play the key

roles in personnel management of each foreign affairs agency, support and vote for proposals which they have previously decided and have recommended to the Board for approval. They review their own decisions. The Executive Director of the Board is the Director General of the Foreign Service. The attorney for one of the Board's Committees has been lobbying on the Hill against the AFSA-supported Bayh Bill to provide grievance procedures for the Service.

The Board of the Foreign Service is the key element in the successful working of an employee management relations system for the Foreign Service. If this system is to suceed and if we are to realize our goal of effective co-determination, the Board must enjoy the full confidence of *both* the Foreign Service and Agency leadership. It can no longer be the prestigious rubber stamp for management decisions that it has been in the past. It must speak with its own voice and its procedures must be impartial.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATIONS, 1973—AMENDMENT

AMENDMENT NO. 1141

(Ordered to be printed and referred to the Committee on Aeronautical and Space Sciences.)

COST-BENEFIT ANALYSIS FOR NASA PROGRAMS

Mr. GAMBRELL. Mr. President, the current Apollo 16 flight makes this a particularly appropriate time to consider the efforts of NASA and our entire space program. As a member of the Aeronautical and Space Sciences Committee of the U.S. Senate, I take particular pride in the flight of the Apollo 16, and join with all Americans in hoping for a successful mission and the safe return of Astronauts Young, Duke and Mattingly.

As we all know, the current flight of Apollo 16 and the Apollo 17 mission in December, will end manned space flights as we have known them for the past decade. The immediate future holds an expansion of the scope of space exploration with the skylab and limited outer planetary tours. Apollo 16 and the entire Apollo program represents the near fulfillment of a great national objective which is indicative of the progress of our technology and the quality of those people drawn to our space program.

The space program which our country has pursued, beginning in the 1960's, has been one of outstanding success both in terms of scientific and technological advances, and as a source of pride and achievement for our people. For this reason, I have fully supported the development and utilization of space so long as it yields a direct benefit to the American taxpayer who is paying the bills.

In recent years, space authorization legislation has been subjected to more careful scrutiny as a result of budget consciousness on the part of Congress and the people of this country. This is true of the recently concluded hearings of the Space Committee on the 1972 authorization bill for the National Aeronautics and Space Administration.

One of the most controversial commitments being considered in this year's authorization, as well as one of the more costly, is the proposal for the development of the space shuttle. Last year, I supported the proposed funding of advance evaluation of this program. For some time, I have studied the information regarding the proposed Space Shuttle, and have carefully considered the testimony submitted to the committee at this year's hearings. Based on this, I have concluded to support going forward with the space shuttle program.

The economic feasibility study which accompanied the President's recommendation of the space shuttle in this year's budget, has been of crucial importance in my decision to support the program, just as economic unfeasibility was the determining factor in my decision last year to vote against continued funding of the supersonic transport. During this period when our national budget deficit approaches $40 billion, it seems to me essential that all new Government undertakings be justified on a cost-benefit basis, and that we not permit ourselves to become locked into programs which have proven to be unfeasible. A healthy economy is vital to all forms of achievement and also to international prestige, and more stringent systems of benefit evaluation must be introduced if we are to live within our means. Achieving fiscal responsibility demands that we avoid "gold-plating and gimmickry" in all Government programs.

The challenge of the new era in space activity, which is primarily a program of science and technology, is for the professionals in this area to be prepared to justify proposed programs in cost-benefit terms. This is not an unreasonable requirement, and it is one which professional engineers are accustomed to meeting with outstanding success.

Evidence submitted to the Space Committee in support of the space shuttle program brings the shuttle well within the demands of a reasonable cost-benefit requirement. In contrast to the SST, which could not be justified as a commercial venture, or from a military standpoint, the space shuttle would significantly bolster our national defense capability, and it also promises significant economies in space operations. The Space Shuttle has the capability of producing dollar savings through the recovery of space personnel, vehicles, and payloads, and the repair of space equipment in orbit. These features could result in cash savings of over $1 billion per year in military and earth sciences space operations in which the shuttle can be used.

Furthermore, the space shuttle will have great impact on our daily lives as a result of the civilian space applications. For example, the space shuttle will allow us to launch more sophisticated communications, exploration, and weather satellites, and will enable us to bring education through television to remote areas. Satellites with these improved capabilities will allow us to more carefully attend our natural resources and our agriculture.

It has also been suggested that the space shuttle will help internationalize space exploration. This could lead to the development of a global environment monitoring system, international in scope, which would help us to control and better understand our environment here on earth. The developments and advantages which will be available as a result of the space shuttle appear to represent an appropriate and healthy redirection of our space effort away from spectaculars in outer space, and towards practical and useful applications closer to the earth and its people.

In connection with the Aeronautical and Space Committee's consideration of the NASA authorization bill, I am submitting an amendment today which would insure that before becoming committed to costly programs, some prior analysis is performed to determine the benefit or utility of the proposed program in relation to the projected cost or expense of it.

It has long been my concern that since the American taxpayer is paying the bills of the Federal Government, he should expect the best possible use to be made of his money. This would require the Government to have the benefit of a comprehensive cost-benefit analysis before undertaking a program, and to have current reports on the continued feasibility of the endeavor. I have recently heard NASA officials present their budgetary needs to the Aeronautical and Space Sciences Committee, and I was pleased to see such a detailed and complete analysis of the programs which they planned, and the uses they expected to make of their funds. I look forward to well-reasoned and fully considered plans for future space exploration.

NASA can and should play an active role in determining how its expenditures relate to its yields, and the amendment I offer today would establish in NASA an office of cost benefit headed by an assistant administrator who would have the responsibility for making this examination. Testimony before the committee revealed that NASA has done some of this work in its Resources Management Division but that most of it is handled through consultant contractors.

I understand that Mathematica Co. did the complete analysis of the development of the space shuttle. The cost benefit and economic analysis work done on the shuttle saved vast amounts of taxpayer's money. I have been informed that at the urging of the Office of Management and Budget, NASA submitted the space shuttle proposal to Mathematica 2 years ago at a projected cost of $14 billion. Through the elimination of "technical elegance," the shuttle is now projected to cost $7 billion. This reduction in cost is largely the result of hard economic and cost benefit analysis done by Mathematica. The effectiveness of this work convinced me of the validity of the shuttle program. I feel that it is important to continue and expand these efforts in NASA itself. A cost-benefit analysis at an early stage of the development of its projects would allow NASA to at least have information needed to determine the priorities of its programs based on their economic yield. It would also allow the Congress to think not only about the utility of NASA projects, but

their utility in relationship to their expense.

In particular, the Assistant Administrator for Cost Benefit as provided in my amendment shall investigate and report to the Administrator on the prospective costs to be incurred and the projected benefits to be derived from any program, project, or undertaking in which NASA is proposed to be a participant or a sponsor. My amendment would require that such a report precede any program, project, or undertaking by NASA and that these reports be reviewed and updated at least annually.

I feel strongly that a specific office within NASA be responsible for preliminary and current evaluation of projects. Criteria should be established by which this will be done, including guidelines for evaluating projects which do not promise specific commercial or financial returns.

In summary, the approach which I have presented in this amendment would introduce a healthy element of fiscal responsibility into the NASA program. It would also allow the Congress to have a better idea of how programs in NASA are progressing, and would inspire confidence on the part of the public.

Mr. President, I ask unanimous consent that the amendment be printed in the RECORD at this point.

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

AMENDMENT NO. 1141

On page 12, after line 3, add the following:

"SEC. 7. (a) There shall be established in the National Aeronautics and Space Administration an Office of Cost-Benefit, which shall be headed by an Assistant Administrator. The Assistant Administrator for Cost-Benefit shall investigate and report to the Administrator on the prospective costs to be incurred, and the projected benefits to be derived, from any program, project or undertaking in which the National Aeronautics and Space Administration is proposed to be a participant or sponsor. No such program, project or undertaking shall be initiated by the National Aeronautics and Space Administration unless preceded by a Cost-Benefit Report, and each such report shall be reviewed and updated by the Assistant Administrator not less frequently than annually. The Administrator shall promulgate rules, regulations and procedures in accordance with which such reports shall be produced.

"(b) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section."

On page 12, line 4, strike "Sec. 7" and insert in lieu thereof "Sec. 8".

SOCIAL SECURITY AMENDMENTS OF 1972—AMENDMENTS

AMENDMENTS NOS. 1142 AND 1143

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

DAY CARE AMENDMENTS

Mr. MONDALE. Mr. President, today Senators BAYH, BROOKE, CASE, CRANSTON, HART, HUGHES, HUMPHREY, JAVITS, MCGOVERN, MOSS, MUSKIE, RIBICOFF, STAFFORD, TAFT, TUNNEY, WILLIAMS, and myself, are introducing a series of five amendments designed to assure that any day care to be provided under H.R. 1 will meet at least minimal standards of quality, focus on the needs of the children served, and be offered under terms which will strengthen family life.

These five amendments—of which I am the principal sponsor of two, and a principal cosponsor of the two being introduced by Senator JAVITS and the one being introduced by Senator TUNNEY—are in the form of amendments to amendment 559, Senator RIBICOFF's amendment to H.R. 1.

We have discussed these amendments with Senator RIBICOFF. They are acceptable to him. He is a cosponsor of them and they have his support.

The central thrust of these amendments is simple. They seek to assure that any day care provided in connection with welfare reform be developmental in nature; meet high standards for quality; be adequately staffed; be explicitly designed to provide for health, education, and nutritional needs of the children served; and be offered in a way that involves parents in the decisions affecting their children.

They are designed to clarify some disturbing ambiguities and omissions in the day-care provisions contained in the House-passed bill, and to assure that any day-care opportunities provided under this program become more than simply custodial parking lot facilities for children.

Mr. President, for the past 3 years, I have been conducting hearings and helping shape legislation concerning preschool education, day care, and child development. The comprehensive child development bill which was passed by the Congress and vetoed by the President was a culmination of these efforts. That legislation reflected what I believe to be some of the essential truths about child development. It was based on an understanding that:

A child's chance for an equal educational opportunity begins long before he enters school;

The home environment—or the day-care environment—in which a preschool child spends his time can have a major impact on his future educational career;

Quality preschool programs for children and parents can eliminate much of the deficit normally produced by poverty or custodial day care;

Programs must strengthen family life and family capabilities; and must provide adequate health, nutritional, and educational services.

As the principal sponsor of that vetoed bill and as a principal sponsor, along with Senator NELSON, Senator JAVITS, and Senator TAFT of a revised and modified child development bill, reported last week by the Subcommittee on Employment, Manpower, and Poverty, I am continuing to work for enactment of a comprehensive child development bill this year. Nothing short of a quality, parentally based, family-strengthening bill of that nature will meet preschool education and day-care needs faced by many families and children.

Thus, the amendments we are introducing today, while they seek to improve the day care provisions in H.R. 1, are in no way designed as a complete or even a partial substitute for a comprehensive child development bill.

They are designed instead to recognize that H.R. 1 may provide up to 800,000 new child care opportunities and as such must be amended in a way to assure that this supplementary effort, dealing primarily with the needs of children from welfare families, provides nothing less than quality child care.

The need for amendments such as the ones we are introducing is apparent to anyone who has examined some of the existing day care programs funded in connection with welfare. No less an authority than Dr. Edward F. Zigler, Director of HEW's Office of Child Development, has testified that as much as 80 percent of the existing day care under title IV of the Social Security Act is purely custodial. He has stated before my Subcommittee on Children and Youth that in "many instances we are paying for service that is harmful to children."

His conclusions are supported by numerous studies including the recent report of the National Council of Jewish Women entitled "Windows on Day Care." That report, parts of which I will be inserting in the RECORD shortly, indicate the tremendous inadequacies of many existing day care programs, the damage which is being done to many children in some of these programs, and the need for comprehensive child development legislation and for amendments such as we are introducing today.

Mr. President, permit me to describe the two amendments of which I am the principal sponsor.

The first amendment will assure that standards of any child care provided under H.R. 1 would be no weaker than the 1968 Federal Interagency Day Care Standards. This amendment provides that standards for child care under this act must "be consistent with" the 1968 Federal Interagency Day Care Standards which currently apply to all federally assisted day care programs. The specific intent of this amendment is to guarantee that adult-child ratios in these day-care programs—which parents, researchers, child welfare experts, and other authorities agree is perhaps the single most important guarantee of quality and protection against damage—cannot be diluted. This amendment does not freeze every provision of those standards. It deliberately provides HEW with the flexibility to correct weaknesses and improve the quality of day care. But it will not permit any weakening of those standards which would provide cheaper or less adequate care, decrease the existing emphasis on nutrition and health, or reduce the existing adult-child ratios. The administration has testified to both the Ways and Means Committee and the Senate Finance Committee that child-care opportunities under this program will be developmental. This amendment is designed to reflect that commitment, define it specifically, and give it the support of the Congress.

My second amendment places the administrative responsibility for child-care programs under this act in the Secretary of Health, Education, and Welfare—where most existing programs serving

children and families presently reside—including day care and child development efforts such as Headstart, title IV A of the Social Security Act, preschool programs under the Elementary and Secondary Education Act, and other programs.

The President has designated the Office of Child Development in the Department of Health, Education, and Welfare as the principal office responsible for overseeing Federal child-care programs. Yet the House-passed bill places responsibility for child care under this act in the Secretary of Labor. The administration's original welfare reform proposal placed these responsibilities primarily in the Secretary of HEW and this amendment is designed to restore that arrangement. It is designed in addition to underscore the central purpose of all of these amendments; namely that child-care programs be focused on the needs of children and families, not just on considerations of employment and training.

Mr. President, I would like to indicate at this point my very strong support of the two amendments being offered today by Senator JAVITS which will: First, include in the statement of purpose of this act the intent of Congress that child-care opportunities to be provided under the reform measure will be designed to meet the education, health, nutritional, and other needs of children, as well as enable parents to engage in employment, training, or education; and second, insure that mothers who have registered for work and training and who are caring for a child through the age of 12 will not be required to accept work or training if it would necessitate their absence from the home during hours or periods in which the child is not attending school. I am delighted to be a principal cosponsor of these amendments with Senator JAVITS, Senator CRANSTON, and Senator TUNNEY.

I would like to express my strong support as well for the amendment Senator TUNNEY is introducing today which will reserve at least 5 percent of the child-care appropriations under H.R. 1 for staff training. This is a desperately needed amendment and I am delighted to be a principal sponsor of that with Senator TUNNEY, Senator JAVITS, and Senator CRANSTON.

Mr. President, I cannot overemphasize how the experiences a child has during the preschool years affect his chances for success or failure in school, and indeed in life. That is why I believe that any program providing day care, preschool education or health and nutritional assistance to children in the early years of life must be offered in a sensitive manner, with the highest quality, and in a way that involves parents and strengthens family life. That is the purpose of the amendments we offer today.

I ask unanimous consent that an explanation of all five of these amendments and a copy of the two amendments I am introducing be printed at this point in my remarks.

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

EXPLANATION OF CHILD CARE AMENDMENTS OFFERED BY SENATOR MONDALE, SENATOR JAVITS, SENATOR CRANSTON, AND SENATOR TUNNEY TO AMENDMENT NO. 559 TO H.R. 1

MEETING CHILDREN'S DEVELOPMENT NEEDS

H.R. 1 and amendment No. 559, introduced by Senator Ribicoff, place primary emphasis on the provision of child care as a means of enabling parents to become self-supporting by engaging in employment, training or education.

While recognizing this as a legitimate objective, the amendment adds a clear statement of legislative intent that child care programs be designed also to meet the educational, health, nutritional and other needs of children so that each child shall have full opportunity to attain his or her full potential.

The Administration has indicated the necessity of ensuring that child care provided under the Act is developmental in nature.

This amendment would write that purpose into law so as to ensure that the program is administered with at least equal regard to the needs of children as to the employment, training and educational needs of parents.

AMENDMENT TO EXEMPT CERTAIN MOTHERS FROM WORK AND TRAINING REQUIREMENTS UNDER CERTAIN CIRCUMSTANCES

In general, under H.R. 1 and Senator Ribicoff's amendment, mothers of school-age children (generally between the ages of six and sixteen) would be required to register and accept manpower services, employment, or training or forfeit their cash benefits under the Act.[1]

Thus, a mother of a child under the age of 13 would become aware of various opportunities through registration and would be required to accept services, employment or training which would not conflict with the need to surpervise and give attention to her children when they are in the home, if she determines that to be in the best interest of her family.

This provision will thus avoid the possibility of "latch-key" children—children left without attention, which can only serve to perpetuate the cycle of poverty.

Experience under the current programs has established that the great majority of welfare mothers are motivated by a desire to engage in work or training in order to improve the financial situation of their families and will do so, if adequate arrangements can be made.

The provision of as many as 875,000 child care opportunities as planned under H.R. 1—including more than 584,000 after-school opportunities—will help to make this possible.

STANDARDS FOR CHILD CARE

The amendment would ensure that standards which the Secretary would be required to establish for child care under the Act would be "consistent with" existing Federal Interagency Day Care standards which apply to all federally assisted day care programs; the Ribicoff amendment provides that such standards shall be "no less comprehensive" than the existing standards.

The difficulty with the existing provision is that standards could be "no less comprehensive" and yet be weaker than existing standards. For example, if the Secretary of HEW were to shift the adult-child ratio from 1 to 5 as under current standards to 1 to 10 under new standards, the new standards would be no less "comprehensive" in the sense that they would address the issue of adult-child ratio.

The amendment uses the words "consistent with" to indicate that standards can be the same as or represent improvements on existing standards, but not a weakened version of what already exists. Thus a smaller adult-child ratio would be "consistent with" objectives of existing standards for quality care, while a greater ratio would not be consistent in that it would dilute quality.

Thus the amendment is designed to bring any new child care programs specifically under existing standards or improvements thereon. H.R. 1 contains no reference to standards or quality and the House Committee Report and other legislative history indicates a willingness on the part of the Committee to permit such standards to be waived.

SECRETARY OF HEALTH, EDUCATION, AND WELFARE

The amendment vests authority for the operation and administration of child care programs under welfare reform in the Secretary of Health, Education, and Welfare. It is designed to underscore the objective that such programs focus on the childrens interest. The President has designated the Office of Child Development of the Department of Health, Education, and Welfare as the principal office responsible for overseeing federal child care programs. While the House-passed bill places the responsibility for child care in the Secretary of Labor, the Adminstrations original welfare reform proposal placed these responsibilities principally in the Secretary of Health, Education, and Welfare.

TRAINING OF STAFF

The amendment would earmark at least five percent of all sums appropriated for child care under H.R. 1 for the initial and continued training of competent child care workers of all levels.

The provision of sufficient suitable staff is a critical determinant of the standard of child care services. The rapid expansion of demand for child care services has already resulted in a shortage of trained workers in programs for young children. Many preschools are unable to find the qualified staff they need. The Director of the Office of Child Development has shown that most children presently enrolled in federally funded projects and other day care programs are being supervised by untrained personnel. The supply of suitable people will be even less adequate of new federal programs are established without special attention to the training of both professional and paraprofessional staff. This amendment seeks to incorporate such attention in the Child Care provisions of H.R. 1.

AMENDMENT NO. 1142

On page 31, beginning on line 3, strike out "no less comprehensive than" and insert in lieu thereof "consistent with".

AMENDMENT NO. 1143

On page 7, line 19, strike out "Secretary of Labor" and insert in lieu thereof "Secretary of Health, Education, and Welfare."

On page 8, line 1, strike out "Secretary of Labor" and insert in lieu thereof "Secretary of Health, Education, and Welfare".

On page 8, line 7, strike out "Secretary of Labor" and insert in lieu thereof "Secretary of Health, Education, and Welfare".

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[1] H.R. 1 currently exempts mothers of children under the age of six from the registration requirements of the bill and then only during the first two years of the program; thereafter the exemption applies only to children under three years of age. Senator Ribicoff's amendment would permanently maintain for all years the exemption for children under six.

Under the amendment also, mothers of school-age children would be required to register and, generally speaking, to accept manpower services, training or employment.

However, a mother, or other relative, caring for a child under the age of 13 would have "good cause" for refusing such services, training or employment if it would necessitate her absence from the home during hours of periods when the child is not attending school.

On page 8, line 13, after "Welfare" insert "under section 2134 and other laws".

On page 8, beginning on line 17, strike out "the Secretary of Labor" and insert in lieu thereof "under section 2134 and other laws, he".

On page 9, line 12, strike out "Secretary of Labor" and insert in lieu thereof "Secretary of Health, Education, and Welfare".

On page 10, beginning with line 6, strike out through line 11.

On page 10, line 12, strike out "(7)" and insert in lieu thereof "(6)".

On page 10, beginning on line 12, strike out "Secretary of Labor" and insert in lieu thereof "Secretary of Health, Education, and Welfare".

On page 10, line 15, strike out "Secretary of Labor" and insert in lieu thereof "Secretary of Health, Education, and Welfare".

On page 28, beginning with line 22, strike out all after "transportation" through line 24, and insert in lieu thereof a period and the following: "Where available, facilities developed by the Secretary of Health, Education, and Welfare under section 2134 and other laws shall be used on a priority basis.".

On page 29, line 2, immediately after "2134" insert "and other laws".

On page 30, line 18, beginning with the comma after "establish" strike out all through the comma on line 19.

AMENDMENT NO. 1144

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

CHILD CARE IS FOR CHILDREN

Mr. TUNNEY. Mr. President, one of the more regrettable aspects of the continuing controversy about welfare reform is the fact that the child care services to be provided under H.R. 1 have been viewed predominantly from the perspective of adult rather than children's needs.

Day care for the children of welfare recipients has been treated not as a means for promoting the best interests of children, but primarily as a way of disposing of them so that a parent will be free to accept work or training.

Children should not be treated as pawns in any welfare program, however effective it might be in the immediate concern of removing people from the welfare rolls. The welfare of children is a long-term concern. If we sacrifice the interests of children at this most formative stage of their lives to the interests of their parents, we run a very high risk of alleviating the welfare problem now at the cost of aggravating it later. We run an even higher risk of impeding those children from fulfilling their individual potential for participating in and contributing to society as a whole.

In terms of child care this means that the services provided must not be held down to the level of "warehousing." It is a fallacy to regard simple custodial care as neutral to a child's development. Unless the environment positively encourages development of the different sides of a child's makeup, it is extremely likely that it will do actual harm. Children need more than protection from everyday hazards and cursory individual attention. They need the constant care and attention which a mother normally affords in a good home environment in helping her children develop their bodies, expand their minds, and learn to live with others.

It is essential, then, to insure that the care to be provided for the children of welfare recipients who wish or are required to accept work or work training should meet at least basic standards of adequacy. The amendments which we are introducing today seek to insure that child care provided under H.R. 1 will meet at least minimum standards of quality, will concentrate on the needs of the children rather than the needs of their parents, and will be made available under terms which will do nothing to weaken family life.

COMPETENT WORKERS

In any adequate child care progam, proper attention must be paid to the health and nutrition of the child, the type of facilities and equipment, the involvement of parents.

But the single most important factor in determining the standard of care is the character and quality of the adult who takes the main responsibility for the supervision and encouragement of the child—who guides and fosters his educational and social development.

No matter how fine the equipment or how suitable the surroundings, the advantage or disadvantage which a child derives will be determined fundamentally by the capabilities of this person.

If there are not enough people at all levels who are competent to take on the very demanding task of fostering the development of our youngest citizens, then the net effect of our child care programs is all too likely to be to commit our children in ever larger numbers to care which does not deserve the name—to care which damages or inhibits their growth and development.

This fact does not alter whether the care is provided for larger numbers in a center, or for a small group in a home with a single person in charge.

The unavoidable fact is, however, that there is already a definite shortage of properly competent workers for child care. Unless long-term trends in our society are suddenly and unexpectedly reversed, that shortage will be intensified progressively through the seventies.

Since 1960, the number of licensed day care facilities has tripled and the number of children in other preschool programs has doubled. If this trend continues, kindergarten and nursery school enrollment will increase from 3.9 million children in 1968 to 6.3 million in 1980. If the trend is reinforced, it is likely that the increase in demand will be even greater—and there will of necessity be even greater resort to inadequate and unlicensed arrangements.

At the present time there is a shortage of trained people to work in programs for young children. Many centers are unable to find qualified staff. Most children presently enrolled in federally funded projects and other day care programs are being supervised by untrained workers.

The Department of Labor has estimated in the field of early education alone some 23,000 new teachers will be needed every year to cope with the accelerated growth of enrollment—and that is nearly five times as many as are currently being trained each year.

The supply of suitable people will be even less adequate if new Federal programs such as those in H.R. 1 are established without special attention to the training of staff at all levels.

The provision of adequate competent staff is not something that can be taken for granted. Simply creating a program by legislative fiat will not of itself produce a sudden crop of trained child care workers, especially when the existing shortage is so great. An effort must be made, and it must be made from the beginning.

Putting a heavy emphasis on the use of family day care homes, caring for, say, four to eight children, is no way of meeting the problem, either. The need for competency and suitable training for child care workers at all levels does not decrease with the size of the group of children involved. The evidence is, on the contrary, that affording proper advice, support and training in their homes is actually more expensive than for centers.

While the children's interests should at all times be paramount, it is also necessary to give close attention to the needs of the adult workers. Suitable opportunities must be provided for all workers from aides to cooks to teachers to advance themselves. This is especially important in view of the intention to employ welfare mothers where possible in providing the child care services under H.R. 1. It makes no sense to admit these people only to the lower or middle levels of employment when they may have the capacity, with training, to advance to significantly higher levels.

Of the group of amendments which we are introducing today, the one which I now offer is designed to address this specific and very important problem of staff supply. It earmarks at least 5 percent of the sums appropriated for child care under the family assistance plan and the opportunities for families program for the initial and continued training of staff at all levels, but with particular emphasis on the all-important professional and paraprofessional levels It also seeks to insure that those welfare mothers who are offered employment in child care will be given the access to training which will enable them to improve their skills and capacities and qualify themselves for progressively more responsible and more lucrative work.

In the context of the version of H.R. 1 which has been passed by the House, this bottom figure of 5 percent would amount to some $37.5 million dollars a year, a sum which would not at all meet the cost of adequate training. Under the more realistic provisions of the amendment offered by the distinguished Senator from Connecticut (Senator RIBICOFF), it would amount to some $75 million.

I believe this is a fundamentally necessary investment which must be made and sustained if the many thousands of children who will be involved are to receive the basically adequate standard of care which their future demands.

Mr. President, I ask unanimous consent that the full text of the amendment be printed in the RECORD, together with a list of its cosponsors.

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

AMENDMENT NO. 1144

Intended to be proposed by Mr. TUNNEY (for himself, Mr. Mondale, Mr. Javits, Mr. Cranston, Mr. Bayh, Mr. Brooke, Mr. Case, Mr. Hart, Mr. Hughes, Mr. Humphrey, Mr. McGovern, Mr. Moss, Mr. Muskie, Mr. Pell, Mr. Ribicoff, Mr. Stafford, and Mr. Williams) to amendment No. 559:

On page 10, line 5, insert immediately after "facilities. the following:

"Of the amount appropriated to enable the Secretary of Labor to carry out his responsibilities under this paragraph, the Secretary shall spend such amounts as may be necessary to assure that the persons trained under the provisions of this paragraph receive as much training as necessary to assure that they are equipped to provide child care services on a level consistent with the Federal interagency day care requirements as promulgated on September 23, 1968."

On page 33, line 12, strike out "especially" and insert in lieu thereof "including".

On page 33, line 14, insert immediately after "section 2111" the following: "(with special regard to the pre-service and inservice training of professional and para-professional personnel)".

On page 34, strike out lines 21 through line 2 on page 35 and insert in lieu thereof the following:

"(d) of the sums appropriated to provide for child care services under this title for the fiscal year ending June 30, 1972, or any fiscal year thereafter, such amounts as may be necessary (but not less than 5 percent of the total amounts so appropriated) shall be used for the initial and continued training of professional and para-professional personnel for employment in the provision of child care services."

AMENDMENTS NOS. 1146 AND 1147

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

Mr. JAVITS. Mr. President, I introduce two amendments designed to improve the child care and certain related provisions of amendment No. 599, to H.R. 1, the welfare reform measure approved by the House. These are two of five amendments which Senators MONDALE, CRANSTON, TUNNEY, and I are introducing today to amendment No. 559; each has the support of the principal sponsor of that amendment, Senator RIBICOFF.

The Ribicoff amendment, in which each of us has joined, would substitute a new "Family Assistance" title for that contained in H.R. 1.

The first of my amendments would require that child care provided under the welfare program be developmental in nature—that is, that it will meet the educational, health, and other needs of children, and that it is not alone custodial.

The second would provide that a mother of a school age child between the ages of 6 and 13 would not be required to accept employment or training where it would necessitate her absence from the home during hours or periods when the child is not attending school. However, she would still be required to register for such activities, as under H.R. 1, so that she could be required to work when there is no conflict and would become aware of other opportunities to be accepted at her option.

In addition to Senators MONDALE, CRANSTON, and TUNNEY, I am joined in these amendments by Senators BAYH, HART, HUGHES, HUMPHREY, MCGOVERN, MOSS, MUSKIE, PELL, RIBICOFF, WILLIAMS, CASE, and STAFFORD.

The other amendments which we introduce today would: First, assure that specific standards for child care are no weaker than existing standards; second, place administrative responsibility for child care with the Secretary of Health, Education, and Welfare, rather than the Secretary of Labor as under the House bill; and third, earmark for staff training 5 percent of the appropriations for child care in each year.

As principal Senate sponsors and cosponsors of the child development bill which, unfortunately, was vetoed last year, we continue to support the enactment of comprehensive legislation in this session. The Subcommittee on Employment, Manpower, and Poverty just last week reported to the full Committee on Labor and Public Welfare, of which I am the ranking minority member, a new bipartisan proposal—separate from the extension of the poverty program—to that end.

The new subcommittee bill, the Comprehensive Headstart, Child Development and Family Services Act, combines the best elements of S. 3228, a bill of that same title which I had introduced on February 24, 1972, with 12 Republican cosponsors and, S. 3193, introduced by Senators MONDALE and NELSON, which would have added a new title to the Economic Opportunity Act for child care programs.

Such comprehensive legislation should be our principal effort in child care, but we should include also, as would H.R. 1 and the Ribicoff amendment, a basic authority for child care under the welfare program itself in light of the established link between child care opportunities and the reduction of welfare dependency.

H.R. 1, and amendment No. 559, would each provide 876,000 opportunities each year—consisting of 291,000 preschool opportunities and 584,000 afterschool opportunities; these are significant quotients but quite obviously they must be supplemented by comprehensive legislation since there are some 3.5 million children in poor families under the age of 6 and an additional 4 million under 13 as well as many other children; in contrast there are currently only 700,000 licensed child care opportunities in the Nation.

Our purpose in these amendments is merely to insure that child care provided under the welfare proposal will meet at least minimal standards of quality, concentrate on the needs of children, and will be made available in a context which will serve to strengthen family life.

A detailed explanation of the two amendments which I introduce today follows:

AMENDMENT TO MEET CHILDREN'S DEVELOPMENTAL NEEDS

H.R. 1 and amendment No. 559 places principal emphasis on child care as a means of permitting welfare parents to engage in employment, training, or education, so as to become self-supporting.

While recognizing this as a legitimate objective, the amendment requires that child care must be designed to meet the educational, health, nutritional, and other developmental needs of children so that each will have a full opportunity to attain his or her full potential.

This, in fact, is the intent of the administration. As President Nixon stated in his welfare reform message, August 11, 1969:

> The child care I propose is more than custodial. This Administration is committed to a new emphasis on child development in the first five years of life. The day care that would be part of this plan would be of a quality that will help in the development of the child and provide for its health and safety, and would break the poverty cycle for the new generation.

But despite all good faith and intents, there remains the possibility that pressure for effort to provide more "slots" to enable parents to work could result in shortcuts with respect to the quality of child care.

This amendment would write into law the administration's plans to insure that the program is administered with full regard to the needs of children, as well as of parents.

AMENDMENT TO EXEMPT MOTHERS FROM WORK OR UNDER CERTAIN CIRCUMSTANCES

In general, under H.R. 1 and amendment No. 559, mothers of school age children would be required to register for and accept manpower training or employment or forfeit their cash benefits under the act.

Also, under our amendment, such mothers would be required to register and, generally speaking, to accept such services.

However, where such work or training would necessitate her absence from the home during hours when the child is not attending school, a mother caring for a child under the age of 13 would have "good cause" for refusing such opportunities.

Thus she would become aware of various full- and part-time opportunities through registration but would be given the option to refuse them if they conflict with the need to give attention to her children while they are in the home.

In this connection, I should note that H.R. 1 currently exempts mothers of children under the age of 6 from the registration and work requirements of the bill and then only during the first 2 years of the program; thereafter the exemption applies only to children under 3 years of age. Senator RIBICOFF's amendment would continue that exemption for children under 6 in all years.

Our amendment is based upon the assumption that welfare mothers do not have to be "beaten over the head" to engage in work or training.

Currently, one of the most unfair myths is that welfare mothers lack a propert motivation to work. In fact studies, such as that conducted by Dr. Lawrence Podell in 1966, have repeatedly shown that at least seven out of 10 welfare mothers would rather work and that eight in 10 have employment experience.

Of course, it would have been possible

to provide that a mother would have "good cause" only if child care or other arrangements were not available, as determined by the Secretary of Health, Education, and Welfare.

But such a provision would make child care—as well as work and training—mandatory under the act.

I believe that such a result would be inconsistent with our policies generally and run the risk of lifetime damage in a number of cases.

At the insistence of my colleague Senator BUCKLEY, the child development legislation approved by the Congress last year contained a number of provisions to make clear without any doubt, as intended by its sponsors, that child care would be provided only when the parent or guardian requests it. The new subcommittee bill contains similar provisions.

If mandatory care is bad policy for children generally—as I believe it is—then it is bad policy in respect to poor children.

There can be no double standard.

There will always exist a number of children for whom child care will not be only inappropriate but damaging.

As noted in a letter to me dated December 8, 1970, from the Child Welfare League of America—in general support of an amendment which I previously submitted on this issue:

> We believe that the primary concern in making this decision should be to protect the best interests of each child, and some children need to be cared for by their own mothers. A day care service is not beneficial or appropriate for every child. Many children are not psychologically or emotionally ready at school age for all-day separation from their mothers, nor are they all able to tolerate long periods away from home in group care. Some children do not thrive in group situations and need the supportive care of their own families in order to feel secure and develop properly. We, therefore, believe that day care services should never be required when it is not in the child's best interest.

Mr. President, in my view, we cannot leave it up to the Secretary of Health, Education, and Welfare or the Secretary of Labor—however enlightened they may be—to make a determination as to whether the child care available is "suitable" or otherwise in the best interest of the child. In my opinion, no guidelines can be formulated that will express adequately for each of the millions of school-age children in poor households the circumstances under which child care will be a long-term detriment to the child.

It is preferable in my opinion to draw the line in terms of any time conflict between the employment offered and caring for the child, as we propose.

Mr. President, in summary I believe that these amendments, and the others being introduced, are essential to prevent damage to children through shortsighted efforts to deal with the present welfare crises.

It would be ironic indeed if we were to perpetuate the cycle of poverty through a welfare reform measure.

I ask unanimous consent that the text of these amendments and a description of each be printed at this point in the RECORD.

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

AMENDMENT NO. 1146

On page 6, line 2, insert immediately after the period the following: "The Secretary shall determine that good cause exists if such individual is a mother or relative actually caring for one or more children under the age of thirteen who are attending school and if such employment, services, or training would necessitate the absence from home of such individual during hours or periods when the child or children are not attending school."

AMENDMENT NO. 1147

On page 3, line 4, immediately after "Act" insert "(1)".

On page 3, line 12, strike out the period and insert in lieu thereof the following: ": and (2) to assure that child care services provided under this Act shall be designed to meet the educational, health, nutritional and other needs of the children served in order that each such child shall have a full opportunity to attain his or her full potential.".

On page 7, line 22, immediately after "for insert "children of".

On page 8, line 2, strike out "in order to" and insert in lieu thereof "meeting the requirements of this Act while their parents".

On page 28, line 10, immediately after "services" insert "meeting the requirements of this Act".

On page 28, line 11, immediately after "for" insert "children of."

On page 28, line 15, immediately before "who" insert "for children".

On page 28, line 16, strike out "in order to be able to participate" and insert in lieu thereof "while their parents are participating".

EXPLANATION OF CHILD CARE AMENDMENTS OFFERED BY SENATOR MONDALE, SENATOR JAVITS, SENATOR CRANSTON, AND SENATOR TUNNEY TO AMENDMENT NO. 559 TO H.R. 1

MEETING CHILDREN'S DEVELOPMENT NEEDS

H.R. 1 and amendment No. 559, introduced by Senator Ribicoff, place primary emphasis on the provision of child care as a means of enabling parents to become self-supporting by engaging in employment, training or education.

While recognizing this as a legitimate objective, the amendment adds a clear statement of legislative intent that child care programs be designed also to meet the educational, health, nutritional and other needs of children so that each child shall have full opportunity to attain his or her full potential.

The Administration has indicated the necessity of ensuring that child care provided under the Act is developmental in nature.

This amendment would write that purpose into law so as to ensure that the program is administered with at least equal regard to the needs of children as to the employment, training and educational needs of parents.

AMENDMENT TO EXEMPT CERTAIN MOTHERS FROM WORK AND TRAINING REQUIREMENTS UNDER CERTAIN CIRCUMSTANCES

In general, under H.R. 1 and Senator Ribicoff's amendment, mothers of school-age children (generally between the ages of six and sixteen) would be required to register and accept manpower services, employment, or training or forfeit their cash benefits under the Act.*

Under the amendment also, mothers of school-age children would be required to register and, generally speaking, to accept manpower services, training or employment.

However, a mother, or other relative, caring for a child under the age of 13 would have "good cause" for refusing such services, training or employment if it would necessitate her absence from the home during hours of periods when the child is not attending school.

Thus, a mother of a child under the age of 13 would become aware of various opportunities through registration and would be required to accept services, employment or training which would not conflict with the need to supervise and give attention to her children when they are in the home, if she determines that to be in the best interest of her family.

This provision will thus avoid the possibility of "latch-key" children—children left without attention, which can only serve to perpetuate the cycle of poverty.

Experience under the current programs has established that the great majority of welfare mothers are motivated by a desire to engage in work or training in order to improve the financial situation of their families and will do so, if adequate arrangements can be made.

The provision of as many as 875,000 child care opportunities as planned under H.R. 1—including more than 584,000 afterschool opportunities—will help to make this possible.

STANDARDS FOR CHILD CARE

The amendment would ensure that standards which the Secretary would be required to establish for child care under the Act would be "consistent with" existing Federal Interagency Day Care standards which apply to all federally assisted day care programs; the Ribicoff amendment provides that such standards shall be "no less comprehensive" than the existing standards.

The difficulty with the existing provision is that standards could be "no less comprehensive" and yet be weaker than existing standards. For example, if the Secretary of HEW were to shift the adult-child ratio from 1 to 5 as under current standards to 1 to 10 under new standards, the new standards would be no less "comprehensive" in the sense that they would address the issue of adult-child ratio.

The amendment uses the words "consistent with" to indicate that standards can be the same as or represent improvements on existing standards, but not a weakened version of what already exists. Thus a smaller adult-child ratio would be "consistent with" objectives of existing standards for quality care, while a greater ratio would not be consistent in that it would dilute quality.

Thus the amendment is designed to bring any new child care programs specifically under existing standards or improvements thereon. H.R. 1 contains no reference to standards or quality and the House Committee Report and other legislative history indicates a willingness on the part of the Committee to permit such standards to be waived.

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*H.R. 1 currently exempts mothers of children under the age of six from the registration requirements of the bill and then only during the first two years of the program; thereafter the exemption applies only to children under three years of age. Senator Ribicoff's amendment would permanently maintain for all years the exemption for children under six.

SECRETARY OF HEALTH, EDUCATION, AND WELFARE

The amendment vests authority for the operation and administration of child care programs under welfare reform in the Secretary of Health, Education, and Welfare. It is designed to underscore the objective that such programs focus on the children's interest. The President has designated the office of Child Development of the Department of Health, Education, and Welfare as the principal office responsible for overseeing federal child care programs. While the House-passed bill places the responsibility for child care in the Secretary of Labor, the Administration's original welfare reform proposal placed these responsibilities principally in the Secretary of Health, Education, and Welfare.

TRAINING OF STAFF

The amendment would earmark at least five percent of all sums appropriated for child care under H.R. 1 for the initial and continued training of competent child care workers of all levels.

The provision of sufficient suitable staff is a crucial determinant of the standard of child care services. The rapid expansion of demand for child care services has already resulted in a shortage of trained workers in programs for young children. Many preschools are unable to find the qualified staff they need. The Director of the Office of Child Development has shown that most children presently enrolled in federally funded projects and other day care programs are being supervised by untrained personnel. The supply of suitable people will be even less adequate if new federal programs are established without special attention to the training of both professional and paraprofessional staff. This amendment seeks to incorporate such attention in the Child Care provisions of H.R. 1.

OCEAN MAMMAL PROTECTION ACT—AMENDMENTS

AMENDMENTS NOS. 1148 THROUGH 1154

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

Mr. GRAVEL submitted seven amendments intended to be proposed by him to the bill (H.R. 10420) to protect marine mammals; to establish a Marine Mammal Commission; and for other purposes.

ANNOUNCEMENT OF HEARINGS ON AMENDMENTS TO NATIONAL ENVIRONMENTAL POLICY ACT OF 1969

Mr. ROBERT C. BYRD. Mr. President, on behalf of the distinguished junior Senator from Washington (Mr. JACKSON), I ask unanimous consent that his announcement of hearings on April 28, 1972, on amendments to the National Environmental Policy Act of 1969, be printed in the RECORD.

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

STATEMENT BY SENATOR JACKSON

Mr. President, on Friday, April 28, a hearing has been scheduled before the Committee on Interior and Insular Affairs to receive testimony and recommendations from selected Federal officials and public witnesses on H.R. 13752, a bill passed by the House of Representatives on April 17 to amend the National Environmental Policy Act of 1969 to provide for the interim licensing of the operation of certain thermoelectric generating plants, and for other purposes. The hearing will be held in room 3110 and will convene at 10 a.m.

ADDITIONAL STATEMENTS

A RICHLY DESERVED HONOR—SENATOR NORRIS COTTON TO RECEIVE ROBERT FROST CONTEMPORARY AMERICAN AWARD

Mr. McINTYRE. Mr. President, my good friend and senior colleague from New Hampshire, Senator NORRIS COTTON, will receive the coveted Robert Frost Contemporary American Award from the Alumni Association of Plymouth State College next Monday, April 24.

The award is presented each year to an outstanding American, and is made in memory of the beloved poet who taught at Plymouth State College in the early 1900's.

In 1923—about the time that NORRIS COTTON entered public life—Frost wrote this about our Granite State:

Just specimens is all New Hampshire has,
One each of everything as in a showcase . . .

Mr. President, New Hampshire has just one NORRIS COTTON, and I rise today, not only to congratulate him, but to pay personal tribute to his character—and to express my appreciation of his friendship.

Robert Frost knew that in New Hampshire "it is knowing what to do with things that counts." And NORRIS COTTON's resourceful, seasoned ability to get things done is well known in our State.

Just a few miles from the quiet town of Lebanon, where he began his career, one of the world's most important cancer research centers is being built. It will stand as a permanent tribute to my senior colleague's accomplishments as a legislator and as an effective leader in man's battle against disease.

The wellspring of his deep humanitarian concern—and, indeed, of his effectiveness—is the man's own character.

Mr. President, we hear much these days of the estrangement between the people and their elected leaders, of the growing complaint that leadership has grown remote and aloof.

This is not so of NORRIS COTTON.

He has kept his humility. He has kept himself accessible. He has never forgotten that he is of the people. To this day, no citizen—regardless of how modest his station—is uncomfortable in NORRIS COTTON's presence. He has just rare ability to put everyone at ease.

This unfailing appreciation of the average citizen nourishes his art as one of the Senate's most accomplished and appealing storytellers.

Robert Frost understood that such true humor draws on a deep taproot of humanity, for he once said:

I judge a man by his anecdotes. If he always attaches a famous name to them, like "the last time I saw the Duke of so-and-so," then I don't like him nearly as much as a man whose anecdotes are about the common people and common every day things.

And now I should like to tell you how I have benefited from NORRIS COTTON's inherent decency.

From the day I entered this body nearly a decade ago, he has treated me with courtesy, with kindness, with utmost civility and helpfulness; and I assure you that the warm friendship that has grown between us is cherished by the junior Senator.

He and I do not always agree. We are, after all, independent men.

But we share an appreciation of that most familiar of Frost's lines, the old New England folk saying that "good fences make good neighbors."

We know that fences do not divide. They represent mutual respect. We share the north country conviction that the individuality of neighbors is not to be suspect, but to be cherished.

A further thought, Mr. President:

Many months ago, that wise and good lady from the State of Maine, Senator MARGARET CHASE SMITH, told us that our national fate hinged upon the restoration of civility to personal and public life.

Civility. That special grace which assumes sincerity and accords good will and respect to those with whom one honestly differs.

In a period when, throughout the country, shrill voices and small minds have been trying to divide our people, NORRIS COTTON retains that special grace called civility, Mr. President.

Lastly, I like to think that NORRIS COTTON and I have worked together in effective harness. And I like to think that the reason for this harmony and effectiveness is our mutual, and abiding, belief in the goodness and the worth of the people of our State.

Frost spoke of our people in a poem which described his move to New Hampshire:

I hadn't an illusion in my handbag—he wrote,
About the people being better there
Than those I left behind. I thought they weren't.
I thought they couldn't be. *And yet they were.*

They still are, Mr. President. And NORRIS COTTON is living evidence.

FIRST ANNUAL REPORT OF THE NATIONAL COMMISSION ON PRODUCTIVITY

Mr. PERCY. Mr. President, the National Commission on Productivity has just published and made available to Members of Congress its first annual report on its activities since its inception in July 1970.

The report is a summary of the Commission's efforts to define and study various aspects of the problem of American productivity. It presents in outline plans for the future, including plans that are being made to implement the new title providing for a national productivity policy—the Javits-Percy amendment— that the Senate added to the Economic Stabilization Act Amendments of December 1971.

Publication of the report is timely, because our Nation's productivity continues to be a problem, as demonstrated most recently by a poll by the American Institute of Public Opinion—the Gallup poll—which was designed to explore the public's attitudes about productivity. According to Gallup, the poll showed that a majority of U.S. adults believe American workers are not turning out as much

work each day as they should. Even a majority of manual workers, both skilled and unskilled, agree that this is true. Fifty-seven percent of those polled believed they could accomplish more each day if they tried.

This is revealing information. It shows, I believe, that there is an underlying national concern that our Nation's economy is lagging—that we as a Nation could be more productive.

The work of the Productivity Commission, and the Pay Board and Price Commission in stressing the factor of productivity as a precondition of increased wages and higher prices, all relate to our national interest in increasing productivity. It is thus valuable to have this report on the Productivity Commission's productivity goals and work program. Its former Chairman, OMB Director George Shultz, is to be commended for guiding the Commission's initiation of a valuable substantive work program. I and other Senators look forward to aggressive implementation of this program under its new Chairman, Secretary of Commerce Peter G. Peterson.

I ask unanimous consent that the Commission's report, the Gallup poll, and the "productivity policy" title of the Economic Stabilization Act be printed in the RECORD.

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

FIRST ANNUAL REPORT OF THE NATIONAL COMMISSION ON PRODUCTIVITY: HIGHLIGHTS OF THE COMMISSION'S ACTIVITIES—1970–72

In opening the first meeting of the Commission on August 7, 1970, the President stated that productivity growth is the key to the continuing improvement in the quality of life for all Americans, to the satisfaction of urgent domestic needs, and to the maintenance of the competitive position of the United States in world trade. This theme has become a unifying and stimulating element for subsequent activities of the Commission.

The President stressed, in announcing the Commission, that "productivity in the American economy depends on the effectiveness of management, the investment of capital research, development and advanced technology, and most of all on the training and progressive spirit of 86 million working Americans." This charge to the Commission provided the framework for its initial activities and organization.

The first session of the Commission was concerned with developing a common understanding of the background for the Commission and an organizational framework for its activities. The Chairman reviewed the basic trends in productivity, wages, and costs and their economic implications. The meaning and measurement of the terms were also discussed. A working agreement on these matters was considered central to the effectiveness of the Commission.

In this setting the Commission organized itself into four working groups each composed of members representing labor, business, the public, and government. The titles of the working groups are sufficiently broad to permit a wide range of inquiry and still to focus on topics of immediate concern. The four groups and questions they were to consider are:

Labor and Management Policies and Practices.—What type of labor relations climate is most conducive to improved productivity? How are the costs and benefits of change to be distributed? What is the appropriate role of the firm, the union, the government in the adjustment process?

Education and Research.—How can we improve the input of basic research to technological innovation and productivity? How does the education system feed into this process and how can it be improved?

Government Activities.—In what way can the government influence productivity in the private sector of the economy by improving practices in such areas as procurement, and construction regulations? How can productivity in government at all levels—Federal, State, and local—be measured and improved?

Management Organization and Capital.—How can management improve its organization for productivity gain? Are there impediments to diffusion of technological knowledge—can the adoption of new technology be accelerated? Is the rate of investment adequate for desired productivity goals?

The second session, in November 1970, continued the process of developing mutual understanding of basic factors and problems. As the working groups progressed on their investigations, reports of their findings became the main topics of the agenda of Commission meetings. At its April and June 1971 sessions, the Commission reviewed the conclusions and recommendations of various reports submitted to it and made suggestions for refinement and extensions.

POLICY STATEMENT OF SEPTEMBER 7, 1971

On September 7, 1971, the Chairman of the National Commission on Productivity released a statement, entitled "Productivity and the National Interest," which had been approved by the members of the Commission (app. B). This statement expresses the consensus of business, labor, public, and Government representatives as to the importance of policies and programs to foster productivity growth and as to the general structure and thrust of such policies and programs. In several areas—most notably, research and development and government productivity—the consensus expressed by the Commission has served as a catalyst for the development of concrete programs.

In substance the statement underscores the importance of maintaining our historic rate of productivity increase as vital to employment growth, curing inflation, meeting international competition, abating pollution, eliminating deprivation, and improving services at the local level. Productivity is seen to depend upon the optimum combination and development of human, capital, and natural resources in harmony with our traditional values of opportunity, work, and reward.

The Commission stated that "the first and basic prerequisite" for productivity improvement is an "expanding economy, with maximum employment and maximum utilization of plants and machines. . . . In the absence of such economic expansion there is lagging productivity, usually accompanied by increasing unemployment and underemployment." Noting that "a high level of economic activity is a necessary but not sufficient condition for the realization of our full productivity potential," the statement identified six "targets of opportunity," on which the Nation must consciously focus.

The first is *productivity bargaining* which features the specific discussion of productivity in the collective bargaining process. The potential is far greater than the current scope of bargaining practices. "Work rules, training and upgrading workers, group incentives, job redesign and enrichment, workplace participation and communication, safety and work scheduling are all areas that deserve close attention."

Complementing the first, the second target is the *strengthening of manpower adjustment policies* to meet the human costs of change where such costs exist. This can be done by such means as avoiding worker displacement, mitigating financial loss to individual workers, and assisting workers to find alternative work. Both private and government sectors must provide programs to avoid adverse effects.

The third target involves selective stimulation of *education and research and development*. The Commission finds a need for "further active experimentation, with government support, in development of new and more flexible institutional and financing arrangements as well as improved educational content and instructional methods." Since the benefits of basic research are broadly diffused, the Commission found that the Federal Government has a special responsibility to assure an adequate and sustained level of funding, and the private sector might be given incentives to invest more in applied research and development.

Improvement of productivity of government is the fourth target. The Commission found that there is considerable scope for applying the productivity bargaining approach in the public sector. Also, there should be efforts to identify emerging ideas to improve local government productivity.

The fifth target is the urgent need to assess the extent to which business, government, and other institutions will have access to an adequate *supply of capital funds* in the 1970's and to identify the means of correcting any deficiencies.

Finally, the Commission recognized the importance of timely *identification of industries with lagging productivity growth* and practical measures for improvement. This involves more adequate productivity measurement of such major sectors as construction, services, and government.

The Commission agreed that public awareness of the importance of productivity must be promoted through the widest dissemination of information.

ACTIVITIES UNDER THE STABILIZATION PROGRAM

Following the freeze on wages and prices, the attention of the Commission shifted to the design of the economic stabilization program. Members of the Commission, a cross section of eminent representatives of business, labor, the public, and government, were consulted during the formulation of the post-freeze program plans. New members were added to give additional representation to business and labor, and to provide representation for the farm sector, State and local government and the consumer. The entire Commission was convened in October 1971 for a preview of the decisions on the structure of the post-freeze economic stabilization program, and members were given an opportunity to express their views. It was also noted that the Commission would be called upon to consult with the Cost of Living Council as the stabilization program progressed.

Plans for expansion of the Commission's work as provided by an amendment to the Economic Stabilization Act were reviewed at a session convened in February 1972 (these are covered in chapter III). Members also heard about several new initiatives to enhance productivity growth: the proposed new Federal programs for research and development and innovations in labor-management relations, in the steel and construction industries. Finally, progress of the economic stabilization program was discussed with officials of the agencies involved.

PUBLIC INFORMATION ACTIVITIES

The President's initiative in bringing together outstanding leaders of labor, business, the public and government had the effect of focusing nationwide attention on the economic importance of productivity, a subject that normally had interested only a few spe-

cialists. The first year and half of the Commission's life, therefore, saw growing popular interest in information about productivity. Public leaders, the communications media, and professional and trade groups dealt with the issue, highlighting the changing position of the United States in relations with the major economic blocs of the world, and the Executive Director was invited by a number of professional groups to discuss the objectives and work of the Commission in relation to trends in productivity and the economy.

Several national periodicals, including Time, Business Week, Fortune, U.S. News and World Report, and Newsweek, featured stories about the domestic and international conditions that gave rise to the establishment of a National Commission on Productivity. An example of the interest of the trade press was the special 16-page section featuring statements by the President, Secretary of Labor, and Commission members on the productivity problem in the April 1971 issues of four trade journals published by Cahners Publications. These journals have a circulation of over 250,000 among plant engineers, managers, and purchasing agents in different industries. Copies of the productivity section were also sent to 12,000 leading officials of industry and government.

Many members of the Commission cited the urgent need to promote a better public understanding of the relationship of productivity change to the rate of inflation and to the economy's long-term growth capacity. One of the first steps in this direction was taken when the Commission lent its support to the preparation by the U.S. Bureau of Labor Statistics of a Chartbook, *Productivity and the Economy* (Bulletin 1710), which has proved highly useful in increasing public awareness and appreciation of the productivity issue.

In an effort to broaden its education activities, the Commission contracted with the Smithsonian Institution to prepare a popular exhibit tracing the productivity theme in American history. This exhibit will be shown beginning about June 1972 in the National Museum of History and Technology, which is visited by about 6 million people each year. Plans were also being made for smaller traveling exhibits to permit wider public exposure.

The Commission is planning to hold a national conference of leaders of labor, industry, agriculture, education, government, and the public in the spring of 1972 to consider policies and programs for promoting long-term growth in productivity. In addition, Commission staff will be working with other individuals and organizations who have indicated a desire to sponsor regional or industry conferences on productivity. The resources of the Federal Regional Councils composed of representatives of the principal grantmaking domestic department and agencies in each of the 10 standard Federal regions will be available to support Commission staff in this effort.

REPORTS, PAPERS, AND STUDIES

Experts in government and universities prepared under contract a number of papers, reports, and studies to help the Commission members in their consideration of various substantive issues. A list of the Commission's publications available to the public is presented in appendix C. This chapter briefly summarizes the findings and conclusions of the most important papers and studies and relates them to the problems considered by the Commission.

MEANING AND MEASUREMENT OF PRODUCTIVITY

The importance of clarifying the meaning of the term "productivity" for the general public was stressed at the first meeting of the Commission. Statistical measures of productivity vary and misunderstanding about the meaning of trends in productivity often arises because of the plausibility of different concepts and the use of different data sources. Members of the Commission, therefore, invited leading experts to explain the meaning of the terms and methods used in measuring productivity.

Meaning of productivity

In a brief paper on the meaning of productivity, Dr. Herbert Stein, now Chairman of the Council of Economic Advisers, dealt with the most commonly used definition—real output per man-hour. Productivity in this sense is a rough measure of the effectiveness with which we use our most important productive resource—labor. This concept has significant social and economic implications. It takes account not only of the chief means of satisfying individual and social wants, i.e., output of goods and services, but also of the major real cost of getting the output, namely, man-hours of work. Moreover, the trend in output per man-hour has a direct bearing on the movement of labor costs, prices, and real earnings of workers.

While the simple index of output per man-hour serves many analytical and policy purposes, Dr. Stein believes additional measures are needed. When we measure output per unit of capital and labor combined and adjust for quality change, we have another useful measure of the efficiency of resource use. In short, a family of measures is needed to provide better understanding of our economic problems.

Concepts and measurement

The concepts and data used in available indexes of productivity together with some problems of measurement, were the main issues considered in a paper by Jerome A. Mark, Assistant Commissioner for Productivity and Technology, Bureau of Labor Statistics, of the U.S. Department of Labor. Measuring trends in output, labor input and capital input in a highly diverse and ever-changing economy involves many complex statistical problems.

A fundamental problem of measurement is the difficulty of obtaining directly quantitative measures of output and input, consistent in scope and coverage. Hence, substitute measures or approximations must be used. Within these general constraints, however, productivity measures for the total private farm and nonfarm sectors of the economy, for some major groups, such as manufacturing, transportation, mining and utilities, and for many key industries, such as auto, steel, coal and airlines, are considered reliable and useful for economic analysis.

Reliable measures for construction and service industries, however, are not available. To improve these series, more accurate data on price changes in these sectors are needed. There is also a need for more comprehensive estimates of industry man-hours, including better measures of the hours of supervisory workers and changes in the "quality" of labor. Measures of output per capital input and total factor productivity, based on the flow of services as well as the stock of capital, would significantly enhance our knowledge of productivity change.

Statistical research

The Commission granted funds to the Bureau of Labor Statistics to expand its research work to improve data on productivity and related trends. The number of individual industries for which indexes of output per man-hour is available is being increased. However, the BLS is devoting special attention to developing measures for industries in the service sector where the concept of output is more difficult to quantify than in manufacturing. Only a few new productivity series may be produced, but it is hoped that the effort will lead to a better knowledge of trends in the important service sector. Price indexes for individual industries are also being developed by the BLS. This expansion of statistical information about productivity will provide a firmer basis for economic policy decisions.

ACTIVITIES OF WORKING GROUPS

A significant part of the work of the Commission was carried out by the four working group which met frequently during 1970 and 1971 to choose alternative topics, to direct inquiries for background papers or research, to deliberate over policy and program, and to develop the issues for presentation to the full Commission. The findings of these working groups are currently under final review and will shortly be considered as policy recommendations by the full Commission. The reports, papers and studies that were prepared for the working groups are summarized below.

A. Labor and management policies and practices

The potential contribution of cooperative action by labor and management to improving productivity was recognized by the Commission at the outset. It was agreed that productivity advances generally have been accompanied by rising employment and real wages, but the possibility of labor displacement in particular instances could not be overlooked. The Commission, therefore, arranged for the preparation of a series of reports or working papers on various aspects of collective bargaining experience with productivity improvement and on the related subject of manpower adjustments to technological changes, both in the United States and abroad. These working papers provide a factual basis for recommendations on productivity bargaining and manpower adjustments by the working group on labor and management policies and practices for consideration by the full Commission.

Examples of Labor—Management Practices

The Bureau of Labor Statistics prepared for the Commission a report entitled "Improving Productivity: Labor and Management Approaches," which described cases of "good" practice in industry. Thirty-one examples of special efforts in different industries were analyzed in terms of their benefits and problems.

One section of the report dealt with cases of collective bargaining settlements in which work rules were revised to permit the use of labor-saving technology in return for job or income security. This type of "productivity bargaining" included the agreements setting up trust funds for musicians affected by mechanical recording; the protective arrangements for butchers with the introduction of centralized meat cutting in retail food chains; the settlements to eliminate "bogus" typesetting in the printing industry; agreements to facilitate prefabricated housing construction; and the mechanization and modernization agreement in West Coast longshoring.

The report also described the application of various collective bargaining agreements to cushion the impact of technological change such as the attrition arrangements in the railroad industry; interplant transfers in autos; relocation allowances in steel; early retirement plans; and the Armour automation fund for plant shutdowns. Closely related to these protective approaches are the extensive efforts in manpower planning in the telephone industry and the Internal Revenue Service to avoid adverse effects among workers.

In addition to work rule changes and manpower adjustments, the BLS report described a broad range of joint labor-management actions for productivity improvement, many outside the collective bargaining table: union sponsored retraining programs to upgrade plumbers, printers, hospital, steel and

maritime workers; the Scanlon and other plantwide productivity incentive plans; the TVA and similar programs to use the know-how of workers to improve operations. Experiments with job redesign, human engineering, and the 4-day week were also described as ways of influencing worker attitudes, absenteeism, and motivation.

Productive Bargaining

Special attention was devoted by the Commission's working group to an examination of potentialities of "productivity bargaining." The term is defined as a process which seeks to treat production as a central collective bargaining consideration and explicitly recognizes the trade off between measures to improve labor productivity and the sharing of resulting benefits. A few U.S. examples were summarized in the Bureau of Labor Statistics report, but the Commission also contracted with Prof. Robert B. McKersie, dean of the New York School of Industrial Relations, for a detailed study of productivity bargaining in Great Britain, with special attention to its relevance for the United States.

Professor McKersie found that the British experience, though not easily transferable, had some useful implications for the United States. First adopted at the Fawley Oil Refinery in 1960, productivity agreements were introduced in a wide range of industries where they often resulted in elimination of restrictive work practices and modified manning scales and lower unit labor cost. In return, workers received higher earnings, more fringe benefits, and job security. The report concluded that the most significant result of productivity bargaining in the early stages of its development in Britain was to encourage acceptance of union-management negotiations as a useful device for accomplishing change and to focus attention on improving labor productivity to justify wage changes.

The establishment of a statutory "incomes policy" aroused great enthusiasm for productivity bargaining in 1967, and 1968. Wage increases over the norm were permitted only if warranted by productivity gains in the individual firm. Although many bona fide agreements were made, a great number of requests based on spurious productivity gains resulted in a general upward push on wages. The report attributed the decline in productivity bargaining after 1968 to such factors as the limited content, exhaustion of possible gains, and growth of unemployment and resistance to change in the late 1960's.

Reviewing the limited experience with productivity bargaining in the United States, Professor McKersie concluded that the concept has promising results, similar to those in Britain, in industries based on the craft system such as longshoring, printing, railroads, airlines, and construction. Because of differences in general attitudes toward technological change, there is less scope in manufacturing where productivity agreements have been prominent in Great Britain. The British experience in service industries, however, may have some lessons for the United States. Also, greater emphasis on worker consultation and participation on a continuous basis may be applicable.

To foster productivity bargaining, Professor McKersie suggested greater planning by management and the need for the education of union leaders by first hand observation of successful cases. The impetus for this type of bargaining, however, must come from the parties at the local level.

WORKER PROTECTION IN WESTERN EUROPE

The policies of Western European governments in protecting workers affected by technological change were the subject of a brief study by the Bureau of Labor Statistics. In these countries, a policy of full employment is considered the best setting for dealing with problems of labor adjustment. They have gone beyond the policy of providing unemployment compensation and place emphasis on maintaining existing jobs and creating new jobs for redundant workers by subsidies, loans and credits to industry; by regulation of labor migration and other labor market controls; by financial aid and guidance, especially to older workers, in transfer, relocation, training, and retraining. In general, the report concluded that measures to prevent redundancy have been effective in Western Europe.

PRIVATE AND PUBLIC MANPOWER PROGRAMS

An assessment of the whole range of private and public manpower policies that could facilitate productivity improvement was undertaken by Prof. Eli Ginzberg with Prof. James W. Kuhn, and Beatrice G. Reubens of the Conservation of Human Resources Project, Columbia University. Their brief report, "Private and Public Manpower Programs for Adjustment to Productivity Change," reviewed policies in the United States and Europe.

The principal directions where new initiatives, according to the authors, hold promise of constructive advances were as follows: Emphasis in public policy on the twin objectives of productivity improvement and worker protection against adverse effects; the institution of a technical assistance service to facilitate adjustment; compulsory vesting of private pensions after a qualifying period of 10 years or so; liberalization of social security to permit earlier pensions for displaced workers; more liberal mobility allowances; greater coordination among government procurement, regional development, and manpower policies; and efforts to improve Employment Service assistance to displaced workers. Above all, the report concluded, "the sine qua non for a conducive environment for stimulating productivity changes is a nigh level of continuing employment for the economy."

B. Education and research

Economists in the past decade have devoted much study to the role of intangible investments in education and research in improving productivity and have found that the growth of human capital has contributed significantly to economic progress. The Commission, therefore, invited several outstanding researchers to evaluate these studies and to draw implications for national policy.

Education and productivity

In a paper on "Education and Productivity," Prof. Theodore W. Schultz, of the University of Chicago summarized his own studies and those of other researchers on the return on investment in education, both to the worker and to the economy as a whole.

It is generally agreed that the cost of education includes not only the cost of such things as teachers' salaries and physical facilities, but also the individual's earnings he had to forego by continuing his schooling instead of taking a job. When the extra income earned through finishing school is considered against the total costs of elementary school, high school, college, and post-graduate study, the rates of return on investment are high, compared with the average rate of return on investment in the private business economy. As might be expected, the biggest gains come from elementary education when the child is acquiring basic skills in reading, writing, and the ability to do arithmetic.

While the return on investment at all levels of education appears to be high, it is not certain that our educational system at present is structured to obtain the maximum return for the student and for society. On this important issue, the experts are divided on how to take account of differences in the quality of the services and of the outputs.

Research and Development

Expenditure on research and development is another key factor affecting the growth of productivity. In support of the Commission, the National Science Foundation invited four outstanding economists to prepare papers reviewing the research studies on the impact of R. & D. The papers by Charles T. Stewart of George Washington University, Edwin Mansfield of the University of Pennsylvania, William Fellner of Yale University, and Zvi Griliches of Harvard University, with a summary by Leonard L. Lederman, were published February 1971 by the National Science Foundation, in a report entitled, "A Review of the Relationship Between Research and Development and Economic Growth and Productivity."

The authors considered the return on investment in research and development in such widely diverse fields as agriculture, machinery, chemicals, and petroleum. They concluded that despite the lack of definitive measures of the relationship, research and development has been one of the major sources of economic growth and improvements in productivity. Measurement of the relationship between R. & D. and productivity growth involves many complexities of isolating R. & D. contribution from that of many interacting factors such as organizational and managerial progress and economies of scale.

The authors agreed that the evidence suggests that "the United States is probably underinvesting in civilian sector research and development from a purely economic growth/productivity point of view." One reason for this underinvestment is that the private firm which pays for the R. & D. cannot capture all the benefits accruing from it. Because of inadequate patent protection, widely dispersed markets, and failure to exploit the innovation, other firms are able to copy or to follow the innovator. Since other firms obtain benefits without having to pay for the cost of research and development, more benefits are achieved in the economy that can be measured by the firm which pays for the initial expenditures. Also, a distinction must be made between basic research which has a long lag-time before payoff is realized, and applied research and development for which the returns may be realized very quickly. Hence, private underinvestment is likely to be greater for basic than for applied research.

One conclusion shown from the studies was that nothing can be said about where particular R. & D. investments should be made, but "there is good reason to expect that a well diversified incremental R. & D. investment will result in high payoffs similar in magnitude to those of the past."

R. & D. in the Federal Budget

As the competitive position of the United States in world trade became more critical during 1971, members of the Commission along with government officials and many private individuals became deeply concerned about the loss of exports in the field of high technology. Also, economists projected a lag in national productivity over the decade because of the increasing importance of service industries with low levels of productivity. Many experts attributed this situation to the relatively low level of support for research, especially applied research in these fields.

This issue was discussed with the President in several Commission meetings and the President ordered a complete review of Federal research and development programs to assess the need for new programs to open up opportunities for technological innovation. A task force of technical experts from various government agencies, with the assistance of scientific and industrial leaders, conducted a comprehensive review of opportunities to advance technology. The result of this review was a major presidential initiative in the field of R. & D. for fiscal year 1973.

The budget for fiscal year 1973 provided an increase of $1.4 billion in scientific research and development funds and a number of important policy trends. Among the objectives of the new budget were closing the gap between the United States and its world competitors in productivity growth rates and improving the efficiency of some basic services of the economy. Civilian oriented programs, including energy, health, education, environment, urban problems, transportation, and other areas were increased significantly. Also, funds were provided for experiments in stimulating innovation and productivity in the private sector.

C. Improving Government productivity

The sharp growth of public employment relative to private jobs has been one of the most significant trends in the structure of the economy over the past decade. In 1970, nearly one out of every five wage and salary workers was a government employee. Experts project continued increases as our urbanized population seeks more and better education, health, police, and sanitary services. As government regulations and the demand for reports proliferate, overhead staffs in government and business are significantly enlarged. Since government services are still largely labor intensive, the growth of government employment has involved greatly increased costs. The Commission's working group, therefore, gave special attention to seeking ways of improving productivity in government operations. As a first step, it supported efforts to improve measurement of change in output per man-hour at both the Federal and local levels.

Measurement of Productivity in the Federal Government

There has been considerable dissatisfaction with measures of Government productivity based on national income concepts. Because labor input is used to measure output, indexes of output per man-hour for Government activities cannot show any change. While this statistical convention is useful in fitting Government activities into the national income accounting framework, it is often misconstrued to mean that there has been no improvement in actual Government productivity. A study of selected activities in five Federal agencies by the Bureau of the Budget in 1964 demonstrated the possibility of developing indexes based on actual physical output, a more appropriate concept. The derived series, however, were not maintained or extended.

As a first step in a Government-wide approach, the General Accounting Office, together with the Office of Management and Budget and the Civil Service Commission and with support from the Commission, initiated a study of productivity trends in Federal agencies. The background and objectives of the study were reported to the Commission in a paper, "Productivity in the Federal Service," by the Office of Management and Budget.

A preliminary review by the GAO of 17 major Government agencies found that some agencies maintain data that could be useful in measuring productivity change. Such data are used by the agencies for manpower planning, work measurement, cost control and, in a few cases, for productivity measurement by the agencies themselves. This survey reported that approximately 500,000 employees, most of them in the Post Office, are directly covered by existing productivity indexes, and measures may be feasible for an additional 750,000 employees.

The study group, with technical assistance of the Bureau of Labor Statistics, is now collecting data from various Government agencies on real output and man-hours. These data will be used to prepare indexes of output per man-hour for broad functions of Government rather than for individual agencies. The study group plans to work with agencies to improve reporting systems and basic data and extend the coverage of productivity measures.

Productivity in State and Local Government

Since 10 million persons—about 80 percent of all government employees—work for State and local governments, prime targets for productivity improvement are the major functions performed by these units such as law enforcement, sanitation, and education. The Commission, therefore, asked the Urban Institute to undertake an exploratory study of the status of productivity measurement and its feasibility.

In their report, "Improving Productivity and Productivity Measurement in Local Governments," Dr. Harry P. Hatry and Mr. Donald M. Fisk of the Urban Institute, reviewed major conceptual problems and current measurement practices. They found little factual data readily available, either for measuring trends or for comparing levels among localities. However, they concluded that data which could be useful for productivity measurement of specific functions are collected by some localities and there are many technological opportunities for improving productivity that should be evaluated and disseminated.

A brief paper on "Productivity and Technology in Law Enforcement," by William M. Spreches and Edwin L. Golding, of the Department of Justice provided some illustrations of the possibilities of measurement and the role of science and technology in improving productivity of police departments. Computers, communication systems, helicopters, and electronic alarm systems are being used increasingly to improve the performance of law enforcement officers.

Following these exploratory studies, the Commission in October 1971 contracted with the Urban Institute to undertake further research on the improvement of productivity in local government. This decision followed a review of the exploratory report by several public interest groups, including the National League of Cities, the U.S. Conference of Mayors, the National Association of Counties, the International City Management Association, the National Governors Conference, and the Council of State Governments. The Urban Institute's study will deal with measurement and improved practices in two functions; law enforcement and refuse collection. The study will examine different types of measures to determine the most appropriate indicator, taking account of any frequent garbage collection might result in reducing productivity if measured in tons removed per man-hour, but could result in a more sanitary community. An alternative measure might cover not only the quantity removed but also the degree to which a desired level of service is achieved.

Another objective of the study will be to identify and report on outstanding "success" stories in improving productivity in local functions. These reports would describe managerial and organizational as well as technological innovations in city government. The dissemination of success stories might encourage others to use the latest ideas.

D. Management organization and capital

The availability of capital for investment at reasonable interest rates affects productivity in two ways. First, investment in labor or material-saving devices leads directly to increased productivity. Second, the availability of capital has a significant effect on the steady growth of the economy and the close relationship between increasing output and increasing productivity is well established.

Because of its critical importance, the Commission requested the Department of Commerce to study the factors influencing the availability of capital throughout the 1970's. The study, "Capital Requirements for the Seventies," generated estimates of capital requirements by considering the factors involved in the supply and those involved in the demand for capital, independently. While the initial intent of the study was to indicate whether potential supply and demand would be in balance, and whether capital would be available through traditional sources at reasonable interest rates, the results were particularly useful in indicating the necessary policy objectives to assure that adequate capital would be available.

E. Industry studies

The special problems of specific industries in improving productivity were another area of research. The Commission contracted for studies of two key consumer goods industries—the food and the footwear industries—to determine where obstacles to productivity improvement exist and how they might be overcome.

The study, "Productivity in the Food Industry: Problems and Potential," by Prof. Gordon Bloom of the Massachusetts Institute of Technology, reviewed a wide range of institutional, legal, labor, and systems problems affecting productivity in food manufacturing, wholesaling, and retailing. The report found that there are numerous opportunities to improve efficiency in food distribution by considering the entire process from the farmer to the consumer. Standardization of shipping methods and hardware, for example, could produce sizeable gains in productivity. Also, more extensive use of unit trains for food could improve output per man-hour in transportation, the cost of which significantly affects food costs to the consumer.

The study of the footwear industry, by Prof. Stanley Jacks of the Massachusetts Institute of Technology, covered a labor-intensive industry where negligible productivity gains in recent years have contributed to capture of a large part of the domestic market by overseas producers. Additional research and development in machine and materials technology is needed to maintain the domestic shoe industry competitive with foreign producers. Although shoe machinery suppliers are engaged in substantial R. & D. programs, rising costs and decreasing markets may cause difficulty in obtaining capital needed to support expansion. The report recommended that indirect support to the footwear industry might be provided under such programs as the trade adjustment assistance program. While government programs to assist noncompetitive companies are not widely favored in the United States, the report pointed out that many countries are subsidizing footwear firms producing for the export market.

Industry Efforts

The need for productivity improvement and innovations in practices was considered by two key industry groups represented on the Commission—construction and steel. Leaders of the Building Trades Council of the AFL–CIO took up the issue at their convention and industry, labor and government members of the Commission have formed a group to pursue this issue in conjunction with the Construction Industry Stabilization Commission. Considerable attention was also devoted to the need for productivity growth by the United Steelworkers of America AFL–CIO. The 1971 Basic Steel Collective Bargaining Agreement provided for the establishment of joint union-industry committees on productivity at the plant level.

FUTURE PLANS UNDER THE NEW PROGRAM

Under Section 4 of the Economic Stabilization Act Amendment of 1971, entitled "National Productivity Policy," (approved Dec. 22, 1971), Congress declared that "it is the policy of the United States to promote

efficient production, marketing, distribution, and use of goods and services in the private sector, and improve the morale of the American worker, all of which are essential to a prosperous and secure free world, and to achieve the objectives of national economic policy."

Relating productivity improvement to the price and wage stabilization programs, Congress finds that "management and labor have a strong mutual interest in containing "cost-push" inflation and increasing output per man-hour so that real wages may increase without causing increased prices, and that, without in any way infringing on the right of management or labor, machinery should be provided for translating this mutuality of interest into voluntary action."

The act declares that "it shall be the objective of the President's National Commission on Productivity . . . to enlist the cooperation of labor, management, and State and local governments in a manner calculated to foster and promote increased productivity through free competitive enterprise."

The act lists several additional objectives, including promoting the improvement of worker motivation and community interest in reducing waste; the more effective use of labor and management personnel; policies to insure the competitiveness of U.S. products in world markets; and programs to deal with problems of workers adversely affected by automation and other technological changes or the relocation of industries.

A substantial increase in funds for the Commission was authorized and over $5 million has been requested in the President's fiscal year 1973 budget. These funds will be used to expand the staff, to enhance informational activity, and to contract for research and other services.

Under this legislative mandate, the Commission will extend its activities in several directions. First, the Commission plans to expand its substantive program of policy research and development needed by the working groups to formulate recommendations. Most of this basic work will be done by the Commission staff. They will enlist the aid of outside consultants, provide background papers, arrange for seminars and conferences, and draft recommendations for the Commission.

Special attention will be given to work on the opportunities and obstacles to improving productivity in important industries which have been lagging. In this effort, the Commission will strive to be responsive to the needs and suggestions of the agencies involved in the economic stabilization program. In this context, the studies of productivity in the Federal Government and in local government described earlier will be continued, with the staff working with interested organizations such as the U.S. Conference of Mayors and the Council of State Governments. Also, work will be undertaken on several other key industries, including construction and health, where costs have been rising sharply.

Another broad area of examination by the Commission will involve factors that affect productivity generally. Alternative approaches to pollution control will be analyzed in terms of both relative efficiency in achieving goals and implications for productivity growth. Studies will be made of the influence on productivity of workers attitudes and motivation, and the possibilities of improvement through group incentive plans, job redesign and related techniques. The contribution of R. & D. programs to productivity enhancement will also be covered. These areas will be explored with the assistance of leading experts in government, universities, and private industry who are already giving attention to these problems.

Second, the Commission has been charged under the act with the task of fostering attention to productivity improvement on a regional and local basis throughout the Nation. In order to meet this challenge, the regional representative of the Secretary of Labor will be given responsibility for development of a coordinated Federal effort to promote greater awareness of productivity at the local level and in specific industries at the regional level. These representatives will receive technical assistance from the Commission's national office and will draw on the work of the Commission to promote the objectives of the act. With the regional councils as their base, the regional representatives will be able to utilize the resources of a wide range of domestic departments and Federal agencies who have close working relationships with State and local governments and broad contact with all sectors of the public.

Finally, the Commission will enlarge its information program to improve public understanding of the issues and its program. Workers, managers, and consumers will be given more information about the meaning and importance of productivity and its relationship to jobs, income and living standards. The Commission's studies, reports, and recommendations will be disseminated widely. National, regional, and local conferences, meetings, workshops and seminars with a wide range of participants will be held. Special pamphlets, speeches, and other educational materials will be prepared. The Commission will continue to develop recommendations for private and public policy to encourage productivity improvement in the decade of the 1970's.

In addition to activities under the section on "National Productivity Policy," the Economic Stabilization Act Amendments of 1971 seek to enhance productivity growth through provisions of the pay stabilization program. Section 2 precludes from control by the Pay Board any increase in wages "paid in conjunction with existing or newly established employee incentive programs which are designed to reflect directly increase in employee productivity." The types of employee incentive plans intended to be covered by this provision "are mainly those known as productivity sharing plans," e.g., bona fide programs of "productivity bonuses on a plant-wide basis to reward workers for achieving established productivity goals."

Section 2 also provides that rules, regulations, and orders issued under the pay and price stabilization programs "insofar as practicable be designed to encourage labor-management cooperation for the purpose of achieving increased productivity, and the Executive Director of the National Commission on Productivity shall when appropriate be consulted in the formulation of policies, rules, regulations, orders, and amendments under this title."

These provisions specifically recognize the importance of productivity growth in maintaining cost stability and are likely to provide additional stimulus to the progress of the productivity improvement programs. The Commission and its staff will work closely with the economic stabilization program agencies to see that these provisions and the importance of productivity to long-run economic stability are given full consideration.

NATIONAL COMMISSION ON PRODUCTIVITY

MEMBERS [1]

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Berkeley Burrell, President, National Business League.

Edward William Carter, President, Broadway-Hale Stores, Inc.

Archie K. Davis, President, Chamber of Commerce of the United States.

Labor

I. W. Abel, President, United Steelworkers of America.

Joseph A. Beirne, President, Communications Workers of America.

Frank Fitzsimmon, President, International Brotherhood of Teamsters.

Lane Kirkland, Secretary-Treasurer, American Federation of Labor and Congress of Industrial, Organizations.

R. Heath Larry, Vice Chairman of the Board, United States Steel Corp.

James M. Roche, Member of the Board, General Motors Corp.

M. Peter Venema, Chairman of the Board, National Association of Manufacturers.

Walter B. Wriston, Chairman, First National City Bank.

John H. Lyons, President, International Association of Bridge, Structural and Ornamental Iron Workers.

George Meany, President, American Federation of Labor and Congress of Industrial Organizations

Floyd E. Smith, President, International Association of Machinists and Aerospace Workers.

Leonard Woodcock, President, International Union, United Automobile, Aerospace and Agricultural Implement Workers of America.

Public

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John T. Dunlop, Professor of Political Economy and Dean of the Faculty of Arts and Sciences, Harvard University.

Howard W. Johnson, Chairman, Corporation of the Massachusetts Institute of Technology.

William Kuhfuss, President, American Farms Bureau.

Government

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Hon. James D. Hodgson, Secretary of Labor.

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John Scott, Master of the National Grange.

W. Allen Wallis, Chancellor, University of Rochester.

Hon. Arch A. Moore, Governor of West Virginia.

Hon. Peter G. Peterson,[2] Secretary of Commerce.

Hon. George P. Shultz,[2] Chairman of the Commission, Director, Office of Management and Budget.

Hon. Herbert Stein, Chairman, Council of Economic Advisers.

[From the Chicago-Times, Apr. 2, 1972]

GALLUP POLL—MOST SAY WORKERS COULD PRODUCE MORE

(By George Gallup)

PRINCETON, N.J.—A majority of U.S. adults believe American workers are not turning out as much work each day as they should. Even a majority of manual workers—skilled and unskilled—agree that this is the case.

Most economists believe that if the United States is to compete successfully in world markets, while maintaining wages at a high

[1] Harlee Branch, Jr., former chairman of the board of the Southern Co., and Edward J. Dwyer, former chairman of the board of the National Association of Manufacturers served until Dec. 31, 1971. Jerome M. Rosow, former Assistant Secretary of Labor, served as Vice Chairman until July 23, 1971. Hon. Maurice Stans, former Secretary of Commerce, served until Feb. 29, 1972.

[2] The President designated Hon. Peter G. Peterson as Chairman of the National Commission on Productivity to succeed Hon. George P. Shultz, effective Feb. 29, 1972. This annual report is the last official act by Mr. Shultz as Chairman.

level, the productivity of U.S. labor must be constantly increased.

Although improved technology is a key factor in productivity, of equal importance is the attitude of workers.

To explore views on this subject, and more particularly to find out from the worker himself if he thinks he could accomplish more if he tried, the Gallup Poll has begun to research this problem.

In a survey just completed, it was found that the majority agree that workers are not turning out as much work as they should.

Men, who comprise most of the nation's working force, are more certain of this than are their wives.

Age is also an important factor persons between 18 and 29 are far less likely than are those over 30 to believe that workers today are not working up to their capacity.

[In percent]

	Yes	No
Total	57	43
18 to 29 years	72	28
30 to 49 years	59	41
50 and over	43	57
College	70	30
High school	60	40
Grade school	34	66
Profession and business	70	30
White collar	70	30
Manual workers	54	46
Farmers	51	49

The results reported here are based on interviews with 1,569 adults in more than 300 locations.

This was the question asked of all adults in the survey:

Some persons claim that American workers are not turning out as much work each day as they should. Do you agree or disagree with this?

The results follow:

[In percent]

	Agree	Disagree	No opinion
National	54	35	11
Men	60	34	6
Women	47	37	16
18 to 29 years	51	44	5
30 to 49 years	63	34	3
50 and over	65	26	9

Since the key to greater industrial production rests with the male skilled and unskilled manual workers of the nation, their views on this question are of particular significance. A majority (52 per cent) agree that U.S. workers do not work up to their potential; 42 per cent disagree.

Economic Stabilization Amendments Act of 1971

NATIONAL PRODUCTIVITY POLICY

SEC. 4. (a) (1) It is the policy of the United States to promote efficient production, marketing, distribution, and use of goods and services in the private sector, and improve the morale of the American worker, all of which are essential to a prosperous and secure free world, and to achieve the objectives of national economic policy.

(2) The Congress finds that the persistence of inflationary pressures, and of a high rate of unemployment, the underutilization and obsolescence of production facilities, and the inadequacy of productivity are damaging to the effort to stabilize the economy.

(3) The Congress, therefore, finds a national need to increase economic productivity which depends on the effectiveness of management, the investment of capital for research, development, and advanced technology and on the training and motivation of the American worker.

(4) The Congress further finds that at a time when economic stabilization programs require price-wage restraints, management and labor have a strong mutual interest in containing "cost-push" inflation and increasing output per man-hour so that real wages may increase without causing increased prices, and that, without in any way infringing on the rights of management or labor, machinery should be provided for translating this mutuality of interest into voluntary action.

(b) It shall be the objective of the President's National Commission on Productivity (hereinafter referred to as the "Commission")—

(1) to enlist the cooperation of labor, management, and State and local governments, in a manner calculated to foster and promote increased productivity through free competitive enterprise toward the implementation of the national policy declared in the Employment Act of 1946 to create and maintain "conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power";

(2) to promote the maintenance and improvement of worker motivation and to enlist community interest in increasing productivity and reducing waste;

(3) to promote the more effective use of labor and management personnel in the interest of increased productivity;

(4) to promote sound wage and price policies in the public interest, and to seek to accomplish that objective within a climate of cooperation and understanding between labor, management, and the public, and within a framework of peaceful labor-management relations and free and responsible collective bargaining;

(5) to promote policies designed to insure that United States products are competitive in domestic and world markets;

(6) to develop programs to deal with the social and economic problems of employees adversely affected by automation or other technological change or the relocation of industries.

(c) (1) It shall be the duty and function of the Commission, in order to achieve the objectives set forth in subsection (b) of this section, to encourage and assist in the organization and the work of labor-management-public committees and similar groups on a plant, community, regional, and industry basis. Such assistance shall include aid—

(A) in the development of apprenticeship, training, retraining, and other programs for employee and management education for development of greater upgraded and more diversified skills;

(B) in the formulation of programs designed to reduce waste and absenteeism and to improve employee safety and health;

(C) in the revision of building codes and other local ordinances and laws, in order to keep them continuously responsive to current economic conditions;

(D) in planning for provision of adequate transportation for employees;

(E) in the exploration of means to expand exports of the products of United States industry;

(F) in the development, initiation, and expansion of employee incentive compensation, profit-sharing and stockownership systems and other production incentive programs;

(G) in the dissemination of technical information and other material to publicize its work and objectives;

(H) to encourage studies of techniques and programs similar to those in paragraphs (A) to (G) of this subsection, as they are applied in foreign countries; and

(I) in the dissemination of information and analyses concerning the economic opportunities and outlook in various regions and communities, and of information on industrial techniques designed for the increase of productivity.

(2) The Commission shall transmit to the President and to the Congress not later than March 1 of each year an annual report of its previous year's activities under this Act.

(3) The Commission shall perform such other functions, consistent with the foregoing, as it determines to be appropriate and necessary to achieve the objectives set forth in subsection (b) of this section.

(d) (1) In exercising its duties and function under this Act—

(A) the Commission may consult with such representatives of industry, labor, agriculture, consumers, State and local governments, and other groups, organizations, and individuals as it deems advisable to insure the participation of such interested parties;

(B) the Commission shall, to the extent possible, use the services, facilities, and information (including statistical information) of other Government agencies as the President may direct as well as of private agencies and professional experts in order that duplication of effort and expense may be avoided;

(C) the Commission shall coordinate such services and facilities referred to in subsection (B) above in order to supply technical and administrative assistance to labor-management-public committees and similar groups referred to in subsection (c) (1);

(D) the Commission shall establish the regional offices and such local offices as it deems necessary;

(E) the Commission shall hold regional and industrywide conferences to formulate ideas and programs for the fulfillment of the objectives set forth in subsection (C);

(F) the Commission may formulate the model programs to ameliorate the effects of unemployment caused by technological progress;

(G) the Commission may furnish assistance to parties in collective bargaining entering into collective bargaining agreements; and

(H) the Commission may review collective bargaining agreements already in effect or those being negotiated to ascertain their effects on productivity; and it may have the power to make recommendations with respect to the agreements made or about to be made in specific industries.

(2) The Commission may accept gifts or bequests, either for carrying out specific programs which it deems desirable or for its general activities.

(e) (1) The Executive Director of the Commission shall be the principal executive officer of the Commission in carrying out the objectives, functions, duties and powers of the Commission described in subsections (b) through (d) of this section.

(2) The Executive Director of the Commission, with the approval of the Chairman of the Commission, is authorized (A) to appoint and fix the compensation of such officers and employees, and prescribe their functions and duties, as may be necessary to carry out the provisions of this section, and (B) to obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

(f) There is hereby authorized to be appropriated the sum of $10,000,000 to carry out the purposes of this section during the period ending April 30, 1973.

Approved December 22, 1971.

SIMPLIFIED INCOME TAX FORMS

Mr. ALLEN. Mr. President, the public has expressed a considerable degree of unhappiness with complexities of the 1971 individual income tax return forms. I am inclined to believe that neither form 1040 nor supporting forms

are as simplified as they should be. In this connection, a good personal friend of mine, the Honorable Guy Sparks, a former chief tax counsel for the State of Alabama and former commissioner of revenue for the State and now a prominent attorney in Alabama, has written me an impressive letter in which he identifies some of the problems with the prescribed forms and related matters.

Mr. President, I believe that Senators can gain a valuable perspective on a serious problem in need of a remedy by a careful perusal of Mr. Sparks' letter. I ask unanimous consent that the letter be printed in the RECORD.

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

ANNISTON, ALA., *April 17, 1972.*

Hon. JAMES B. ALLEN,
U.S. Senate,
Senate Office Building,
Washington, D.C.

DEAR SENATOR ALLEN: It is my hope that you will look into the current operation of the Internal Revenue Service in respect to the general public. I have particular reference to complexities of forms, to failure to have required forms available in its offices and to last minute changes in respect to forms.

This year's (1971) individual income tax return is a nightmare. No one, however well trained in accounting or tax law, is likely to properly prepare the return itself. New forms in respect to the self-employed retirement contribution under the Keogh Act are completely impossible. It is simply not possible to tell what information the IRS wants. Worse still, all required forms were never available locally, and indeed some were not issued at all until the last minute.

I am not unsympathetic to the administrative and legal problems of those charged with the important and heavy responsibility of collecting our nation's taxes. For four years I was chief tax counsel for the State of Alabama and for almost two years was Commissioner of Revenue for this State. I am aware of the complexities and difficulties. These are compounded, however, when taxpayers are faced with forms they cannot understand—even when they have had the administrative and legal tax experience which I have had. They are made even worse when required forms are unavailable, when information as to when they will be available is unobtainable, and when no assistance can be secured as to the proper method of filling out tax forms.

The above is not an overstatement of the situation that existed this year. Past years have been bad, but I simply would not have believed that what happened this year would ever have occurred. It can only result in a long-term loss to the Government, monetarily and otherwise. Taxpayers are frustrated, totally, and not a little angry. Their confidence in the IRS has been badly shaken by this year's chaotic situation.

A well-managed Revenue Service is essential to efficient tax gathering and to an adequately financed government. I urge that your office do what it can to make improvements, not only for the benefit of the individual taxpayer, but for the well-being of IRS itself, our national Government and the public as a whole.

Sincerely,

GUY SPARKS.

ARIZONA REALTORS

Mr. GOLDWATER. Mr. President, all over the country today the subject of taxes—Federal, State, and local—is coming in for a great deal of debate and in the discussion numerous proposals for easing the present burden on the taxpayers have been advanced, including the value-added tax at the Federal level.

Needless to say, all organizations affected by government taxation are giving considerable time and study to this problem. One group in my State which has become concerned over the rising cost of government and the increasing level of taxation is the Arizona Association of Realtors.

This group held its 27th annual convention in Tucson, Ariz., on April 7 and 8 of this year. I ask unanimous consent that the report adopted by the resolutions committee of the Arizona Association of Realtors be printed in the RECORD.

Ther being no objection, the reports was ordered to be printed in the RECORD, as follows:

RESOLUTIONS COMMITTEE REPORT, 27TH ANNUAL CONVENTION, ARIZONA ASSOCIATION OF REALTORS, APRIL 7–8, 1972

The Resolutions Committee does hereby present for the considered judgment of the Arizona Association of Realtors, assembled in its 27th Annual Convention at the Pioneer Hotel in Tucson, Pima County, Arizona, on the 8th day of April, 1972, the following resolutions:

I

Whereas, state, local, and county governments throughout our great land have increasingly been burdened with rising costs, and

Whereas, local taxation has increased to the point where it is rapidly approaching a confiscatory nature, and

Whereas, the theory of a value added tax on a federal level has been studied and appears to have merit, be it

Resolved, that the members of this Association, in order to reduce excessively burdensome taxation, strongly recommend to our Governor and to the members of our legislature that they urge the federal government to further study this method of taxation and to share the revenues so derived with local government on a general as opposed to a categorical basis.

II

Whereas, the citizens of Arizona and the Arizona Association of Realtors are disturbed and concerned about increasing real property taxes, and

Whereas, the legislature has failed to take action on the revision of present methods of taxation to remove unfair tax burdens from homeowners, or to implement a system of tax equalization particularly as it pertains to school taxes, be it

Resolved, that the members of this Association recommend to the citizens of Arizona that they elect a legislature in 1972 which will be more responsive to the needs and wishes of the electorate.

III

Whereas, this nation was created, built, and made strong by the adoption of the philosophy of a free enterprise system, and

Whereas, gradually this philosophy has been eroded, either intentionally, or as a by-product of certain acts of all three branches of state and national government, be it

Resolved, that the Arizona Association of Realtors oppose any activity that would further erode this philosophy and in addition, do all in its power, to restore the concept of the free enterprise system so that this nation may continue to grow and to develop as all its thinking citizens would have it do

IV

Whereas, the Arizona Association of Realtors has dedicated itself to the ideals expressed in the Code of Ethics of the National Association of Real Estate Boards in all contacts with the public and with each other, and

Whereas, the members of this Association have repeatedly offered to society and to government the benefits of their knowledge of real estate, their experience, their technical facilities, and their civic pride be it

Resolved, that the members of this Association shall continue to support the historic American institutions which safeguard and preserve the right of individual ownership of real property, regardless of race, creed, or national origin.

V

Whereas, the Arizona Association of Realtors, in their daily concern with the land, is deeply disturbed about the condition of the environment in which we live, and

Whereas, all citizens should become involved in the coalition of interested people vitally concerned about the destructive effect of air, water, and land pollution which increasingly presents a disastrous danger to the health, welfare, and enjoyment of all citizens, be it

Resolved, that the members of this Association offer their assistance to commerce, industry, and government in the monumental task of making their operation compatible with the improvement of the total environment.

VI

Whereas, the Arizona Association of Realtors has long recognized the need for, and long supported the enactment of, stricter license laws and stricter enforcement of existing laws, which would only permit properly trained and qualified persons to assist Buyers and Sellers with real estate transactions, and

Whereas, members of this Association have always been aware that only honest, ethical, and knowledgeable licensees can offer greater protection and service to the public, providing more and continuing education is made available to them, and

Whereas, the Arizona Association of Realtors has continuously opposed the efforts of any special interest group which would tend to restrict the licensing of qualified persons, be it

Resolved, that the Arizona Association of Realtors support the efforts of Commissioner J. Fred Talley and members of the Arizona Real Estate Board to accomplish these aims of this Association.

VII

Whereas, Fred Tucker, Jr., President of the National Association of Real Estate Boards, has adopted as his watchword for this year "Sell America first, everyday," and

Whereas, the National Association of Real Estate Boards has given him their wholehearted endorsement, be it

Resolved, that the members of this Association in their daily goings always remember to do all in their power to "Sell America first, everyday".

VIII

Whereas, only approximately 15% of the total land area of this great state is privately owned, and

Whereas, more land must be made available near the population centers of our state, be it

Resolved, that this Association support the efforts of those groups advocating that the state and federal government make available to private ownership, certain additional lands in this state.

IX

Whereas, this, the 27th Annual Convention of this great Association was an outstanding one, be it

Resolved, that the members of this Association express their thanks to the Tucson Board of Realtors, Inc. and to our guests who were instrumental in making this an outstanding convention. We express our appreciation to Mr. Fred C. Tucker, Jr., Indianapolis, president of the National Association of Real Estate Boards; Mr. Burr Brown, AFLB, Fresno, California, president of the National Institute of Farm and Land Brokers; Mrs. Gene Buescher, Albuquerque, New Mexico, president of the Womens Council of the National Association of Real Estate Boards; Mr. Paul H. Rittle, Sr. CPM, Pittsburgh, Pennsylvania, president of the Institute of Real Estate Management, NAREB; Mr. Burton E. Smith, Beverly Hills, California, Regional Vice President of the National Association of Real Estate Boards; Mr. Joseph B. Carnahan, Northridge, California, president of the California Real Estate Association; Mr. Art S. Leitch, San Diego, California, president of the National Institute of Real Estate Brokers, NAREB; Mr. Zan Beckstead, Los Angeles, California, Executive Vice President of the California Real Estate Association; and to panel members and Convention committees.

FREE SPEECH AND THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, some people who oppose the Genocide Convention do so because they believe that American ratification of this treaty will destroy free speech in the United States. They believe that article III(c) of the Convention will empower the Government to prevent citizens from exercising their constitutional right to speak as they please.

This argument is wrong on two counts. First, it conveniently overlooks the first amendment to the Constitution which specifically guarantees all Americans the right of free speech. Article VI says that the Constitution is the supreme law of the land. Acts of Congress and treaties are also the supreme law of the land when they conform to the Constitution. The U.S. Supreme Court and other Federal courts have consistently maintained that acts of Congress and treaties must conform to the Constitution, and where they do not they are null and void. Thus, the Genocide Convention cannot in any way abridge the freedom of speech guaranteed under the Constitution.

Second, the crime defined in article III(c) of the Convention is "direct and public incitement to commit genocide." To prohibit public incitement to commit genocide would not be an abridgement of free speech. It has long been recognized that the first amendment does not give a person the right to say anything he wants. A person cannot say a libel. A person cannot give false evidence under oath. A person cannot incite others to commit any crime, whether murder, arson, riot, or, if this treaty is ratified and the implementing legislation enacted, genocide.

Under our constitutional system of government neither the Genocide Convention nor any of the 940 treaties that the United States is presently a party to can override any provision of the Constitution. Thus the Genocide Convention can pose no threat to the rights of the American people.

Mr. President, I call upon the Senate to ratify the Genocide Convention as soon as possible.

THE MULTINATIONAL CORPORATION

Mr. PERCY. Mr. President, the Committee on Foreign Relations is in the process of undertaking an in-depth study of the role of the multinational corporation in world politics. The study is to be balanced, objective, unhurried, with public hearings not getting underway until next January.

The wisdom of this decision to conduct such a study is supported by the growing controversy in this country as to the effect of multinational corporations on the American domestic economy and the economy of foreign countries, as well as the controversy and confusion relating to the political role of multinational corporations in foreign countries.

On March 2, 1972, I placed in the RECORD a study by the Emergency Committee for American Trade on the role of multinational corporations. I commend this study to all members of the Foreign Relations Committee particularly, and to my other colleagues in the Congress as well. Without question, some of the outstanding industrialists in America who participated in developing this study will be and should be called before the Foreign Relations Committee as witnesses next year.

There are others who should be considered as witnesses, among them a distinguished Frenchman, Jean-Jacques Servan-Schreiber, the author of "The American Challenge," a book that quickly became "must" reading for all European political and business figures and that also has had widespread readership in this country. Businessmen have told me that they have gained a better insight into the role of American corporations in Europe through study of this volume than even as a result of their own direct experience.

I commend also to the Senate attention an interview with Samuel Pisar, a naturalized American citizen, noted international lawyer, an expert in foreign economic trade policy and a member of President Kennedy's Task Force on Foreign Economic Policy. His book, "Coexistence and Commerce," published by McGraw Hill, New York, is also "must" reading for labor, business and political leaders who wish to better understand the role of multinational corporations. Realités magazine, in its February 1972 issue, conducted an interview with Samuel Pisar, and I ask unanimous consent that it be printed in the RECORD following my remarks.

Mr. Pisar seems to confirm the judgment of the Foreign Relations Committee in undertaking a long-range, in-depth study of the role of multinational corporations when he points out that there is a fundamental confrontation between the two greatest forces of our time: the determination of nation-states to retain their receding authority, and the unifying tidal wave of the multinational economy. He states further:

The outcome of this conflict in which the two great forces of the age are now engaged could well have decisive consequences for the future of mankind.

Mr. President, this is a most important subject for Congress to study thoroughly and discuss and one which has important domestic and international implications.

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

THE MULTINATIONAL CORPORATION IN THE NATION STATE

(An interview with Samuel Pisar)

The lingering international trade and monetary crisis is only an epiphenomenon, says Samuel Pisar. It hides a much more fundamental confrontation between the two greatest forces of our time: the determination of nation-states to retain their receding authority, and the unifying tidal wave of the multinational economy.

Since last summer the world has been plunged in a monetary crisis whose elements are so complex as to be not only beyond the comprehension of the public but almost beyond the ability of governments to control. What, in your opinion, are the reasons?

Although everyone is affected, very few people understand what is happening. In fact, the trade and monetary upheavals, which culminated in the protectionist measures taken by President Nixon last August, are only an epiphenomenon. A far greater drama is unfolding in the background. The world has entered into an evolutionary period which can be described without exaggeration as a turning point in history. It is the confrontation of two gigantic forces: the political power of nation-states and the economic power of multinational corporations. The outcome of this contest in which the two great forces of the age are now engaged could well have decisive consequences for the future of mankind.

What are the respective strengths of these two forces? First, we must identify them. On the one hand there is the political power of the states. This is an established power, enclosed, recognized and circumscribed by political and ideological frontiers. It is the subject matter of our history books. The challenger on the other side is a fascinating, mysterious new force which is just beginning to reveal its strength, its ability to break out of traditional categories, to cross borders, to bridge ideologies. It is the economic force of multinational enterprise. From its vantage point the whole world is one unified field of action for investment, production and distribution. This "economic monster" has its own logic, independent of that of the nation-state. It has its own dynamism, generated by a simple principle: optimum efficiency. Thus it is a neutral, transnational and transideological force. It seeks to discover, at all times, and on a global scale, where the best opportunities exist for mining, for manufacturing, for buying, for selling and for unlimited growth. Wherever it establishes itself, regardless of the prevailing social or political climate, the multinational corporation is motivated by one principal criterion: how much profit will its operations show on the balance sheet at the end of the fiscal year? Its dominant rationale, then, is progress and prosperity. It is also a force that requires order and stability: international peace is indispensable to its continued development. If General Motors or Fiat make gearboxes in one country, tires in another, engines in a third and market their finished products on a worldwide basis, they depend to a large degree on quiet and open frontiers. This implies a quest for good and ample international relations. If the force I speak

of is a monster, I would say that it is a benevolent monster, straightforward and candid, looking for rational solutions to practical problems and doing its job automatically, almost like a computer. To make it work for the good of man, its activity must be channelled in proper directions, and not stifled.

What is the role of the states, of traditional political authority, faced with an economic force which refuses to recognize constraints and frontiers?

There is the rub. Relations between national political power and multinational economic power are profoundly ambiguous, rather like an erratic love and hate affair. The states need the multinational enterprises because they stimulate local business activity, create jobs and bring in tax revenues. At the same time, the states dislike this anonymous force which, true only to its own aspirations, remains outside their control. Governments want to protect their own national interests against decisions taken elsewhere that can affect the everyday life, the economic climate and even the social stability of their countries.

One striking example illustrates the ambiguity of these relations. Not long ago Henry Ford II was the guest in London of his friend Ted Heath, the Prime Minister. After a very pleasant lunch at 10 Downing Street, where the ghosts of Disraeli and Churchill still prowl, Mr. Ford made a comment to the press which added up to something like this: "Behave, or we will go elsewhere." This seemed like a warning not only to the strikers at Ford's huge plant in Dagenham, but to England as a whole. It symbolized very clearly the essence of this supranational force which offers investment, jobs, technology and development. England, its unions, its bankers and its businessmen need them—that is why the government is obliged to court the corporations. That is also why an eminent representative of that force can allow himself to be so blunt. I know Mr. Ford: he is not at all a cynical or inhuman capitalist. In taking this forthright attitude he is doing his job as the leader of an international enterprise. In the exercise of his daily responsibilities he must look on man as a unit of production: his duty is to seek maximum efficiency and productivity. The duty of Mr. Heath, as a head of government, is precisely to ensure that men are not reduced to mere units of production. But beyond questions of social morality and political philosophy, it all comes down to an intensely practical set of problems for any government: how to keep the economy in good shape, how to avoid social unrest, how to retain political power. There you have the fundamentals of the issue that is now being joined between the forces of economic multinationalism and political nationalism, a debate that is as important as that which at one time opposed Church and State.

For you, which is the more dangerous force, that of the nation-states or that of the multinational economy?

When political power—or ideology—takes precedence over economic action, we know the result. Look at the example of the communist system in the East. Political interference crushes the economic spirit.

Yet it is precisely because of the inexorable tendency, East as well as West, towards a unified world economy, a single world market, that one can expect to see a loosening of ideological constraints. The Czechs, the Rumanians, the Hungarians, and even many Russian managers and engineers sense the value of latching on to this evolution of international business life in order to escape from internal stagnation. Hence the importance of what I call the "transideological enterprise": for instance, a Polish company, which belongs to the communist state, setting up a joint subsidiary with a German company, controlled by capitalist interests, in order to manufacture goods that will be sold to Egypt, Cuba or Ireland. These combines, whether simply multinational or—as in the example just cited—transideological, have one essential interest: to take advantage of conditions that are favourable for commerce and investment, to establish themselves—anywhere and anytime—to make the most of available opportunities, in terms of labour markets, tariffs, fiscal policies, currency fluctuations, and so on.

I think that Mr. Kosygin himself is aware of the importance of the multinational market of goods, ideas and facilities and that in his arguments with the Soviet military-industrial complex, the "metal-eaters," he tries to convince them that it is in the interest of the USSR to participate in this process and to integrate itself a little more closely into the world economy. In order to buy Western technology, the Russians and, even more so, the smaller East European countries must sell their own products. To do so, they must incorporate certain priorities determined by the world market into their governmental economic plans. That in itself is part of a logic governed essentia'ly by the push and pull of multinational forces.

In Yugoslavia there are already transideological enterprises. Rumania has just passed a law allowing for their creation. Hungary is about to follow suit. But the situation remains very fragile. Political and ideological power could assert itself at any moment and nip these trends in the bud. The Soviet Union could step on the brakes again, as it did in Czechoslovakia, and stop the progress of business relations between East and West if this progress accelerated beyond its control, despite the fact that such action might be economically harmful for its own bloc of nations.

And what of the Western countries?

There is an even more serious danger that Western nation-states will act to impede the continued growth of the multinational economy. That is what is starting to happen now. The states are still sufficiently strong to react with violence when they feel themselves individually threatened by this new international business force which has no respect for petty provincial concerns. The vulnerable point of multinational enterprises lies in their dependence on an open world economic order favourable to trade and investment. Their development, over the last fifteen years, went hand in hand with a trend towards freedom of exchange on a global scale. When nations threaten to fragment the world economy through restrictions on the free circulation of capital, goods and know-how, the very survival of multinational corporations is in question.

Perhaps that is what President Nixon set in motion when he suspended the convertibility of the dollar into gold and introduced a hefty surcharge on imports. While some measures to right America's rapidly deteriorating balance of payments were obviously needed, should the crisis linger on, other countries will, without doubt, retaliate in kind. The dangers inherent in this easy progression are evident. The short-term advantages to be gained by the states concerned will in the long term bring about a reduction in international trade, with all that this entails: recession, unemployment, social upheavals, or even worse.

Do you find it paradoxical that this reaction should come from the United States Government, when the corporations which have reached international proportions are for the most part American?

Strangely, no. As long as these companies furthered the development of American influence in the world, Washington obviously had no interest in restraining their activities: but gradually, they have developed terms of reference of their own. To an increasing extent, they function beyond the control of their state of origin. The trade union leader George Meany has accused the multinational corporations of having taken 500,000 jobs away from the United States in the last ten years. In looking for the best cost and profit conditions, many of these firms have chosen to set up manufacturing units abroad; they have even begun to import products into the United States from their foreign-based facilities. From a strictly American viewpoint, although these offshore investments constitute an important economic asset because of the considerable dividends, royalties and other earnings they eventually bring back home, they nevertheless produce a double negative effect in the short term: first, on the level of employment, second, on the balance of payments.

These corporations have, in fact, detached themselves from their American pole. Together with a handful of similar-sized firms in England, Holland, Germany and elsewhere, they have internationalized the production process and de-emphasized the importance of exports from their bases of origin. Their universal approach to industry and commerce can and does occasionally conflict with the interests of their own country's government or those of their host country, each faced with its own burning national priorities and problems. The "American Challenge," which the French author and politician Jean-Jacques Servan-Schreiber defined in 1967, has blossomed into a stateless multinational challenge. The United States itself must now come to terms with it.

Do you think it is desirable that the world should be allowed to develop in accordance with the logic of the anonymous international force which the great multinational corporations represent?

This force is, in itself, efficient, objective and innocent. But it must be channelled into positive directions. Harmful by-products of the system must be eliminated. Scandals like IOS, which roamed the globe without legal supervision, tax accountability or business scruples must not be allowed to be repeated. The development of the basically wholesome economic phenomenon must be harmonized with other imperatives, like the preservation of the environment and the general welfare. Otherwise we shall find ourselves in an industrial jungle, with towns so polluted that life itself will be endangered. Among current expressions of awareness that controls are needed, one should cite the campaigns of Ralph Nader, tracking down abuses, first in the US and now elsewhere, which reveal a certain disregard among business corporations for the rights of the consumer and citizen. The rejection by Congress of the Boeing supersonic aircraft also provides an unequivocal sign of popular watchfulness. The problem derives from galloping technological development, from the rapid growth of communications, tourism and business made possible by the emergence of a world virtually without frontiers. Suddenly a voice arises, as if from the depths of human conscience: "Let us stop and think for a moment: where are we going? Isn't our industrial machine getting out of control? Should it not be restrained?"

Other indications can be found in the behaviour of the unions. They may be expected to react to the advent of the multinational corporations. Some of them are already beginning to do so by organizing themselves on a multinational scale. The American unions will certainly encourage them. It is very much in their interest to see the workers in other countries press for increased wages and better working conditions so as to diminish the competitive disadvantage inherent in higher US costs.

But these partial reactions do not resolve the basic problem, which is how to create a meaningful balance between economic and political power, economic and political responsibility. The greatest danger at this mo-

ment is that the nation-states may indulge their jealous, destructive instincts vis-a-vis the multinational fact. Under the pretext of controlling the flows and patterns of world business activity, the states, whether motivated by politics or ideology, are quite capable of destroying international trade altogether, and, with it, our hopes for prosperity and even peace itself.

On the one hand you say that the enormous power of the multinational economy must be channeled and controlled, yet on the other you suggest that the actions of the states in this regard are damaging and even dangerous to the peace and prosperity of the world. Are we really faced with such a dramatic impasse?

What I mean is that we need this new economic force, this nonrespecter of frontiers and ideologies, because it is an unprecedented dynamo of progress towards prosperity, peace and freedom. But a social and legal framework must be created, within which this force can continue to develop on a world scale to the benefit and not to the detriment of man. Traditionalist politicians in the West and in the East reveal great temptations to break up this process. Their inspiration is national egotism or dogmatic ideology. I believe quite strongly that the established political structures must be reformed to accommodate and channel the international business energy that is burgeoning before our eyes.

But the nation-states, with their nineteenth-century mentality, lack the indispensable global vision which would enable them to adapt their institutions and policies to the needs and challenges of the modern world, brought closer together by the unprecedented growth of trade and commerce. In short, there is no valid interlocutor with whom the multinational corporation can conduct a constructive dialogue, no counterbalancing force which is flexible and self-confident enough to draw up proper limits, and allow a competing force to thrive and bring forth ever greater material and social benefits. This incapacity of the states will, without doubt, condemn us to a long period of transition during which we shall go from one economic crisis to another, until a new international system emerges and asserts itself.

How can such an order emerge?

I would like to know that myself. It is difficult, but the solution may not be that far off.

The immense multinational economic force, operating beyond the reach of nation-states which are caught between the spectre of their eroding authority and people's demands for a better standard of living and ever higher rates of growth in an industrial society, will itself one day give birth to a new supranational structure. There is a subtle pragmatism that differentiates the businessman from the conventional government official, diplomat or idealist who seeks to create a world order through abstract concepts. Those who have produced the vitality of economic multinationalism which characterizes our era possess a great deal of inbred wisdom and practical common sense.

Sometimes they abuse their position, but their fundamental concern, based on self-interest, is to safeguard their accomplishments and foster conditions for their further development. In past civilizations, businessmen have always manifested this pragmatic wisdom, whether in accepting a certain order imposed by the great empires, or in creating an orderly framework of their own within which they could promote their affairs. The *lex gentium* has invariably found favour with the merchants, and so has the *lex mercatoria*, because disorder, in spite of the short-term advantages it can bring, is death to business in the long run.

Today, we are at a turning point. The grave threat of disorder in international economic relations, emanating from narrow, nationalist politics, is really intolerable. For the first time, the push of a worldwide production system and the pull of a worldwide market have given birth to a truly supranational force. It is a primary force based on hard-nosed economic realities. Under its impact, businessmen will find a way of compelling statesmen to furnish them with an international structure worthy of the historic new challenge.

Samuel Pisar has described the transideological enterprises—one of the latest manifestations of the unifying action of the international economy—in his book. *Coexistence and Commerce*. Below is a passage in which he shows how these enterprises, formed in partnership between capitalist and communist countries, are born, and how they bridge the ideological gulf.

It is axiomatic of a communist economy that private capital, domestic or foreign, cannot be admitted to participate in local industry. A noteworthy exception is Yugoslavia, where a law enabling foreigners to invest in domestic enterprises was promulgated in 1967. The law limits the outside investor's role to that of a minority shareholder. But the essential novelty of the law is the fact that the Western party's return from the investment is directly tied to the profitability of the joint enterprise.

The foreigner is not deemed to hold equity in the strict sense of the word. His rights are contractual in nature, deriving from an investment agreement with the local entity. In this manner, the sanctity of socialist property is presumed intact, if only for the sake of appearances.

One of the first Western firms to make use of the new law was Fiat of Italy. For more than a decade its vehicles have been assembled and sold in Yugoslavia under license by a local enterprise. Crvena Zastava. This relationship has now been converted into a joint venture, with a capital of some $50,000,000. Fiat shares in the profits of the undertaking and participates in management through a mixed committee of experts.

Although the Yugoslav variety of international joint venture is still a solitary institution in the East, it may prove to be a precursor of comparable developments in adjacent countries. As East German, Czechoslovak, Hungarian and other enterprises in the region increasingly take advantage of similar opportunities, their appreciation of the potential and methodology of cooperative East-West production and marketing will undoubtedly grow, and with it the possibility of legislative innovation and liberalization. After all, Russia's New Economic Policy of the 1920's constitutes a Leninist precedent for the mobilization of capitalist assistance for an industrial leap forward. The unknown quantity is, of course, the political climate within the communist camp and the extent to which the Soviet Union will allow its smaller neighbours to experiment with new economic tools.

Certainly, communist philosophy cannot tolerate a pattern of far-reaching exceptions to the central notion of state ownership and management. Allowing private Western investors openly to draw profits from local industrial or commercial activity would be tantamount to introducing capitalist, or worse, foreign capitalist, exploitation into a socialist society.

Yet a variety of functional arrangements which give Western firms a stake in the Eastern economies have come into the realm of the feasible in the last few years. These arrangements are predicated upon an advantageous division of labour which extends to the sharing of technical know-how, production facilities, marketing outlets and management skills, occasionally in combination with other factors. The cooperation which they envisage, both in the manufacturing and service industries, is characterized by a marked degree of continuity and a solidarity dictated by common objectives.

Joint East-West undertakings are presently encountered at four levels; government-to-government, government-to-enterprise, industry-to-industry and enterprise-to-enterprise.

An example of the first is the Franco-Soviet Agreement of June 30, 1966, which provides a broad institutional framework for economic, industrial, scientific and technical cooperation between the two countries. Examples of the second are agreements in industrial and technological cooperation concluded by the Soviet Committee on Science and Technology in 1968 and 1969 with J.R. Geigy A.G. of Switzerland in the area of pharmaceuticals, with Polimer Corporation of Canada in the area of synthetic rubber and with Nebiolo S.p.A. of Italy in the area of polygraphic materials. An example of the third is the Japan-USSR Agreement for the Development of Soviet Forestry of July 29, 1968, which encompasses several companies from both countries.

Cooperative company-to-company arrangements based on private law relations are more current and varied.

The arrangement between French and Soviet enterprises to exploit the SECAM colour television system is an illustration in point. All the underlying industrial property rights are shared, the Soviet party holding title to the USSR territory and the French party to the rest of the world.

More often than not, the grant of industrial property rights is combined with the sale of a complete plant or the lease of special equipment. In such situations. the foreign licensor frequently agrees to purchase a fixed portion of annual output or to distribute the manufactured items in designated territories.

In several instances, Eastern enterprises have undertaken to produce goods for delivery to a Western firm, in accordance with the latter's specifications. Some or all of the export proceeds thus realized may be earmarked for the procurement of production equipment from the Western side. In this vein, a Hungarian enterprise, Gants, manufactures generators while its West German co-venturer produces boilers for integration into completed electric power stations.

Another variant is the device of subcontract. The Eastern party agrees to furnish components which its Western partner integrates into finished products. The latter usually undertakes the task of merchandising and distribution. Thus, a Polish furniture enterprise supplies semifinished elements to IKEA, a Swedish company, which in turn attends to finishing and marketing in designated Western areas.

Similarly, an Eastern and a Western enterprise may pool their technical expertise to produce a fully integrated line of products. The state entity takes charge of the segment of manufacture in which it is more specialized, in a pattern of far-reaching technical complementarity. This is illustrated by an agreement for the production of motorcycles concluded by Motokov of Czechoslovakia and Italjet of Italy. The former builds the engines.

Joint marketing ventures are becoming increasingly popular. Production may take place at an Eastern plant, a Western plant or both concurrently. As a rule, the communist partner is allotted sales exclusively in its own and in other Eastern markets, while the Western partner concentrates on the remaining territories. An example is an agreement under which the Simmons Machine Tools Company of Albany, New York, sells in the United States equipment manufactured by Czechoslovakia's Skoda.

Joint efforts in the service industries offer exceptional latitude for foreign management and profit participation. A significant straw in the wind is the willingness of Russia's

Intourist travel agency to rent cars under a royalty remunerated Hertz franchise. Avis is not too far behind in other East European regions.

In 1967, Intercontinental Hotels Corporation, a fully-owned subsidiary of Pan American Airways, in conjunction with Tower International, a company controlled by the Cyrus Eaton group of Cleveland, entered into agreements for the construction and operation of luxury hotels in Hungary, Rumania and Czechoslovakia. The Western firms are assisting with design, construction, personnel training, supervision, bookings and, above all, finance (interestingly enough, obtained in part from the Soviet-owned Moscow Narodny Bank in London). An important aspect of the agreements is a license to use the Intercontinental name as a magnet for foreign tourists. Compensation is akin to, and in many respects better than, a profit participation, namely, a percentage of the hotel's gross, hard currency receipts over a term of years, payable in convertible funds.

The cooperative production of motion pictures and television films is a related form of activity to which Rumania, Hungary and Czechoslovakia have been particularly receptive. Typically, the Western producer is offered low-priced studio facilities, secondary native actors, technicians, a variety of picturesque locations and various other facilities. Little or no legal restriction stands in the way. Personnel can be brought in from abroad without the opposition of local trade unions; nor are any tax or customs obstacles interposed. The consideration accruing to the Eastern party may include a cash payment in convertible currency, a participation in profits realized from the film's worldwide distribution and exclusive exploitation rights in local theatres or in other territories within the communist orbit.

Although the socialist countries have been reluctant to allow split ownership in domestic co-ventures, they no longer demonstrate the same ideological aversion in the case of foreign-based activities; nor is it considered unpolitic to share the profits which such operations might yield. It is even becoming commonplace for capitalist firms and communist instrumentalities to register jointly owned corporations under Western law, as vehicles for a continuing relationship. Of great potential importance are international marketing ventures conducted through mixed companies. Formed in jurisdictions which are hospitable from a legal and taxation point of view, the companies are conceived on the basis of divided equity, a balanced board of directors and jointly appointed management. In due course, jointly owned firms, or consortia of communist and capitalist enterprises formed on an *ad hoc* basis, may be expected to bid for supply and construction contracts anywhere in the world, including the industrialized West.

By now, sufficient evidence has accumulated to suggest that in the East-West context a significant movement is afoot from commodity trade to diverse forms of economic cooperation. As the conventional exchange of goods reaches a ceiling imposed by hard currency shortages and the East's inability to market a broader range of exports, joint production, marketing and servicing ventures may become the most dynamic sector of commerce between planned and free economies.

The development of legal concepts necessary to sustain such a movement is still in an embryonic stage. But once again necessity is coming to the rescue as the mother of invention. A new range of pragmatic tools is being subtly hammered out by business executives and attorneys on both sides of the ideological barrier. To overcome the stricture of communist doctrine which preclude direct investment within the confines of a socialist economy, workable camouflage devices have been developed by imaginative draftsmen. The mutually desired economic results seem attainable nonetheless.

In any event, the experience of the last decade suggests that when an objective is demonstrably and mutually advantageous, the socialist partner will spare no effort to meet his capitalist partner halfway.

MISSOURI PROCLAMATION OF EARTH WEEK

Mr. SYMINGTON. Mr. President, a national observance marked by its third year, Earth Week, designated as April 17–23, gives testimony to continued and increasing public awareness of the need for environmental improvement programs.

Any success in the past has resulted from participation at the community level. State and local organizations tap their individual resources and determine their own priorities for environmental projects.

In line with the growing concern for our ecological welfare, Gov. Warren E. Hearnes of Missouri has proclaimed recognition of Earth Week in the State, urging local participation in Earth Week activities.

I ask unanimous consent that the Missouri proclamation recognizing April 17–23 as Earth Week be printed in the RECORD.

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

PROCLAMATION—STATE OF MISSOURI

Whereas, there is an urgent need to promote a broader awareness and understanding of the environmental crisis facing each and every state in the United States; and

Whereas, there is a compelling need to encourage a continuing commitment by all interests including education, agriculture, business, labor, and civic and private organizations, to work to solve these fundamental environmental problems; and

Whereas, the attention of the nation is focused on environmental problems and their solutions:

Now, therefore, I, Warren E. Hearnes, Governor of the State of Missouri, do proclaim the period April 17–23, 1972, as "Earth Week" in Missouri, and urge the broadest participation in its activities in order that we might seek a greater degree of conservation and ecological balance for the purification and preservation of our natural environment.

In testimony whereof, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Missouri, in the City of Jefferson, this 12th day of April, 1972.

WARREN E. HEARNES,
Governor.

WHO'S TO BLAME?

Mr. GOLDWATER. Mr. President, in all the shrill debate we hear in this election year about unemployment and high taxes, very seldom does anyone get around to explaining that the economic problems which plague our country today were created during the 32 years out of the past 40 that Democrats controlled both the presidency and the Congress.

Of course, it is easy to see that my Democrat colleagues, so many of whom are candidates for their party's presidential nomination, would like the American people to believe the whole mess was created in the past 3 years by Republican President Richard M. Nixon. I can understand this. Some people regard it as good politics. But that does not change the fact that the people who gave us the economic problems of today are busy complaining about them while promising programs which call for more of the same. Some liberal Democrats have proposed a Federal budget of $350 billion by 1974. This enormous budget would be used to underwrite $100 billion for additional Federal programs. These same Democrats do not explain where they intend to raise $100 billion at a time when taxes are already so high that we are actually threatened with a taxpayer's revolt in this country.

Mr. President, one of the most devastating analyses of Democrat performance and promises has been made by California Gov. Ronald Reagan who outlined his conclusions on March 29 in a speech to the Trunk 'N Tusk Club of Phoenix, Ariz. Because of its importance at this time, I ask unanimous consent that the text of Governor Reagan's remarks and an editorial from the Arizona Republic of April 2 which was based on those remarks be printed in the RECORD.

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

REMARKS OF GOV. RONALD REAGAN

This is an annual affair with me, and I have also been present here at others of your Trunk 'n Tusk meetings. So this is a very enjoyable occasion.

And when you were honoring that very distinguished citizen and party member and his lovely wife up here a moment ago, I was thinking of what an age of cynicism it is.

The other day, I heard someone say that if you see a man assisting a woman into a car, he has either acquired one or the other or both recently. And I don't think that that's true at all.

You know, I'm sure you people realize the governor you have. I know when I first met him at the first governor's conference that I ever attended, there was one thing in my mind that I'm sure was on his.

We both discovered that we had inherited a sort of feud that raged across the river that separated our two states. And I found great agreement on the part of your governor in the decision to settle this on the basis not of *who* was right, but *what* was right. And I think we made great progress in doing that.

Now I have another thing. I'm over here in Arizona to see if I could contract out with Arizona for senatorial representation in Washington.

We've got two. One of them always votes wrong, and the other one would vote wrong except he's usually skiing in Switzerland with Teddy Kennedy.

But absenteeism on the part of Democratic senators is commonplace these days. The only way they can get a caucus among the Democrats is in Chicago when the candidates are in between planes.

You know, it seems sometimes that if God had intended them to fly so much he would have made them mayor of Los Angeles.

They've got a new system—the Democrats—now for picking delegates to the convention. They're going to have twice as many as we have. It's the only way they could outnumber the candidates.

Did you ever stop to think of that traditionally little green man from Mars should ever land in a flying saucer and approach a Democrat and say, "Take me to your leader"? They'd both get pretty confused.

But of all the campaign gismos around

now, the newest thing of course the last few years has been watches.

Senator Muskie has one. You wind it up and it doesn't tell you the time. It just plays "The Little White Cloud that Cried."

And then McGovern has one. You wind it up and Teddy Kennedy starts running.

Teddy has one. It isn't numbered 1 to 12. It says, "I'd rather '76, or even '80, or maybe they'll forget by '84."

And of course Hubert Humphrey has one. You wind the Hubert Humphrey watch and you never have to wind it again.

Of course, if any one of them gets elected there will have to be a taxpayer's watch. It won't tell time either. It will just wring its hands.

And John Lindsay—he doesn't need a watch. He's not going anyplace.

He was visiting in California recently. We wanted to make him feel at home. We didn't collect the garbage for a couple of weeks.

As Republicans, aren't you proud of the way we stood up under the blow of his leaving us? When he was in California, he said he had the second toughest job in the nation. And I think that's true, the way he does it.

The last five years, he's doubled the city's budget. He added almost as many employees as we have running the entire government running the State or California. In fact, the budget for the City of New York is now $2 billion bigger than the California state budget.

Now he did that while he was a Republican. What do you think is going to happen now that he is a Democrat?

I know that you all have been reading a lot about our own convention since Jack Anderson volunteered to advance it. San Diego—beautiful city—you're going to love it. It's just a stone's throw from the Western White House, and we're hoping the President doesn't figure that out.

Well, seriously, we are in one of those rare moments in history when our deeds and our actions in the months ahead will set the pattern for our children and their children, and for mankind for perhaps generations to come. The peace and security of the world depend on our fiscal economic stability and our willingness to remain strong at whatever the cost.

Our opponents, almost to a man, are reciting the same litany. We must change the direction in which this nation is moving. Somehow this has a hauntingly familiar ring. We heard it first 12 years ago from men—indeed, some of the same men who are talking today.

They were the men who were describing the Eisenhower years—the years of peace and economic stability—as a period of stagnation.

Well, call it what they will. It was a time when even the most reckless foreign adventurer talked very softy, because he knew the will and the strength of this country were sufficient to protect the citizens and the security and peace of the world.

Now these ambitious men on that day 12 years ago sought the presidency. They were urging change. They were playing on fears. We heard the phrase for the first time in that campaign of missile gap. Of course, there was no such thing.

Earlier in the term, John Fitzgerald Kennedy—he was able to face Nikita Khrushchev at a time of crisis, bolstered in the knowledge that he had inherited from Dwight David Eisenhower a 5-to-1 nuclear superiority.

Richard Nixons' inheritance eight years later was not so substantial. During the eight years of Kennedy and Johnson, the missile gap became a tragic reality. We live now with the knowledge that the day is not too distant when a Soviet ultimatum could find us with no other choice but surrender or die.

The President tries to restore our strength, and is thwarted by those who would call for peace at any price. They call for unilateral disarmament. They say it's time for a change. Are they saying there has been no change in these three years? Or is it the change that we've noticed that they object to?

They would have us return to the old—not move on to something new. Return to Camelot and the Great Society, whose hallmark was burning cities and organized rebellion in the academy. When inflation, deliberately encouraged, eroded the value of our savings, our pensions, and our Social Security. To that time of the bullion social consciousness when it was fashionable to defend the criminal against society, instead of the other way around; to denounce the American people—a great and compassionate people—as racist and selfish, sick with greed.

You wonder if they believe honestly that our memories are so short that we've forgotten that only three years ago we were looking forward with dread to the long, hot summers. But only three years ago, 542,000 young Americans were fighting in Vietnam, and 500 of them were dying each week.

Today less than 100,000 remain, and the death toll is only two a week—not 500. The draft calls are down from 300,000 a year to 50,000. And we are well on our way to that volunteer army that Barry Goldwater first called for in 1964.

Apparently none of that is good enough for these men who would be president. They're so positive in their assurances that they alone have the answers. But we should be cautious, because they were equally as positive when it was a Democratic war, and they expressed somewhat different views.

You wonder, is Hubert Humphrey right now, or was he right when he said, "The minute we back away from our commitment, the commitment we've made to the defense of freedom where Communist powers are guilty of aggression, on that day the freedom and honor to the United States will be eroded."

Senator Muskie said, "I believe the credibility of our word and our purpose are at stake. South Vietnam's loss would be an enormous setback for the forces of freedom." Of course, when he said that he was only running for vice president.

Even super-dove McGovern said, "We should be prepared to wage a prolonged conflict rather than surrender the area to the Communists."

And more recently, since the war did become Richard Nixon's problem, the Democratic national chairman said, "We will hold Richard Nixon responsible if he turns South Vietnam over to the Communists."

Well, he's not turning South Vietnam over to the Communists. And in recent weeks he has offered the most unique and generous plan for peace in the history of international relations. It was immediately rejected by the Washington Post and Senator Muskie. The enemy didn't get around to turning it down for another two weeks.

Senator Muskie has a two-point plan of his own: Bug out now, and let the last man to leave shoot President Thieu. I think really he's been playing Lincoln so long in this campaign that he wants us to surrender at Appomattox.

Perhaps some of our liberal editorial writers are so mistrusting of their own government that it is difficult to appreciate just how generous the President's proposal really was. What if we reversed it? Has anyone thought about this peace proposal that he has made—how enormous it was in its generosity?

What if his offer had carried a Moscow dateline instead of Washington? Suppose it had been Moscow that proposed an immediate ceasefire, an end to the killing; that the men of all armies would return to their homes; all prisoners on both sides would be freed; there'd be no bitterness—no victory, no vanquished—no vengeance, no reparations; the military unelected by any one dictatorship of North Vietnam would offer to resign and submit to an internationally-supervised election, with even the erstwhile enemy allowed to participate in the voting.

And Russia generously would offer to rebuild all the war-torn countries of Southeast Asia, enemy and ally alike.

And what if such an effort had come from Moscow, and Washington and Saigon had rejected it? How many professors would lead how many students in a march on Washington?

But these men who would be president continue to insist that the prisoners of war will be returned if we will accept the enemy terms. What if they're wrong? As one of them said he would do in such an event, perhaps as candidates they can afford to take chances with other men's lives. But the President can't. He's the commander-in-chief of these men, and he is the only man in the presidential sweepstakes today who has said, "We will not abandon our young men to the enemy."

I think it's time that all of us made it plain to the President, to the world, and to the enemy especially, that so long as they hold even one young American captive, 200 million of us pledge we will do whatever has to be done to get him back.

Three years ago, we placed a new captain at the helm of the Ship of State. It was war-battered, it was dangerously adrift in uncharted waters. Now some are complaining because he didn't give us an instant moonlight cruise. But the ship has headway, and slowly it's making its way out of the shoals.

This President is trying to renew the spirit of our people, to restore our sense of purpose and our pride in America. The highest court in our land no longer indulges in social experiments in rewriting the law. It interprets the Constitution. Colleges are once again institutions of learning.

I found that out very personally just a few weeks ago in California. It was a story that broke to the effect that at one of our largest California state universities the students were to jammed at the library in such a lack of facilities and books, and so forth that they stood in line and couldn't complete their studies at all. And of course, there having been a certain difficulty between the university and me budget-wise, the inference was that this was caused by my budgetary policies.

Now I knew better, because I have a warm spot in my heart for college libraries. I figure that's where you learn what keeps you in school, and it's also where you meet what makes kids' staying in school pleasant. And I hadn't cut the budget for the library, so I demanded publicly to know what had happened that had victimized these young people.

And somewhat sheepishly, the chancellor of the university admitted that there had been no change in the budget, there was no reduction of the facilities for the library, there was no increase in the number of the students. It's just that today the students had increased their use of the library 27 per cent over what they were using it when they were so busy picketing and demonstrating.

This President has called for an end to centralizing authority in Washington—a reduction of the federal bureaucracy that threatens to make all of us tenant farmers on a federal plantation.

He has asked for a sharing of revenues and responsibilities with state and local governments. And in the face of a hostile Congress tending toward peace at any price and unilateral disarmament, he has called for a rebuilding of our defenses.

He inherited a near runaway inflation, the result of the guns-and-butter policy of his predecessor. He knew that curbing inflation would meet with an unpopular cooling of the economy, just as he knew that winding down

the war would add unemployment to the dislocation of the economy.

But he took on both tasks, accepting the shrill cries from those who would blame him both for the high prices and the unemployment. Two million defense workers, a quarter of a million Department of Defense employees, and one million uniformed personnel have been thrown onto the job market.

Now no one doubts or makes light of the seriousness of the problem of unemployment. It is serious. Why, unemployment today has reached a rate that is almost as high in this time of emergency as it was in the entire three years of the Kennedy administration.

Of course, it is not usually presented that way. In fact, it took a little digging to find that out. Because in those three years of Camelot, no one ever suggested that there was a problem, and no one in the frequent press conferences ever asked the President even once if he intended to do anything about unemployment.

This points out what I think should be the great issue of the coming campaign. The great mythology that has been built up about politics in America, aided and abetted by large segments of the media this country has been led a long way down a dangerous road.

Our sons and daughters are coming into their heritage of citizenship a little early, and they, too, have been victimized by this myth. In spite of and possibly because of a thousand different social science courses, a great many of them lack a historical perspective in a political sense.

We're told they are registering 3-to-1 with our opponents, but that possibly even a greater number are not registering at all because they think it is useless. There's no difference between the two parties. Government—the system, as they call it—has become too big and impersonal. It's beyond their ability to influence.

These young people are idealistic. They sincerely desire to take a part doing and solving the problems of human misery that concern all of us. They mustn't become captives to some demagogue who may appear on the scene riding a white horse.

I think our task is to explode and expose that political myth. We can begin with the fact that there is great fundamental and philosophical difference between the two parties. We can begin by telling our young people that what they find wrong is not of our doing, because for virtually the last four decades—for 40 years—the leadership of the Democratic Party has determined national policy.

And that leadership, in doing that, has tended to drift farther and farther away from the beliefs and the desires of its own rank-and-file party members.

It's true that in these 40 years, Republicans have occupied the White House for 11. But only in one two-year term did a Republican president have a Republican Congress. And, incidentally, that two-year Republican term was the only time in the entire 40 years that the dollar retained its value and didn't lose a single penny in purchasing power.

Thirty-eight of the 40 years, our opponents have been in charge. At the beginning of these 40 years, the federal government had one employee for every 203 citizens. When Richard Nixon took office, there was one for every 67. The dollar had lost 61 cents of its purchasing power.

And what a record they piled up in those 38 out of 40 years. They set out to help keep the family farmer as an American institution, for example. And after 20 years and billions of dollars, there were only half as many family farmers left. But in the Department of Agriculture, there was one employee for every 22 farms.

They were going to help the wheat farmer. And they ended up cutting the price of wheat in half and doubling the price of bread.

They started out to build in the urban areas 26 million low-cost housing units, and managed to leave us with 200,000 less than we had when they started.

Everytime they failed, they didn't cancel the failure. They added more money and more failures on top of the others. They don't solve problems, they subsidize them.

Our good American citizens of Indian heritage know something about being helped by government. There's a story they tell in Washington that illustrates what bureaucracy has done for the Indians. It has to do with the Bureau of Indian Affairs—one of those large acres and acres of office space, with those rows and rows of desks and thousands of people. And one day one employee in the corner of the room was sobbing as if his heart would break. They finally persuaded him to tell them what was wrong. He said, "My Indian died."

This political myth has been told and retold so many times that even some of us begin to accept it as truth: That the Republicans are the establishment of business, finance, and wealth; that we subscribe to a trickle-down theory of the rewards for the "haves" at the expense of the "have-nots".

We don't bother to explain that if that's true, though, how come on Wall Street that the Wall Street bankers, Democrats outnumber us 58-to-42? Or that in the 40 years there have been six presidents, and two of them Republican started in poverty and in humble beginnings, and even those successful in life, neither one of them accumulated wealth.

But out of the four Democratic presidents, three of them were multi-millionaires.

According to the myth, the Democratic Party is a party of peace. The party is better able to cope with economic problems and to provide jobs for working men and women.

Well, there have been four wars in my lifetime—all of them have been fought under Democratic presidents. Now I don't charge that the Democratic presidents caused those wars, but I wish that their presidential hopefuls would stop charging Richard Nixon with being responsible for this one.

And the party of the working man and prosperity in jobs. The only full employment that we have known in these 40 years has been as the result of one of those wars. Through most of the two terms of Franklin Delano Roosevelt, in spite of the most Herculean efforts of social engineering, unemployment remained at a full 25 per cent of the nation's work force.

It began to go down when we became the arsenal for democracy with the allies in Europe. FDR ran for a third term, happily stating and taking credit, I'm sure, for the fact that the 25 per cent unemployment rate had declined by that time to 14.6.

We had full employment only when we entered World War II. We knew it again during the Korean war, and we knew it when they revved up the war in Vietnam. And we knew it until Richard Nixon began winding down that war as Dwight David Eisenhower had ended the war in Korea.

But let's take note of the fact that even while he is winding down a war, he is slowly lowering the rate of unemployment. It isn't going the other way.

According to the myth, our opponents are the champions of the disadvantaged in our minority communities. But which party was it—not the Republican—that based its political fortunes for more than a half of this century on a one-party rule in a large segment of this nation, where they shut their eyes to the fact that the constitutional guarantees of freedom to a large segment of our American citizens were completely denied?

And it was a Republican president who said those constitutional rights will be provided and guaranteed at the point of bayonet if necessary. And he provided the bayonets when it became necessary.

Today, after three years of this administration, there are six times as many Negro children attending integrated schools in the South, and 10 times as much money has been loaned by the Small Business Administration in the minority community than in all the eight years of Camelot and the Great Society.

Lastly, the myth would have us believe that the Democratic Party is the party of compassion. Well it's a rather selective compassion.

It is true they have sentenced a segment of our society to a permanent life on the dole, even unto the third and fourth generations in some communities. Their compassion does not extend to the hardworking, taxpaying citizen who labors five months out of the year to pay for the cost of government.

Our opponents have a gift for demagoguery. And they're practicing it right now. They would have us believe that government can be practically free for everyone, except a mysterious "they" that they have discovered. This is a "they" they claim is not paying its fair share of the taxes. "Loophole" is a magic word. And with it go the terms "oil depletion" and "capital gains".

But they have more in mind than that. These two items would only produce about $1.5 billion in added federal revenue, if they eliminated them. They have in mind at least another $100 billion for all the free goodies they intend to buy us with our own money. And that's by their count, not ours.

The young senator from Massachusetts: He has in mind bridging the gap—if you'll forgive the expression—to complete socialized medicine with $77 billion worth of something he calls Teddycare.

There's no secret where the revenues will come from. They're already on record in their own councils. When they say "loophole", they go beyond those two items I mentioned. They mean your right to deduct the interest on your mortgage, the taxes on your home, state and local taxes, your medical expenses, your charitable contributions, when you're computing your income tax.

These are the things they consider loopholes. And these items will bring in, according to their estimates, another $18 billion they say the federal government is letting get away from it.

From there, they will go to payroll taxes they've announced over and above the income tax, increases in Social Security taxes, and eliminate local and state governments' right to sell tax-free bonds—which means the federal government would take over all state and local capital expenditures, including our schools.

Now I didn't invent this for campaign purposes. These are not Republican charges against the opposition. These are their own words and their own statements—their own desire to have, as they say, by the year after next a $350 billion budget in this country.

Twelve years ago at a Republican convention, Senator Barry Goldwater said, "Conservatives, grow up!" Well, I'd like to add, "Republicans, wake up!"

Tired of contributing to the party? I don't think anyone can blame you. It seems as if it's never-ending in this effort that we're making to fight our way back.

But I have a memo that perhaps will impress you as how necessary it is that we keep on doing this. Everyone has secret papers these days, so I have mine. I refuse to give the source.

I have the budget of the Committee on Political Education of the AFL–CIO for the coming campaign year. They have put it all together in a memorandum—their spending plans for Democratic candidates.

It's all line-itemed—from voter registration drives and what it will cost to get out the vote, 700 phone banks operating across this country, door-to-door canvassing.

One line in the line-item will make you laugh: It reads, "Salaries for volunteers."

There are figures for polling research, for full-time COPE employees paid from union general funds—without the consent of the rank-and-file union members, I might add—babysitters, drivers and transportation on election day, and direct cash contributions.

And the total: $72,425,110. And more than half of that will not have to be reported as campaign contributions. It will be accepted as the legitimate function of the Committee on Political Education.

This is the contribution of the hierarchy of Organized Labor—the labor lords—removed by too many years and tens of thousands of dollars of salary from having any understanding of the real hopes and dreams of the men and women they're supposed to represent.

They scramble and squirm trying to avoid offending one voter bloc while appealing to another. They divide our citizenry into age groups, ethnic groups, classes, and sections as they busily pursue combinations of the young, and the black, and the poor, and so forth.

Well, there's a voting bloc waiting for us—a voting bloc that has been ignored by our opponents. But when we go after that voting bloc, there must be no uncertain note to our trumpet.

In trying to curb inflation, and at the same time restore full employment without a war, the President in his administration has resorted to some things that are not commonly associated with Republican philosophy. There have been a number of Republicans—perhaps some of you—disturbed at a Republican administration employing deficit spending, wage and price controls, in this time of economic dislocation.

And some Republicans have said, "Is there any difference, aren't we doing the very things for which we've critized the opposition?"

Well, it so happens that, prior to last August, when he instituted those controls, inflation had been reduced, but only to 4.6 per cent from the 7 per cent level. And the American people still had the psychosis, the psychology of depression.

Since August, following five months since the institution of the controls, the inflation rate dropped to 2.2 per cent.

But even if you still disagree, and say that you yourselves would not have chosen those particular methods or tactics in fighting the economic battle, we still as Republicans can recognize that deficit spending and controls have been applied as temporary, bitter medicine to a sick economy. And this differs drastically from the Democratic policy of permanent controls, of a managed economy, and deficit spending as an ongoing thing in good times and bad.

I have heard the men who are entrusted with the controls say that over and over again the President tells them, "You must not institutionalize these controls; they must remain temporary and jerry-built."

And over and over again, the President has said, "As soon as the economy shows the restoration that we need, there will be no deficit spending."

But he's walked a thin line between trying to cure the economic ills without sliding over that thin line into the danger of a full-scale depression.

Some Republicans reacted with fear when the President announced his visit to Peking. Some said that if a Democratic president was going there, we as Republicans would be totally united in our opposition to such a visit.

Well, you bet your life we'd be united in opposition if a Democratic president was going to Peking. And we'd have good reason to be in opposition.

We have seen an American president bring us back the bitter fruit of appeasement from Yalta and Potsdam. We have seen defeats snatched from the jaws of victory in Korea.

We have seen an American president walk all the way to the barricade in the Cuban missile crisis, and lack the will to take the final step to make it successful. We have seen our nation disgraced at the Bay of Pigs.

And we as Americans are not accustomed to seeing our young men asked to give their lives for a cause that is not worth winning, and that they're not allowed to win.

But this president went to Peking—a Republican president who was fully aware of the nature of the enemy, who has no illusion about the great ideological gulf separating us. He didn't go to negotiate away anyone's freedom, nor did he go to forsake old friends and allies.

He wanted to open communications—simply to take a step, if possible, to remove us at least a little way from the possibility of a nuclear confrontation.

The trip is over. And, despite the efforts of many in the press to distort the outcome of that trip, I know, because I asked him what would happen if the Red Chinese should attempt to take Taiwan by force. And the President said to me, "This country will protect and defend Taiwan."

I know that many of us are uncomfortable. But if we demand 100 per cent adherence to what we think we would do if we were president, we ignore the fact that unless we are president and have access to all the facts that he has, we don't know whether our decision would be any different than his.

So let's stop giving him and let's stop giving each other political saliva tests to determine whose Republicanism is better than whose.

Let us address ourselves to that long neglected, that unrepresented voter bloc. It's a voter bloc that's out there for everyone to see. It crosses all ethnic lines. It knows no sectional boundaries.

It's made up of young people, of old people, of black people, of white people, and of all the ages and shades in between. It is the most discriminated against bloc of voters in America today.

It's made up of farmers, it's made up of city folks. It's made up of professional people and workers.

It's made up of people whose sons accept their country's call, if and when it comes, not with any particular joy, but because they've been raised to know that there are obligations that go with citizenship.

It's made up of people who get up and go to work in the morning. They hope to give their children a better start than they had.

Most of them can be found in the church or synagogue come the Sabbath.

They contribute to the United Fund, to the community chest, to the March of Dimes, and all the other good causes that persist despite the government's attempt to make charity a dirty word.

They're made up of Democrats, independents, and Republicans.

They're the very soul of America. They ask nothing of freedom but freedom itself.

And that's our voting bloc.

That's the voting bloc that our opponents wouldn't even know how to approach. Let us try to be deserving of them.

We have such a task in one of the most dangerous moments in history. A journalist the other day in California probably described it best of all: To all of those who think it is so easy to say "If I were president . . ." what they would do, he said, suppose you were.

He said, you had as a goal the ending of the war. You had several other goals—the restoring of the economy, building back of our world trade, all these things.

Then, he said, you would be taken down into the bowels of the Pentagon, and there men who had spent their lives studying things of this kind would make you privy to all the possibilities and all the ramifications of every decision. The possibility of World War III. The possibility of losing our prisoners of war.

And this kind of briefing would be given to you on logistics and supplies, our shortcomings, the possibility of enemy retaliation. And you would be briefed on all the other major items, whether they had to do with international relations, or whether they had to do with our own economy and our own economic situation.

And then, he said, how smart would you feel?

And you think of a picture that appeared recently in the paper of one man, squatting down on a beach in Florida with his arm around a dog, looking out over the ocean, the problems—all the problems of the world on his shoulders.

The loneliest man in the world.

I think our task is cut out for us, and I think we know what we have to do in the coming campaign.

Let's stand together. Let's grow up. Let's wise up.

And then let's re-elect our President and this administration, and carry on through the years—the years it's going to take to push back all that has been done to us in these last four decades, and to restore freedom to this country.

[From the Arizona Republic, Apr. 2, 1972]

REAGAN'S COGENT WARNING

California Gov. Ronald Reagan wasn't overstating his case in Phoenix this week when he told the Trunk 'n' Tusk Club that, "We're in one of those rare moments in history when our deeds and our actions in the months ahead will set the pattern for our children and their children and mankind for perhaps generations to come."

Reagan reminded his audience that Democrats controlled both executive and legislative branches of the federal government for 32 of the 40 years immediately preceding President Nixon's 1968 election. In the eight GOP years of President Eisenhower's administration, only two included a Republican majority in Congress—the only two, incidentally, since President Franklin D. Roosevelt took office that the dollar retained its value and lost not a penny of purchasing power.

Those 38 years of Democratic government were marked, said Reagan, by deficit spending, runaway inflation causing high prices and unemployment, inordinate growth of the federal bureaucracy resulting in a proportionate loss of state and local autonomy and individual freedom, and significant deterioration of U.S. military strength.

And he correctly warned his audience that a Republican defeat in 1972 would return this country to the same perilous course that resulted in the enormous problems inherited by President Nixon 39 months ago.

Reagan makes a strong case. And those who doubt his warning had better quickly wake up. All the prominent Democratic presidential contenders—those with any chance of winning the nomination—are today reciting the same liberal litany that brought up to a near economic and strategic standstill.

And at a time when taxes are already intolerably high, these same liberal Democrats have proposed a whopping federal budget of $350 billion by 1974 to underwrite $100 billion for additional federal programs if they again control national policy following the November elections.

Where do Democratic presidential hopefuls intend to raise $100 billion needed to fund national health insurance, a guaranteed annual income, and their other Socialist measures? Certainly not by eliminating the oil depletion allowance and capital gains tax incentive for U.S. industry—pet whipping boys of liberal politicians. Governor

Reagan observed that would only net about $1.5 billion in additional federal revenue.

Democrats themselves simply plan to take about another 25 or 30 per cent of every citizen's income by eliminating all personal income tax deductions, including the individual's right to deduct interest on mortgages and loans, taxes on homes, state and local taxes, medical expenses, and charitable contributions. This will bring in an additional $18 billion a year.

From there, the Democratic Congress will go to payroll taxes in addition to the income tax, increases in Social Security taxes, and will eliminate the right of state and local government to sell tax-free bonds. This, said Reagan, would ultimately mean federal control over all state and local capita expenditures, including all public schools.

We are sure that the vast majority of American people want no part of such a scheme. And Governor Reagan is certainly correct that voters who desire a reduction of federal bureaucracy and controls, and a decrease rather than an exorbitant increase in federal taxes, will only set a pattern of national policy in exactly the opposite direction if Democrats are returned this year to the White House and control of Congress.

CONFRONTATION IN THE CARIBBEAN

Mr. CRANSTON. Mr. President, the dramatic events surrounding the recent escalation of the fighting in Vietnam have obscured an ominous development in another part of the world. I am referring to military plans recently approved by the Joint Chiefs and relayed to Caribbean naval commanders. Entitled "Special Rules of Engagement for the Caribbean," these plans authorize the Navy to use force to protect merchant ships threatened by Castro's gunboats. If a Cuban attack continued, U.S. Commanders could "continue interposing until further Cuban aggression creates a situation of self-defense for U.S. forces."

Under the terms of the plans, the local commander initiating the defensive reaction must have "no knowledge" that the ship in question has been taking part in illegal activities directed against Cuba. Furthermore, there must be some reason to believe that U.S. citizens are on board. In neither case is any confirmation required.

These plans contrast sharply with previous instructions to engage in no military operations without Washington's approval. They open the door to the possibility that some right-wing exile will provoke an American-Cuban confrontation, not to mention an American-Soviet encounter. Now that American planes have bombed Soviet ships in the Haiphong area, the Soviets may see fit to retaliate by stirring up a small crisis in the Caribbean. Surely we have had enough of this dangerous game.

Mr. President, the Wall Street Journal published an excellent analysis of the new military plans on April 13. I ask unanimous consent that the article be printed in the RECORD.

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

IN A CHANGE OF POLICY, U.S. ORDERS WARSHIPS TO RESIST THE CUBANS

(By Jerry Landauer)

SAN JUAN, P.R.—The Nixon administration is stiffening its stance toward Communist Cuba in an admittedly risky way that even contemplates the possibility of confrontation with Russia here in the Caribbean.

On instructions from Washington, the U.S. military establishment is primed to police the area "by force if necessary" to protect the merchant ships of friendly nations against harassment by Fidel Castro's Soviet-supplied navy. The new instructions replace sit-tight directives that were in effect last December when Cuban gunboats ranging far out to sea seized two ships flying the flag of Panama.

Though some officials feel further seizures are unlikely, U.S. policymakers have decided that the possibility is serious enough to justify strong measures. Hence, military commanders now are armed with authority to "interpose" American warships between Cuban attackers and merchant ships in danger of imminent seizure so as to block the Cuban line of fire and thwart any boarding attempts. At the same time, Air Force jets would scramble to the scene, in a display of strength intended to make the attackers turn tail.

But shooting could occur if the attack persists, for in that case U.S. commanders are authorized to "continue interposing until further Cuban aggression creates a situation of self-defense for U.S. forces."

In issuing these instructions, Pentagon strategists have taken full account of the possibility that Soviet naval task forces often operating in the Caribbean might move as if to intervene on Cuba's side. In that contingency, or as soon as he sights hostile-seeming Soviet fleet movements, the U.S. commander on the scene is directed to notify the Joint Chiefs of Staff "immediately" and wait for further instructions.

A SENSITIVE DOCUMENT

This scary-sounding scenario—worrisome even to some hard-line Naval officers—is contained in a sensitive set of military plans approved by the Joint Chiefs and relayed from them to Caribbeans commands through the Norfolk headquarters of Adm. Charles K. Duncan, the commander-in-chief of Atlantic operations.

According to these plans, labeled "Special Rules of Engagement for the Caribbean," U.S. forces could be ordered into action without further instructions from policymakers in Washington and even in the absence of an official request from the government of a country whose ships seem threatened by Mr. Castro's fleet.

Authority to undertake risky "interposing" missions has been delegated by Defense Secretary Melvin Laird to the Joint Chiefs and by them to Adm. Duncan. In turn, the admiral is authorized to delegate down the chain of command as he deems "appropriate," and his subordinates can act if these conditions seem present:

The merchant ship facing seizure must be sailing in international waters at least three miles from Cuban shores.

The commander of U.S. warships moving to the rescue must have "no knowledge" (the instructions don't require him to try to make sure) that the threatened ship has been engaging in illegal activities against Cuba.

And the U.S. commander must have reason to believe that some American citizens are aboard.

This third condition—an American aboard, perhaps in danger—presumably supplies whatever legal underpinning may exist for ordering U.S. forces into peacetime action without seeking approval from Congress.

ROOM FOR ERROR

But the Pentagon instructions appear to allow room for error about whether American lives might be in danger. "In the absence of other certification" that a citizen is indeed aboard, the U.S. commander on the scene is directed to "take the word" of the ship's captain. His orders contain no hint of the possibility that the captain could be a hot-headed exile who hopes to involve U.S. forces by provoking the Castro government.

In fact, it was an exile raid from the sea on a Cuban village that in all likelihood prompted Cuba to send gunboats out 100 miles to grab the two Panamanian ships last December. "It was an eye-for-an-eye matter," says a State Department official.

This official gives assurances that Washington is moving to stop further exile action, and he doubts that Havana's gun boats will strike again. But he concedes that some anti-Castro leaders continue to assume that the U.S. government secretly welcomes raids on Cuba; "they don't believe we mean it," he says.

During one ship seizure in December, the captain, an American citizen, was wounded by gunfire, prompting the administration to declare that it would henceforth "take all measures under international law to protect U.S. citizens and freedom of the seas." The Pentagon contingency plans simply back up that warning, officials insist; they contend the plans reflect no basic change of policy toward Cuba.

And despite the provocative-sounding directive to "create a situation of self-defense," there's certainly no U.S. intent to engineer an election-year put-down of Premier Castro. Any Caribbean confrontation would have to be triggered by Cuban action, officials emphasize.

Still, the military instructions from Washington do take a tough approach toward Cuba, in apparent contrast to the Nixon regime's overtures toward the Communist giants, China and the Soviet Union. The administration's attitude toward the Castro government seems to be quite consistently hostile, at least for now. One explanation might be that Cuba remains something of a political issue in the U.S., at least in the Miami area, and Mr. Nixon is eager to carry Florida in the November election.

Whatever the reason, the administration has rejected Havana efforts to send delegations to the U.S. Last fall a planeload of Cuban sugar technicians arrived for an international conference in New Orleans, despite being denied visas by the State Department. After a comic-opera house arrest in a motel, they were forced to fly home without attending any meetings. Just last month, private efforts to organize a Cuban film festival in New York, including appearances by four Havana filmmakers, were blocked by Washington.

Yet there are signs that the administration wants to repair relations with Fidel Castro's regime eventually. Officials no longer seem worried about his alleged meddling in other Latin American nations; they claim Cuba's economic failures, plus the Che Guevara fiasco in Boliva, mean it is no longer considered a revolutionary model by Latin political dissidents. Some U.S. officials indicate an American overture to Havana will come shortly after the November election, if Mr. Nixon wins.

One objective of the Caribbean contingency planning may be simply to uphold the freedom of the seas. But the U.S. isn't taking many risks to uphold that principle for American ships in some international waters.

In the nearby Pacific, the President could order the Navy to stop letting Ecuador interfere with American boats fishing for tuna, far beyond that nation's three-mile limit. But he hasn't acted. Since the December incidents in the Caribbean, Ecuador has grabbed about 50 American tuna boats, and Washington has paid what amounts to ransom money exceeding $3 million.

In the far Pacific, U.S. oil-company executives have been told not to expect protection in case some Communist power should at-

tack American vessels searching for oil in the South China Sea. Presumably the risk of more military involvement in the Far East is considered excessive.

Whatever the objective, the plans for protecting foreign-flag ships in the Caribbean appear to have no peacetime precedent, the State Department says. So, even if the Caribbean stays calm, there could be repercussions on Capitol Hill.

There, the Nixon team is strongly resisting a Senate bill to restrict the Commander-in-Chief's peacetime authority to "introduce" armed forces "in situations where imminent involvement in hostilities is clearly indicated." Requiring a President to go to Congress before deploying forces could endanger the nation, Secretary of State William Rogers has testified.

"On the other hand," Mr. Rogers has allowed, "the fact that even a minor skirmish could lead to a confrontation of the major powers and raise the specter of nuclear war serves to emphasize the desirability of appropriate congressional participation in decisions which risk involving the U.S. in hostilities."

But it isn't clear what Secretary Rogers means by "appropriate participation." Certainly Congress has had no part at all in the Caribbean contingency planning.

SENSIBLE INCOME TAX FORMS

Mr. MATHIAS. Mr. President, we are all painfully aware that yet another grueling, confusing, and nerve-racking income tax eve has come and gone amid complaints and some controversy.

Not only our income, but also our patience, is being taxed by the myriad forms, schedules, tables, and instructions which we are required to use in performing this increasingly difficult task.

Over a year ago, I introduced S. 1520, which would establish a Citizen's Advisory Committee instructed to simplify tax forms. On Tuesday, April 18, the Baltimore Sun endorsed this proposal and discussed other problems with our current income tax laws.

Mr. President, I believe the editorial deserves the attention of the Senate. I ask unanimous consent that it be printed in the RECORD.

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

THE INCOME TAX HANGOVER

Senator Mathias's interest in clarifying the federal income tax 1040 Form is admirable. In short, he wants a 15-member advisory committee appointed to help the Internal Revenue Service frame something in "common every-day American English." He recognizes that millions of Americans are battered as well as broke today after laboring to meet the midnight deadline for filing.

Anything that simplifies the federal tax form has our support, including simpler language. But more basic complications are built into the income tax law itself. Through numerous amendments and revisions, the law is studded with boobytraps and dead ends. Deductions are piled upon deductions; inequities are exposed at every turn. Most recently a litany of complaints was heard by the House Ways and Means Committee. One widely held and popular theory that was promptly upset is that married couples can live as cheaply as one—not if they're filing a joint tax return with Uncle Sam.

Little wonder that so many Americans turn in desperation to tax consultants. Yet even they are being challenged by the IRS over erroneous and fraudulent returns filed on behalf of clients. Could it be that experts disagree on interpretations of myriad forms, schedules, declarations and instructions provided by the Government?

In any event, we wish Senator Mathias success in his effort on behalf of frustrated filers. If his bill is passed and signed by the President, maybe a simpler exercise in tax filing will result. Before that happens, however, it would be comforting to know that common every-day American logic is being used to shorten the filing process.

DEATH OF JAMES O. "JIM" MOORE, PRESIDENT, GEORGIA STATE AFL–CIO

Mr. TALMADGE. Mr. President, I was very much saddened by the passing last Sunday of my good friend James O. "Jim" Moore, president of the Georgia State AFL–CIO.

Jim Moore was a leader in organized labor in the State of Georgia for more than a quarter of a century. He was known and respected throughout the State, and across the Nation. He devoted a major portion of his life to improving relations between management and organized labor. He was a tireless worker who contributed beyond measure to social and economic progress in our State.

I greatly valued his friendship over the years, and Mrs. Talmadge joins me in extending our deepest sympathy to his family.

I ask unanimous consent that there be printed in the RECORD an obituary on Jim Moore, published in the Atlanta Constitution.

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

JIM MOORE IS DEAD; CIVIC, LABOR LEADER

Services for James O. (Jim) Moore, president of the Georgia State AFL–CIO, will be at 3 p.m. Tuesday in Stewart Avenue Methodist Church, where he was a member and had served on the official board for more than 30 years. Burial will be in Westview cemetery.

Mr. Moore, 66, of 928 Allene Ave. SW, died Sunday after a long illness.

Atlanta Mayor Sam Massell expressed sadness Monday afternoon at the passing of "one who has long been instrumental in furthering understanding between business and organized labor as well as playing an active role in the civic activities of the community," adding, "He was my friend and supporter and I express deepest sympathy to his family and loved ones."

Born and educated in Carroll County, Mr. Moore was a leader in the field of organized labor for more than 25 years. He served in many capacities in his local union, the International Brotherhood of Painters and Allied Trades, and as president of the Atlanta Building and Construction Trades Council, president of the Southeastern Building and Construction Trades Conference, president and secretary of the Atlanta federation of Trades and president of the Atlanta Labor Council. As president of the state AFL–CIO, he also served as labor's representative on the Fulton County Civil Service Board.

In civic affairs, Mr. Moore was a member of Masonic Lodge No. 640, a member of the Board of Ethics of the City of Atlanta, a member of the Advisory Council of the Urban Renewal Commission of Atlanta, a member of the Atlanta Bond Commission, a member of the board of directors of the United Appeal and Community Services, a member of the Atlanta housing Resources Committee, and a member of the Advisory Committee of Division and Rehabilitation of the State Department of Education.

He also was a member of the permanent committee on Education and Automation, chairman of the Georgia Labor Division of U.S. Savings Bonds, a member of the Consolidation Committee of Fulton County and the City of Atlanta, a member of the governor's Youth Opportunity Council, a member of the governor's Citizens Advisory Council on Environmental Affairs, a member of the governor's Reorganization Committee, a member of the Atlanta Charter Commission, chairman of the State Muscular Dystrophy Telethon in 1971, a member of the Georgia Commission for Higher Education, a member of the Multi-Trades Committee of the U.S. Penitentiary Apprenticeship Program, a member of the Employment Security Agency Advisory Council of the State Department of Labor and a member of the Statewide Occupational Safety and Health Task Force.

Survivors include his widow, Mrs. Hattie Craven Moore; daughters, Miss Mary Moore and Mrs. J. R. Blackburn Jr., both of Atlanta, Mrs. C. Lamar Scruggs of Stone Mountain and Miss Janet Moore of Hapeville; sons, J. W. Moore Sr. of Decatur and the Rev. Merrell C. Moore of Macon, stepmother, Mrs. Annie Lou Moore of Carrollton; sister, Mrs. C. L. Alford of Hapeville, and brother, W. T. Moore of Carrollton.

A.T. & T. MAY NEVER BE ABLE TO COLLECT DEMOCRATS PHONE BILL

Mr. DOLE. Mr. President, since March 10, other Members of the Senate and I have attempted to draw the Nations attention to a highly irregular relationship between the American Telephone & Telegraph Co., one of the worlds largest corporations—and one operating under Federal regulation—and the countrys majority political organization, the Democrat National Committee. This situation involves a debt of at least $1.5 million owed to A.T. & T. by the Democrats for telephone service during the 1968 Presidential campaign.

This debt has been carried since 1968—possibly without interest—and certainly without any significant efforts by the Democrats to pay it or by A.T. & T. to collect it. In addition, A.T. & T. has entered into agreements—in spite of this massive debt—to provide telephone service to the Democrat National Convention in July, and A.T. & T. has continued to provide telephone service to the Democrats national party headquarters.

As I have said before, if an ordinary telephone customer owed A.T. & T. a long overdue phone bill, there would be no question: His service would be cut off. But not so with the telephone customer which happens to be the Democrat Party, the party which controls the Congress and the party which might once again be in the White House.

The response to the revelation of this highly irregular situation has been less than informative. The Democrats have sought to ridicule the questions raised, and A.T. &T. has maintained a lofty silence.

The tactics of the Democrats and A.T. & T. have obviously been adopted in utter disregard for the ordinary telephone customers right to have all customers treated equally. I suggested a possible course for A.T. & T. customers to follow would be to make escrow payments

of telephone bills to protest the Democrats being given special treatment.

The public response to this suggestion has been encouraging. But still A.T. & T. and the Democrats do not shed any light on their arrangement.

But it now appears that by flouting the public interest in this matter, A.T. & T. may have gotten into serious difficulties in regard to its stockholders' interests. By failing, for 4 years, to take action to collect this $15 million overdue Democrat phone bill, A.T. & T. may have foreclosed any possibility of ever forcing payment of the debt. Thus, they have skimmed that same $1.5 million off the company's earnings and its dividend payments to stockholders.

Section 415 of the Federal Communications Act provides:

> All actions at law by carriers for recovery of their lawful charges shall be begun within one year from the time the cause of action accrues, and not after.

In layman's terms, this section means that A.T. & T. had 1 year from election day 1968, to sue the Democrats for their bill Because it is now 2½ years beyond that cutoff date, there is no way A.T. & T. can force the Democrats to pay up.

If I were a bill-paying customer of A.T. & T.—and I am—I would be highly upset that the Democrat National Committee could get by without paying its bills.

If I were one of the millions of stockholders of A.T. & T.—and I am not—who look to A.T. & T. dividends to provide extra income tuition for children, supplement for retirement pensions, and for other uses, I would want to know why the Democrats' debt was taken out of my dividends.

As a Kansas newspaper pointed out recently:

> What stock is held by more old folks, more young folks, retired persons, and pension funds than any other? American Telephone and Telegraph.

I am sure these stockholders and millions of other Americans would like to hear some answers from A.T. & T. and the Democrats.

Why has A.T. & T. allowed the Democrats' debt to go uncollected?

How can A.T. & T. defend its actions to its stockholders?

How can A.T. & T. and the Democrats support their arrangement for continuing telephone service when other customers in much less extreme positions would have their telephones cut off until payment in full was received.

SHORTCHANGING THE ENVIRONMENT

Mr. CHURCH. Mr. President, recently I called to the attention of the Senate the failure of this administration to request enough money to man our national forests adequately. The budget, as submited by the President, for Forest Service personnel will lead to a reduction in foresters, the men who are responsible for the care of our national forests. The personnel reduction that will occur if the budget is passed in the form submitted will work a hardship on those attempting to manage our national forests. This shortsighted budget policy shortchanges the environment. We have asked for better management of the forests. What do we get? A reduction in the number of Federal employees responsible for such management.

I recently communicated with Mr. Steve Yurich, regional forester for region 1, in Missoula, covering parts of the Northwest and northern Idaho. I asked him what the impact of proposed personnel cuts would be on region 1. He states that the region must reduce its present permanent full-time force of 2,212 employees by 110 personnel. In addition, the temporary force employed during the summer must be reduced by 430 personnel. In Idaho's region 1, this means a cut of 36 full-time employees and 230 temporary employees. I find cuts of this type, in face of an increasing demand for better management that protects the scenic and recreational values of our forests, to be discouraging.

Those who are interested in conserving our great national forests, in managing them in keeping with the best concepts of the Multiple Use-Sustained Yield Act of 1960, should insist that the Forest Service receive adequate personnel funding. I urge the Senate to see that this is done.

I ask unanimous consent that the answer from Mr. Steven Yurich, regional forester of region 1, signed by Mr. William Wort, be printed in the RECORD.

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

U.S. DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Missoula, Mont., April 10, 1972.

Hon. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CHURCH: This is in answer to your letter of March 22 including correspondence by Mr. Morton Brigham of Lewiston, Idaho.

Mr. Brigham's suggested areas for consideration as candidate study areas have been forwarded to the National Forests concerned. The Forests will evaluate the areas Mr. Brigham recommends along with areas recommended by others. The Forest Supervisors will make recommendations to me in June. At that time I'll review the areas from a Regional perspective and forward recommendations to the Chief. The process provides considerable opportunity for areas such as Mr. Brigham proposed to be considered as possible study areas.

The Boise meeting Mr. Brigham speaks of was a long distance to expect people from north Idaho to travel. Consequently, all the Forests north of the Salmon River are holding local meetings where people can voice their ideas about roadless area studies.

In regard to your question on personnel cuts, I feel the following will give you an idea of our position:

Although the lack of enough people and funding needed to achieve a balanced land management program is not new, these latest limitations will have a considerable adverse effect. We are experiencing a critical period in our effort to emphasize balance among our programs. We have identified the necessary direction and are now taking the first steps toward our balanced program objectives. However, these latest personnel limitations will seriously curtail this effort as well as reduce our present programs. The more serious effect of this is the compounding impact it will have on future activities.

As a result of the average grade reduction and the 5 percent personnel cut, the Northern Region of the Forest Service must reduce its present permanent full-time work force of 2,212 employees by 110. Coupled with this the size of our summer seasonal work force, which we put on the employment rolls in June, must be reduced by approximately 430 employees.

For the Forest Service Units in the State of Idaho this represents a reduction in our work force of approximately 36 permanent fulltime employees and a reduction of our seasonal force by 230.

In addition to the reduction of employees, dollar savings which result from these various personnel limitations are being either withdrawn or impounded. For the Northern Region this will amount to $1,459,000 of which approximately $568,000 will come from Forest Service Units in Idaho.

We are making a real effort to assure that multiple use planning and management in the Northern Region are reflecting changing public values and concerns. This responsibility is having a significant impact on management and the production of commodities. In the case of timber management the Region's efforts to do a high quality job in conducting timber harvest has contributed to a reduction in the timber sale program. This can be partly attributed to limitations on people and funding to carry out balanced programs. Maintaining a status quo on personnel would, by itself, hamper the efficiency of our efforts. The reduction of personnel not only precludes carrying on all regular activities but also seriously restricts our ability to be flexible in meeting quantity and quality needs in planning and management.

Federal agencies such as the Forest Service, to be responsive to new laws such as the National Environmental Policy Act and changing public values, must now utilize the service of social scientists and economists in our planning and management activities. The addition of specialists such as this has been almost totally curtailed as a result of the personnel ceiling situation we face.

Thank you for your letter and I hope I have an opportunity to discuss other aspects of forest management with you.

Sincerely,

WM. A. WORT,
Regional Forester,
(For Steve Yurich).

REFORMING IRS FORM 1040

Mr. MATHIAS. Mr. President, more than 1 year ago, I introduced S. 1520, designed to aid the millions of Americans who each year faithfully perform the arduous and increasingly complex task of filling out their Federal income tax forms. My bill would subject all future income tax materials to the careful scrutiny of a panel of average taxpayers, who will insure that all such forms shall be as clear, concise, and comprehensible as possible.

Coincidental with this year's April 17 income tax deadline was the release of an Internal Revenue Service study of the attitudes of taxpayers toward the "infamous tax" form 1040. I feel that the results of this study warrant the attention of the Senate and clearly reveal the need for the legislation which I have introduced.

In what seems to be a growing trend, it was revealed that 69.8 percent of all American taxpayers seek outside help in the preparation of their income tax, an increase from the 69.1 percent who sought help the previous year.

It was further revealed in this report,

prepared by Crossley Surveys, Inc., that 97 percent of those taxpayers not having completed elementary school were required to have others prepare their income tax reports; 70 percent of all taxpaying high school graduates sought outside help, while 43 percent of college graduates paying income taxes reported having someone else prepare their income tax returns.

Mr. President, these statistics, coupled with the recent controversy over the validity of returns prepared by commercial tax preparation services, clearly indicate the need for the simplification of our tax forms. I would, therefore, commend the bill to the attention of the Senate, and would hope that positive action, too long delayed, will now fulfill the hopes of America's taxpayers.

JAMES B. GODWIN—GEORGIA-BORN CATHEDRAL ARCHITECT

Mr. GAMBRELL. Mr. President, Georgians have been recognized for their accomplishments in many varied fields of endeavor but perhaps none is more unique than Mr. James B. Godwin, a native of Columbus, Ga., and the present architect of Washington's National Cathedral. I ask unanimous consent that an editorial on Mr. Godwin's work and dedication published in last Sunday's Washington Post, be printed in the RECORD, so that all may read of the perseverance of this fine Georgian.

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

THE WASHINGTON CATHEDRAL . . .

. . . officially known as The Cathedral Church of Saint Peter and Saint Paul and the sixth largest church in the world, has a new Superintending Architect. He is James B. Godwin, who was born and raised in Columbus, Georgia, has designed a number of churches and chapels in the Gothic style and looks and talks as we imagine a medieval stone mason might have. Mr. Godwin has been busy since last December preparing the final working drawings for the Cathedral, which has been under construction since 1907, so that any competent architect, expert in Gothic or not, can supervise its completion.

Mr. Godwin is the fourth architect on the job. The initial plans were drawn up by Dr. George F. Bodley, the foremost exponent of English Gothic in modern times. He died before construction began and Henry Vaughan of Boston took over. World War I interrupted the work which, since 1921, was continued by Philip H. Frohman. Still the Cathedral Architect in title, Mr. Frohman, who is now 85, had to relinquish his daily responsibilities.

Mr. Godwin is Heaven-bent to complete the interior of the Cathedral, that is the entire nave and narthex complex, in time for the nation's bicentennial celebration in 1976. The west portal with its two flanking towers, that will resemble Canterbury Cathedral in England, are to bring the building to completion in 12 years. Like his predecessors, Godwin will make the building faithfully Gothic, not just in appearance but also in its method of stone construction, making concessions to modern concrete and steel only to assure greater permanence and fire resistence. Like the Cathedral's Dean, the Very Rev. Francis B. Sayre, he sees Gothic architecture not as an anachronism but as the most perfect expression of the spirit of Christianity. "If we had gone 'modern' when we started this building at the turn of the century," the Dean said recently, "it would look pretty antique now, don't you think?" We are afraid he has a point. And he is right, too, when he points out that the Washington Cathedral, whose central tower, atop Mount Alban, rises even above the Washington Monument, has long since become a magnet "even for the long-haired kids who come simply because it is so beautiful and because it says something that they are feeling deep down inside them today."

STATUS OF HEALTH CARE IN THE UNITED STATES

Mr. DOMINICK. Mr. President, I ask unanimous consent that an address published in the American Journal of Obstetrics and Gynecology be printed in the RECORD. The reprint is an address delivered by Thomas W. McElin, M.D., president of the Central Association of Obstetricians and Gynecologists.

I think that Senators will find interesting Dr. McElin's remarks in defense of the status of health care in this country. They offer some relief from the seemingly interminable dirge being sung by so many critics of our health care system. Dr. McElin even dares to suggest that the patient is not only not dead; it is not even in critical condition; and while not necessarily in perfect health, it continues to show improvement!

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

THE LAMENT OF THE WHITE RABBIT

(By Thomas W. McElin, M.D., M.S.)

The onus to utilize wisely and well the precious minutes of a Presidential Address is heavy. It is a burden which my predecessors have borne with obvious savoir faire. I have decided after many months of soul-searching to proceed with the very first plan for the utilization of this brief and treasured time that came to my mind when I was designated as your President-Elect. I choose today to speak in defense of the current system of health-care delivery in the United States. I recognize in the current climate wherein, it seems to me, physicians are expected to indulge in excessive breast-beating and in the repetitive proclamations of loud "mea culpas" that the utterance of some gracious and admittedly defensive remarks about ourselves may be designated as petty, self-aggrandizing, and not in the image of a Presidential Address. However, I will speak to that which I believe.

In the climate of "let's attack American medicine" which has been rife in the land since the early 1930's, but an attitude which becomes progressively more strident, perhaps the most comprehensive attack in the current drive to "radically restructure the medical delivery system" was presented by *Fortune* magazine in January, 1970. In this issue of *Fortune*, the following statements were made, which I, for one, am completely unable to accept: (1) "Whether poor or not, most Americans are badly served by the obsolete, overstrained medical system. . . ." (2) "But in order for" . . . improvement to be accomplished . . . "doctors will have to reform their ancient ways." (3) ". . . the management of medical care has become too important to leave to doctors."

Now, it is staggering to me that statements of this type (and they are being uttered daily by our many articulate critics—the health planners, the politicians, certain economists and management personnel, student activists, labor leaders, and certain of our patients) are challenged by practically no person or organization except the American Medical Association. A reply by this Association is, of course, immediately declared invalid by the same critics simply because the A.M.A.'s image and presence is totally unacceptable to those who denigrate American medicine. With what to me seems Machiavellian logic, the critics then argue because organized medicine does protest and does object to certain criticism that the very objections constitute acknowledgement of guilt or wrong. Furthermore, the posture of the perennial defender is unappealing.

Let's look more closely at these three quotations in Fortune's denouncement of American Medicine.

First, can we accept the criticism, "Whether poor or not, most Americans are badly served . . ." by the current system. I refuse to accept the statement that most Americans are badly served by you, by me, by our colleagues. It is the use of the word most that totally offends me. I submit this is a classic illustration of the technique of "the big lie." I freely acknowledge that access or entry into the system for the poor, for the underprivileged, and for certain minority groups is unbelievably difficult and that this is an un-American and immoral state of affairs. I acknowledge that physicians must be more concerned about access or entry into the health-care system that we may have been in the past. However, I submit that the problem of access has to do with the poverty that begets malnutrition, with poor housing, with ignorance which stems from poor education, and with automation and subsequent unemployment (clearly, problems in the province of government, industry, and politics). To be sure, medicine is tangentially involved and, according to its singular competences, must be prepared and willing to participate in and to contribute to the resolution of the problem of inadequate and incompetent medical service where such exists. Is it, however, possible because physicians are inherently conservative, because we have divided ourselves by specialization since we believe it in the patient's best interest to do so, that we are acknowledged as and are, indeed, weak and divided and, hence, have become everyone's "whipping boy"? Thereby, we are assigned responsibility for problems over which we have very limited or no control. Thereby, the convenient, the catchy, and, I believe, libelous and inflammatory statement that "most Americans are badly served" is endlessly repeated by the media, and no voice of rebuttal is heard.

Never is the public told that the American medical system is almost universally recognized as the finest system in the world. Furthermore, have we not made major effort to increase the effectiveness and scope of our outpatient clinics; are most of our hospitals not involving themselves in extensive outreach operations to the best of their harrassed financial abilities; have we not seen to it that senior physician staffing of our outpatient and emergency room facilities is the best we can provide? Are we not trying constantly to upgrade our services in these areas and many others, and do we not constantly acknowledge that we must do still more? I, of course, believe the answer to each of these questions is "yes."

Can we accept *Fortune's* unfortunate statement, "But in order for . . ." improvement to be accomplished ". . . doctors will have to reform their ancient ways." The "physicians' monopoly" is often submitted as justification for this charge.

Table I demonstrates what I regard as an exciting response to the criticism that there is a shortage of physicians and that organized medicine is not responsive. These enrollment increases represent the fruition of years of planning and development in American medical schools. The gains now being realized were initiated in the early 1960's and represent a growth in both the number of medical schools and size of classes. Female

admissions were increased 31.2 per cent in 1970–1971, and black entrants were increased 58.4 per cent. Is this not to be given "credit" as "reform"? Is this not about as massive an attempt to meet the need for more physicians as could be mounted by medical educators? If, indeed the A.M.A. did consciously and deliberately restrict the number of physicians in the past, as has been alleged and for which, in my opinion, there is no evidence, can this charge be made today? Additionally, 21 schools are in the process of development and, by 1975, the new schools alone will be accepting about 1,000 additional first-year students. The House Commerce Committee in July (1970) estimated that the number of practicing physicians would reach a total of 436,000 by 1980, an increase of more than 100,000 above the current level. It seems logical to conclude that the need for physicians, real or perceived, will be met in this decade.

TABLE I

Year	Number of schools	1st-year enrollment	Number of graduates	Total enrollment
1960–61	86	8,290	6,994	30,288
1970–71	103	11,306	8,996	40,377
1971–72	108	11,762	9,363	43,143
1975			14,660	
1980			17,350	

Now surely, *Fortune* was not referring to the caliber of medicine practiced in every hospital when they used the phrase "ancient ways." Surely, no segment of the citizenry since the dawn of time reviews its work with more care than physicians and, in particular, obstetrician-gynecologists. Can you imagine our contemporaries in law, in business, and in labor relations concerning themselves with the equivalents of tissue committees, utilization committees, audit committees, maternal mortality and morbidity committees, infant mortality and morbidity conferences, joint obstetric-pediatric review committees, and residency review and accreditation committees! The blatant suggestion that medicine does not seek to improve, does not seek to correct, does not attempt with vigor to utilize the new is, to me, grossly improper! The chilling fervor with which we review our own patient care problem in weekly departmental meetings would not be believed by the public in general.

The third *Fortune* comment which I will discuss is, "The management of medical care has become too important to leave to doctors." One wonders how a comparable statement might be received in the corporate headquarters of *Life, Time,* and *Fortune,* to wit: The management of major publications has become too important to leave to publishers, editors, and writers.

Fortune magazine and others, of course repetitively allege that the "non-system" of health-care delivery extant today is evidence of our poor managerial ability. "Non-system" is a phrase which I reject and dislike intensely. The phrase "non-system," however, is clever, neat, and attractive—convenient to use by those who criticize. It is also nonsense!

I submit that the current health-care delivery system is no more a "non-system" than the current method of delivering legal care. (The attorneys of America are not as consistently subjected to mass criticism; could it be that they are less divided, less specialized, and less subject to "attack"?) I submit that we are no more a "non-system" than the current method of delivering grocery care. I do not believe the grocery stores and hardware stores in Appalachia and ghetto areas are as deluxe or the quality of produce and merchandise are as high as in Milwaukee or Chicago. I submit, however, that grocery, hardware, legal, and medical care in deprived areas must be upgraded by improved and innovative techniques that we have only begun to explore. We surely cannot force lawyers to move into depressed areas any more than we can force the great grocery chains to build costly supermarkets in depressed areas. Many observers of the current scene contend that *distribution* of medical care is the key problem to a much greater degree than the *number* of physicians, but if we are to retain democracy and not force physicians, or plasterers, or economists to live and work in an assigned area then we do, indeed, have to be innovative. Medical students today seem enthusiastically to support programs which would commit them, for a stated period of time, to care of the impoverished rather than a military service commitment. Financial support programs to students who would pledge service for a stated time could well be amplified. Increased Federal monies could well be used to induce or entice physicians of all ages into medically deprived areas.

Now, although it will be the most difficult aspect of this address to present and not be criticized for pettiness, self-aggrandizement, and the like, I feel I must, because somebody, somewhere, must, talk about the single, inherent feature of the present system of health-care delivery in this nation which consistently causes both continuous and paroxysmal hypertension in our many critics. I refer to physicians' incomes and the "fee-for-service" system of payment for health care which is today the predominant system of physician compensation in our American nonsystematized "cottage industry."

Despite my personal preference for "fee-for-service," I believe in the present pluralistic American medical system as it now exists—a logical extension of the American dream, a commitment to the free-enterprise system. Today, "fee-for-service" by individuals, groups, or clinics, prepayment, and government medicine as provided for military personnel and dependents comfortably and competitively coexist. It is my profound hope that these methods, and perhaps others yet unconceived, may continue to comfortably and competitively coexist. If more prepayment programs come to the fore and if physicians and patients elect such programs and "fee-for-service" simply becomes nonviable as a course of evolution, then such must be the case. I would be terribly distressed, however, if by fiat and excessive governmental support to other programs the "fee-for-service" system was eliminated or slowly squeezed to death. This to me would have to be the consummate example of "throwing out the baby with the bath water."

Injustice is being done physicians to imply that it is somehow unethical, unreasonable, undignified, or improper for them to be concerned with the financial aspects of their practice. No other segment of the economy is embarrassed or shy about discussing this particular fact of life. There are really two key questions: (1) Are physicians' incomes excessively high? (2) Is "fee-for-service" an outmoded or un-American or unjust system of compensation?

In terms of level of income, the example has been cited many times and I will not embellish it, but simple mathematics derives the conclusion that if a physician worked 54.3 hours per week (which is one of the standard figures given for the average physician's work week) at the wages of a skilled laborer the physician's annual income would be approximately $50,000 with fringe benefits such as paid malpractice insurance, vacations, retirement funds, etc. The average current income of an American physician is $38,538. Although physicians' fees have doubled in the past 20 years, I know of no study which does not indicate that the physician's spendable income per annum has surely diminished each of the last several years due to the inflationary rate of 4.5 per cent per annum. Additionally, practice overhead expense has increased some 67 per cent in the last three years, principally because of salary increases, and malpractice insurance rates have easily tripled. Some group practices now report an overhead cost in excess of 50 per cent of collections. The percentage of all health care expenses which is spent on physician services has actually been reduced from 23.08 per cent in 1950 to 21.22 per cent in 1969.

While this has been going on, the Teamsters have recently achieved a 45 per cent increase in income over a three-year period; the rail workers, a 37 per cent increase; and Bell Telephone personnel and the steel workers, a 33½ per cent increase. All contracts, of course, for all of the segments of the economy have a cost-of-living escalator clause so that the ravages of inflation will not strike groups which stick together.

Newspapers emblazon and newscasters constantly trumpet the contention that in the decade of the 1960's medical costs rose twice as fast as the cost of living. Physician's charges plotted against the general cost of living as measured by the Consumer Price Index have so risen. However, an effective refutation to the claim that physicians' incomes have risen disproportionately is provided by Robert J. Myers who from 1947 to 1970 was Chief Actuary for the Social Security Administration. He explains that a more realistic analysis of doctors' compensation is achieved by a comparison with overall wages or incomes in the United States. It is obvious from the fifteen-year period charted that physicians' incomes lag behind the earnings increases of the general population.

Therefore, in the light of such analysis, I do not think physicians' fees or incomes are excessive. Neither am I willing to be a critic of the increase in United States Senatorial salaries from $22,500 in 1960, to $42,500 in 1969, although I did not enjoy a similar percentage increase.

Perhaps we could conclude from this analysis that we should revise our form of reimbursement and copy the rigid formula of labor, including time-and-a-half for night work and double pay for holidays. I, however, am opposed to a change because I believe that the "fee-for-service" or free-choice" concept is one of the essential components of the medical system in a democracy as it is in any other system of a democracy. I believe our current system creates competition and provides incentive for the doctor, and that really doesn't seem unfair, outmoded, or un-American. I believe the one-to-one relationship of patient and doctor engendered by "fee-for-service" is in the patient's best interest. I believe that effective peer review, and I emphasize the words effective and peer, can and must eliminate excessive charging, for surely such occurs. Finally, in this discussion of income and charging, I must ask the question, if we fail to respect ourselves and what we do—who else will?

In the forefront of the many criticisms leveled against the present health-care system is the repetitive statement that the United States ranks only thirteenth in the enlightened nations of the world in infant deaths. This charge has been drummed into the nation's eyes and ears by almost every politician and by all of the media. The conclusion is, thus, unceasingly presented that obstetricians and pediatricians, in particular, are doing a very poor job. I object to the manner in which the statistic is derived, and I object still more to the unfairness of the conclusion that is universally drawn. In most of the countries with lower infant deaths, the following are important factors: (1) The populations are small and much more homogeneous with no significant minority groups; (2) most of the countries with a lower infant

mortality rate have a highly organized social welfare system, and poverty and overcrowding simply do not exist as they do in our urban ghettos; (3) most every baby in these nations with superior statistics is a wanted baby; (4) teen-age pregnancy, which means "high-risk pregnancy" is a very minor factor in these other countries; (5) there is no comparability in statistics between nations in this or any other category. In some countries, a birth is not recorded if the infant does not breathe; stillbirths are, therefore, automatically excluded. In some countries, a birth is not recognized until the baby is baptized, an event that may take place a week or more after birth. Hence, the neonatal deaths are excluded. To be sure, exclusion of stillbirths and neonatal deaths would make all of our annual reports more pleasant to read.

The opening chapter of the *United Nations Demography Yearbook* points out the impossibility of drawing meaningful comparisons among nations from the data collected.

In the decade from 1960 to 1970, the infant death rate in this nation, the largest, most complex of the Western nations, was reduced 25 per cent on top of the 12 per cent decrease in the prior decade (Table II). If this is "crisis," what shall we label "improvement"?

TABLE II.—INFANT MORTALITY RATE PER 1,000 LIVE BIRTHS

Year	Mortality rate
1936	57.1
1940	47.0
1950	29.2
1960	25.3
1967	22.4
1968	21.7
1969	20.7

It is tragic and inexcusable that non-white neonatal losses are approximately twice those of white neonatal losses. I submit that all neonatal losses represent a horrendous tragedy, but I insist that assigning the medical-delivery system with the total or even major responsibility for this national loss is irresponsible. I prefer to accept the analysis of one of our own, Sprague H. Gardiner, President-Elect of the American College of Obstetrics and Gynecology, who has stated that the nation's infant mortality rate could be diminished by 50 per cent if communities would establish regional, hospital-based intensive care units for newborn infants.

I feel it appropriate to look for a few moments at certain of the aspects of the Kaiser-Permanente Program which is regarded by many of the planners and legislators as a model of quality and cost control and as a potential model for health maintenance organizations or health care corporations. My intent is not to denigrate but simply to see if there are warnings that should be heeded.

Sydney Garfield, the architect of the Kaiser-Permanente Plan, has suggested the Plan is being clogged by those who are not actually in need of care. "Only after years of costly experience did we discover that the elimination of the fee is as much a barrier to early sick care as the fee itself." When the fee is removed, apparently the major regulator of flow into the system is similarly removed.

Another quotation from Dr. Garfield, "As for group practice, though it is flattering to have part of our program proposed as a model for the nation's future delivery system, it is a mistake to believe that it will automatically solve very much. There is nothing inherent in prepaid group practice that guarantees ready availability of services. In fact, this has been as serious a problem with us as in practice in general."

Dr. Mark S. Blumberg, Corporate Planning Advisor for the Kaiser Foundation Health Plan, warns, ". . . against the assumption that more health services will improve health. There is no correlation between a nation's general level of health care and the number of doctors per capita. I am convinced that among the developed countries most of the international differences are not due to health-care providers or health-care systems—they are due to radical differences in socioeconomic standards."

Finally, in December, 1970, for the third time in less than two years, Kaiser-Permanente of Northern California raised its rates 9 per cent. It had increased its rates 7.5 per cent earlier in 1970 and 18 per cent in 1969—no different from the national pattern.

Over and over, one hears of statistical studies to show reduced utilization rates under prepayment. Less prominence is given to studies such as that of the Russel Sage Foundation which concluded that nearly one half of all the members of the Health Insurance Plan of Greater New York and also of the Labor-Health Institute Plan go outside of the Plan for some medical health services. To be sure, utilization rates within such systems would *seem* to be reduced.

Regarding the impact of federal management on our health care system, I will make two comments: (1) The overpromise, the erroneous cost estimates, the fantastic inflationary effect, and the administrative difficulties of Medicare and Medicaid should deliver some message to those who would significantly change the present system; (2) it is of interest that we have tripled our Federal health-care expenditures for medical and health problems in the past five years. It is further worth noting that this same period has seen a greatly magnified discontent with the quality and cost of medical care provided.

In a consideration of the various foreign experiments to produce new health-delivery systems, I will restrict myself to two observations: (1) In the first year of the British National Health Experience, initial cost estimates were exceeded by well over 200 per cent. Since then, while the cost-of-living index in Britain has risen rapidly, over-all medical costs have risen 150 per cent as rapidly and hospital costs have risen three times as rapidly as general prices. In the forefront of a current reform movement are Britain's younger physicians, thousands of whom labor long hours under a huge work load for pay ranging from $5,000 to $8,000 per annum. Little wonder that approximately one half of Britain's medical graduates are expatriates. (2) I will comment briefly upon the tragedy of Quebec. Contemplate, if you will, relatively recent governmental action against Canadian physicians. The doctors of Quebec, in the closing months of 1970, were literally imprisoned in the province by Bill No. 41. Doctors objecting to a new Medicare Law were forced to continue working under penalty of jail sentence and fined up to $500 per diem if away from their practice. The macabre sequence clearly exposed the naked force that lies behind every act of social legislation.

I have attempted to present to you what I regard as a reasonable and logical reply to certain of the grossly exaggerated criticisms that have been leveled against our current health care system, particularly those charges against physicians. If evolution changes medical delivery, I will yield to evolution and attempt to do so graciously. But to change by legislative revolution a superior system because of unchallenged complaints based on exaggeration, distortion, and untruth is, to me, grotesque and tragic.

I submit, individually or collectively, we have a perfect right to defend ourselves against unfair allegations and to argue for preservation of those aspects of the present pluralistic system which we wish preserved. For those of you who accept my major thesis, to wit, we are not "all bad," and any plan to radically restructure the status quo is in error, two questions must be posed: What can we do—today? How can we defend ourselves?

1. We can speak and write in our own defense as I have tried to do today.

2. We can talk to our patients, who still are our greatest allies. We can explain to them the unheralded safeguards which we have built into their health-care program. We can clarify the "whys" of our charges. More importantly, we can explain our hospital's charges as the hospital component of medical cost is vastly more than ours.

3. We can work with our hospitals to develop ambulatory care facilities, to arrange outpatient surgery, and labor in any other reasonable endeavor to reduce stay and reduce cost. We can do our part to increase the current 45 per cent utilization rate of the nation's operating rooms, which is a staggeringly inefficient figure.

4. We can bend our every effort to check the senseless proliferation of costly, duplicative hospital facilities.

5. Escalation of medical costs could also be significantly checked by effective governmental action on the malpractice front or by self-insurance mechanisms.

6. Catastrophic illness can bankrupt even the family of moderate means. This problem could be solved by government-organized, major medical insurance, the cost of which, on a national per capita basis, would be relatively small.

The nation's real problems of medical care can, I believe, best be met by measures that focus on particular trouble areas, rather than by a violent transformation of the entire medical complex that would affect equally all parts, those working well and those working poorly.

The most powerful force on the earth today simply has to be what certain philosophers have referred to as "the moral force." We must believe it to be a greater force than the hydrogen bomb, for example, or there is little hope for any of us. If, tiny minority that we are, we do not wish the system "radically restructured," I suggest we do not have to be "radically restructured." We, when all is said and done, are the *only* doctors this nation possesses. I, in 1971, wish to believe that there will never be health-care legislation enacted in this nation so objectionable that a "strike" would ever be justifiable. Such a technique, although our conferees in Canada felt it imperative, to me is anathema and not consistent with Christian, Judaic, Hippocratic, or any other ideology.

However, unless compelled by law, I cannot, at this moment, conceive of a force—including economic necessity—that could compel conscientious physicians to participate in an altered medical-delivery system unless the evidence was overwhelming that improved care for greater numbers of patients could be achieved. The specter of a health-care system that could result in inferior standards is intolerable. I am not currently impressed with the Veteran's Administration Hospital System, Medicare, Medicaid, or the Postal System.

It just may be that the distressed state of the economy and the current "freeze" on wages and prices will simultaneously (and appropriately) demote a number of ill-advised health and welfare plans into a "political freeze." The chances of passing new major health-care legislation in the current Congress—which two months ago was regarded as a fait accompli—are now somewhat diminished. The time at hand probably represents the very last opportunity for American physicians to speak in their own defense if they choose to do so.

Major, new health-care legislation is just "around the corner." By some technique, if we do not wish "radical restructuring," and that's the key phrase, we must make known

our valid objections to change which is not acceptable—now!

Let us eschew the lament of Alice in Wonderland's harassed, harried white rabbit who, in that confused and nightmarish narration, bewailed, "Oh, dear! Oh, dear! I shall be too late."

I would prefer to heed the counsel of a feminist source, the etiquette of the impeccable Emily Post, whose only unchallenged social canon in these troubled times is "You must *not* be late!"

I will acknowledge certain deficits in the current health-care system. I will work to correct them. I will not apologize for the totality of the current health-delivery system.

Another Evanstonian, a former Vice-President of the United States, Charles Gates Dawes, anticipated and phrased my thoughts superbly: "If you work in a profession, then in heaven's name, work for it. If you live by a profession, live for it. Help advance your co-workers, respect the great power that protects you; that surrounds you with the advantages of organization; that makes it possible for you to achieve results. Speak well for it, stand for it."

GENOCIDE IN BANGLADESH

Mr. CHURCH. Mr. President, after the Allies put a stop to Hitler's savage program of genocide against German minorities, no one expected so soon thereafter another case of deliberate, systematic measures to bring about the extermination of a particular group. But from March 25, 1971, to December 16, 1971, the Pakistan Army conducted a program to slaughter Bengalis in then East Pakistan. Intellectuals, politicians, and Hindus were the main targets.

Norbert Hirschhorn, a medical doctor who had conducted research on cholera in Dacca until the genocide campaign began, spoke on this subject last month in Baltimore. His vivid account reminds us that genocide is still a possibility within our world, all the more reason for all nations, including the United States, to pledge themselves to try to outlaw genocide. That is why the United States should ratify the Genocide Convention.

I ask unanimous consent that Dr. Hirschhorn's talk be printed in the RECORD.

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

GENOCIDE IN BANGLADESH

(By Norbert Hirschhorn, M.D.)

I would like to thank you for the opportunity, by your invitation, of learning and thinking about genocide especially as related to the slaughter of Bengalis in the year 1971.

Genocide, the term coined by jurist Raphael Lemkin, means murder of a people. *The United Nations Convention on the Prevention and Punishment of the Crime of Genocide*, concluded in 1949 and yet not approved by the United States in 1972, defines genocide as follows in part:

"Genocide means *any* of the following acts committed with *intent* to destroy, in whole or in part, a national, ethnical, racial or religious group by

(a) killing members of the group,

(b) causing serious bodily or mental harm to members of the group,

(c) deliberately inflicting on the group conditions of life calculated to bring about its destruction in whole or in part.

In East Pakistan, now Bangladesh, it is said that in 1971 over a million Bengalis died, countless others were harmed physically and mentally, and 30 million were made homeless and destitute (10 million in refugee camps in India, another 20 million displaced within Bangladesh). It is my intention to show that this catastrophe was the result of genocide.

It appears to me that in the making of genocide at least three ingredients must combine:

First, and foremost, a deliberate plan by a governing or policing authority that has the "intent to destroy in whole or in part," a particular group;

Second, a consideration by the killers-to-be that their victims are sub-human, unclean, corruptive, unworthy of existence;

and *Third*, the collusion in, or acquiescence with the genocidal events by other governments and peoples. Passive uninvolvement may be a form of acquiescence.

Since we have yet been unable to prevent genocide I cannot prove that the third ingredient—collusion, acquiescence—is the critical catalyst. But we could take a lesson from the master, Adolf Hitler, who said that murder of Jews would be a simple matter; after all, who protested when the Armenians were slaughtered.

By all these standards and definitions, events in Bangladesh was genocide.

An all-too-brief summary of the events of 1971 in Bangladesh will have to suffice. In the first free, one-man-one-vote election ever held in Pakistan the Bengali Awami League party of Sheikh Majibur Rahman won an absolute majority of seats in the new constituent assembly on the platform of economic autonomy for both East and West Pakistan within one federated nation.

Dismayed by the outcome, West Pakistani political leaders, notably the current President Bhutto, and the military, under former President Yahya Khan forced indefinite post-ponement of the Assembly. Massive civil disobedience by the Bangalis followed. Negotiations between the Bengalis and the West Pakistanis took place over the next two weeks. The talks seemed to be progressing and technical experts were beginning their talks. Quite suddenly, on the evening of March 25th Yahya Khan packed and flew back to West Pakistan. A few hours later wholesale killing by shooting, bombing and burning began in Dacca and simultaneously in several other large towns and cities of East Bengal. Deliberate targets in those first few days were students, professors, politicians, Hindus, the Bengali police force, the Bengali militia, all attacked where they lived or congregated; the University, barracks, market places, temples, ferry landings and crowded residences of the old town.

Many of the army units carried whole lists of people to be found and liquidated.

John Woodruff of the *Baltimore Sun* wrote on March 30, 1971:

"One well connected traveller arriving in Dacca from Karachi shocked newsmen a week before the conflagration by reporting that two generals he regarded as highly reliable had told him that the army's plan was to lull the Bengali leadership into believing the talks could succeed, then to crack down without warning."

During those talks thousands of Pakistani troops arrived in the East wing by sea, or by air, dressed as civilian travellers.

Anthony Mascarenhas, a Wast Pakistani journalist, fled to England with his family in May, and then wrote his eye-witness account:

"What I saw and heard with unbelieving eyes and ears during my 10 days in East Bengal during April made it terribly clear that the killings are not the isolated acts of military commanders in the field. They are the result of deliberate, vengeful orders from the top."

When the journalist asked a Pakistani major why he was about to kill a terrified civilian the reply was,

"Because he might be a Hindu or he might be a rebel, perhaps a student or an Awami Leaguer. *They know we are sorting them out.*"

There, the first ingredient—the planning.

Mascarenhas continues:

"As I traveled with the officers of the 9th Division . . . I witnessed the terrifying extent of genocide. I saw Hindus hunted from village to village . . . shot offhand. I have seen truckloads of other human targets, and those who tried to help them, hauled off 'for disposal'. I have witnessed 'kill and burn' missions. I have seen whole villages devastated by 'punitive action.'"

He then quotes an Army Major Bashir who explained the bloody events so,

"This is a cleansing process, . . . a war between the pure and the impure . . . the people here may have Moslem names and call themselves Moslems, but they are Hindus at heart."

The favorite joke of the officers was, "that Bengal is a low-lying land; the people are low and they lie." This incidentally said of a people with a magnificent living folk and classical culture in music, poetry, drama, dance and crafts.

There: ingredient two—the profound disgust and contempt.

Over 10,000 people are believed to have been killed in Dacca alone in those first few days.

After this initial spasm while the Pakistani troops consolidated, Bengali guerrilla resistance began. At its core were members of the East Pakistan Rifles, the Bengali militia, who escaped the first wave of slaughter. Then from mid-April *up to* the last day of the Indo-Pakistan War on December 9th genocide was carried out viciously, almost reflexly, but almost always with a deliberate plan.

Newsweek magazine, August 2nd. The headline:

"Bengal: The murder of a people" The correspondent quotes a Bengali friend,

"We have been ordered not to talk to foreign journalists. We are scared. We live in terror of the midnight knock on the door. So many people have been killed. So many more have disappeared and more vanish every night."

In the cities many hostages were taken by the army and locked up in the fortified garrisons called cantonments. Their families had to sign loyalty oaths and volunteer to become informers for the Army in return for the safety of their imprisoned relatives. In fact, weeks after the liberation the Bengali newspapers were still full of ads for missing persons and vast common graves have been discovered around each cantonment.

From the same *Newsweek* article:

"It seemed a routine enough request. Assembling the young men of the village of Haluaghat in East Pakistan, a Pakistani Army major informed them that his wounded soldiers urgently needed blood. Would they be donors? The young men lay down on makeshift cots, needles were inserted in their veins—and then slowly the blood was drained from their bodies until they died." This story was to be repeated in many towns.

As the Bengali guerrillas—the Mukhti Bahini—became active, the Pakistan Army issued Martial Law order 148 which declared a death penalty for sabotage and then stated:

"Inhabitants of the surrounding areas of all or any such place or places [affected by sabotage] will render themselves liable to punitive action collectively."

A team of experts from the World Bank visited East Bengal in June of 1971. In their report they noted the effects of Marial Law 148:

"It was only April that the Army moved North from Jenidah and into Khustia. There must have been very strong resistance. When the insurgents withdrew the army punitive action started. It lasted 12 days and left

Khustia virtually . . . destroyed. The population was down from 40,000 to 5,000. Ninety percent of the . . . buildings were totally destroyed. People were sitting around dazed . . . It was like the morning after a nuclear attack."

Sydney Schanberg of the *New York Times* returned to Bangladesh in January of this year. He found, "that almost every town had one or more . . . graveyards where the Pakistanis killed hundreds of thousands of Bengalis, apparently often on a daily basis throughout their months of military occupation."

With the nearly daily discovery of new graves and bones—the toll believably exceeds a million.

We have said little of the "serious mental harm" defined by the Convention as one act of genocide, and certainly suffered by the Bengalis. In the West we write doctoral theses on the psychological traunas to children following earthquakes or civil riots. Who will document the damage done to the Bengali children who have witnessed. . . . Who became malnourished. . . . What psychologist can heal the immense shame and guilt felt by the 200,000 Bengali girls raped, many made pregnant by Pakistani soldiers, many kept in the cantonments for round-the-clock pleasure.

"Serious mental harm:"

In each major town particular targets for the Army were the secondary schools. All destroyed. The consequences of the attempt to destroy both learning and the learned are still to be felt.

If the United States had immediately cut off all economic and military aid to Pakistan and vigorously denounced the genocide, that might have sufficed to stop the killings.

But we did neither, so we'll never know.

In fact, our government provided direct military, economic, and political support to the Central Government of Pakistan while all the events I have just described were occurring and no one in our government can say "I didn't know."

We provided continued economic assistance to Pakistan, allowing them to use precious foreign exchange to buy weapons; we allowed Pakistan to default on an 80 million dollar debt payment—enough money to run the Bengal operation for over a month. Even the American effort to relieve Bengali suffering was magnificent Orwellian fantasy. For instance, we supported the United Nations relief mission in East Pakistan and the Nixon proposal was for the U.N. to "help restore confidence in the East Pakistani administration" and to "help Pakistan restore communications and remobilize the province's private fleet of 40,000 river boats and 10,000 trucks," the very acts which would have promoted the army's grip on East Bengal. Four hundred UNICEF trucks and jeeps were actually taken over by the army, often used as gun and troop carriers. U.S. food grains were taken over by the Pakistan Army that distributed them in large part to collaborators and soldiers. By mid-summer, the Bengali guerrilas controlled 25% of the country along the border areas, with millions of refugees in them; yet no attempt was made to distribute relief there.

While all this was going on the Pakistan Government in September sold 30,000 tons of high quality rice to Iraq.

Finally, last November, after Congress voted 250 million dollars for immediate and direct aid to the Bengalis, the deputy head of our Agency for International Development, according to a November 21st *New York Times* article, concocted a fantastic scheme: He would use this money to pay refugees to return to the very horrors from whence they fled. Pay, mind you. So much per child, so much per adult.

Through June and July we were still delivering military supplies to the Pakistan army. In finest Orwellian "double think" we were told it was "only" two million dollars worth of "non-lethal end items." Well what were these "non-lethal" items? From testimony before Senator Kennedy's Subcommittee on Refugees June 28, 1971:

"Components, parts and accessories for military aircraft"

"Component, parts and accessories for military vehicles"

"Component, parts and accessories for artillery"

"Components, parts and accessories for tanks."

How many villages were destroyed and villagers killed by refurbished aircraft, vehicles, artillery and tanks?

When we evacuated Americans from Dacca on April 5th, 1971 arrangements were all set for a flight to Bangkok—the logical place to go. At the last moment all Americans were flown by Pakistan International Airlines to Karachi. The empty planes then flew back filled with Pakistani troops and *we paid for the round trip.*

Symbolic support also is not lost on diplomats. Last summer one of our top counselor officers announced that everything certainly seemed normal in Dacca and that he intended to break in his new golf clubs. There are two places for golfing in Dacca. One is in the center of town and the site of a Hindu village that was razed and its 200 inhabitants killed that night in March; the other is at the cantonment where the hostages were kept.

Of all the genocides in this century, this one was most publicized. *Time, Newsweek,* the *Washington Post,* the *Baltimore Sun,* the *New York Times,* numerous foreign papers all sent star reporters who, daily, filed one detailed grisly story after another. Many Congressmen and Senators were upset with the U.S. role and sponsored resolutions and legislation to halt aid to Pakistan. Yet, I have found a remarkable malaise about the subject among even colleagues and friends. I can offer a few conjectures, only guesses really, why this is.

First, I find a continuing disbelief that American leaders have a capacity for evil deeds. I, myself, don't want to believe it.

Second, Bengalis are remote and they are Asian. A prominent relief worker who was thoroughly familiar with Biafra as well as Bangladesh told me that American response to Biafran suffering was much greater. He thought it had to do with the Christianity of the Ibos and the filial relationship to the blacks of our own country.

Third, and probably most critical, is that our government has systematically blunted our sensitivities to human suffering, especially Asian suffering, by the prolonged war in Vietnam and the euphemisms used to cover our deeds:

Protective reaction strikes, V.C. body Counts, pacification, resettlement, free-fire zone, defoliation, and anti-personnel bombs.

But now, any of us who listen to what the anguished among us are saying, know what suffering those words really stand for. Yet, the words act as more anaesthetics to our already numbed souls. We have become chloroformed to the point that our government can talk glibly about "only" 2 million dollars worth of "non-lethal end items."

Perhaps, also, we are just plain fatigued. Arthur Miller has written that ours is not "the Age of the Credibility Gap, not with the mountain of facts available . . . ours is the Age of Abdiction."

Parenthetically, however, if there were 5 million politically active, well-to-do Bengali-Americans living here things might have been different for Bangladesh, but there aren't, and it wasn't.

Please, now consider with me this most important hypothesis: That there exists in every society the capability to commit or tolerate mass murder and genocide and that when governing powers rationally determine to use genocide as a state policy the worst impulses dormant in society become unleashed. This is not to say that each of *us* is capable of murder. That's nonsense. But, each of us is capable of watching murder.

If my hypotheses is correct it therefore becomes a critical function for government and organized society not only to control and subdue the impulses to commit evil, but also to encourage the majority of us to recognize and resist evil. Confucious long ago stated that the morality of a people is determined by the morality of its leaders. Yet, in America today we cannot expect our government to fulfill this function as long as our would-be Metternichs play global chess and arrange power balances. Albert Schweitzer once wrote, "We have talked for decades with ever-increasing light-mindedness about war and conquest, as if these were merely operations on a chessboard; how was this possible save as the result of a tone of mind which no longer pictured to itself the fate of individuals, but thought of them as figures or objects belonging to the material world?"

What can we, as Americans, as Jews, as people, now do?

Since the Passover season is nearly upon us it is appropriate to turn to our Jewish teachings. After partaking in nearly 60 *seders* I realized for the first time last year that the four sons of the Hagadah were all posing the same question: "What is Passover all about?" and were getting the same answer, which is simply, that in every generation each man and woman must consider themselves as if they had personally been delivered from Egypt. But listen how the attitude changes from son to son.

The wise son says, "I think I understand all you have said. Now what must I do?" The answer is to teach him everything about the seder ritual, even to the most obvious detail—that you don't go carousing after the ceremonies—that you respect and remember the suffering of others—not because he *needs* to be told that but because he wants to know the specific actions he should take.

The evil sons says, "What are *you people* getting so excited about? It's just that old Hindu-Moslem thing again. Besides, they're overpopulated anyway." The Hagaddah tells us to seize him and shake him until his teeth rattle and say "You people! We're all human beings. We slaved in Egypt together; we were gassed in Dachau together; we *all* died in Dacca." Maybe, as the Hagaddah suggest we can't save this son; but we must prevent him from infecting the others.

The simple son says, "What's this all about? I am not a political person; what do I know which side is to blame. Look if you want to talk about humanitarian things, where's your collection box? Here, I'll give a few dollars." And you reply "my child,"—not so endearingly because he's had a few thousand years to think about this—"my child, what people do *to* people and *for* people is political. Coming out of Egypt was a political act; the building of Israel is a superb political act; genocide is a political act; the delay in recognizing Bangladesh and sending aid is a political act. You don't have to like it, but you had better understand it."

Finally the son who is too timid to speak; you say to him, "All right, I talk better than you, I will speak widely on your behalf; I write better than you, I will compose articles and letters for you; I am wealthier than you, I will donate the money. Just nod your head if you understand, and support me."

Wise people, listen to what you must do—tell others about the killing of Bengalis, talk about America's role in the world today, write our Congressmen, Senators, newspapers; insist on recognition of Bangladesh and the immediate succour of crying people; give money to UNICEF, the International Rescue Committee, the Emergency Relief Fund, the Bangladesh Information Center and Foundation; ask for America's approval of the

Genocide Convention; learn what causes genocide, insist on punishment of its perpetrators; and, finally *study ways to prevent the next genocide.*

For if we have any love for ourselves, our humanity, our God, genocide must never be allowed to happen to any people again! Not ever again. Never . . . again.

FOREIGN AID TO DEVELOPING COUNTRIES AND THE LINK

Mr. JAVITS. Mr. President, on March 17 I submitted a concurrent resolution which recommended that a "link" be established between the future creation of special drawing rights—SDR's—and development assistance. Representative REUSS submitted the same resolution in the House.

I submitted this resolution since in my view it serves the best interests of the United States in at least two ways:

First, the channeling of additional reserves to the developing world would stimuate their purchases of goods from the developed world of which the United States is the most important nation. These increased exports which would result from these increased LDC purchases would stimulate our economy and create additional jobs. We have heard much about the jobs that have been lost to imports; the link proposal would build exports and consequently employment.

Second, the "link" proposal would strengthen our relations with the developing world, and perhaps gain LDC support for the U.S. position on such matters as the future shape of the world monetary and trading system. Secretary Connally has publicly stated that it is his wish to see the world's economic negotiating forums such as the Group of Ten expanded to include representatives of the developing world.

I bring this matter to the attention of the Senate again today because some of our chief trading partners and trading rivals have adopted a very positive position regarding the "link" in the UNCTAD conference now underway in Santiago, Chile.

The French Finance Minister Mr. Giscard d'Estaing, in his statement before the conference stated:

Finally, the creation of agreed international liquidities in the form of special drawing rights—if confirmed, as we expect, by the new system—will enhance the continuity and the progression of public aid efforts. This is why France is prepared to allow the creation of a link between these special drawing rights and aid for development.

The Japanese spokesman Mr. Aichi stated:

Another issue which is closely connected with the future of the international monetary system is the question of the link between SDRs and development assistance. We fully understand the position of the developing countries in proposing "the link" as a promising means of activating financial cooperation from the developed countries. But, we are still in initial stages of the international examination of the future role of SDRs themselves. My country strongly hopes that the International Monetary Fund will give the issue of "the link" an active and serious consideration, keeping in mind its relationship with the examination of the role of SDRs themselves. We will participate positively in such an examination of the "the link."

Finally, the representative of the United Kingdom said the following on behalf of his Government:

My Government supports the claim of developing countries for changes in the machinery of the International Monetary Fund which will enable them to participate more directly in the discussion of these reforms and in the management of the international monetary system. Because reform of the system is so complex, it will require most careful examination before changes can be internationally agreed. My Government believes that one part of such an examination should be the link between flows of development assistance and a new international monetary reserve asset. This study should be designed to discover first, whether a wider international monetary reform would provide a suitable occasion to introduce such a link. Secondly, the study should consider whether the link would be compatible with what must be the primary object, namely, the early and urgent reform of the international monetary system. Finally, we need to know whether such a link would command sufficient support among the Governments concerned to make it a workable proposition. While this study is being made, the United Kingdom Government's view is that more traditional efforts to sustain both multilateral and bilateral aid flows must be continued and increased; and here, in particular, I have in mind the need to complete quickly the third replenishment of IDA.

Mr. President, I must admit that I find it little short of astounding that France, in particular, which opposed the very creation of SDR's now support the "link." Their self-interest must be served by this and I would hope that our Government would take a similarly enlightened view as to the U.S. self-interest. The United States should support the concept of the "link" and failure to do so would represent a lost opportunity not only to strengthen our economy and balance-of-trade position, but also to reaffirm our interest in the development of the developing world.

NEUTRALIZATION OF SOUTHEAST ASIA

Mr. FULBRIGHT. Mr. President, on March 24, the Senator from Delaware (Mr. ROTH) suggested on the Senate floor that the United States should endorse the concept of the neutralization of Southeast Asia. I think that this is a most commendable proposal.

In 1966, the Committee on Foreign Relations commissioned a study of the problems and prospects of neutralization in this troubled region. The study concluded that—

Viewed as an alternative to the long-term continuation of a large American military presence in South Vietnam, the idea of neutralization merits serious consideration on the part of the U.S. Government. A policy of neutralization, if reasonably successful, would facilitate the achievement of the American objective of permitting countries to fashion their own destinies without massive interference from the outside.

As Senator ROTH made clear in his remarks, neutralization is still highly compatible with U.S. interests in Southeast Asia. It may be even more so today. The idea of neutralization has been endorsed by the members of the Association of Southeast Asian nations—Malaysia, Singapore, Indonesia, the Philippines, and Thailand. As we now try to improve relations with China, the neutralization of Southeast Asia would be an excellent way to reduce future friction in the region.

I commend the Senator from Delaware for his fine statement.

I also recommend to the attention of Senators the Study of the Foreign Relations Committees of October 10, 1966, entitled "Neutralization in Southeast Asia: Problems and Prospects," which is useful in considering the validity of this suggestion.

OUR WILDLIFE—WHO "OWNS" IT?

Mr. HANSEN. Mr. President, over the past several years there has been much discussion and controversy relative to the Federal-State relationship as it pertains to control and management of fish and wildlife within each State.

Mr. Don Hall is a graduate of the University of Wyoming Law School and has worked for several years as a special assistant to the attorney general for the State of Wyoming assigned to the Wyoming Game and Fish Commission.

He has written a fine article analyzing the problems which face the States in regard to ownership of game and fish which inhabit federally-owned land.

Mr. President, I hope that Senators will take note of this article. I ask unanimous consent that the article by Mr. Hall, as it appeared in the April 1972, issue of "Wyoming Wildlife" magazine, be printed in the RECORD.

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

STATE VERSUS FEDERAL JURISDICTION OVER WILDLIFE

(By Don Hall)

The legal status of game and fish has evolved from a broad historical background. Traditionally, the ownership of wildlife was vested in each state. In 1896, Justice White of the U.S. Supreme Court [1] traced the history of the ownership of game and fish to Grecian and Roman law, Salic and Anglo-Saxon law, to the Crown of England and subsequently to the United States.[2]

The legislative power exercised by the respective states over wildlife is based upon this theory that each state has an absolute ownership of the wildlife therein.

The legal doctrines pronounced in *Geer v. Connecticut* [3] and *McCready v. Virginia,* [4] which established state ownership of wildlife, remained unchallenged until 1920. In *Missouri v. Holland,*[5] the U.S. Supreme Court diminished the state ownership theory with respect to migratory birds. In essence the court held that the states cannot claim absolute ownership of wildlife whose migratory habits transcend state and national boundaries. Thus, the regulation of migratory birds was given to the Federal Government

[1] *Geer v. Connecticut,* 161 U.S. 519, 40L.Ed. 793, 16 SCt. 600 (1896).

[2] Author would extend credit to the excellent background material provided by papers presented by *Mr. Nicholas v. Olds* entitled the *Legal Status of Game and Fish* and *Do States Still Own Their Game and Fish.*

[3] *Supra,* Note 1.

[4] *McCready v. Virginia,* 94 U.S. 391 (1877).

[5] *Missouri v. Holland,* 252 U.S. 416, 641 Ed. 641, 40 S.Ct. 382 (1920).

through the treaty-making authority of the United States. State ownership of wildlife was then reduced to those resident species which during their normal course of life stayed within the boundaries of each state.

With the advent of passage of various laws by Congress which enabled the various departments of the Federal Government to acquire lands for wildlife refuges and national forests, a new concept entered the law which enabled the various departments of Federal Government to exercise qualified dominion of wildlife. This new concept within the Federal framework could appropriately be entitled, "The Land Ownership Theory." Under these laws the Federal Government acquired properties under two situations: (1) an outright cession by the state which gave the Federal Government exclusive control over the land and wildlife; and (2) acquisition of property without cession by the states which put the Federal Government on essentially the same ownership footing as any private individual.

Several cases have arisen wherein Federal dominion over wildlife on Federal lands has been an issue. In *Hunt v. U.S.*[6] it was decided that the Federal Government had the same authority as a private landowner to reduce deer populations which were causing serious depredations on the land. In other words, the Federal authorities were permitted to reduce deer herds without being restricted by state law.

In 1969, the Tenth Circuit Court of appeals in the case of *New Mexico State Game Commission v. Secretary of Interior*,[7] decided that the Federal Government need not secure permission from the state game department to kill game animals in the management of national parks. This decision went substantially further than the Hunt case because the Federal Government therein did not need to show actual depredations or damage to the land by game animals.

The question may then be asked at this point, when or to what extent the Federal Government is now entitled to exercise complete dominion over wildlife on Federal lands without interference from state game laws? In other words, may the Federal Government now by virtue of its land ownership extend its complete dominion over wildlife under land management policies? It is readily obvious that if the land ownership theory is carried to its fullest extent, then there is a dangerous precedent established that even private individuals can exercise complete dominion over wildlife running on private land. The end result of relating land ownership to absolute dominion over wildlife running thereon would be that private persons as well as the several government entities which own lands would all be exercising control over the wildlife resources. This quagmire of ownership would undoubtedly lead to mass confusion and mismanagement of the species presently found on the various land bodies. In my opinion, this would ultimately destroy the wildlife resources which all of the citizens of the United States and the citizens of the various states now enjoy.

So far, the United States Supreme Court has not yet totally destroyed the concept of state ownership of wildlife. In *Toomer v. Whitsell*, 1948,[8] the United States Supreme Court declared, in essence, that the absolute ownership of wildlife by the state may be a legal fiction. In *Toomer*, they then viewed a South Carolina Statute for a Commercial Fishery License unconstitutional under the "Privileges and Immunities Clause." It would appear that state game laws will now be viewed in the light of their "reasonableness" under police power concepts rather than on states absolute ownership.

In the case of *Mullaney v. Anderson*, 1952,[9] the United States Supreme Court declared a nonresident license fee invalid as a discrimination against nonresident commercial fisherman. Thus, it is apparent that the United States Supreme Court will scrutinize commercial aspects of game and fish laws within the "reasonable aspect test" of police powers. It would now appear that if the several states hope to retain complete jurisdiction over wildlife that their respective Legislatures will have to apply the "reasonable test" with regard to all differentials in the treatment of residents as opposed to nonresidents.

If the states do not attempt to fairly regulate wildlife resources within Federal constitutional limits, then either the courts or Congress will declare that the right to control and manage wildlife shall be vested in the Federal Government.

[6] *Hunt v. U.S.*, 278 U.S. 96 (1927).

[7] *New Mexico Game Commission v. Secretary of Interior*, et al., 410 F.2d 1197 (1969).

[8] *Toomer v. Whitsell*, 334 U.S. 385 (1948).

[9] *Mullaney v. Anderson*, 342 U.S. 415 (1952).

SPENDING HASTE

Mr. PROXMIRE. Mr. President, the Milwaukee Sentinel in a thoughtful editorial on April 12, 1972, sums up the Navy's orders to spend $400 million before June 30 this way:

There simply is no acceptable excuse for wasting the taxpayers' hard earned dollars.

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

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

SPENDING HASTE

The following paragraph of gobbledygook is tough going but, we believe, worth a taxpayer's time to plow through:

"Fiscal year 1972 outlay targets promulgated by reference A as part of the President's budget for fiscal year 1973 are over $400 million above target in the earlier fiscal year 1972 budget for the OPN, SCN, PAMN, and MILCON appropriations. Difficulty of achieving these targets during the remaining months of fiscal year 1972 fully appreciated but importance of avoiding shortfall in meeting newly established fiscal year 1972 targets to avoid resultant adverse effects on anticipated fiscal year 1973 outlay ceiling dictates need for top management attention. Anticipate any shortfall in fiscal year 1972 outlay target could be translated into program loss under fiscal year 1973 outlay ceiling."

There's more, but that should be enough to give you the general idea. Not that you or anyone else should be expected to understand immediately what Adm. Elmo R. Zumwalt, chief of naval operations, is saying in this memo.

As interpreted by Sen. Proxmire (D-Wis.), Zumwalt is ordering the Navy's procurement officers to spend up to the hilt this fiscal year so the Navy can have more funds to spend next year.

The Navy has a defense for this spending practice. Testifying before Proxmire's Joint Economic Subcommittee, Adm. I. C. Kidd, chief of the Naval Material Command, after admitting that he had a hard time understanding the memo himself, says memos like this have been issued for years.

It seems that Congress gets later and later in making its appropriations, not getting around to it until long after a new fiscal year gets underway.

"When we get final approval of our budget and the money actually in hand so late in the fiscal year," said Kidd, "it very seriously complicates the ability of the systems commands to get proper contracts drawn and to get that money actually spent." In other words, they have to do in six months what they should have a year to do.

If that be the case, why doesn't Zumwalt just say so in simple English instead of engaging in circumlocution about outlay targets, shortfalls and such?

Certainly Congress shares some blame for not making appropriations on time. But the Navy—and all other offices in and out of the Pentagon which hasten to make waste—also are to blame. There simply is no acceptable excuse for wasting the taxpayers' hard earned dollars.

SENATE HEARINGS ON THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Mr. PERCY. Mr. President, on April 11 and 12 the Government Operations Committee held additional hearings on S. 1430, the President's proposal to create a new Department of Community Development. The hearings were chaired by Senator CHILES in the absence of our distinguished chairman, Senator MCCLELLAN, and the senior Senator from Connecticut (Mr. RIBICOFF) who is chairman of the Subcommittee on Executive Reorganization.

As principal Senate sponsor of this and the administration's three other executive reorganization bills, I am very pleased that we have reopened hearings now. On April 11 the House Government Operations Committee held its final day of hearings on the Department of Community Development, in which it heard Secretary Connally and Mr. Frank Carlucci, Associate Director of the Office of Management and Budget, present a final summary of the administration's case for the bill.

The chairman of the House committee, Congressman CHET HOLIFIELD, deserves praise for his diligent and thorough attention to the reorganization measures, and for his intention to move ahead with this worthwhile legislation. The Senate should move in tandem with the House and I am looking forward to completion of the hearings in our own Senate committee as well.

The witnesses who appeared before the Senate committee on April 11 and 12 were Under Secretary of Transportation Beggs, Under Secretary of Commerce Lynn, OEO Director Sanchez, and Associate OMB Director Carlucci. I have excerpted their testimony for the RECORD in order to make it available to those who are interested in the creation of this new Department.

I would note that this testimony on the creation of a new Community Development Department comes at an appropriate moment. The Senate is now considering S. 3462, reported by the Committee on Agriculture and Forestry, which would add a major new community development role to the existing Agriculture Department.

During our debate on the bill I shall ask the Senate to consider whether the job of creating economically viable, enjoyable, rural communities is primarily a matter of rural policy, or a matter of community building and improved community facilities. I submit that it is the latter. A community—rural, semirural, or urban—is built of many things: Among them are community spirit; community

facilities for recreation, sanitation, and transportation; commercial development; and an industrial or manufacturing base. There should be no artificial distinctions made among urban and suburban communities and primarily "rural" communities. One department charged with the responsibility and given the programs to help build all of the Nation's communities is, I suggest, the more logical, responsible solution to the problem of aiding rural community development.

I ask unanimous consent that portions of the testimony be printed in the RECORD.

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

THE DEPARTMENT OF COMMUNITY DEVELOPMENT BILL (S. 1430)

(Statement of Under Secretary James M. Beggs)

Mr. Chairman, I appreciate the opportunity to appear this morning to present the views of the Department of Transportation on the President's Departmental Reorganization Program, and specifically on the proposed Department of Community Development.

We truly believe that this program presents a unique opportunity to substantially improve the operation of the Executive Branch of the Federal Government, and we support it wholeheartedly.

To those who ask why—when only a short time ago we were urging the consolidation of transportation resources into a single department, we now urge their division—I would make three points:

(1) The establishment of the Department of Transportation was a wise and necessary move, taking into account the dispersion of transportation programs and the departmental structure which prevailed in 1966. Even though the Department still does not include all of the transportation agencies it should, it has made substantial gains in developing an intelligent and consistent Federal policy regarding all modes of transportation.

(2) In recommending the division of the functions of the present Department, I am in no way advocating a return to the situation that existed before the Department was established. At that time, transportation functions were distributed among many agencies and departments without any consistency or overall purpose. What we propose today is a division of transportation functions essentially between two departments based on their primarily national versus predominantly local orientations. This is in marked contrast to the fragmentation of transportation functions among the five departments and three independent agencies which previously exercised the functions now vested in the Department of Transportation.

(3) When the Department of Transportation was established, the President's Departmental Reorganization Program was not available. If it had been, I believe quite frankly that the consolidation and disposition of transportation functions would be essentially as we now recommend.

The creation of a broad-based Department of Community Development will make it possible to provide a more focused and integrated response to the full range of community development problems, such as the steady movement of people from rural to urban areas or from cities to suburbs.

Further, our proposal will combat the adverse effects of disorderly, costly, and undesirable land development and use. The Department of Community Development, by offering a broad range of programs aimed at total community development needs, will move away from the narrow functional orientation which currently exists.

Two major elements of the Department of Transportation are deeply involved in community planning and development—the Federal Highway Administration, and the Urban Mass Transportation Administration.

Since the entire Urban Mass Transportation Administration is dedicated to the service of individual communities, especially through its capital grant program, it would be transferred intact to the Department of Community Development.

The Federal Highway Administration of the Department of Transportation has two main program areas—highways (including construction-related aspects of highway safety) and motor carrier safety. The highway program is very much involved in community planning and development. Quite obviously, streets and highways are every bit as essential to community development as is housing, water and sewer systems, or community services. It is imperative that these functions be planned together from their inception.

The Interstate Highway System, although nationwide in its scope and objectives, has a very significant impact on the development of communities served. It is logical, therefore, to include this program with the other community-oriented elements of the Department of Community Development.

Motor carrier safety is not involved to a great extent in community life. The major impact is on interstate transportation, and its objectives relate to the safety of trucks and buses operating over a transportation system which is nationwide in scope. It is, therefore, more appropriate to include this function in the proposed Department of Economic Affairs along with other transportation safety programs having similar objectives.

As you know, the proposal for establishing the Department of Community Development originally provided for the inclusion of the highway traffic safety grants programs of the National Highway Traffic Safety Administration in the Department of Community Development. After careful reexamination, we became convinced that it would be better to include the motor vehicle safety and highway traffic safety functions now administered by NHTSA in a single department. The motor vehicle and the driver are an inseparable combination whose actions and reactions to the highway environment cause highway accidents. Separating these two programs by placing them in different departments would run counter to the purposes of the reorganization. Further, the traffic safety functions concerned here—that is, those *not* associated with the construction and maintenance of highways—do not require coordination with community planning and development agencies. Finally, we believe that our proposal to keep the highway traffic safety and motor vehicle safety programs together is consistent with the intent of Congress as expressed in the Highway Safety Act of 1970. Briefly, this is why we are recommending this amendment to our original bill.

The two community-oriented elements of the Department of Transportation—the Urban Mass Transportation Administration and the highway related elements of the Federal Highway Administration—would comprise the Community Transportation Administration, one of three major administrations in the new department. The essential elements for comprehensive, community-oriented planning and programming—urban and rural development, housing, and community transportation—thus are embodied in a single department.

In our study of the means for implementing the reorganization proposal most effectively, great care was taken to preserve the effective program delivery systems currently existing. The State Highway Departments, for instance, will continue to conduct their business with the Division Engineers in their States as at present. Similarly, only one Federal agency will be concerned with mass transit grants. I am confident that the clientele groups and planning agencies will find their tasks facilitated by the new organization, particularly since the community planning and development agenceis will also be in the same single department.

We have also developed a concept for a field organization. As I mentioned earlier, the Department of Community Development is envisioned as a community-oriented agency. This concept dictates that a high degree of decentralization and delegation of program authority be effected. It further dictates that the departmental regional director have comprehensive line authority over fucntional field officials at the regional level.

The field organization of the Department of Transportation elements transferring to the Department of Community Development would remain essentially intact, thus assuring continued service.

The Federal Highway Administration field organization presently consists of nine regional administrators in regions corresponding very closely to the ten standard regions. Subordinate to the regional administrator is a division engineer in each State capital to whom most program authority has been delegated. The Division Engineer reviews the State highway plans for adherence to Federal standards. An excellent working relationship exists between the States and the division engineers. This relationship and the program authority delegation must be retained. Coordination with other Department of Community Development programs will be facilitated by the proposed establishment of the Department of Community Development field offices at the State level. We believe that the present regional highway administrator would be most effectively placed in a line position under the regional director.

The Urban Mass Transportation Administration has not yet established a field organization. However, Congress has authorized thirty field positions, and the development of field representation is well underway. In the Department of Community Development, the Urban Mass Transportation Administration regional director would become a staff assistant to the Departmental Regional Director and a member of the team serving the urban communities.

Mr. Chairman, I believe that the establishment of the Department of Community Development would enable the Federal Government to mount a considerably more effective and efficient drive against the problems of our deteriorating urban and neglected rural areas than can now be accomplished. More importantly, this increased efficiency will mean better government for all the people.

I urge this Committee to take favorable action on S. 1430 as rapidly as possible.

S. 1430. TO ESTABLISH A DEPARTMENT OF COMMUNITY DEVELOPMENT

(Statement of James T. Lynn, Under Secretary of Commerce)

Mr. Chairman, I wish to thank you and the members of the Committee for this opportunity to present the views of the Department of Commerce on the proposed Department of Community Development. My testimony today will be in support of S. 1430, the bill establishing the Department of Community Development. I must, however, also discuss to some extent S. 1433, the companion bill which establishes the Department of Economic Affairs.

Our programs affected by the DCD bill are those of the Economic Development Administration and the Title V Regional Commissions. These programs, all of which are au-

thorized by the Public Works and Economic Development Act of 1965, work toward the resolution of economic problems by stimulating creation of permanent jobs. They include direct aid to job-creating businesses themselves as well as assistance to hard-pressed communities to help those communities create the economic infrastructure necessary for industrial growth.

The Economic Development Administration makes low interest loans and working capital guarantees to businesses. EDA also provides grants and loans to communities for public works and development facilities. EDA also has available technical assistance, planning, and research capacities which are used both with its business loan and public works programs to enhance the economic impact of individual projects and, apart from individual projects, to supplement a variety of local initiatives with economic development expertise.

Congress appropriated $284.4 million for the EDA program in FY 1972. Of this amount, $190 million was appropriated for public works and development facilities. The latter would be transferred to DCD under the proposed bill.

To date, six multi-state so-called title V Regional Commissions have been established: Ozarks, Upper Great Lakes, Four Corners, New England, Upper Missouri, and Coastal Plains. We anticipate the formation of several others in the near future.

The commissions provide a system through which the states and federal government jointly participate in analyzing development problems, decide upon plans and programs to overcome these problems, and provide technical, planning, and grant assistance. Congress appropriated $39 million for the commissions in FY 1972.

The apportionment between DCD and DEA of the Department of Commerce programs was made in accordance with the missions of the proposed Departments. DCD's mission will be, in general, to help state and local governments and other appropriate agencies plan and carry out a program of balanced growth, an important part of which would include providing for needed public facilities. DEA's primary goal will be to assure the proper functioning and growth of our national economy. This will require stimulating the economic development process in the less prosperous areas of the country.

The bills, as recently amended in a mostly technical way, now provide as follows:

The Title V Regional Commission program, with its emphasis on developing multi-State regional strategies for development, will be transferred to DCD.

The Economic Development Administration's authority to provide grant and loan assistance for public works and development facilities will be transferred to DCD.

DEA will have EDA's authority to provide business loans and working capital guarantees, to conduct economic development research and to designate areas eligible for assistance under the Public Works and Economic Development Act.

EDA's technical assistance, planning, and demonstration project authority will be shared by DCD and DEA. DCD will use this authority for the specific purposes of assisting public works and development facilities projects and providing community development planning assistance. DEA will use the same authority to assist economic development activity. EDA's planning assistance authority will be used by DEA to support overall economic development planning activities, including EDA's economic development district program.

We believe these reorganization proposals assure that the people, communities, and states which rely on the EDA and Title V programs will continue to benefit from them under their mission-oriented management by DCD and DEA. And they will find the programs more efficient, more responsive, and far more effective for their integration with similar programs in DCD.

Let me briefly describe the way the Title V Commission programs and the EDA public works and development facilities programs will be administered, and some of the advantages that will flow from this administration.

The only administrative change in the Title V Commission programs envisoned by the bill will have the Secretary of DCD assume the responsibilities vis a vis the Commissions now exercised by the Secretary of Commerce. The unique federal-state structure of the commissions will remain intact. But, at the same time the commissions will be able to mesh closely regional development programs with the other community development programs of DCD.

EDA's public works and development facility authority will be administered by DCD along with community facilities programs from HUD, Agriculture, and elsewhere. Community facilities assistance will be administered through DCD's Urban and Rural Development Administration. Decision-making will be strongly decentralized at the state level. Proposals for EDA public works and development facilities projects, for example, will be initiated by applicants through Economic Development Representatives of EDA and, where appropriate, DCD field personnel. Projects will be referred to DCD State offices, with copies to DEA field offices. The DCD State office will process the project and will have the power of final approval. The DEA field office will certify to DCD conformance with the overall economic development program of the area in which the project is located. It will also ensure compliance with the Public Works and Economic Development Act. It will determine, for example, whether the prohibition against assistance for industries suffering from excess production capacity would be violated. Construction management for these projects will be carried out by DCD state offices along with similar DCD projects.

The DCD bill and the administrative arrangements that I have just detailed are designed to ease many of the burdens imposed upon State and local officials seeking to obtain federal community development assistance, especially assistance for water and sewer facilities.

These burdens are significant. Take, for example, a municipality that is eligible for water and sewer assistance from EDA, HUD, and FHA. While it is true that these agencies have developed various coordinating and referral procedures for processing water and sewer applications, the fact remains that these arrangements are far from perfect, and the local official seeking such assistance is faced with a number of problems. Initially he must determine which of several agencies to approach. He must then tailor his application with a view toward satisfying the planning and other statutory and administrative requirements of each of the various Federal water and sewer agencies. Often, the local official must prepare for and attend meetings with representatives of each of the Federal agencies. Sometimes these meetings involve decisions concerning the participation by EDA, HUD, and FHA in complicated combination grant, supplementary grant, and loan packages. Even when preliminary agreement is reached on combination funding by the Federal agencies, the local official still must cope with the somewhat different standards and time schedules used by the agencies to process the community's water and sewer assistance application.

After the combination assistance package is approved, the local official is still subjected to the imperfect Federal coordinating devices that are designed to smooth over the agencies' different practices concerning disbursement of funds and construction management.

The enactment of the DCD bill will provide unified management control over the EDA, HUD, and FHA community facilities programs, and will go a long way toward eliminating the administrative procedures that have proved so costly and frustrating to state and local government. Federal costs and duplication of effort will be reduced. The prime beneficiaries, however, of integrated, efficient community facility administration by DCD will be state and local governments and the people. Local officials will be able to go to one source for community facility assistance. DCD's integrated administration and financial flexibility will enable local officials to assert more effectively their own priorities concerning community facilities. They will no longer be plagued by the conflicting project processing and management procedures of the existing Federal agencies concerned with community facility assistance.

Thus, we believe that the DCD legislation offers a framework for responsive, effective Federal community and economic development efforts, and we strongly urge its enactment.

One final note. We believe that the provisions of the DCD bill are consistent with the legislation the President has proposed to establish a rural community development revenue sharing program. If this special revenue sharing proposal is enacted into law after the passage of the DCD bill, DCD would assume administrative responsibility for the revenue sharing program. Many of the programs that are to be absorbed by this special revenue sharing proposal—such as the Title V Regional Commissions, and EDA—are, in any event, as I have previously indicated, to be transferred, in large part, to DCD under the DCD bill. Thus, the vesting of such authority under the reorganization in DCD would be consistent with the ultimate design envisioned in this special revenue sharing proposal.

S. 1430. To Establish a Department of Community Development

(Statement by Phillip V. Sanchez, Director, Office of Economic Opportunity)

Mr. Chairman and Members of the Committee, I appreciate this opportunity to present my views on S. 1430, legislation proposed by the President to establish a Department of Community Development.

As you know S. 1430 would transfer from the Director, OEO to the Secretary of the DCD, responsibility for administering the Community Action Program and associated support activities under Title II of the Economic Opportunity Act. It would also transfer responsibility for the Senior Opportunities and Services program under Section 222(a) (7) of our Act, and the Special Impact Program under Title I–D. The activities conducted under these parts of the Economic Opportunity Act cut broadly across many functional program categories. They represent the kinds of community development effort which the proposed new Department is designed to enhance. Of the three programs, Community Action is by far the largest, with a FY 1972 budget of $325 million. The Special Impact Program, which is designed to provide highly visible economic and community development impacts in urban and rural areas with high concentrations of poverty is funded at $26 million in FY 1972. The Senior Opportunities and Services Program, which is closely associated with Community Action, seeks to increase the opportunities and participation of the older poor in Community Action and other programs at the community level, with a FY 1972 budget of $8 million.

In my statement today, I want particularly to discuss three major points:

1. The institution-building aspects of community development.

2. The relevance of Community Action to this institution-building purpose.

3. The effects of a new Department of Community Development on the future of Community Action.

Previous witnesses have underscored the fact that the DCD will be far more than an expanded HUD with a new name, and that community development must be far more than the construction of houses, roads, water and sewer, transportation and other community facilities. These tangible structures and facilities are important but they do not make a community. A community has to do, not with things, but with people and the institutions and activities through which they work together to solve common problems.

. . . The Comunity Development concept also assumes that a community is not embodied entirely in its government but exists to a large degree in the private sector. This includes private economic enterprises and the independent private organizations formed by citizens who share common interests. This is an especially vital aspect of American communities. A key element of Community Development is the strengthening of the capabilities of all citizens to contribute to the solution of community problems; to participate in planning and carrying out those activities which affect their lives.

In creating the DCD, the Federal Government will for the first time have the ability to provide integrated support and assistance to the community-building efforts of state and local governments and a range of private institutions. Instead of Community Development being a by-product which may hopefully emerge from the conduct of programs aimed primarily at other goals, Community Development will become one of the explicit and primary purposes of the Federal Government. It will have a major cabinet level department responsible for producing results in this most critical field.

One hardly needs to ask what is the interest of the poor in all this. The poor know perhaps better than anyone else the price that is paid when local government and local private institutions lack the ability to plan and carry out programs that are truly responsive to the needs of all citizens.

And the poor have historically been least able to participate in and influence the planning and management of programs which affect their lives. They have been largely isolated from the communication and decision-making processes through which other citizens have been able to gain community support for their legitimate interests and needs.

The Community Action Program speaks directly to these community-building needs which I have described. In fact, it has pioneered many of the paths that are leading to an expanded Community Development effort. There are today more than 900 locally-established and locally-governed Community Action Agencies (CAAs) in both urban and rural communities. Through their broadly representative local boards and other means, CAAs have provided a new institutional framework in which the poor, local government officials, and private sector leadership can jointly assess the poverty problems of their community and develop plans for mobilizing public and private resources to address those problems. This process is opening up new doors and new communication channels between the poor and public and private institutions. It is forming new partnerships between government and private institutions at the community level. It is generating new investments of both financial and human resources for local antipoverty efforts. In the CAA, Community Action is building a flexible new instrument capable of operating a wide range of service delivery programs and linking them together at the neighborhood level. It is giving poor people a new stake in their community. It is generating not only *participation* but also *leadership* among the poor, which represents a new community resource for future local problem-solving.

The vast potential of the CAA for this kind of constructive impact rests largely on the unique form and quality of the CAA, which is in most cases a private, nonprofit institution, established and subject to modification by local government. It is a quasi-public/private institution whose mission is to build community bridges that facilitate more responsive planning and better coordinated actions. This is precisely the kind of community institution which the DCD will encourage as an essential part of its mission.

With its emphasis on helping each community improve its own local response to local poverty problems, Community Action has been in the forefront of the growing Federal concern with community problem-solving which cuts across narrow categorical lines. Community Action has specifically encouraged broad problem-oriented community planning and has supported such planning with flexible "local initiative" grants which in many ways foreshadowed the recent interest in block grants and revenue sharing. Community Action explicitly recognizes that each community is in many ways unique and that single national solutions imposed from Washington are no substitute for the hand-tailoring of programs by local citizens to fit local needs.

The Community Action Program not only fits naturally into the new Department of Community Development; we expect that the existing purposes, assets and experience of Community Action will help to define the future institutional development mission of the new agency, and will have a significant effect on the character of DCD support for community development.

If Community Action will be good for the Department of Community Development, will the DCD also be good for Community Action? That is a question which is being asked by many of the friends of Community Action today. Part of the answer is suggested in the trends which are observable in Community Action relationships throughout the country.

As experience accumulates, the need for closer ties between Community Action and other major programs has been recognized at the community level, and CAAs are generally moving toward greater coordination and involvement with local and state government, as well as with private institutions.

The greatest obstacle to this healthy trend and to further broadening of federal support for the goals and activities of Community Action is the continuing isolation of Community Action from other major programs within the Federal Government. This organizational isolation makes it difficult for CAAs and other community institutions to agree upon, and gain coherent Federal support for, locally-tailored programs which cut across Federal agency jurisdictions.

Having contributed to the growth of a national concern with Community Development which will undoubtedly result in increasing resources available for this purpose, it would be tragic if Community Action were to miss the opportunity to be involved in shaping this broad national effort as it gains momentum. If the Federal staff and Congressional leaders who have carried the major burden of establishing Federal support for local Community Action can continue this supportive effort in the broader context of community development, they will achieve much greater leverage on the way in which the poor benefit from the massive Federal resources that are being and will be spent, not only in community improvement, but in a wide range of other poverty-related programs which affect the poor.

The community-wide scope and generalist approach of Community Development will lend strength to Community Action because the problems and needs of the poor in fact cut across all program areas. Community Action is not a human resources program—it is an anti-poverty program, designed to increase the community's ability and commitment to meet poverty problems in any programmatic field. Education, health and manpower programs are of course important to the poor. But so are housing, urban renewal, highway construction, mass transportation, water and sewer facilities, economic development, law enforcement and pollution control. To gain significant impact on all these programs, Community Action must become institutionalized as an integral and pervasive aspect of local programs affecting the poor. It is unlikely to succeed in this major evolution if it is walled off bureaucratically and politically from the resources and decisionmaking processes that are becoming increasingly open to the kinds of new approaches which have been pioneered by Community Action.

The opportunity for broader Community Action impact on the major Federal resource systems through the DCD also raises some questions which have made some friends of Community Action fearful of any merger. Their concern is that the antipoverty thrusts of Community Action, and the influence of those who have supported it in the past, might be diluted in the broader effort.

We sincerely believe that such concerns are unfounded. We are in fact making Community Action a strong, as well as an integral part of the community-building mission of the proposed Department of Community Development. We believe that the DCD proposal presents a wide range of opportunities to the concept of Community Action.

How, then, will Community Action operate under the Department of Community Development? The answer is that Community Action Agencies will continue to develop and carry out local community action strategies and programs in the same manner as at present. The legislative mandates and requirements in Title II of the Economic Opportunity Act will not be altered in any way by the transfer of the Federal administrative responsibility from OEO to the new DCD.

The field staffs which now serve CAAs in OEO will become employees of the DCD and will continue their Community Action support functions. Logistically, these staffs will be more accessible to local CAAs because many of them will be further decentralized from the ten regional office locations to a larger number of subregional offices. While the pattern of subregional offices may vary somewhat, depending on the particular needs of each area, the normal pattern will be one office in each state.

Within the subregional office, there will be a separate Community Action support unit whose chief will report directly to the subregional office director.

The Community Action field staff will be responsible for day-to-day contact with CAAs. They will also be responsible for all aspects of the Community Action Grant Application and Review Process. Based on the recommendation of the Community Action Unit Chief, Community Action grants will be signed by the subregional office director.

As a senior member of the subregional office director's staff, the Community Action Unit Chief will also be in a position to influence plans, priorities and administrative actions relating to other Community Development programs as they affect Community Action and the poor.

The Headquarters and Regional organization of the DCD will provide strong support for the continuing work of the Community Action field staff.

At the Headquarters level, reporting to the Administrator for Urban and Rural Development, there will be an Associate Administrator for Planning and Community Affairs, who will be responsible for the community planning and institution-building aspects of community development. This senior official

of the new Department will be concerned with the direction and support of programs such as Community Action as well as planning assistance to state and local governments. Cutting across these programmatic concerns will be his responsibility for strengthening citizen participation, including the poor, in all aspects of community development planning and operations. The political and programmatic weight which this official will carry will make him a powerful Federal advocate for the kinds of local institutional change that Community Action has been promoting under OEO auspices. In carrying out his Community Action responsibilities, under the Economic Opportunity Act, the Associate Administrator will be supported by a Community Action staff, which will also be concerned with the development of citizen participation in all of the programs of the DCD.

There will also be a Community Action staff in each Regional Office to assure that Community Action policy and planning guidance provided from Headquarters will be carried out effectively and that Community Action problems coming to the region from the field office level are handled properly. This staff will assure that CAAs and their citizen participation mechanisms will have the opportunity for impact on all DCD programs administered at the local level. The location and function of the Community Action staff at the Headquarters, Regional and subregional levels are shown in the chart at the end of my prepared testimony.

Relating programs such as Community Action to assistance for state and local government planning, and linking this whole effort to the cross-cutting support for citizen participation, will gvie a powerful impetus to the kinds of change Community Action has been pursuing. For example, DCD guidelines for state and local planning assistance will have to reflect the DCD's clear responsibility for strengthening citizen participation. And the Department's Community Action responsibility will require that citizen participation includes strong support for participation of the poor.

By placing Community Action solidly in the mainstream of Federal support for Community Development, the Department of Community Development can do much to shape the growing community development efforts at all levels along the lines which have been pioneered by Community Action. Mr. Chairman, the development of workable communities which can truly respond to the needs of citizens is a prime agenda before this country today. The proposed Department of Community Development can go a long way toward giving us new handles on this problem. Community Action can make major contributions to the process, both nationally and locally, if it is properly related to the other community-building efforts at all levels. I believe enactment of S. 1430 would strengthen all of our efforts, to the benefit of the poor, as well as other citizens.

S. 1430. To Establish A Development of Community Development

(Statement of Frank C. Carlucci, Associate Director, Office of Management and Budget)

Mr. Chairman and Members of the Committee: The President has repeatedly stressed the critical importance of departmental reorganization. His concern has been reflected in numerous speeches and statements, including the 1971 and 1972 State of the Union Messages, and most recently, in his special Message to the Congress of two weeks ago. The Committee can proceed with its hearings on the Department of Community Development with full confidence that the President, as well as his entire Administration, will do everything possible to assist the Congress in the early enactment of these urgently needed Departmental reforms.

I should like at this point to lay to rest a prevalent misconception concerning the proposed new departments—namely, that they are only enlarged versions of the departments which they replace. We are talking about new departments built around new concepts of purpose and equipped with organizations and management systems which draw upon our best experience. DCD and the other proposed departments will, in short, be fundamentally different organizations with different operational concepts from those of the agencies that they are absorbing. This is a fundamental feature of the President's Departmental Reorganization Program.

I would also like to comment briefly on the President's decision to retain a Department of Agriculture. Although various functions of the present department that are not directly relevant to the production and marketing of food and fiber will be transferred to DCD and the other proposed departments, the continuing Department of Agriculture will still be a major agency with some 28,000 people and 5.2 billion dollars in annual outlays. The streamlined Department will be able to concentrate its attention on the strengthening of the Nation's agriculture sector, a purpose from which it has been progressively distracted over the years by accretions of responsibility for rural community development, social programs, and certain aspects of natural resources management.

PURPOSE AND ORIENTATION OF DCD

The basic purpose of establishing a Department of Community Development is to bring together and provide common leadership to those Federal activities that bear most directly on the development, through growth and renewal, of both urban and rural communities. Through DCD we can better provide opportunity for all citizens to obtain wholesome living environments which meet varying local needs. In order to meet this objective there must be

Comprehensive community planning for development;

Effective and responsible community government;

Communication and cooperation between citizens and government;

Provision of systems of land use, community facilities and utilities, and transportation; and,

Adequate housing.

These ingredients need to be more effectively combined if we are to improve on our present disorganized, hit-and-miss approach to urban and rural development.

The new Department will be equipped to grapple with the whole range of these community development issues. There has been some apprehension lest the new Department be too hardware oriented, that is, preoccupied with housing, highways, water and sewer, and other construction programs. On the other hand, some highway proponents are known to be concerned over what they regard as an overly heavy social orientation of the new department. These conflicting complaints seem to indicate that we may have indeed, achieved a balance between bricks and mortar and people in our planning for DCD. Only with such a balance can we bring about the kind of institution building required for effective community development.

TRANSPORTATION PROBLEMS

Let me elaborate on how this reorganization can help resolve some current problems in the critical area of transportation. The impact of transportation systems is often much more complex and far-reaching than meets the eye. Take, for example, low-income families. Poorly planned thoroughfares can isolate them from employment opportunities and public and private services they need. On the other hand, the planning of these roadways in close partnership with the planning of the location of low-income housing and other elements of community development can do much to enable these families to become a part of the economic and social mainstream of community life. As Under Secretary Beggs has pointed out, by drawing these programs together in the same department, highway and mass transportation considerations can be brought to bear much earlier in the development of community plans. Thus, issues are less likely to reach the stage of public confrontration which in recent years has delayed and jeopardized many important transportation projects. Also, by introducing people considerations early in the planning process, we would expect needed transportation projects to gain broader public support, particularly from the minority and disadvantaged groups.

As a further example of the present confusion surrounding community impact of transportation, we have public mass transportation. For a city to receive a maximum urban mass transportation grant from DOT, HUD must certify that the project is needed to carry out a program for a unified transportation system as part of the comprehensively planned development of the urban area. However, UMTA and HUD do not have a common approach to deciding what constitutes an "urban area" or what constitutes a "unified" system. Further, since, in all but the largest urban areas mass transportation relies on highways, the confusion is further compounded. Mass transportation projects can be delayed due to disagreements over the adequacy of community planning as well as the merits and scale of funding. Situations such as these can only work to the detriment of the applicant and the people of the area who need the facilities in question. Clearly, policy direction through a single department with administration through a unified regional organization would prevent this kind of frustrating confusion from happening.

RURAL DEVELOPMENT PROBLEMS

At the present time, rural community development problems and programs must compete for the attention of the Secretary of Agriculture against other programs and problems, many only tangentially related to rural community development. It is unrealistic to expect the Department of Agriculture to develop the capacity and expertise to handle such diverse matters as community planning, highways, water and sewer services, housing, and institution building, all of which are essential to the development of our rural communities—communities in which only one out of every six workers makes his livelihood by farming.

The Administration has repeatedly emphasized the need for a DCD if we are to provide a more effective structure for rural development efforts. The FHA, REA, and other rural development agencies would be strengthened, not weakened, by inclusion in a department charged with community development on a nationwide scale. By establishing a Department of Community Development with a strong rural mission, our rural communities will receive stronger and more sustained leadership at the national level than is now possible. They will have access to a wider range of Federal programs and they will receive more consideration in overall national planning. This approach can in our judgment provide the best attack upon the problems of our rural areas.

COORDINATION OF COMMUNITY DEVELOPMENT PROGRAMS

Coordination of Federal community development programs at the present time rests mainly on uneasy interagency alliances and coordination agreements. These arrangements are seldom workable on a continuing basis although they occasionally prove effective in *ad hoc* situations, especially those provoked by crisis and public protest. We are concerned, as is this Committee, with the

proliferation of interagency committees which inevitably results from the fragmentation of responsibility and the inability of our existing executive departments to deal with broad community development issues in a coherent manner.

In addition to ameliorating interagency coordination problems in our cities, the DCD will help to break down the very artificial and unrealistic dichotomy between rural and urban community development. Who is wise enough to tell us where an urban community ends and a rural community begins? Rural towns have too frequently been treated as something outside the mainstream of our national development. While we deplore the uncontrolled growth of the increasingly troubled megalopolis and the decline of the rural community, the programs that should be focused on these problems are now scattered among the organizational units proposed for inclusion in the Department of Community Development. Administering these programs within a single department will give the President an organization he can hold accountable for carrying out the major elements of a national strategy on coping with communities of all sizes.

As the Committee is aware, I am a former Director of OEO. I regard the creation of DCD as an unparalleled opportunity for Community Action to reach its true potential as a change agent to help the poor break out of their isolation. The Community Action Agencies can serve to mobilize all resources available to the community, seeing that housing programs serve the poor, that public facilities adequately serve low-income neighborhoods, that relocation assistance is provided under highway and urban renewal programs. In sum, placement of such institution building functions in DCD can help assure that the new department will have a concern for people, not just bricks and mortar.

MANAGEMENT OF THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Other witnesses have dwelt on the basic management concepts of DCD which center on a strong Secretary with full authority *and accountability* for departmental programs. We believe that the new department, indeed, the whole President's Departmental Reorganization Program represents a new departure in organizing the Executive Branch. However, I should make it clear that in developing the internal structure and management concepts of the Department, we have also tried to maintain and strengthen those elements of existing organizations that have proven workable and successful. This is particularly true in the case of the proposed DCD field structure. The local offices of the Farmers Home Administration will provide the means for bringing DCD programs directly to the community level in rural areas. Nor will the State level offices which now administer Federal highway programs be disturbed. The new department's regional offices will be looked on to assure effective direction and coordination of these field organizations.

In this connection, we expect to continue a management policy commenced during this Administration. This is the move to decentralize program administration. The decentralization contemplated for the new department, already substantially under way among many of the programs being transferred, will add materially to its efficiency in operation and will help eliminate the "layering" phenomenon about which concern has been expressed. Program decisions under decentralized administration will be made by field officials as close as possible to the place where the problems are.

PROPOSED AMENDMENTS TO S. 1430

Some of the concerns expressed during the overview and earlier DCD hearings, and the continued work of the departmental task forces, have led us to reexamine our thinking and to propose selective changes to the DCD bill. We have, for instance, proposed deletion of language which would have altered the successful working relationships between the States and the Executive Branch under the legislation providing for the Appalachian and Title V Regional Commissions. Consequently, the Appalachian Regional Commission will remain untouched under the bill as we have proposed to amend it. The only change with respect to the Title V Commissions, is that instead of being under the general oversight of the Secretary of Commerce, they will look to the Secretary of Community Development.

Concern has been expressed by this Committee and others over the fact that there was no provision in the DCD bill for assuring coordination of airport location and access with planned community development. We have, therefore, proposed an amendment that would require the Secretary of Transportation to consult with the Secretary of Community Development in developing criteria for planning airport locations and access facilities to assure maximum compatibility of airports with planned community and areawide development.

Other amendments proposed by the Administration are more technical in nature or are of minor importance. Together, all of these amendments will give us a stronger and more workable Department of Community Development. They are all included in the revision of the compilation of *Papers Relating to the President's Departmental Reorganization Program* recently furnished the Committee.

CONCLUSION

We are not presenting reorganization as a panacea. We cannot, for example, by this bill resolve problems that are due to the substance of programs.

However, we do know that as presently constituted the Executive Branch has become increasingly unmanageable, and piecemeal measures are not enough to bring it under control.

In his message to the Congress of March 29, the President singled out the DCD bill for special attention, stating, "Prompt, favorable action on this bill would represent a much-needed victory for common sense and the public good. Its defeat or emasculation would . . . cruelly disserve the interest of literally thousands of urban and rural communities with millions of people who are tired of waiting for Washington to get itself together and help them." Continuing, the President specifically had this to say of his hopes for action during this session:

"I urge all those concerned with the cause of executive reorganization to redouble their efforts to bring H.R. 6962 to my desk for signature during 1972—and, further, to press ahead on enactment of H.R. 6959, the Department of Natural Resources bill, and of legislation for the other two new departments which we need to govern effectively in the seventies."

If you have questions on any aspects of the reorganization, I will be pleased to address them.

ECONOMIC CONVERSION

Mr. McGOVERN. Mr. President, a great deal is known about the Nation's failure to plan for the transition from a war to a peace economy.

In Seattle the aerospace collapse has brought near depression.

Nationwide there are as many as 100,000 scientists and engineers out of work—and that is not just between jobs.

In Massachusetts there are 12,000 unemployed scientists and engineers in the route 128 area alone.

And military and aerospace cutbacks account for as much as one-fifth of all unemployment in this State.

But today's crisis does not come as a surprise. We could see it years ago.

The country has pleaded for an end to the war in Vietnam. But we have long known that any phasedown in the war would produce lost jobs in Massachusetts—that it would eliminate a third of the ordnance industry, a fourth of the aircraft industry, more than a tenth of the research and development work, and a significant portion of other business.

We have searched for an end to the wasteful, futile and deadly arms competition between the United States and the Soviet Union. But we have long known that ending the race would eliminate jobs for the people who do the running, who supply the equipment and maintain the track.

We have known that completion of the Apollo program would bring a sag in space spending. And we have known that public interest in new priorities would bring tougher scrutiny of military programs across the board.

All of these factors have begun to converge. They are producing a desperate job crunch in the States which have grown dependent on aerospace spending. And the pressure has just begun.

The Nixon administration has shown some interest, inspired by defeat of the SST and, one suspects, by the turn of the calendar into an election year.

But there has been little in the way of real substance. For all practical purposes the administration still clings to the notion that the private economy will resolve the problem by itself. And a big share of the nation's 5 million unemployed can thank that simple-minded premise for the fact that they cannot pay the mortgage, cannot pay the tuition, cannot make the car payments, and cannot find work.

Those wasteful conditions did not have to happen. And they can be changed.

For the average worker we can begin with a $10 billion fiscal stimulus, including contracts for now and rehabilitated housing, public transportation systems, environmental protection, and public service employment, producing 2.4 million new jobs.

We can follow that with tax and welfare reform proposals of the kind I have outlined in this campaign. They would provide an enormous boost to the private economy, by taking some of the low velocity dollars held by the rich and redistributing them to income levels where they will turn over more rapidly.

And a 2-year transition to the $54.8 billion alternative defense budget I have proposed—coupled with the immediate application of those funds to civilian needs—would produce a massive net increase in production line jobs.

Proposals of that kind would allow us to guarantee a useful, productive job to everyone in this country who wants to work.

As some of you know, I have been working since 1963 on legislation to stimulate conversion planning by the major arms industries. to protect workers displaced by military cutbacks and to undertake new enterprise in the civilian sector.

I frankly do not think we have found an answer.

Some companies have reduced their dependency on the Pentagon.

But I suspect that even if my bills had passed, the major arms contractors would still be shortchanging plans for the transition and pursuing more defense and space dollars.

But I also have another suspicion.

I suspect that if I am elected President this fall, the major military contractors will do more conversion planning in the few weeks between the election and the inauguration than they have done in the past 10 years.

That would happen because they know the kind of people-oriented priorities I would present to Congress and the country.

They would know what it is the Federal Government would have them convert to—where the money is going to be—when they leave their traditional business. And it is on that single element that any attempt at federally inspired conversion will succeed or fail.

This major reordering of spending priorities would guarantee a bright future for the average aerospace worker. But we need a more detailed policy in the case of technical professionals.

The new money we spend for housing construction and rehabilitation, for schools and hospitals, for better mass transit systems and for other programs of that kind will produce far fewer scientific and engineering jobs than equal investments in defense. They are less R. & D. intensive.

Meanwhile our colleges and universities are continuing to turn out still more technical personnel to compete for limited jobs.

And those of you who have aerospace experience find that the younger guys are coming out ahead in the competition. They are not tied so tightly to a specific locality or to a professional specialty. They usually cost less. And they do not suffer from the aerospace prejudice which holds that a defense or space expert is a bad risk for civilian work.

So a more sensitive program is needed.

Again it is a matter of creating an effective demand.

The truth is that we are surrounded by research and development needs. They simply have not been backed up with money, or with institutional reforms designed to stimulate innovation.

In the private sector some of our major industries—electronics, steel, shipbuilding, and others—are losing out to competition from overseas, in large part because we have lagged behind in developing new products and production techniques.

We can get a glimpse of the demand in the public sector by noting that within 2 months of a seminar on the subject, NASA's Office of Technology Utilization received 500 proposals for technical work that could benefit the cities.

Let me suggest some of the directions I would pursue.

First, we need to greatly expand funding for research and development across the entire range of public concerns.

In this, as in so many other areas, the Nixon administration has shown its great gift for overstatement and underachievement. Much of the heralded expansion in R. & D. money—about 80 percent in the case of the Environmental Protection Agency, for example—has actually been budgeted for construction. Certainly that construction is worthwhile, but it provides very little in the way of new technology.

What I am proposing is increased funding for real research—for laboratory and feasibility studies, for experimentation and design. And we should be doing that across a broad range of civilian needs—in health, in water pollution control, in waste recycling, in energy conservation, in air traffic control, in noise abatement, in mass transit systems, in population planning, in law enforcement methods, in drug rehabilitation, and in a host of others.

Second, we need to find effective methods of stimulating research in the private sector.

Government can, of course, encourage private sector research on public concerns through its regulation of the private economy.

But we should also consider support for research with purely commercial applications, especially in the case of smaller firms. Considering the enormous influence of technology on our rate of economic growth and on the world trade balance, I see little justification for the long-standing resistance to Federal support for research that might be used exclusively in the private sector.

The revised version of Senator KENNEDY's bill, S.32, approaches this problem in a way that could be useful immediately. It includes a $275 million job transition program to subsidize the trial employment of scientists and engineers, including provisions for training in technical and managerial fields. A program of that kind would cost little more than unemployment compensation, and it would produce many times the benefit to the professional, the company and the economy.

But we should go beyond that, to share the cost of research in target areas which are of overriding importance to the national economy and which are not likely to be met by private investment alone.

Third, we should search for ways to stimulate and encourage smaller technical enterprise.

The bulk of Federal research and development funds goes to the biggest corporations. About 85 percent goes to companies with more than 5,000 employees.

Yet, independent inventors and small research-based companies have consistently produced far more than their share of important new ideas and innovations. The cyclotron, the xerox process, polaroid, automatic transmissions, oxygen steelmaking, modern steel hot rolling techniques, titanium, the jet engine, the helicopter—these are a few of the major inventions which have been produced in small laboratories in this country, and the list goes on and on.

There are good reasons for this. Large manufacturing firms tend to ignore and resist new technology which would require replacement of their capital equipment. They want to protect their investment. If a new idea is developed the company will often sit on the patent.

Hence, in this context as in others, it makes sense for the Government to pursue a vigorous free enterprise policy—to come down hard on the side of smaller enterprise.

A minimum share of Federal research funds should be allocated to smaller firms, and that should include money for both public interest and commercial research. Federal R. & D. agencies should be directed to examine carefully the unsolicited proposals which pour in from these sources. Small Business Administration funding should be expended and should be available to research-based consulting firms. And we should look at two patent reforms: Innovations developed by employed scientists and engineers should revert to them if they are not exploited by their employer within a certain period of time, and similar procedures should be adopted in the case of inventions with commercial application produced under Government contract.

Fourth, Federal research and development programs should be consolidated in a Cabinet-level Department of Science and Technology.

The Department would be actively involved with all other Federal agencies, and also with the States and the cities and with the private sector, in seeking out and funding worthwhile research and development programs. And it would be responsible for all existing R. & D. efforts, including those conducted by the Department of Defense and the National Aeronautics and Space Administration.

Government reorganization is never a panacea. But the establishment of a Department of Science and Technology would produce vitally important benefits.

It would allow vastly improved coordination of research and development programs.

It would facilitate rational budget presentations, so that Congress and the American people could distinguish between research and development funds and funds for other purposes.

It would assure that national policy on the administration of science programs—including minimum requirements for the support of research by small firms—would be consistently applied.

It would allow a continuous evaluation of scientific and technical resources and a continuous assessment of research needs.

And it would encourage the development of a realistic scale of national research and development priorities, with clear goals and a real determination to meet them.

These four initiatives can restore a busy and productive scientific community in this country—one that is moving to meet the real concerns of the American people.

America knows the economic wreckage of military waste.

We know the frustration and the outrage of neglected human needs.

We know the fear of nuclear war that can incinerate most of mankind.

And we know too well the terror of war.

We cannot remove those quantities from a war-oriented economy. They are built into it.

But we can take the pain out of peace.

We can make it a goal that no one need fear—a dream we can all welcome with confidence and hope.

That is what I propose to do.

VISIT BY POW–MIA COMMITTEE OF PENSACOLA, FLA.

Mr. GURNEY. Mr. President, the day before yesterday a courageous group of people came up from Pensacola, Fla., to bring a very pressing problem to the personal attention of their elected representatives, and other Government officials, here in Washington.

Barbara Ann Hawthorne, Jaqueline Wilson Kent, Maria Fiscella, Gneal Trevethan, and John Schill are a very special group of people for their problem is one that should concern all Americans. Each of these individuals is a member of the POW–MIA Committee of Pensacola, Fla., and, although not all of them have relatives among the captured or missing in action, each is doing what he or she can to help speed the release of our POW's and MIA's by working to bring about increased awareness of their plight not only in the United States but around the world.

Yesterday, as a part of that effort, the group appeared before and made a presentation to the Republican policy committee of the Senate. The remarks of Barbara Ann Hawthorne, whose husband has been missing in action since 1967, are directed to all America and should concern all Americans. I ask unanimous consent that they be printed in the RECORD.

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

REMARKS OF BARBARA ANN HAWTHORNE TO THE MINORITY POLICY COMMITTEE OF THE SENATE, APRIL 18, 1972

My husband, Lt. Col. Richard Hawthorne, has been missing in action since September 12, 1967. The night that the casual TY officer doctor and chaplain came to my home to inform me of Dick's failure to return from his mission, I was told at the same time, not to tell even the neighbors about Dick's tragedy. There was to be no publicity regarding the missing in action and prisoners of war. Then in May of 1969 Secretary Laird, acting for the new Nixon Administration, finally made the issue a public one. The wives were encouraged to speak out and to tell their story. The reasoning at the time was—North Vietnam wants to join the community of nations if we can have favorable American public opinion to in turn influence world public opinion, Hanoi would be forced to abide by the tenents of the Geneva convention relative to the treatment of prisoners of war. At that time, we weren't even asking for release of our men—simply humane treatment.

We never really got that world public opinion because we couldn't even get American public opinion to the extent that it was needed. It was thought that the family members would begin and then be joined by other concerned Americans. The family members are still working and there would be more concerned Americans if our political leaders took the initiative and spoke out on the issue frequently.

I sometimes think that I am a person standing next to myself—gazing over at this woman who I know is me but I can't believe that this is really happening to me and my family in this country today. I can see the casualty officer coming to my home again—this time to tell me that my husband is *a presumptive* death. This will happen because as in North Korea, we will not get an honest accounting and our men will be expended. It is up to you, our elected officials, to see that this does not happen. We must have accountability—we must know the circumstances under which these men died—if, in fact, they are dead.

The MIA-POW issue must be a major one in the 1972 election campaign. You can help these men by developing a proposal to secure their accounting and release and by urging the platform committee of the Republican Party to include a strong plank regarding the MIA's and POW's.

In addition, we need a champion to oppose the inhumane treatment of the POW's, MIA's and their families with the same zest used to oppose the SST, the Cross State Florida Barge Canal and several proposed Administration appointments.

Why can't we find a champion for the most vital humanitarian issue to face America today?

My name is Barbara Hawthorne. It is not important to remember that name. The name I want you to remember is Richard Hawthorne—Lt. Col., U.S.M.C.—missing in action—South Vietnam—September 12, 1967. He counts on you!

Another name to remember is Robert Kent—Captain U.S.M.C.—missing in action—Laos—December 20, 1968. He also counts on you.

Jackie and I will give those of you who do not already have a bracelet, one with either Bob's or Dick's name. This will serve as a constant reminder of them and the other 1,623 men whom we hope will not be forgotten.

JOHN T. HOLDEN: AN OUTSTANDING EDUCATOR

Mr. McINTYRE. Mr. President, I want to share with Senators my deep appreciation for the long service, both to his country and to his State, of Prof. John T. Holden, of the University of New Hampshire. A man who has pursued a tremendous variety of activities during his distinguished career, Professor Holden has always dedicated himself above all to the true ideals of education. He has lived many roles as an administrator, soldier, college president, student, and of course teacher, and he has always shared what he has learned from each experience with others. Many have benefited from his knowledge and experience.

Jack Holden's wide range of educational experience dates from his years on a farm in the Connecticut River valley where he lived as a boy. He went to college at Wesleyan University and, on graduating, worked first as a personnel officer for a Boston firm and then as an administrator for a prep school. During World War II he earned higher degrees at Harvard University before entering the Army for a short time. He was discharged in 1943 in order to teach public administration for the Navy's V–5 and V–11 wartime programs at Harvard, and simultaneously taught at both Tufts University near Boston and Nasson College in Maine. He was made president of Nasson in 1944. In 1947 he came to the University of New Hampshire where he has taught until the present. During these past 25 years, though, he has traveled and lectured widely, and has been an adviser to various Federal, State, and private groups, among them the Departments of State and Defense and three Governors of New Hampshire. His particular area of expertise being political science, Professor Holden was chairman of the department of government at the University of New Hampshire for 15 years and is well renowned as an expert in world affairs, especially Southeast Asian affairs. In fact, in 1964–65 he was sent as senior Fulbright lecturer to India, Ceylon, Thailand, and Vietnam.

This is certainly a magnificent and varied career. But it is as a teacher that Jack Holden will be best remembered. His contributions to the acedamic community at the university are so lasting that few, if any, will ever equal them. When he came to the department of government at the University of New Hampshire almost 25 years ago, it was very small in size. However, through his leadership the department has grown tremendously until it is now one of the strongest in the university and well reputed throughout the country. Jack Holden's courses are perenially among the most popular in the university. In addition, he has been chairman of several important committees, among these the welfare committee of the faculty and the selection committee for a president.

It is through these channels that Jack has applied his experience and savvy to the university in such a lasting way. For, having helped to mold the school's institutions, Jack Holden's educational philosophy will continue to influence students for years to come.

Now he is on the eve of his retirement, and I can only say that it comes too soon. No school can lose a dedicated teacher without losing a part of its being, and as I think of the great contributions that Jack Holden has made to the University of New Hampshire, it is clear that this school is losing a great deal. Fortunately for us his influence will remain after him, reflected in all the phases of university life with which he was connected. I join with the university community, with Jack's many friends and students, in wishing him well. Thank you, Jack Holden.

SECRETARY ROMNEY'S HOUSING RECORD

Mr. PERCY. Mr. President, I recently saw some criticism of Secretary George Romney, because of revelations of fraud and exploitation in some of our housing programs. I believe this criticism of Secretary Romney does not take into account the outstanding job that he has done in increasing the level of production of new housing. It does not take into account the structure he inherited in the interest subsidy programs.

The Federal Housing Administration—

FHA—was given responsibility for the home ownership program for low-income families. I fought against locating the program in FHA for over a year as a member of the Housing and Urban Affairs Subcommittee of the Senate Banking and Currency Committee. I introduced legislation cosponsored by every Republican Member of the Senate at that time and introduced in the House by Congressman WILLIAM B. WIDNALL and over 100 of his colleagues, to establish a National Home Ownership Foundation. I felt this new structure concentrating on much closer screening, supervision, counseling and community action was required to deal with a different kind of housing problem. As I said at the time, entrusting the home ownership program to FHA would be comparable to directing the Cadillac Motor Division to build Volkswagens in its existing plant and with its existing personnel and organization.

I not only admire Secretary Romney's enthusiasm, energy, and drive, but also his sense of purpose and his great organizational skill. When he took office he faced a miserable problem. Congress had set a national goal of producing an average 2.6 million new housing units per year for the next decade. We had been producing in some years at less than half this rate. Secretary Romney put first things first, and succeeded in pushing production of all kinds of housing—subsidized and unsubsidized—to all-time record levels. We are actually now one-half million units ahead of the pace necessary to meet the housing goals established by Congress in 1968. But George Romney has been typically candid in admitting a mistake, which he partially attributes to himself, in not realizing "the FHA's lack of preparation for its new role in central cities and their exposure to speculators and fast-buck artists."

Here is what I had to say about that very problem 5 years ago.

Why not establish this program [low-income home ownership] within the Federal Department of Housing and Urban Development?

(a) The first reason is philosophical, relating back to the policy statement of the Housing Act of 1949. The government should be assigned a function only when the private sector cannot perform it.

(b) FHA has not spoken to lower income housing needs and, given human nature, probably never will. A private sector institution established expressly for the purpose of assisting lower income families to become homeowners, and over the policies of which local organizations concerned with this problem have some control, would afford a much more responsive tool.

(c) All established bureaucracies tend to ossify, but government bureaucracies have been unusually notorious in this respect. Private business institutions can generally claim substantially more efficient procedures than government bureaus. In addition, capable people who will not consider going to work for the Federal government could be attracted to the Foundation.

The Foundation could thus be expected to operate more efficiently than an equivalent organization within HUD.

(d) This whole effort is founded on the need to mobilize private sector resources. While any comparable effort within HUD would claim the same objective, the business community is far less likely to give its enthusiastic support to a government bureau than to a private sector institution staffed largely by businessmen and not by career civil servants. The mere existence of an 18 member Board of Directors composed of blue ribbon leaders from all walks of American life would itself have a very important influence on stimulating private sector participation.

Representative THOMAS L. ASHLEY, of Ohio, a leading Democratic member of the House Committee on Banking and Currency, put the issue succinctly in the January 1, 1972, issue of the National Journal. He said:

You cannot run a middle-class program in the ghetto and that is why we have bankrupt FHA programs in the cities. It is the fault of the Administration and the Congress, Republicans and Democrats, because we have been relying upon a more than 30-year-old system of mortgage underwriting which was explicitly designed not to cope with the problems of the city.

The Administration and Congress have shown a tremendous inability to respond to the enormous and complex changes taking place in the center cities.

That is why we took a program that was crafted for the suburbs and put it in the inner city. If we had stopped to think about it, we would have agreed that the program was designed to avoid just that kind of environment.

That it has been perverted by swindlers, that its effects have been ruinous and that its treasury might go bust should have been expected.

I take no satisfaction, nor have any feelings of bitterness, in pointing out that we were on the verge of avoiding this problem when the Congress did authorize the creation of the National Home Ownership Foundation and directed the President to establish such a Foundation within 30 days of enactment of the Housing Act of 1968. President Johnson was in the process of doing this when the new administration took office. In addition to the Secretaries of HUD and Agriculture and the Division of OEO, who are members of the Board, the Nixon administration had also selected 15 outstanding other Americans from every walk of life for membership on the Board of the Foundation. I know this Board and the Foundation staff would have prevented many of the abuses that have plagued the home ownership program.

I had orginally conceived the Foundation as the vehicle for financing and closely supervising home ownership for low-income families. Congress assigned it only responsibilities for counseling services and general program oversight. Even this lesser effort was gutted by the unwillingness of Congress to appropriate a mere $250,000 to get the Foundation underway. In personal testimony before a House Appropriations Subcommittee on May 22, 1969, I stated that this would be one of the best investments of public funds that could be made by Congress. I made similar representations to members of the Senate Appropriations Committee. It certainly must be obvious when we see the waste of millions of tax dollars and when we see the exploitation of the poor by profit-hungry developers, real estate brokers, and builders, that the Congress must bear a very large share of the responsibility because of its negligence and callous unconcern. To place the blame solely on Secretary Romney at this point is unjust and unwarranted.

What makes this situation particularly tragic is the fact that for the most part homebuilders and real estate brokers, mortgage houses, and insurance companies are ethical, honorable, and fair in their business practices. But the actions of a relatively small proportion of the industry have placed a stigma on all. Recently, in an interview with Martin Skala, business and financial correspondent of the Christian Science Monitor, Mr. Stanley Waranch, president of the National Association of Home Builders, put the problems of the interest subsidy programs into proper perspective. I ask unanimous consent that the interview be printed in the RECORD at the conclusion of my remarks.

Recently a group of business executives from the Illinois Chamber of Commerce called on me to question the need for a consumer protection agency. One of the participants challenged me to give specific instances of the need for a consumer protection agency. I mentioned recent examples of thousands of faulty automobiles endangering the safety of their passengers; 65 million doses of vaccine sold to the American Government and the American public that either did no good at all in immunizing the recipient or actually did harm to the human system as a result of its usage; baby cribs so faulty in construction that the child could actually be injured rather than protected in them; Christmas tree tinsel that could poison a child. But I need not have mentioned these. I could have referred only to the 500-count Federal indictment handed down in New York that week against a group of FHA officials, real estate speculators, landlords, real estate brokers, bankers, lawyers, and officers of Dun & Bradstreet who have for several years been systematically exploiting and defrauding the poor in their housing needs. My business constituents offered no rebuttal or response to the situation I described. There just is not any.

I ask unanimous consent also that an editorial on this subject entitled "The Rats Must Go," from the Christian Science Monitor of April 7, be printed in the RECORD.

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

SCANDALS, FORECLOSURES: HOME BUILDER DEFENDS FHA SUBSIDY PROGRAM

(By Martin Skala)

NEW YORK.—The disclosure of serious abuses in government-backed housing programs is sending shock waves through the nation's homebuilding industry.

Builders are concerned that the housing scandals, which have led to federal indictments of real-estate speculators and FHA officials in New York, Detroit, and elsewhere may undermine public support of government-subsidy programs for lower-income housing.

Such programs, which usually involve direct mortgage-interest or rental subsidies along with FHA insurance, have played a key role in the current housing boom. Last year,

one out of every five housing starts was spurred by some type of federal subsidy.

NEW UNITS EXPECTED

While there has been a slowdown in the pace of subsidized apartment building, experts expect some 500,000 new units will be federally assisted in 1972.

The major scandals that have arisen, Stanley Waranch, president of the National Association of Home Builders, said in an interview here, stem from the "cosmetic repair and sale of existing homes by speculators." There have been "relatively few cases of abuse" in the construction and sale of new units, the chief spokesman for over 50,000 home builders says.

Mounting FHA foreclosures in blighted areas of New York City and Detroit, tend to be identified as failures of government subsidy programs. In point of fact, according to Mr. Waranch, the foreclosures arose under older, unsubsidized programs where Congress specifically directed that larger risks be taken in insuring mortgages in the inner cities.

GHETTO CONCENTRATION

The mortgage plans were concentrated in "red lined" ghetto areas, where private lenders weren't willing to commit their funds, Mr. Waranch points out. Run-down homes were snapped up by speculators, badly patched up, and then resold with the help of inflated, FHA-insured mortgages. The fraudulent practices involved speculators, FHA appraisers, and credit agencies.

The Virginia builder says that reforms are necessary to eliminate the possibility for such abuses. "HUD [U.S. Department of Housing and Urban Development] recognizes its problem areas," he adds "and Secretary George W. Romney has been administratively moving to correct them."

But he disagrees vigorously with those critics who would use the current FHA foreclosure wave as a springboard to "attack the whole subsidy effort—its cost and relevancy."

CRITICISM NOTED

Some critics argue that current subsidy programs are primarily "a bricks and mortar" boon to builders and lenders, and don't really help the poor.

Others are alarmed at the escalating cost, of mortgage-interest subsidies, and wonder how taxpayers will finance future increases. HUD granted $1.3 billion in subsidies last year but since they cover interest on 30-to-40 year mortgages, its long-term commitment could run as high as $30 billion.

By 1978, federal officials estimate, HUD will be spending $7.5 billion annually, with a long-term commitment of 30 times that amount.

There is a growing support for the view that it may be cheaper for Washington to pay housing supplements directly to low-income families and let them find their own accommodations.

BUILDER VIEWPOINT

The home-building industry, whose cyclical growth has accelerated because of the subsidy programs, doesn't see things that way.

According to Mr. Waranch, the two major subsidy programs established under the 1968 Housing Act are "the most effective means yet devised for housing the economically disadvantaged." In 1971 some 300,000 families with incomes too high for public housing and too low to buy or rent on their own benefited from the Sections 235 and 236 programs of the 1968 act. The first provides interest-rate subsidies for home purchases, the second the same thing for families living in rental units.

"By and large, these subsidies have helped people escape deteriorating housing where one out of six families still live," the trade group executive maintains.

INCOMES RE-EXAMINED

Subsidy costs won't escalate as rapidly as critics forecast, Mr. Waranch argues.

The first group of home purchasers under Section 235 recently had their incomes re-examined. Eight percent were earning enough to go over the subsidy rolls while 65 percent of the families had decreases in subsidy payments because their incomes had climbed.

Under a new omnibus housing bill which has passed the U.S. Senate and now awaits House action, incomes would be reviewed every year. This would add considerably to HUD's paper-work burden, but it hopefully would reduce sudsidy payments over the long run.

THE RATS MUST GO

The revelations of mass collusion and systematic looting of public funds in federal urban housing programs have shown that not all the rats in the cellars of America's poor city dwellers are of the four-legged variety.

We refer to the 50-count federal indictment in New York against a group which includes real estate speculators, landlords, bankers, lawyers, brokers, contractors, Federal Housing Administration agents, and certain officers of Dun & Bradstreet, the national credit-rating firm. Federal investigators have turned up not only in New York, but in Philadelphia, Boston, St. Louis, Chicago, Detroit, and elsewhere, similar charges of collusion across the public and private housing field to defraud poor families and city and federal governments. In the process, the public is finding out why whole neighborhoods have turned from usable white residential to poor, nonwhite slum, and in some cases to disaster areas of abandoned, vandalized buildings.

In Brooklyn alone in one decade, 740,000 whites have fled and been replaced by 285,000 poor blacks and Puerto Ricans. Entire blocks of houses in Bedford-Stuyvesant, East New York, Brownsville and Crown Heights look more like Dresden 1945 than New York 1972. The total cost of this fraud in New York alone has been estimated at $200 million.

For poor families, the cost has been even more terrible in personal suffering. Added to the misery of high crime rates, schools that do not teach, and of the almost total failure of other community services, poor families have been hoodwinked into buying substandard homes at carrying costs they could not afford, through manipulation of FHA loan programs. In the end, the city or federal government ends up owning another abandoned piece of slum property. Other families have been taken by unscrupulous landlords who, in collusion with federal agents, collect up to $750 in "finder's fees." Once the fee is collected, the landlord harasses the tenants until they move, so that he can repeat the process and collect again.

Perhaps these instances of corruption account for only a minute part of the $160 billion spent by the government to correct the enormous problems of physical decay and social disruption in cities since 1960. But the growing outflow of public funds and their susceptibility to abuse are all part of the deep malaise that strikes at the social fabric. It only starts at the bottom of the economic rung with housing for poor, but it mounts into the highest offices of privilege, with unlawful payoffs to the national political parties from union and corporation funds.

We must ask, along with Assistant U.S. Attorney Anthony Accetta in New York, "how anyone who is black or Puerto Rican could have faith in the white system after being shaken down like this and then forced to lose his house."

As the United States struggles with the staggering problem of building new and habitable cities out of the ashes of its battered urban landscapes, the current investigations point to a deeper need—to reform the basic motivation and performance of its operating institutions.

After two decades of philosophizing about the role of the central cities, of game-playing with a patchwork of programs, and of expending billions upon billions of tax dollars, our cities are no better and in many instances are worse off than ever. The rats still infest the urban slums. Now we find they have penetrated the stronghold of government and private business in gross abuse of the public trust.

The rats must go. In this presidential election year, no candidate from any party deserves a vote who does not come forth with a vigorous extermination plan.

TAKING US TO THE CLEANERS

Mr. PROXMIRE. Mr. President, the Miami Herald has zeroed in on the essence of the Navy's directive to spend, spend, spend.

In its lead editorial of April 11, the Herald points out:

One admiral did concede in sworn testimony: I know these things are not correct. I know that they are taking us to the cleaners . . .

And the Herald makes another point that should be underscored when considering how the Pentagon spends defense dollars. The editorial said:

No one sensitive to defense needs would demand that any of the services scrimp and short-change the safety of the American people. Equally, no one ought to fatten prodigiously at their expense.

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

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

YOUR TRIP TO THE CLEANERS, COURTESY OF DEFENSE "CLAIMS"

Three years ago the Navy Department "settled" a claim with the Todd Shipyards Corp. for $96.5 million which the General Accounting Office said was clearly unsubstantiated.

The incident piqued the curiosity of the Senate subcommittee on priorities and economy in government. Curiosity later mounted to outrage as the committee, headed by Sen. William Proxmire of Wisconsin, began to ask questions. Since the answers involve your dollars, we thought a brief recital of what the subcommittee has been finding ought to be laid before the reader.

The Todd fiasco brought a lot of blushes all over Washington. It also brought about the creation of a civilian claims review board called the Rule Group after Gordon W. Rule, its chairman and a civilian procurement official.

Two years later the Navy made a tentative "settlement" with Avondale Shipyards, Inc., for $73.5 million in supposed cost overruns. The agreement went to Rule Group, which rejected the claim. Shortly after Mr. Rule "resigned," the group was demobilized and a general board of flag officers was appointed in its place.

The Proxmire committee, one of whose most active members is Sen. Charles Percy of Illinois, a former businessman and wartime Navy procurement officer, has been getting curious again. "The claims problem," said Chairman Proxmire at a hearing March 30 this year from which we have the transcript, "became critical when for the first time

the dollar volume of claims pending and about to be filed neared the one billion dollar mark."

Indeed, so deep was the committee's concern that it labeled its hearing "How Defense Department Beats the Taxpayer." This appears to be a mild editorialization at best.

The committee has been calling in procurement officers and searching for the bottom line. One of its first discoveries was a memorandum from Adm. Elmo Zumwalt, Jr., Chief of Naval Operations, reminding his command that "fiscal year 1972 outlay targets promulgated by reference A as part of the President's budget for fiscal year 1973 are over $400 million above target," going on to say that if the $400 million were not spent pronto the Navy couldn't ask for more next year.

This, as we understand it, is a common practice, although Sen. Proxmire's witnesses apparently failed to satisfy him why it is necessary. One admiral did concede in sworn testimony: "I know these things are not correct. I know that they are taking us to the cleaners . . ."

This would seem to be an understatement. The General Accounting Office, according to Sen. Proxmire, has found returns of as much as 50 per cent on contractors' invested capital in one instance and smaller but still fabulous returns in others. When full facts are sought, as one officer admitted, "because you ask five different people, Mr. Chairman, you get five different answers."

No one sensitive to defense needs would demand that any of the services scrimp and short-change the safety of the American people. Equally, no one ought to fatten prodigiously at their expense.

Federal deficit outlays for fiscal 1972, in case you had forgotten, will exceed receipts by $38.8 billion. The fiscal 1973 budget projection is for another $25.5 billion deficit. Just a footnote.

MULTINATIONAL CORPORATIONS

Mr. JAVITS. Mr. President, one of the more important debates that is presently underway and one that has important ramifications for the future of the American economy and the U.S. position in the world economy, relates to the role of the multinational corporation in our society.

One school of thought holds that the activities of the multinational corporation contribute to an export of American jobs. The other school of thought holds that cutting off the essential activities of the multinational corporation would weaken our overall economy and contribute to a net loss of jobs.

The legislative expression of the first school of thought is represented in the Burke-Hartke bill and it would be my hope and expectation that the trade legislation which the administration will soon send to the Congress will not embody the basic principles or provisions of this bill.

The debate has now been joined by George Meany, president of the AFL–CIO, and Peter Peterson, Secretary of Commerce, in an exchange of letters. I ask unanimous consent that this exchange of letters be printed in the RECORD. Also, I ask unanimous consent that a letter I have received from the chairman of the Federal Reserve Board on the Burke-Hartke bill be printed in the RECORD.

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

THE SECRETARY OF COMMERCE,
Washington, D.C.

Mr. GEORGE MEANY,
President, AFL–CIO,
Washington, D.C.

DEAR MR. MEANY: In your letter of March 20 you offered some criticism of the Department of Commerce staff study "Policy Aspects of Foreign Investment by U.S. Multinational Corporations." I appreciate this opportunity to respond. After reading your letter, I do not see any reason—as I will outline later—for altering our study conclusions. On this point we have opposing views. But there are two significant issues on which we are in agreement, and I would like to touch on them.

One point of agreement is that in international economic matters, as you put it, "the world has changed." Last August 15, the President demonstrated his awareness that we are in a new era by calling for fundamental changes in the world's monetary and trading systems. Since then a number of basic monetary and trading negotiations have strengthened America's competitive position and will provide jobs for American workers.

The year 1971 was, of course, the first year since 1893 that the U.S. had a trade deficit. Even so, there was a balance of trade in manufactured goods—$30.4 billion of exports and $30.4 billion of imports. Over the next couple of years, the currency revaluations should certainly improve on this—with an estimated swing to a trade surplus of several billion dollars. Furthermore, as our trade balance improves, U.S. jobs associated with trade should increase. A number of experts have estimated that between 60 and 70 thousand jobs are created for every $1 billion of favorable shift on our balance of trade. Some of these same studies show that jobs in export industries are higher paying jobs. Thus, I find it hard to accept your statement that the "jobs of millions of Americans are now adversely affected."

A second issue on which we can find common ground is the need to promote employment and reduce unemployment. Foreign competition—like domestic competition—does adversely affect particular industries. But the solution to this kind of problem lies in promotion of greater domestic economic expansion—not in rigid protectionist responses.

If the U.S. were to block imports unilaterally, there would be several serious consequences. Other countries would be encouraged to block our exports to them. This would obviously decrease U.S. jobs in these export industries. The stimulus that imports give domestic competition would be greatly reduced. Further, consumer costs would rise substantially, with the burden falling most heavily on low-income groups who can least afford price increases.

However, it is my view that when foreign competition brings unacceptably fast change we should be able to use adjustment aids, including temporary orderly marketing mechanisms, to help groups of workers in specific industries adjust. It is clear that a few should not be asked to bear a disproportionate burden for the benefits of an open international economy enjoyed by many.

You also made some specific comments on the Commerce study with which I cannot agree. As you know from reading the study, it is the first of a three-part effort in the Department's attempts to assess the impact of multinational corporations here and abroad. We expect to complete the next phase of the study in May. It will cover the numbers of domestic jobs, overseas investment, and exports of more than 400 companies in all kinds of industries. The findings made in the first part of the staff study appear to be supported by the information we have received to date on the broader sample.

At one point in your letter you state that only 11 of the 14 industries were considered in compiling data on the employment effects of multinational companies. However, the paragraph to which you refer is immediately followed by a second that deals directly with the employment trends in the remaining three industries.

You also suggested other methods of examining employment trends; for example, by comparing employment in these 14 industries to total U.S. employment in general. I believe care must be used in projecting these numbers for reasons explained in the study.

But it is instructive to compare employment trends in these 14 industries to trends in all manufacturing industries. Thirteen of these 14 industries are manufacturing in nature. It is, therefore, appropriate to compare them with their own kind. By using the 7 percent figure that you suggest for all of the 14 industries we find it is very close to the 7.5 percent average increase in overall manufacturing employment during this period.

Further, you mentioned that these 14 industries showed a decline as a percentage of total U.S. employment. Again I feel it is helpful to compare these industries to manufacturing as a whole. Looked at it this way, these industries maintained their share of manufacturing employment between 1965 and 1970—i.e., 20.8 and 20.6 percent respectively.

Having responded to the points you raised, I feel it is important to mention that caution should be exercised in drawing conclusions from the published aggregate data because of the difficulties in separating the direct investment effects from other factors affecting employment. The study pointed out that:

"In view of the difficulty of separating direct investment effects from other macroeconomic factors affecting employment, caution must be exercised in drawing conclusions from this aggregate data. What seems clear from these data is that the effects on employment due to cyclical and other factors present in the domestic economy tend to swamp the adverse effects—if any—that might result from the foreign trade side. The argument that overseas investment is causing job losses in the United States does not appear to be borne out. Rather, the basic employment trend for these investment-oriented industries has been upward."

I believe that the analysis in the staff study is sound and revealing. Where industries or workers are adversely affected by competition from abroad, it is my view that the best solution lies not in protectionist legislation, but in the promotion of economic expansion at home and an open international economy, where, to be sure, American products are treated equitably.

I appreciate this opportunity to respond to your letter since, although our points of view are divergent, our objective—a strong and growing U.S. economy—is the same. In an area where anecdotes and rhetoric have played such a large role, I welcome the opportunity to discuss analytical evidence with you. If members of your staff wish to review our research on this subject, my colleagues would be most happy to do so.

Sincerely,

PETER G. PETERSON.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D.C., March 20, 1972.

Hon. PETER G. PETERSON,
Secretary of Commerce,
Washington, D.C.

DEAR SECRETARY PETERSON: A Commerce Department report, "Policy Aspects of Foreign Investment by Multinational Firms," misrepresents AFL–CIO views on international trade and investment. The report even presents an unfair analysis of employment

figures to conclude that "an examination of the relevant data . . . does not bear out labor's contention that overseas investment operations result in declining employment." I urge you to correct the public record.

The AFL–CIO has asked for modernization of U.S. trade, tax, investment and related international policies, because the world has changed and jobs of millions of Americans are now adversely affected. The AFL–CIO also supports the Burke-Hartke bill, H.R. 10914 and S. 2592, legislation designed to modernize U.S. laws on international trade, taxes and related issues. The Commerce Department report emphasizes only multinational firms with misleading analysis.

Unemployment is a serious problem in the United States. The AFL–CIO has stated that complex changes, including the operations of multinational firms, increase that unemployment. Any fair examination even of the employment figures used in the report as "relevant data" shows that the analysis is distorted:

For employment figures, the Commerce Department selected 14 industries "which include the largest overseas investors" to suggest the multinational firms' relationship to employment.

Employment gains of 11 industries with rising employment are said to be "nearly equal" to total U.S. employment gains between 1965 and 1970.

A fair analysis would show that total U.S. employment rose 2½ times faster than employment in the 14 industries selected. The reason for the difference is that the report's analysis included only 11 industries with rising employment in its comparison with total employment rises of all U.S. industries. In other words, the analysis omitted three industries with declining employment of the total 14 selected in a comparison with total employment gains of all industries. All 14 industries—those with declining and rising employment—showed a 7% employment increase, and all U.S. industries—those with declining and rising employment—showed a 17% employment increase. A fair analysis would have made that comparison instead of omitting three industries with declining employment and comparing 11 out of the 14 with all U.S. industries to show that the employment gains were "nearly equal."

The three industries with declining employment accounted for 44% of the 14 industries' employment in 1965. The analysis does not mention this relationship and thus omits half of the iceberg. These three industries showed a decline of over 80,000 jobs in the five-year period. By 1970, their share of employment fell to 39%.

The 14 industries' share of total U.S. employment dropped from 6.2% in 1965 to 5.6% in 1970. The analysis does not mention this fact.

The employment figures used for the 14 industries selected are for all workers in those industries, not just employees of multinational firms. Thus the figures do not even reflect the employment trends of firms with overseas investment or employment trends of multinational firms which have production in those industries. If BLS data on all U.S. industries were used to compare those industries with rising employment and the 11 industries with rising employment the percentages would be 21% and 16% between 1965 and 1970.

Therefore, the analysis is biased and the conclusion is false.

In the interest of accurate public information, I urge you to correct the public record.

Sincerely,

GEORGE MEANY,
President.

MARCH 16, 1972.

DEAR JACK: I am writing in reply to your letter of February 14, 1972, in which you requested my views on the Hartke-Burke Bill (S. 2592/H.R. 10914). Let me comment briefly in this letter on each of the eight features of the bill you have listed.

As I have already said in testifying before the Joint Economic Committee on February 9, 1972, I regard the bill as a most unfortunate legislative action which could only injure this country and the international economy. My reasons for this view will be apparent in the following comments on its provisions as you summarized them.

(1) "Repealing the foreign tax credit, and making payment of foreign taxes by multinational corporations merely deductible; imposing stricter depreciation rules for foreign investment; imposing taxes upon income received by U.S. companies for transfers of technology."

If these provisions were enacted they would impose on the foreign earnings of U.S. companies a tax burden significantly greater than on their domestic earnings, and generally much greater than is borne by their local competitors abroad. In many cases it would probably make the investment in foreign affiliates uneconomic, and it would apply not only to new or recent investments, but to the whole range of existing investments—income from which is an important support for our balance of payments.

I believe that what we should seek for these investments is a position of tax neutrality, that is, neither our tax laws nor those of other countries should create subsidies or extra costs that would induce U.S. corporations to invest abroad, or prevent them from doing so. To the extent there are such elements in our present tax structure I would support actions to eliminate them. However, in my view the provisions of this legislation would impose an unfair tax burden on the foreign affiliates of U.S. companies.

(2) "Creation of a Foreign Trade and Investment Commission, with strong powers to regulate imports."

I believe the Commission as proposed would introduce an arbitrary and potentially divisive element into the administration of foreign trade policy, since it would include representatives of partisan interests. We now have a Council on International Economic Policy, and expert staffs at the Tariff Commission and at several other agencies that perform fact-finding functions and carry out policy in their areas of responsibility. I doubt that the proposed Commission would further the broad public interest of the United States in the foreign trade and investment field.

(3) "Widening the scope of import quotas to cover more goods."

There is no question in my mind that the imposition of quotas as conceived in this bill would be an enormous setback for U.S. and world trade. It would not only cut back U.S. imports by perhaps one quarter of their 1971 value, but it would also create severe rigidities and inequities in the whole trade picture and plunge us into bitter controversies with other countries. It would involve us in clear violation of our obligations under the General Agreement on Tariffs and Trade.

I recognize that at times import competition falls especially heavily on certain sectors of American industry and labor, and we should be prepared to assist the people involved to reestablish themselves in viable occupations. But we will only weaken our economy in the long run if we try to do this by fencing off certain sectors from competition—either foreign or domestic. The interests of American consumers would be damaged by rising prices and more limited choice. Moreover, it is certain that other countries would retaliate by shutting us out of their markets. The shrinkage of world trade that would occur if this legislation were implemented would set back efforts in many countries to overcome recessionary tendencies.

It is especially inappropriate to be considering a measure that would shrink our foreign trade at the very time that we have succeeded in reaching multilateral agreement on a realignment of exchange rates that will allow us to move from trade deficits to trade surpluses in the period ahead.

(4) "Tightening of anti-dumping and countervailing duty laws."

It may be that improvements could be made in the administration of these laws, but it is not clear why this cannot be done within the present legislative and administrative framework.

(5) "Relaxing the criteria for escape clause assistance."

I believe the proposals to relax the criteria for escape clause assistance would go too far toward protecting firms from competition, since a finding of injury from imports could be made even though an increase in imports was not a major or primary factor causing, or even threatening to cause, serious injury. Under present law an increase in imports would have to be a "major" factor causing injury, and the increase in imports must be related to a trade-agreement concession.

(6) "Enabling the President to regulate capital transfers, including transfers of technology, if he determined that the effect of the transaction would be to decrease domestic employment."

There has been a very lively debate on the effects of direct foreign investment on the U.S. balance of payments, and we already impose certain restrictions on these investments because of the large balance of payments deficits we have had for many years. In my judgment, it is not desirable to continue such controls as a long-term measure, though they may be necessary to deal with short-run difficulties. As to proposals to limit the dissemination of technology, I would consider this to be unwise and, as history shows, very unlikely to be effective. At the same time, I believe that when U.S. technology is used abroad there should be an adequate payment to the United States to compensate for the development costs. There is now a large return to the United States as fees and royalties on such technology.

Apart from questions of the correct policy to follow, the specific criterion for imposing restrictions suggested in the legislation—the net effect on employment in the United States—would probably be impossible to administer.

(7) "Repeal of sections 806 and 807 of the Tariff Schedule that permit U.S. corporations to reimport goods that have been assembled in low-wage countries, paying duty only on the value added."

This is a rather technical matter, which has been studied by the Tariff Commission, and I would defer to the judgment of others more knowledgeable in this area.

(8) "More visible labeling on the origin of foreign made goods, or products with components made overseas."

This question also is rather technical, and I would have no strong views.

I hope that you will find these comments helpful.

Sincerely yours,

ARTHUR F. BURNS.

OSTPOLITIK OF CURRENT GOVERNMENT IN BONN

Mr. TOWER. Mr. President, there has been much talk lately about the Ostpolitik of the current government in Bonn and about the continuing controversy over the ratification of the Warsaw and Moscow treaties. I would like to make some observations on these matters. Concerning Ostpolitik, no one denies that ways to live with the Soviet Union and to lessen tensions in the world

must be sought. However, one must ask what price will be paid for this to happen. At the very time when the Soviet Union is financing a massive offensive by the North Vietnamese against the ARVN and U.S. forces in South Vietnam, one must wonder if the Russians are truly desirous of improving relations in the world community.

In considering whether to ratify the treaties with Moscow and Warsaw, the opposition parties in Germany, the CDU/CSU, are asking many questions which it seems reasonable to have answered before so much is given away by the West German Government. The questions concern what secret deals, if any, were made between Bonn and Moscow? Are the German people getting any real concessions from the Communists for what they are giving up?

Simply by raising these questions, particularly by Dr. Barzel, the CDU leader in the Bundestag, and Hans Karl Filbinger, the inestimable Prime Minister of Baden-Wurttemberg, Moscow has already been compelled to make further concessions to the Brandt government lest the treaties fail entirely in the Bundestag. Given this situation, one must wonder what further concessions can be obtained by holding to a firm bargaining position. In this respect, I look forward to a lasting peace in Central Europe, one built on mutual respect and understanding.

ADDRESS BY SENATOR MONDALE BEFORE PHI THETA KAPPA

Mr. BAYH. Mr. President, I ask unanimous consent to have printed in the RECORD a speech made recently by the distinguished and able Senator from Minnesota (Mr. MONDALE). I am particularly gratified to be able to place this speech in the RECORD, because it deals with an issue that is close to my heart—women's rights. The Senator from Minnesota has been a strong and dependable supporter of the women's rights measures which have come before the Senate in recent months: The equal rights amendment, the strengthening of the powers of the Equal Employment Opportunities Commission, and the antisex discrimination provisions of the Higher Education Act.

Senator MONDALE delivered this speech on Saturday, April 15, at the national convention of Phi Theta Kappa, a national honorary for junior college students, in Rochester, Minn.

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

REMARKS OF WALTER F. MONDALE

I hope that I won't offend half of my audience by telling you that I intend to talk about women today. I guess there's a double risk involved . . . the men may prefer not to hear about women at all . . . and the women may feel that the last person they want to talk to them about women is a man.

I'll take that risk, because it seems to me that over the years many of us have been guilty of ignoring the fact that women are at least half our constituency . . . that many of us have been talking and even acting . . . in Washington and in our own States . . . as if men should and do run the country.

But a lot of consciousness-raising has been going on in the last couple of years. It is no longer possible for a politician running for election to ignore the serious and fundamental questions that the women's movement has raised about our society.

One thing that seems to get in the way of thoughtful discussions about women's rights is terminology . . . phrases like "consciousness raising" . . . there is a lot of confusion and even hard feelings about the language of the movement and its meaning.

For example, I personally don't believe that it is possible to be simply for or against "women's liberation" or "the movement" because these terms mean so many things to so many different people. In talking to you today I hope I can avoid getting hung up on the language and concentrate on the substance.

We have made great strides in this country in recent decades toward eliminating the legal basis for discrimination against members of many groups . . . against blacks and other minorities . . . and against young people, by enacting the 18 year old vote. But we still have a long way to go to provide the same protection to the majority of our population . . . the 51 percent who are women.

Although in some quarters the women's movement prompts only humor and cynicism, the concerns that it addresses are neither funny nor trivial. Discrimination against women is a documented, proven fact in many aspects of American life and a cruel reality that mars the ambitions of untold numbers of American women.

The drive for women's rights is not a new phenomenon in this country. The Equal Rights Amendment was first introduced in the U.S. Congress in 1923 . . . nearly 50 years before its passage by the Senate last month. The passage of the 19th Amendment guaranteeing women the right to vote in 1919 was the result of a long and arduous campaign.

What is new is the widespread and growing recognition that our so-called "free" society has erected many barriers . . . legal and social . . . to the exercise of rights by a majority of its citizens.

The Equal Rights Amendment will go a long way toward rectifying these legal inequalities between men and women. It will strike down laws that have required a woman to serve in prison longer than a man convicted of the same crime; that have provided women with inferior medical and insurance benefits; that have barred women from serving on juries and from being hired to do certain jobs. Some opponents of the Amendment contend that the "equal protection" clause of the 14th Amendment already provides all of the legal protection needed by women. Yet in 200 years, the Supreme Court has not enunciated the application of the amendment to discrimination against women, except in one narrow case.

I cosponsored the Equal Rights Amendment and voted against all attempts to weaken it because I believe that a piecemeal approach to the fundamental question of providing equal rights is not enough. We could go on striking down archaic, discriminatory laws in our courts and state legislatures for years and years and still not complete the job. And as long as one discriminatory law stands we could not truly say that all human beings have equal rights in our society.

The Equal Rights Amendment was not the only important "women's legislation" to come before Congress in this session. Another measure which I cosponsored was an antisex discrimination amendment to the Higher Education Act. This provision is important because it would bar discrimination against women in almost all educational activities . . . not just on the college level. Many studies show that women have not received a fair chance in college admissions or scholarships . . . or in faculty employment, promotions and salaries.

Our own University of Minnesota has admitted to a less than perfect record in this area. A study of women graduate students and faculty members in the 1969–70 academic year showed that there were no women on the faculty at all in the departments of music, anthropology, psychology and history . . . all of which had substantial female graduate enrollments . . . and only one woman in the departments of geography, political science, sociology and journalism . . . which also had large numbers of women enrolled on the graduate level.

A study by a Congressional committee found that the number of women applying to medical schools increased by more than 300 percent between 1929 and 1960. Applications from men in the same period went up only 29 percent. Yet the percentage of women applicants who are accepted into medical school actually declined.

The provision aimed at eliminating discrimination against women in education is now before the joint conference committee of Senators and Representatives. I am hopeful that it will be approved. If it is, sex discrimination will no longer be permissible on *any* level of education . . . preschool, elementary and secondary, professional, junior colleges, and vocational schools or graduate institutions. The one exception would be private undergraduate colleges. The Commissioner of Education would be required to study the extent of sex discrimination in these schools and indicate to Congress a year later whether he believes that the legislation should be extended to them.

Another major area where women face discrimination is employment. Statistics show that women often earn less than their male counterparts in many jobs. In 1969, one Congressional committee found 35 percent of male full-time workers earned $10,000 or more per year while only 5 percent of women earned $10,000 or more.

The federal, state and local civil services are among the offenders discriminating against women. In the U.S. Office of Education in Washington, men earn an average of twice as much annually as women.

And we all know that there are many jobs which simply have not been open to women in the past although being a man was not necessarily a requirement for them. Although we have had girl pages in the U.S. Senate since April, 1971, the House of Representatives still does not have any. Law and medicine and some of the other professions have traditionally not welcomed women . . . often denying them entrance to educational institutions on the grounds that they might marry and not finish their course of study.

It is heartening to see that women have begun to fight these injustices on an individual basis. In Philadelphia, three women have started a law firm together. Why? As one of the lawyers put it: "When I started hunting for jobs there was one guy who wouldn't even look at my resume . . . He told me his partners wouldn't work with a woman."

But not every woman law graduate can find the capital to start her own firm. The problem is so serious and so widespread that women require a strong guarantee of access to any job and to the salary and other benefits that derive from it. For several years that Federal Equal Employment Opportunities Commission has been looking into the question of discrimination against women in employment. But even when discrimination was found, the EEOC lacked the power to do anything about it. I am proud to say that in this session the Congress recognized that without enforcement power, EEOC would never be a meaningful force in the fight against discrimination.

We approved legislation that will . . . for the first time . . . allow the agency to seek

an order from a federal court against an employer or union that discriminates. In addition, the legislation will extend EEOC jurisdiction to cover employees of state and local governments . . . for the first time.

I have been proud to support all of these major legislative efforts on behalf of women in the current session of Congress. Another legislative effort that unfortunately did not meet with the same success was the bill I sponsored to make preschool education and quality day care available to American families who need them.

The President's veto of day care legislation in December represents a failure to recognize very basic changes that have come about in the role of the family, the role of women, and in American society in general in recent years. There is an unmistakable trend toward having both parents in a family work:

In 1971, 43 percent of the nation's mothers worked outside the home, compared to 18 percent in 1948;

One out of every 3 mothers with preschool children is working today compared to one out of eight in 1948;

Fewer than 700,000 licensed day care opportunities exist to serve the over 5 million preschool children whose mothers work.

And what of the rights of the children of these working parents? Are we to accept the fact that they are often left in the care of other, somewhat older children? Or that they become "latchkey" children with no home and no adult to turn to in case of an emergency during the day? What of their right to get three decent meals a day and to receive the regular attention of a doctor? We cannot abandon these children.

I believe that the provision of dependable, quality day care is so important that I have introduced a new, compromise version of last year's bill. I have sincerely tried in this new legislation to meet the objections raised by the President in his veto message; and I hope that this year the bill will meet with success.

Perhaps if we had more women in Congress the interest of women in the general population would be better represented. We have only one woman Senator—Margaret Chase Smith—and 11 women Representatives—out of 435. It was 1917 before a woman was elected to serve in the U.S. Congress And this year . . . 1972 . . . when women members of the General Assembly of the State of Maryland complained that no women had been named to head legislative committees . . . the leadership responded by creating a Ladies Rest Room Committee and appointed one of their number to head it.

But in politics as in the other areas I have discussed women have been victims of the stereotype that members of their sex are best suited to volunteer work . . . or to clerical and secretarial jobs.

I call attention to the underrepresentation of women in politics because it illustrates the need for the reforms the National Democratic Party is making to encourage greater representation of both women and young people . . . and I am most encouraged by the signs that women are demanding and gaining a more influential role in politics in Minnesota.

In politics, in education, in employment and legal practices we have made a very significant start in providing legal justice to women. In the context of your broad study of government and ideology, I think it could be said that government has begun to respond . . . that as the ranks of concerned women have grown and as they have exercised their influence on the political system, legislators have begun to respond.

But we have a long way to go . . . starting with the ratification of the Equal Rights Amendment by 38 States before it can become effective. As we work toward implementing this and other legislation . . . I believe that all Americans . . . not just women . . . will be encouraged to become more sensitive and humane individuals, aware of each other's differences but respectful of them.

I agree fully with the conclusions of Virginia Allen, Chairman of the President's Task Force on Women's Rights and Responsibilities, who wrote to the President in 1969:

"Equality for women is unalterably linked to many broader questions of social justice . . . (what is needed) is a national commitment to basic changes that will bring women into the mainstream of American life. Such a commitment . . . is necessary to healthy psychological, social and economic growth of our society."

JUST TAXPAYERS' MONEY

Mr. PROXMIRE. Mr. President, the McClatchy newspapers of California have used irony to illustrate the Navy's cavalier handling of $400 million.

The April 10 editorial in the Sacramento Bee, the Fresno Bee, and the Modesto Bee recount the problem of the "hot" money burning a hole in the Navy's pocket. The editorial ends with two pithy sentences:

Cynics will ask why the fuss anyway.
After all, it is only taxpayers' money.

Taxpayers, who have been paying until it hurts too much, are becoming concerned. And they well might. Their threshold of pain is becoming lower.

Mr. President, I ask unanimous consent that the McClatchy newspapers' editorial be printed in the RECORD.

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

OH, WELL, IT IS JUST TAXPAYERS' MONEY

Around the government bureaus in Washington, D.C., when there is heavy spending in June the explanation is that the agency is getting rid of its "hot money."

The money is not "hot" in the usual criminal sense where it is illegally acquired, although some disgruntled taxpayers may claim it was extracted practically at gun point.

June is the last month of the fiscal year and the funds must be spent or returned to the treasury. In addition, if too much money is in the till, some economy-minded members of Congress might get the idea the agencies could get along with less in their new budgets.

Now a controversy is going on as to whether the Navy is getting rid of $400 million in "hot money" between now and June 30 or whether the expenditure eventually will prove a saving.

In any event, Adm. Elmo R. Zumwalt, chief of naval operations, sent a memo to Adm. Isaac C. Kidd, chief of naval materiel, and nine other top Navy officers, suggesting the field in which spending could be accelerated.

Zumwalt expressed fear that unless the money was spent the Navy budget for next year would be cut.

US Sen. William Proxmire, D-Wis., told an economic subcommittee he was shocked that the military in general is doing its best to "spend, spend, spend" in the face of a $38 billion national deficit.

Adm. Kidd said it was no such thing because everybody knows inflation is causing materials to go up and if purchases are put off they simply will cost more later. He has given assurances the money will be spent properly and effectively.

Cynics will ask why the fuss anyway.
After all, it is only taxpayers' money.

U.S. FOREIGN SERVICE OFFICERS

Mr. PEARSON. Mr. President, on April 12, I introduced S. 3488, a bill to provide for a 2-year tour of duty in the United States, but outside of Washington for U.S. Foreign Service officers. The bill would, I believe, make several positive contributions to the FSO's and to the people of the United States. It would provide challenging and professionally rewarding assignments for Foreign Service officers in place of duties in Washington which often underutilize their talents and training. I would provide a highly skilled supplement to the staffs of local and State governments and other public institutions. Finally, it would help to reacquaint FSO's with their own country and provide a new means of directly informing Americans about problems of foreign policy.

I believe that an article by John Crutcher, Office of Economic Opportunity, and a longtime observer of American diplomats at home and abroad, supports the concept behind S. 3488. I commend this article, which appeared in the Department of State Newsletter, and ask unanimous consent that it be printed in the RECORD.

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

THE FSO AND THE OFFICE OF ECONOMIC OPPORTUNITY

(By John Crutcher)

In the past 20 years, as a frequent visitor to an assortment of chanceries around the world, I've had an opportunity to pick the brains of FSO's of every grade and description. They are almost invariably stuffed with facts, figures and reliable and valuable opinions about their host country.

Sometimes, though, I've found myself answering more questions about the United States than I asked about the country being visited. This is most likely to occur in more isolated posts than, say, in Western Europe.

After a succession of billets in the Foreign Service, many of the more discerning FSO's develop a feeling of isolation from their homeland—and for good reason.

A conscientious Foreign Service Officer will make every effort to immerse himself in the history, politics, culture, customs and traditions of his assigned country. In the process of doing this, he has scant time for in-depth attention to developments in the United States. What reading is done tends to be concentrated on matters directly related to foreign policy.

Interestingly, most FSO's do not feel isolated from their homeland while overseas. They read, on the whole, a variety of U.S. publications representing a good range of domestic activity. There is always the sound of the mother tongue around the Chancery, and a busy social schedule with conversation often dwellings on domestic developments.

Not until they return to the United States do they realize how great has been the gap between concept and reality and the superficiality of their comprehension of events in their own country.

Of course, such misapprehension varies somewhat by station. Those lucky enough to be stationed in Western Europe, where attitudinal patterns of every sort more nearly resemble those of the United States, are likely to have the least jolt upon return. But whether stationed in Paris or Nepal, there is always, to varying degree, a developing gulf between the apprehension of domestic developments and the reality of attainment.

How can it be otherwise?

We live in the most profoundly revolu-

tionary society ever conceived. The explosion of learning and knowledge in the world today is a phenomenon without parallel. Some educators claim our total body of knowledge now doubles every generation. Incredible as it may seem, this revolution's pace is accelerating rather than slowing and the focal point of it all is America.

In the light of this new knowledge we are feverishly reexamining every known human institution . . . social, economic, religious and political. Everywhere there is challenge to the established order of things.

Thus the Foreign Service Officer who serves outside the United States for a decade (not uncommon) will return to a different country with different problems and concerns (who worried about ecological matters in 1961?) and to some extent with different values.

Many of them quickly discern that Washington is a very poor vantage point from which to fill in the gaps. A few have opted for limited periods of service outside State.

Eighteen FSO's now serve in the Office of Economic Opportunity. Their experience is still too new to be evaluated in depth. Certain patterns have appeared. however, to indicate the advisability of enlarging the number involved even to the extent of requiring some such service outside State for all FSO's at some point in mid-career in sectors unrelated to foreign affairs.

This experience might be compared with the sabbatical that professors of some universities are entitled to every seven years. It should be a time for growth and reflection, a time for gaining fresh insights and understanding of the rapidly changing realities of American life. While a sabbatical of some sort is probably beneficial to everyone, it is particularly so to FSO's if they are to represent their country adequately.

As long as it is not mandatory for all FSO's to serve outside State for a minimum period, there are obvious career hazards. As in the military, any officer who ventures outside the "approved" career development pattern does so at some risk. Official, and unofficial, word to the contrary notwithstanding, "out of house" means out of sight and mind.

FSO's express a kind of visceral prejudice against out-of-house assignment. Those who have not made the break generally believe that colleagues who voluntarily venture "outside" for an assignment are at considerable disadvantage in competition for high promotional visibility slots.

There is a striking similarity between military and State career patterns. Most career FSO's believe a General or Admiral with a background of attaché service would be better qualified to render geopolitical judgments of critical importance.

It's just possible the Vietnamese War might have been avoided had our top military commanders been given more exposure to geopolitical problems studied at State.

As in State, though, there is evident promotional prejudice against the career military officer who opts for a tour of attaché duty. Off hand, I can think of only one Navy Captain who has been selected for flag rank after having performed attaché service.

Writing the "efficiency reports" of FSO's functioning outside State presents special problems. It is essential for the supervisor to understand very clearly the nuances of the State Department system. A written explanation is hardly sufficient because some of the well-known "rules" cannot be set down in writing. An oral briefing is thus quite necessary.

Although I didn't check this attitude, it would not be astonishing to learn that some FSO's hesitate to go on loan to another agency, partly through fear that efficiency reports will be markedly different from those they receive in the Foreign Service.

It is easy to believe this difference might result, not from any change in performance, but from ignorance on the part of their supervisor about certain unwritten rules for writing efficiency reports.

A detailed, well-written report, using the right terminology and hitting the right considerations, is essential if the officer on an out-assignment is to have equal footing with officers in-house.

For this reason, it is vitally important that supervisors have a thorough briefing, both oral and written, before they prepare an out-of-house officer's efficiency report.

Until such outside service is mandatory, there will be understandable hesitation to break traditional career patterns. Most of those who have made the break feel it may be inimical to their career development. Others who would relish an interval of this type will not expose themselves to the career hazards involved.

The Foreign Service tends to attract a certain type of person and, like any organization, tends to mold its staff into a common frame. Requiring ESO's to go outside for a year or two would help prevent over-regimentation.

Some, obviously, would want to work in positions similar to State; for example, the Pentagon, or international divisions of the Commerce or Labor Departments. This type of detail would be inconsistent with the reasons behind an obligatory detail to a domestic human service department (e.g., OEO, HEW, DOL).

A good case might be made to exchange FSO's for a year with corporate executives at a comparable point in mid-career. Detractors of State claim that one reason for its undistinguished management record lies in the fact that FSO's have generally had little or no administrative experience by the time they are thrust into positions of genuine authority.

This exposure to the private sector would, if the positions were well chosen give a new dimension to foreign service management. Indeed anyone in the State Department, whether an FSO, FSSO or GS personnel would probably benefit from such an experience if he reaches a managerial position.

If it could be balanced out with a one-for-one exchange, it would be even better. It would be comforting to know that in a few years the occupants of some of our top corporate board rooms had, at an earlier point in their career, been exposed to some of the nation's problems in the realm of foreign affairs.

There's a very evident risk involved that some of State's bright young men will be lured away to take permanent positions with other governmental or private sector agencies. Khrushchev provided the best answer to that one.

A few years ago, with a small group of professional people, I was favored with a most fascinating three-hour interview with Khrushchev in his Kremlin office.

To my question about the prospect of large student exchanges between the U.S. and USSR, he waggled a fat forefinger at me and said, "You think when our students get to America they'll all want to become capitalists and stay there. Well, perhaps a few will, but some of yours will want to become Communists and stay in Russia." Then he laughed, "Personally, I don't think that would hurt either country."

If State is alert and flexible, it can pick up personnel from the private sector to replace the few it loses, and that might help everyone concerned.

Most of the 18 FSO's now serving in the Office of Economic Opportunity are happy with their duties, some at a level of responsibility far beyond what they could expect for some years at State.

One FSO, working out of a western Regional Office, is charged with establishing mutual confidence and an orderly working relationship with the governors and elected local officials in his Region. It demands full application of all the diplomatic skills he acquired in foreign service.

Because staff in that Regional Office is always insufficient to do more than the bare essentials, he is drawn into operational programs involving Blacks, Chicanos and Indians. In a letter to me, he wrote, "The opportunity to work with these people, and to know them, is of immeasurable value to someone whose duties require that he represent the U.S. abroad. It is humbling to recognize how arrogant our claims of representing the country have been, both with regard to its people and its issues."

In a sense, that FSO in our Regional Office is a roving intergovernmental ambassador to sovereign states whose combined area is equal to that of Western Europe. He is directly responsible for programs which total about $1 million and employ several score people.

Another FSO is managing a technical assistance program spread over 21 states with an operating budget of $1.5 million. He has been required to write operational guidelines, plan national conferences, develop agendum, assist in recruitment of skilled personnel, draft letters to governors and local officials and perform a whole host of peripheral duties. These are rather ordinary responsibilities for middle-level OEO officials, but they demand far greater operational independence than most FSO 4s and 5s are called upon to assume.

Nearly all of the 18 FSO's now serving in OEO feel their services has given them heightened consciousness of the country's most pressing social problems. Although most of them have long had an abiding concern for social problems, this experience has given them an opportunity to concentrate in a direct and practical manner on the most baffling and frustrating social problems of today.

By helping the State Department personnel attain closer rapport with the less fortunate elements of our society, they are, in turn, better qualified to interpret that society to overseas audiences.

Nearly all of the 18 now working in OEO feel their experience in their assignment will make them more useful throughout the remainder of their career. Those who have been fortunate enough to be placed in a position to acquire executive and managerial skills feel they are now trained far beyond what they might have acquired had they remained in the Department.

Management and executive exposure should not come too late when a person is neither young and vigorous nor sufficiently adaptable and flexible. Such exposure is an appetite-whetting experience that gives middle-level officers insight into executive techniques and it develops capabilities for future utilization. When they attain higher grades, this should be of enormous value to the Department.

In the meantime, what they learn in the out-of-house assignment will permit them to reflect their country in a much more meaningful way abroad. They will be able to reflect their country not as they would like it to be, but as it actually exists.

They have a better basis for explaining to foreigners that the U.S. is really endeavoring to cope with its problems, not always with success but always with genuine effort. They can explain that our multi-faceted approach to the country's social problems by many dedicated people is having an impact.

It is a story that should be conveyed to both their friends and critics abroad and those FSO's who have done a tour of duty in OEO are much better qualified to interpret specifics of the domestic affairs scene from their personal experience.

Hopefully, they will also be much better observers and analysts of foreign political and social scenes after having gained knowledge and insights through a tour of duty

with one of our major domestic agencies. It is conceivable that they might even be able to be of more practical help to the countries where they are assigned.

I am convinced that both foreign service and domestic agencies would benefit from having FSO's work for a year or two on loan to domestic agencies. Such a period of service should come at some point in early mid-career and should be in addition to not in lieu of, advanced academic work.

For nearly all the FSO's I have observed at OEO, this has been a period of growth and challenge, and it seems reasonable to assume that there will consequently be a substantial payoff to the Department of State when they return for a new in-house assignment. Surely, the Office of Economic Opportunity has gained a great deal from the efforts of the Foreign Service Officers who have worked here.

THE REVOLUTION IN HEALTH CARE

Mr. KENNEDY. Mr. President, I ask unanimous consent to have printed in the RECORD a document entitled "The Revolution in Health Care," produced by a planning group of the Democratic Policy Council. The document summarizes the results of four public hearings held across America, in Detroit, Mich., Portland, Oreg., Atlanta, Ga., and Philadelphia, Pa. The hearings were chaired and conducted by Congresswoman MARTHA GRIFFITHS and by Mr. Leonard Woodcock, president of United Auto Workers, in order to produce recommendations for the Democratic Party platform in the area of health care.

Witness after witness at the public hearings summarized in this document, testified to the deep problems Americans encounter in seeking good health care, and in paying the skyrocketing costs of health care. The story sometimes emerges in poignant and personal terms, and sometimes in measured objective analyses. In either case, the story of these hearings amounts to a call from Americans for responsible Government action in the face of a growing national crisis in health care.

The summary of this testimony, and the recommendations of the planning group presented in this document present a program of action which will be debated by the Democratic Party and help to shape the party's national platform. These recommendations deserve the attention, however, of all Americans, and I offer them here in the RECORD to further the public debate in this area.

I am especially pleased to note that as a result of these hearings and considerations, this study committee has recommended that the Democratic Party endorse a program of national health insurance which embodies the principles of the health security bill, which I introduced into the Senate over a year ago. This action increases still further my confidence that the principles of this bill will profoundly affect the shape of national health insurance enacted in this country, and the quality and responsiveness of health care offered to all Americans.

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

THE REVOLUTION IN HEALTH CARE

The planning group on health care held four regional public hearings on America's health crisis: Detroit, Michigan; Portland, Oregon; Atlanta, Georgia; and Philadelphia, Pennsylvania.

In announcing the hearings, Rep. Martha Griffiths (D-Mich.) charged that the medical care system in America is in deep trouble.

"Doctors are in short supply and services are disorganized. Hospitals cannot control costs and runaway inflation has become a fact of life. Private health insurance companies and Blue Cross build palatial offices and pay plush salaries, but have never taken the necessary measures to control the spiraling inflation of health care costs or correct the mal-distribution of health resources."

Chairman Woodcock opened the hearings by summarizing the growing national feeling about the present health system and by stating the purpose of the planning group hearings:

"The American health care system is in crisis, and the crisis is deepening. The reality of this crisis, which affects almost every citizen, is no longer denied.

"The crisis presents both a danger and an opportunity. The danger is that we may shrink from the magnitude of the effort required to reform and improve the existing health care system. We may shrink because of powerful parochial interests, whose principal concern is their own private interest and not the public welfare.

"If we have the courage and the wisdom to diagnose the substantive economic and political dimensions of the crisis, it will afford us an opportunity to achieve the reform we urgently need."

Testimony during the four days of hearings ranged over many problems in the financing and delivery of health services. Major interest, however, centered on six interrelated factors:

Need for a national health strategy.
Skyrocketing health care costs.
Manpower shortages and mal-distribution.
Uneven quality of care.
Lack of integrated health care systems.
Need for consumer control.

In discussing solutions to these problems, most witnesses advocated some form of national health insurance incorporating the principles of the Health Security Bill (S. 3 and H.R. 22–23).

NATIONAL HEALTH POLICY

The underlying cause of our national health care crisis was described by many witnesses as the failure to develop a coordinated and coherent national health strategy. A spokesman for the Association of American Medical Colleges said "Unfortunately, this great country of ours has no national health policy. Our people, although citizens of the wealthiest and most powerful country, do not receive the best health care in the world."

Several witnesses testified that the lack of a national health policy results in waste, inefficiency, and piecemeal planning. Manpower education and training programs do not meet the needs or priorities of the delivery system and health facilities construction responds to the needs of the 1950's instead of the 1970s.

A state senator in Connecticut argued that we must abandon the myth that Medicaid or any national health insurance program that replaces it is an "income supplement program". These are health programs since they have such an enormous effect on health care and financing and ought to be administered and regulated by people who are administrators and regulators in the health field.

Yet he discounted the possibility of any such coherent approach when the "top health officer in this nation—the Assistant Secretary of HEW for Health and Scientific Affairs—controls less than one-fifth of the government's input into the health care system."

One witness advocated that Congress should—as a first priority— "provide a single, authoritative point of responsibility for health policy within the federal structure. The scope and magnitude of HEW's responsibility for civilian health programs seems to argue compellingly for locating overall leadership of federal health activities in HEW."

At the same time, witnesses unanimously agreed that the present HEW organization is no match for the job of providing vigorous national leadership for sound evolution of federal health programs, and that a new organization is needed—preferably a cabinet-level Department of Health.

HEALTH CARE COSTS

The high cost of health services was mentioned most frequently as a cause of the current crisis. A U.S. Congressman reported that expenditures for personal health services reached $70 billion last year or seven percent of the Gross National Product. Nearly all witnesses agreed that such high costs deprive millions of Americans of their "right" to high quality health services.

A Georgia spokesman for the aged said that "some older people use brake fluid to treat their arthritis because they have no money and no insurance for medicines." Another reported the case of a retiree who was given a ticket for jaywalking: "He had to pay a fine even though he had very little income. He didn't see the 'Don't Walk' sign. He needs glasses. He can't get them because he can't afford them. But they'll be sorry—he can't pay the fine either."

Many witnesses said that even those individuals theoretically "covered" by private insurance find it generally does not pay for the basic component of care—ambulatory services. The Chairman of the Board of Philadelphia General Hospital said that "unfortunately some very important people in the insurance industry remain afraid of the consequences of insuring ambulatory care to the fullest extent."

A labor leader complained that because of the rapidly rising costs of medical care, only the well-to-do are assured of adequate care:

"Private health insurance programs are not providing adequate coverage for our members. Many an individual has entered a hospital confident that his hospital insurance will cover the bill, only to find he should read the fine print in the contract."

Another witness reported:

"Health care is not equally provided for all Americans. It is a myth that private insurance is doing—or can do—the job. More than 20% of the population under 65 is not covered against the most costly aspects of medical care—hospital and surgical services. More than half have no coverage for physician home and office visits. A minute number have coverage for dental costs."

Other witnesses decried the burden assumed in the event of a catastrophic illness, but criticized proposals for "catastrophic insurance" as inflationary and only providing illusion of coverage. A labor spokesman called such an approach "a rich man's program financed by the working people", and a state insurance commissioner condemned it as totally unacceptable "They just pour more money into the system without the needed controls", he said.

The Health Security Program (S. 3 and H.R. 22–23) was widely supported as the best proposal for controlling costs through budgeting and other fiscal controls.

HEALTH CARE PERSONNEL SHORTAGE

The personnel shortage was a second major factor cited in the general characterization of the nation's health care crisis. The problem was decribed as:

". . . an acute worsening shortage of health personnel, especially doctors. One of the best known facts of the crisis is that we need 50,000 more doctors than we have today. There are hundreds of counties and thousands of communities in the nation without a doc-

tor, and countless more have too few to meet the needs that presently exist."

An Arkansas consumer spokesman testified that most rural counties do not have a doctor or any adequate public health services and that hundreds of lives are lost each year because personnel and facilities are not available, even for emergencies. "In Arkansas we are lowest in everything except Congressional seniority", she stated.

The Chairman of the U.S. Senate Health Subcommittee scored the "sorry record" of the Nixon Administration in responding to this need. HEW officials have requested appropriations of less than half those authorized under the Comprehensive Health Manpower Training Act of 1971.

The president of a state medical society similarly criticized the Nixon Administration policy as exhibiting a shocking inconsistency. " . . . At the same time government has been pleading additional services it has been decreasing the financial support needed to educate more health care professionals."

Spokesmen for the Association of American Medical Colleges urged full funding of health manpower appropriations and their extensions to include support of graduate medical education. Noting that educational costs are now borne largely by the patient through his hospital bill and payment for medical care, they said "It is time to take this burden off the back of our ill and distribute this responsibility across the country." The spokesmen also stressed the need for improved scholarship support and for adequate funding of biomedical research.

Finally, many witnesses said that the geographic distribution of physicians leaves the minorities, the poor, and those in rural areas with little or no access to physician's care.

Representatives of Chicano and Indian organizations spoke of the futility their members felt in seeking basic health services or even emergency care. They described efforts of some Indian and migrant groups to obtain "foreign aid" assistance from other countries to meet their health and economic development needs.

A spokesman for the Farmer's Union summed up the problem by saying "an appointment to see the doctor is just an appointment to start waiting."

QUALITY OF CARE

Many panelists and witnesses agree that while "much of our health care is of high quality", some is not nearly as good as it should be. Too often health care is felt to be inadequate, incompetent or worse. In many of Detroit's hospitals, for example—particularly those that treat the poor—patients are kept waiting "from 8 to 12 hours" after their scheduled appointment hour before seeing a doctor.

Two cases were cited from the *Chicago Tribune* Task Force studying care in nursing homes.

"[one night there was] . . . not enough food and the nurses' aide in charge scrapes uneaten portions of steamed cabbage and noodles into other trays and serves it a second time and a third until all are fed."

"Two old women, their bodies crippled with age and trembling from the cold of a winter night without heat, screech and claw at each other as they struggle for a single ragged blanket. A nurses' aide appears in the doorway and shouts 'Shut your goddam mouths, both of you, or I'll take your blankets away and both of you can freeze."

Witnesses for the Urban League pointed out the inconsistent quality of care suggested by international morbidity and mortality figures. For example, the United States presently ranks 14th in infant mortality; 22nd in life expectancy for males and 7th for females and 16th in death rates of males in their middle years. The appalling fact is that in all these categories the United States ranked higher just a generation ago.

Yet Urban League witnesses testified that for the poor and non-white, similar indicators of quality health care are even more disillusioning. "These men and women can expect fewer years of life than more affluent Americans; their babies have as much chance of surviving as infants in Ecuador; their young mothers have about the same chance of surviving childbirth as the women of Costa Rica."

FAILURE TO DEVELOP SYSTEMS

The Chairman of the American Hospital Association's "Special Committee on the Provision of Health Services" summarized his committee's findings on the need to improve the health care delivery system:

"We confirmed the fact that it is not merely lack of finances serious as that is, that keeps Americans from getting the best health care possible, but far more importantly, it is the shortcomings in the organization of our delivery system. These result in our being a less healthy nation than would be expected from the tremendous expenditures made for health care—the highest per capita of any nation in the world."

A Portland physician pointed out that "doctors from other lands come to America to learn from us, but they come to visit our research facilities and study some of medicine's problem diseases. Few come to study our health care system and no country has ever advocated that they copy the American system of medical care." He suggested that if the Saskatchewan (Canadian) system of national health insurance were instituted in Oregon, comprehensive care could be provided to every resident of the state for no more money than is currently spent for episodic health services in Oregon, with thousands of people receiving little or no care.

NEED FOR CONSUMER CONTROL

Many witnesses stressed the need for increased participation by consumers in the planning and administration of health programs. A state insurance commissioner said "one of the keys to better health care delivery for all our citizens is greater control and input into the decision-making process. Our health care delivery system all too often has been run for the benefit of hospitals, physicians, and other providers of health care for the benefit of the public. Experience indicates that when health care is left to the professionals, the system is planned more for the benefit of the professionals than for those the system is to serve. Thus, the system becomes self-serving and concentrates on areas of professional interest rather than patient need."

The president of a state organization for senior citizens reflected similar sentiments:

". . . I would say that our American medical care system is characterized by the fact that there is no identifiable point of accountability. To whom can the older patient or, indeed any patient, go and say 'I don't like what's going on; who is going to do something about it?' "

Some professionals disagreed with the need for increased responsiveness to consumer demands. A state medical society president called these ". . . the minor part of the problem—and the one which mistakenly is considered by many persons to be the major one by that segment of the public that is motivated to seek health care that is not available at a cost, time and place of the public's choosing."

RECOMMENDATIONS

Suggestions for reorganizing the present health care industry were numerous and varied, but remarkably consistent. In the interest of brevity, these consensus recommendations are listed in order of their relevance to the major issues discussed above.

(1) *Creating a national health care strategy:* Congress must create an administrative mechanism to develop and coordinate national health strategy. Witnesses unanimously agreed that this is the only way resources can be brought to bear on needs with maximum efficiency, and for costly duplication of programs and services to be ended. Most witnesses supported a cabinet-level health department with responsibility for all federal health programs.

(2) *Controlling health care costs:* National health insurance was widely viewed as the only way of protecting the American public against the high cost of health services. The many advocates of the Health Security program (S. 3 and H.R. 22–23) testified that it would be effective in curbing inflation while simultaneously achieving an equitable distribution of services to all citizens. There was general agreement that any health insurance system should be universal in scope, comprehensive in benefits, equitably financed and aimed at the reformation of the health care delivery system. There was widespread condemnation of plans such as current catastrophic insurance proposals that would simply pump more money into the existing system. In addition, there was strong agreement that new federal programs should not rely on the private insurance industry for underwriting or administration.

(3) *Development of Health Manpower:* Increased federal support should be given for the training of physicians and other categories of health manpower currently in short supply. Such support should, however, be in accordance with established priorities of national need. Special emphasis should be placed on training for family-oriented practice and practice in organized group settings. Scholarships should be widely available to make education in all health professions more open to minorities and to women.

Payment systems under existing and future federal health programs should develop incentives to encourage physicians and other professionals to practice in areas previously considered "undesirable" such as the urban ghetto and rural areas and to select the most-needed specialities.

(4) *Improving the Quality of Care:* National policy must provide for and encourage the continuing education of physicians, nurses, administrators, technicians and other personnel without loss of income.

National licensure standards were supported for both professional and institutional providers of services.

Many witnesses urged a strong federal initiative to improve the quality care in nursing homes. Strict standards and frequent monitoring of facilities were urged as the only way to assure a decent level of care in most facilities.

(5) *Improving Organization of the Health System:* Strong federal support should be given to the development of group practice programs to service suburban neighborhoods, rural areas, the inner city and small towns. Support should include adequate funds for planning, start-up costs and underwriting initial operating losses. Profit-making group practices were sharply denounced as undesirable intrusions of "commercialism" into the health care system that will inevitably lead to higher costs and reduced quality of services.

(6) *Consumer Participation:* Improved opportunities for consumer participation were widely advocated. Any facilities or group practice receiving federal funds should be required to consult regularly with the people served by the institution.

Federal health programs should be required to give consumer or public spokesmen an active role in administration of the program including determination of priorities and serving as "ombudsman" for the public interest.

Several witnesses advocated improved programs of public health education. Such programs should include education regarding body functions, disease processes, health

maintenance, rational expectation from health care personnel and the effects of drugs.

THE REVOLUTION IN HEALTH CARE

HEARING PARTICIPANTS AND PLANNING GROUP MEMBERS

Co-Chairmen: Leonard Woodcock, Martha W. Griffiths.

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Bachman, Leonard, M.D., Harrisburg, Pennsylvania.

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Cole, Glen, Birmingham, Alabama.

Conyers, John, Jr., U.S. Representative, Michigan.

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Cutini, Gary, Philadelphia, Pennsylvania.

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Freeman, Andrew G., Philadelphia, Pennsylvania.

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Johnson, Ruben, Atlanta, Georgia.

Johnson, Wallace, Portland, Oregon.

Jones, Josephine, Atlanta, Georgia.

Kelly, Helen, Detroit, Michigan.

Lang, William, Portland, Oregon.

Larson, Roger, Corvallis, Oregon.

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McCabe, John, Detroit, Michigan.

McCarthy, Bennett J., Detroit, Michigan.

McConnell, Jack, Washington, D.C.

McCoy, William, Portland, Oregon.

McNeeley, James, Chairman, Michigan State Democratic Party.

Meighan, Spence, M.D., Portland, Oregon.

Melendy, Patrick, Portland, Oregon.

Mitros, Paul P., D.O., Farmington, Michigan.

Morse, Wayne, former U.S. Senator, Oregon.

Nelson, Russell A., M.D., Baltimore, Maryland.

Nestigen, Ivan, former mayor, Madison, Wisconsin.

Oakman, Guy F., McConnellsburg, Pennsylvania.

Oss, James, Nutley, New Jersey.

Paulson, Reverend Peter, Portland, Oregon.

Perloff, Earl, Philadelphia, Pennsylvania.

Prete, John D., State Representative, Connecticut.

Priver, Julian, M.D., Lansing, Michigan.

Richardson, Russell, Atlanta, Georgia.

Rogers, Lou Ann, Portland, Oregon.

Roley, Ronald, Portland, Oregon.

Rosemond, George P., M.D., Lemoyne, Pennsylvania.

Sanford, Terry, former governor, North Carolina.

Serchuk, Max, Miami, Florida.

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Shope, R. Wesley, Harrisburg, Pennsylvania.

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Speller, J. Finton, M.D., Harrisburg, Pennsylvania.

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Taylor, John, Ashton, Pennsylvania.

Thatcher, Robert, M.D., St. Paul, Minnesota.

Thurman, Marjorie, Democratic National Committeewoman, Georgia.

Timm, Sally, R.N., Albany, Oregon.

Tuttle, Elbert P., M.D., Atlanta, Georgia.

Wade, Lyndon, Atlanta, Georgia.

Weeks, Barney, Birmingham, Alabama.

Whelan, Edward, Portland, Oregon.

Whipple, Blaine, Democratic National Committeeman, Oregon.

Wilkins, Caroline, Chairman, Oregon State Democratic Party.

Wurf, Jerry, Washington, D.C.

Young, Charles, Detroit, Michigan.

THE UNIONS

Mr. FANNIN. Mr. President, beginning on April 9, the Washington Post published a 10-part series of articles entitled "The Unions." The stories were written by Haynes Johnson and Nick Kotz.

I find myself in the unusual position of praising that newspaper, but I have always believed in giving credit where credit is due. I also commend reporters Johnson and Kotz for the tremendous amount of research that they had to undertake to produce these articles. I recommend to Senators that they read all 10 articles. We are all overburdened with the reading we must do. However, these articles are timely. They recite facts with respect to union membership, attitudes of individual members to their union and their job, and how unions operate in the political arena.

In these articles we have found support for the positions we have taken in the past and will continue to take.

To cite just a few examples:

Article III published on April 11 says:

Two things characterize the makeup of the AFL–CIO's Executive Council composed of International union presidents who form labor's leadership elite—old age and nepotism.

Article IV appearing on April 12 states facts on union political contributions:

Just on what's on the record alone, it becomes obvious the AFL–CIO spent nearly $3 million on politics in the year ending June 30, 1971—a non-presidential year.

COPE spends $1 million a year on voter registration which comes from dues paid into the AFL–CIO by union members. Unions contend they can use this dues money—money collected involuntarily from union members—for voter registration efforts, because it is an "educational expense." Actually, the "voter registration" is aimed solely at rounding up voters for the candidate of the union leaders' choice. There is nothing educational about it. The Post says:

Present plans call for doubling that sum on a permanent basis.

Article X, appearing on April 17, provides facts and figures on union membership, and concludes with the statement:

Organized labor's total membership is virtually stagnant and Unions represent an ever declining minority of the workforce. Fewer than one in four American workers belong to unions.

Mr. President, these remarks could be expanded easily. My purpose today is not to editorialize, but to call attention to the articles. No doubt I shall be quoting from them in the future.

THE MATHEMATICA REPORT

Mr. ANDERSON. Mr. President, yesterday there was placed in the RECORD the testimony of Dr. Ralph Lapp before the Committee on Aeronautical and Space Sciences on April 12 in opposition to the space shuttle. Much of this testimony is aimed at the Mathematica report prepared by the distinguished economist Dr. Oskar Morgenstern and his associate Dr. Klaus Heiss, who also testified before the committee on April 12.

It is unfortunate that an opposition witness to the space shuttle has chosen to cast aspersions on the integrity of Dr. Morgenstern and Mathematica, Inc. We hoped that the discussion would have been held to the merits of the case.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point the testimony of Drs. Morgenstern and Heiss before the committee on April 12, a statement of personal privilege made by Dr. Morgenstern at the same hearing, and a detailed rebuttal to the Lapp statement subsequently submitted to the committee by NASA.

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

STATEMENT OF DR. OSKAR MORGENSTERN, CHAIRMAN OF THE BOARD, MATHEMATICA, INC.; AND DR. KLAUS P. HEISS, DIRECTOR, ADVANCED TECHNOLOGY ECONOMICS, MATHEMATICA, INC.

BIOGRAPHY OF DR. OSKAR MORGENSTERN

Born: January 24, 1902.

Education: Doctor rer pol (Political Science) University of Vienna, 1925.

Positions: Chairman of the Board, Mathematica, Inc.; Formerly, Professor of Political Economy, Princeton University; and Professor of Economics, New York University.

Professional activities: At various times, Consultant to the White House; Consultant, U.S. Atomic Energy Commission; presently co-editor of Naval Research Logistics Quarterly and various other learned periodicals.

Awards: Correspondent of the Institut de France, Academie des Sciences Morales et Politiques, Paris, 1967.

Honorary degrees from the University of Vienna, 1965; University of Basel, 1960; University of Mannheim, 1957.

Affiliations: Fellow, American Statistical Association; Fellow, Econometric Society, etc.

Publications: Has published a considerable number of books as well as over 100 papers on economics and related topics. Among his principal publications are: *Theory of Games and Economic Behavior* (with John von Neumann) 1944; *On the Accuracy of Economic Observations*, 1963; *Predictability of Stock Market Prices* (with C. W. Granger), 1970.

BIOGRAPHY OF KLAUS P. HEISS

Born: August 21, 1941.

Education: Ph. D. School of Business Administration, Vienna, Austria, 1964.

Positions: Director, Advanced Technology Economics, Mathematica, Inc.; Research Associate and Lecturer in Economics, Econometric Research Program, Princeton University.

Experience: Dr. Heiss has had extensive experience in economics, covering the most recent developments in economic theory and policy. In two years at Princeton University his major fields of research were mathematical economics, econometrics and game theory. In addition, his European education gives him a strong background and understanding of international finance, the role of inflation and economic policy planning at a national level.

Since joining Mathematica, Dr. Heiss has worked with the success in the economic evaluation of major new technological systems for various U.S. Government Agencies including the U.S. Atomic Energy Commission, the U.S. Department of Transportation, the Office of Naval Research, and the National Aeronautics and Space Administration. Some of this work had a major impact on actual policy decisions.

Publications: Dr. Heiss is the author of numerous papers and study, especially on the relation between modern technologies and their economic significance. For example: "The Economics of the Peaceful Uses of Underground Nuclear Explosions," 1967, for the Atomic Energy Commission: "Cost-Benefit Study of the Earth Resources Satellite Program: Grazing Land Applications." Mathematica, 1968: "Theory and Implementation of Cost-Benefit Analysis of Transportation Systems," for the Department of Transportation, 1969: "Long-Term Projections of Power: Review and Outline," for the Office of Naval Research, 1970.

Dr. Heiss has testified on the Senate Committee on Appropriations, Subcommittee on HUD-Space-Science, June 29, 1971: to the President's Science Advisory Committee, Space Shuttle Panel, August 15, 1971.

Dr. Heiss is a member of several scientific societies and an Honorary Faculty Member of the U.S. Army Logistics Management Center.

HISTORICAL BACKGROUND

Dr. MORGENSTERN. Mr. Chairman, it is an honor to appear before this committee. Over the past 2 years, Dr. Heiss and I have conducted a research group at Mathematica Inc., in Princeton, N.J., in a comprehensive independent study of the economics of new space transportation systems, with particular attention given to a proposed space shuttle system for the United States in the 1980's. As you are well aware, any economic study of advanced new research and development projects, with technical leadtimes of 8 years or more, is a difficult enterprise, both conceptually and in practice.

Our expertise lies mainly in economic analysis, so we cooperated in this investigation over the past 2 years with two other corporations which with our support, provided us with the required data: Aerospace Corp. of El Segundo, Calif., and Lockheed Missiles and Space Co. of Sunnyvale, Calif.

The function of LMSC, a contractor with extensive experience in payload research, development, testing, evaluation, and production, as well as payload operational requirements, was to investigate in depth the effects that a reusable space transportation system will have on the expected costs of payloads and space missions in the 1980's. The overall estimates of these effects in the economic study are called payload effects. Payload effects are thus the combined effects of a reusuable space shuttle system on the payload and spacecraft costs of space missions; they include possible cost reductions through reuse, updating, maintenance and in-orbit checkout of satellite payloads in the operating phase of a space shuttle system. In addition to this, LMSC also evaluated the cost of payloads in the 1980's using expendable transportation systems. Extensive reviews of the work done by LMSC took place over the past 2 years, and wherever deemed necessary by us and Aerospace Corp., LMSC's work was redirected to conform to our requirements.

The detailed cost estimates on alternate payload effects using different space transportation systems were then given to Aerospace Corp. The function of Aerospace Corp. was to investigate the extent to which the payload effects studied by LMSC for specific individual spacecrafts can be generalized across the mission models of the 1980's for different U.S. Government agencies as well as for civilian users. In addition to this, Aerospace Corp. also had the task of estimating independently, with information supplied—among others—by the phase B contractors, the expected costs of alternate space transportation systems to be used in the 1980's; the current expendable system, an economic new expendable system and a space shuttle system. Again, extensive reviews of the work done by Aerospace were made on a regular basis and, when necessary, Aerospace Corp. was directed to conform to our requirements. Dr. Heiss participated in all of these review meetings and I participated wherever feasible.

One might ask why payload effects are of importance. Even on an intuitive basis it is clearly an advantage to be able to bring satellites safely back to earth for updating and refurbishing them, or for repair, if necessary. It is interesting in that connection to point out that, for example, for satellites which have 2-year design for functioning, of the failures which occurred, 26 percent occurred at launch, 48 percent after 1,000 hours only of functioning. That is, 74 percent of satellite failures occurred very early, either at launch or immediately after launch.

It may also be added that among those which failed was the Orbiting Astronomical Observatory at a cost of about $60 million, and of course, there were failures also among military craft, the value of which is not public.

In order to reduce the possibility of satellite failures, much redundancy and extraordinary care in manufacturing and preflight checkout is required. This drives costs up almost at an exponential rate. In orbit and on ground standby capabilities are very expensive in some programs. Most satellites could now not be returned at all because they cannot withstand the severe reentry environment. But the Space Shuttle vehicle offers precisely the needed protection. Sometimes also speed of launch and of return is of great importance. Here is one additional source of Space Shuttle capability. Of course, not all satellites can or need be retrieved (that is, the few deep interplanetary probes), so that it is a question of the mix of types of satellites, either expendable kick stages or a space tag. One-half of the missions are to synchronous orbit and therefore require additional propulsion. Each mission has been studied in detail in regard to its need to use additional propulsion systems. The data used include the costs for such additional requirements.

Overall, for the report completed for the National Aeronautics and Space Administration on May 31, 1971, Mathematica invested about 8 man-years of effort in the economic analysis; the effort by LMSC was about 12 man-years and the effort by Aerospace Corp. was in the neighborhood of 25 man-years. Figure 1 gives a flowchart of the overall organization of the study and the inputs used in the economic analysis done on new space transportation systems.

In our work for NASA, we were impressed by the good and prompt working relationships. We were assisted to a major extent by our technical monitor, Mr. Robert N. Lindley.

After May 31, 1971, the economic analysis effort was extended by another 6 months and the results of this additional work are presented in the Mathematica report published January 31, 1972. It is our understanding that the executive summary has been placed in the record of these hearings. Preliminary results were presented to Dr. Fletcher in a special memorandum submitted on October 28, 1971.

It may be interesting to this committee to learn more about the spirit of the study, as well as the contractual understanding that existed between the National Aeronautics and Space Administration and Mathematica in conducting this economic analysis. The work statement of contract NASW-2081 called for an independent economic analysis of new space transportation systems considering in particular expendable transportation systems and a two-stage fully reusable Space Shuttle System. In the second half of the effort, the independent analysis was extended to include an evaluation of alternative Space Shuttle configurations in order to determine the most economic system capable of meeting, on economic grounds, expected U.S. space transportation needs of the 1980's and beyond.

Aside from this background, we proceeded in the contract as follows: At the end of April 1970, Dr. Klaus Heiss and I gave an extensive briefing to the National Aeronautics and Space Administration on the economic methodology that would be applied to the analysis in trying to determine the worth of a reusable space transportation system as well as for determining the most economic space transportation system of the 1980's. The methodology employed was, to the best of our knowledge, the most strict and conservative way in which new technologies can be evaluated in economics. The reports issued on May 31, 1971, and the latest report of January 31, 1972, do describe in detail the economic methodology.

Here we want to restate that wherever controversy or uncertainty existed about the economic method of analysis, or about the value of specific economic parameters, as well as the inputs provided to us by the other two contractors (Aerospace Corporation and LMSC), NASA and the Department of Defense, we consistently tried to be as conservative—I would even say as skeptical as possible. We forego a description of the Space Shuttle since the committee has been amply briefed regarding its nature and purpose.

ECONOMIC EVALUATION

There are two broad general alternative assumptions with which one can approach the economic evaluation:

(*a*) The capabilities (missions) are specified and alternative feasible space transportation systems are evaluated for the lowest cost solution (equal capability cost-effectiveness); or

(*b*) The budgets (funds) available for space applications are assumed given, and each system tries to do the most with these operating funds (equal budget cost-effectiveness).

The equal capability and equal budget cost-effectiveness analyses were carried out for the evaluation of new space transportation systems. This was the most stringent way in which such an economic study could be conducted. Specifically, any additional capabilities that are most likely to be expected as a consequence of the development of a Space Shuttle system—because of cost

reductions—were systematically excluded from the comparative analysis of space transportation systems in the 1980's. This meant that a considerable area of potential benefits that may result from a Space Shuttle system was excluded a priori from the evaluation in our study. In particular, we did not include or measure the benefits of Space Shuttle sortie missions, a new capability offered by the Space Shuttle system, nor the role of using man in space. This was not done due to a lack of confidence in the added capabilities that a Space Shuttle system would give to the United States, but to preserve as much as possible an economic analysis restricted to the capabilities of present expendable space transportation systems. As a matter of fact, it was Dr. Heiss' belief as well as my own personal belief early in the project, that it would be very unlikely that a reusable space transportation system could be justified on economic grounds based on such a stringent evaluation methodology. Yet our investigations showed that a justification was possible.

The most recent Mathematica study is an investigation aimed at finding, as already stated, the most economical system from a set of technically possible systems. The mere fact that a system—any system—is technically feasible is by itself not a sufficient justification for its introduction. Here, however, we have made the simple assumption that future U.S. unmanned space activity will not be less than it was in the average over the last 8 years—not only a conservative but probably a pessimistic assumption. In addition, we varied the expected unmanned U.S. space activities in the 1980's over a wide range of hypothetical space programs that cover, to our best understanding, a very wide range of space programs, most of them below the levels of activity provided to us by NASA and the Department of Defense.

The question of "priorities" does not arise in this context at all: We are merely confronted with the question of an optimal choice within a given system of priorities. The wider question, that of priorities, is therefore whether the basic U.S. space activity level is reasonable, or too high or too low, seen in the entirety of the U.S. society, economy, and the Federal budget. Priorities have to do with the aims of space activity, not with the mechanics of how to achieve those aims. It is our personal belief—and with this remark, I, as well as Dr. Heiss, are going beyond the scope of our investigation—that it is inconceivable that the present aims would be cut back to such an extent over the next years as to make the proposed Space Shuttle meaningless. I emphasize this is a personal observation.

The correct way to measure, economically, national priorities is through the imposition of an appropriate social rate of discount on Government investment projects. The Space Shuttle is one such project. Different Government projects must be acceptable for given interest rates. In that respect they are to be judged precisely as private investment projects which must earn at least the current and expected long-term rate of return. For private investment, the necessary information about the prevailing rate is furnished by the capital market. The Government must also consider that rate, but it really has to discover the "social rate of discount" which expresses the Nation's time preference. This is not easy and there is no unanimity. As in all cases—whether it be private or public investment—a high rate discourages investment, a low one encourages it. When there is no clarity or agreement, it is desirable to study the effect of a variety of rates and to determine their influence upon the proposals.

In the case of the Space Shuttle system we therefore made all analyses with ranges in the discount rate from zero to 20 percent. Our conclusions are based on the economic evaluation at 10 percent, in accordance with the current practices of the Office of Management and Budget. Given that the analyses were carried out in constant 1970 dollars—that is, projecting no inflation—and given the long leadtime required for the initial operating capability of the system, the Space Shuttle system had to meet a most difficult test indeed in order to be found economically acceptable. Present empirical evidence available to us for the United States, as well as theoretical considerations, lead us to the belief that the 10-percent rate as used in this economic analysis is sufficiently high.

MAIN PROBLEMS ANALYZED IN STUDY

The main problems submitted to us for analysis were:

(1) The economic worth of a reusable space transportation system. The May 31, 1971, report addresses this particular issue in depth and great detail. We concluded at that time, and present results confirm that conclusion, that the most conservative economic analyses show, at a 10 percent social discount rate, that the allowable nonrecurring cost—the benefits—for "buying" a fully reusable space transportation system are somewhere between $12.9 billion and $15.4 billion depending on the activity level expected in the 1980's and beyond. The estimate of allowable nonrecurring costs is a convenient form of expressing the "benefits" measured in terms of cost-effectiveness analysis of a reusable space transportation system.

On the other side, we estimated—in cooperation with Aerospace Corp.—that the actual nonrecurring costs of the Space Shuttle and tug system—the two-stage fully reusable system then being favored—would be about $12.8 billion. All of these estimates were made in constant 1970 dollars.

We furthermore concluded on May 31, 1971, that the fully reusable, two-stage Space Shuttle is only one of several conceivable space transportation systems capable of achieving the objectives of space transportation in the 1980's. We therefore called, at that time, for the further study of other technically acceptable systems.

Furthermore, we concluded on May 31, 1971, that the then projected nonrecurring costs associated with developing a Space Shuttle system were shown by the economic analysis to be covered by the identified benefits, provided the United States intends to operate a space program with a number of flights equal merely to the levels of unmanned space program activities the United States had actually undertaken in the past decade.

We found, and this conclusion is confirmed by the results of the January 31, 1972, report, that the choice of the social discount rate has, as we expected, a major influence on the economic evaluation of a new space transportation system, as on any other investment. Differences in the rate applied to the analysis outweigh many other important issues usually raised—and analyzed—in the context of large scale research and development projects, in particular those issues arising from irreducible uncertainties in the cost data.

We furthermore found in May 31, 1971, that the economic justification of a reusable space transportation system is relatively independent of the question of manned versus unmanned space flight. The space programs analyzed by Mathematica were in line with the activity and funding levels of the unmanned U.S. space program for the 1960's—NASA, the Department of Defense, and commercial users included. This, of course, does neither preclude nor require the possibility that the future unmanned space program could be much larger than in the past, if, for example, the Nation were to decide on a substantial continued manned exploration of space in the 1980's.

Thus, the report of May 31, 1971, concluded that it was worthwhile for the United States to undertake the investment for a reusable space transportation system under the given restrictions.

(2) Which is the most economic Space Shuttle system to meet the expected activity levels of the 1980's of the United States, including NASA, the Department of Defense, and commercial space applications?

The results of this additional effort are reported in detail in the report of January 31, 1972, submitted to the National Aeronautics and Space Administration. Dr. Hess and I can reassure the committee that the economic analysis of alternative Space Shuttle systems was again carried out in complete independence from NASA. People closely associated with our work, within NASA and outside NASA, can surely testify to that effect. We were closely in touch with the developments taking place in industry proposing alternative ideas on achieving the basic objectives of a reusable space transportation system. The major families of Space Shuttle systems are shown in figure 2.

In figure 2 a simplified, yet concise, summary is shown of the results of the analyses conducted to discover the most economic Space Shuttle configuration. In this figure are shown the relative positions for the two-stage, fully reusable Space Shuttle, the two-stage flyback Space Shuttle, the twin pressure fed booster Space Shuttle—one TAOS version; that is, Thrust Assisted Orbiter Shuttle—the series burn pressure fed booster Space Shuttle, the twin solid rocket motor Space Shuttle—another TAOS—the series burn solid rocket motor Space Shuttle, as well as a space glider concept in combination with a new expendable system. Many alternative systems were evaluated by us and the industry contractors. The most economic shuttle configuration is shown in the corner of this diagram of the curve. This most economic Space Shuttle system is determined by the position and slope of the economic tradeoff line also shown in figure 2. The purpose of this computation was to find precisely this point, to identify this particular system from among all the systems which were before us for inspection and investigation.

Any of the systems has considerable cost uncertainties attached to it. All investments, whether private or public, have uncertainties attached to them. Given the advance in space transportation proposed by the Space Shuttle system, these cost uncertainties are prominent. They also differ substantially among particular Space Shuttle configurations. Within the range of configurations analyzed, the SRM–TAOS has the lowest overall development risks among the various Space Shuttle configurations. Also shown in figure 2 (see page 7) is the position of the economic tradeoff line at a 10-percent discount rate. That straight line which runs across the diagram reflects a 10-percent interest rate. In a very simplified way, the economic tradeoff line shows the benefits—expressed in allowable nonrecurring costs—of Space Shuttle systems as the costs per launch are increased from $5 to $10 to $15 million per launch. So if there were a higher rate of interest, the line would be below the 10 percent line and at lower interest rates this line would shift up much higher.

The calculations show that at interest rates of 10 to 15 percent the solid rocket motor, parallel burn Space Shuttle system is the most economic system among the many alternative systems considered. At a social rate of discount of 5 percent, the solid rocket motor, parallel burn system is still favored over other alternatives, yet a pressure fed, parallel burn or series burn version of the Thurst Assisted Orbiter Shuttle would become an economically acceptable alternative.

LEVEL OF FLIGHT ACTIVITY

Besides these cost uncertanties which we have not further discussed here and the choice of the correct social discount rate, there is, of course, the question of the level of flight activity. This level has to reach at

least some minimum in order to make the Space Shuttle profitable, which is exactly as any other transportation system has to be judged. If you have to transport only a few persons, you do not build a railway or subway; you might use horses instead. The density of space flights per year is one way of expressing the nature of future space activity. It is clearly only a partial characterization because it neglects to state what the various satellites and other cargo will accomplish in space, what value derives from their functions, and so forth. These factors enter into the choice of the social discount rate: the more scientifically or even politically valuable are these functions, the lower the interest rate imposed on the whole cost structure might be. To exhibit the significance of this circumstance, as Dr. Heiss has stated, we have shown the effects for the whole spectrum of social discount rates from zero to 20 percent. This allows Congress to see what the consequences are of having one priority rather than another.

MOST ECONOMIC SYSTEM

Based on these and other results of our economic analysis, we stated on October 28, 1971, and January 31, 1972, that the solid rocket motor parallel burn Space Shuttle System (SRM–TAOS) of all the many technically feasible alternative Space Shuttle configurations, is the most economic system with which to achieve the original objectives of NASA. This system would meet the projected space transportation needs of the 1980's for the Nation. When we compare the nonrecurring costs of that configuration with those of a fully reusable system, as originally proposed, there does exist roughly a 50-percent cost reduction in the estimated nonrecurring costs for a 1979 operational Space Shuttle System. This cost reduction is achieved by increasing somewhat the cost per flight of the system. Yet with all the tradeoffs duly considered in the economic analysis, this increase is well justified by the decrease in nonrecurring costs of about $7 billion in the 1970's. There is your trade-off between the nonrecurring costs and recurring costs which we mentioned earlier.

The total prospective investment in the new Shuttle configuration spread over several years amounts to about $7.5 billion versus $14.6 billion for the earlier, fully reusable two-stage Space Shuttle. This amount should be seen in proper perspective: it is about 3 percent of the annual Federal budget, about one-third of 1 percent of the annual GNP—whatever the worth of that somewhat dubious concept. It is an investment spread out over several years at an almost constant projected NASA budget. It is an investment that corresponds almost exact to the annual capital investment of the petroleum industry, and is one-half of the approximately annual new plant and equipment investment of the U.S. communication industry—to give only a few references to use as a yardstick. (We don't even want to mention the country's outlays for pet food and the like, which are in that order of magnitude, almost.)

Given our findings of October 28, 1971, and our conclusions in the January 31, 1972, report, we concur with the decision of NASA in its choice of the Space Shuttle System now to be developed in the 1970's, that is, a parallel burn, solid rocket motor Thrust Assisted Orbiter Shuttle (SRM-TAOS).

DIFFERENCES BETWEEN TWO SYSTEMS

There are many important differences between the original two-stage fully reusable Space Shuttle System and the new Space Shuttle System now proposed by NASA. They are to a great extent technical, yet the cost estimates reflect the much reduced effort in terms of initially estimated nonrecurring costs—research, development, and investment—as well as the potential cost overruns that might have resulted from an inability to meet some of the technical assumptions underlying a two-stage fully reusable system. It might be added at this point that the cost overruns discussed by Congress are usually in the investment phase and not in the operating phase. Therefore, if the costs of investment are sharply reduced, that danger of cost overruns, of which we are fully aware, is correspondingly also reduced.

We would like further to state that among the alternative Space Shuttle configurations that allow the achievement of the original objectives of NASA, the SRM-TAOS also promises the lowest development risks among any of the systems competing with this version. NASA will have a difficult enough development job as it is, even with the now proposed Space Shuttle System.

There never—and I would like to make that quite clear—does exist something like a "final economic analysis." There are always problems to be further analyzed: some are technical, others are in the area of real strict economic analysis. Yet, within the scope of the original two questions—that is, the worth of a reusable space transportation system to the United States, and the most economic configuration among the alternative Space Shuttle configurations—we do think that the results of our analysis are as definite as such efforts can ever be.

The fact that the nonrecurring costs in the 1970's have been cut by about $7 billion should not lead to the conclusion that further drastic reductions can be envisaged and the capabilities of the system maintained. The process of selection of the optimal Space Shuttle configuration has, in some sense, come to an end—everything based on present technology and present prices.

INTERNATIONAL COOPERATION

As to outlook, there remains one final point we would like to make to this committee. Given a Space Shuttle system, we believe there exist major opportunities for the United States to advance international cooperation. NASA has already gone to great lengths to emphasize this potential. Personally, we do think that the presently considered participation of Europe, for example, in building a space tug in accordance with the Space Shuttle system, would be of major significance and great importance, not only to NASA, but to the United States and to Europe.

In addition, other areas of cooperation with regard to the space transportation system of the 1980's have been identified in some detail by NASA and others. We want to stress that a great opportunity is offered here to the European nations as well as to Japan and other nations for participating with the United States in development efforts on a scale and scope that may not occur in a similar way in this field, or in many others, in the foreseeable future. We hope the United States and the European nations realize this opportunity.

This. Mr. Chairman, concludes our statement.

STATEMENT OF PERSONAL PRIVILEGE BY DR. OSLSAV MORGENSTERN

Dr. MORGENSTERN. I would like to make a brief remark.

I am glad to see that Dr. Lapp is convinced that economic analysis is very difficult and complex and that it was very difficult to give a correct restatement, even, of pieces that have been presented. Someday I hope I will have the opportunity of appearing at a hearing on nuclear physics to expound my views on nuclear physics with similar competence.

I agree with him absolutely that it is not only in the interest of the United States but it is our duty to make proper provisions for the most economical use of public funds and that was one of the purposes of our entire study. I think we will submit and we will ask the committee to accept a statement which will deal with some of the points which Dr. Lapp has raised. We are certainly not responsible for foolish remarks made by other people concerning the Shuttle. What we think about the Shuttle and the new space transportation systems is contained in our publications and in the statements made here today.

I want to say, however, that I absolutely reject the remarks and insinuations by Dr. Lapp concerning our integrity. I reject any remarks of this kind as far as my person is concerned and that of my collaborators. The mere fact that a contract was let is not an indication that one is purchased and bought by the people who buy our time. I want to tell the committee of one incident which will indicate the attitude which we have.

A few years ago, I was asked by the Joint Chiefs of Staff to make an evaluation of a particular project they had. I will not name the project, although it was not classified. A considerable amount of money had been spent on this project. We studied it under a contract and our evaluation was as follows. We said that the project had no value, it had no mathematical structure, it had no salvagable parts, it should be abandoned immediately, and any further money spent on it would be throwing good money after bad, and in the following pages, we will give our reasons for this treatment.

This is what we did under a contract and this is the attitude which we have taken under the present contract with NASA. We said what we thought and not what NASA hoped we would say.

NASA COMMENTS ON STATEMENT OF DR. RALPH E. LAPP ON THE SPACE SHUTTLE

NASA welcomes the opportunity to comment on the statement on space shuttle economics presented by Dr. Ralph Lapp in hearings before the Senate Committee on Aeronautical and Space Sciences on April 12, 1972.

We agree that the economic issues are important and that persons having responsibilities in the decision process, as well as the general public, should understand the economic rationale for the space shuttle program. We have prepared a concise summary of the facts about space shuttle economics, along with a more general treatment of the objectives of the space shuttle program. An updated version of this fact sheet which incorporates the latest data is enclosed.

Dr. Lapp's testimony is primarily directed at the results contained in the Mathematica report. Although this report represented a major input to the total systems analysis of alternative new space transportation systems, inputs from other in-depth studies by various contractors and NASA organizations were also significant in the final decision.

Dr. Lapp's argument against the economic results of the shuttle system focuses on the following major points: That the cost savings of $7 billion reported by Mathematica should instead show a total program cost for the shuttle of $19 billion greater than the current expendable system; that the Space Shuttle transportation system cannot achieve its advertised cost rates; that the study results are heavily biased by the fact that a significant portion of shuttle traffic will be military payload; and that projected payload benefits will not be achieved.

We will address each of these points in turn.

Dr. Lapp contends that when "appropriate" adjustments are made to economic methodology and cost estimates used by Mathematica, the cost savings of $7 billion reported by Mathematica should instead show a total program cost for the shuttle of $19 billion greater than the current expendable system. In paragraphs 12 through 24 of his statement, Dr. Lapp provides his analysis of the Mathematica results. The

table in paragraph 13 represents not the finding of the Mathematica analysis but the input data to Mathematica, resulting primarily from Aerospace Corporation's work. It represents a cost summary for a specific baseline traffic model which has been established by NASA and the Department of Defense. This is not the only traffic model upon which Dr. Morgenstern's conclusions are based. In fact, Mathematica used this model and its associated data only as a point of departure from which to construct a wide range of potential space programs, some smaller and some larger than the baseline model.

Dr. Lapp comments adversely on the program cost for the baseline model using the current expendable system, maintaining that the "United States has not approved a $42 billion space program in the current expendable category." Of course, the United States has not approved in detail any space program for the 1980's; NASA and DOD will continue to seek approval from the Administration and the Congress of their space activities—program by program—as they now do each year. It should be noted, however, that the $42 billion for the baseline program is for a 12-year program and that it includes the direct costs for all users of space for all traffic launched within the United States, including NASA, DOD, and other government agencies, commercial users (e.g., Comsat), and flights undertaken for other nations. In other words, the $42 billion program amounts to an average of $3.5 billion of annual expenditure. This is certainly not out of line with the level of expenditure of today's space programs.

Dr. Lapp then says that the costs shown for the current expendable case should be substantially and arbitrarily reduced, but offers little to support his claims. For example, he removes $1.62 billion because he deems it "scarcely fair" to include these costs under the current expendable case since these funds are required for RDT&E and investments for the "Big G" and for current expendable launch vehicles; he reduces necessary recurring launch costs of an additional $2.35 billion on the basis that the "Big G *and* the shuttle are redundant"; and he reduces the costs for payloads by $10 billion because "a more realistic figure would be $20 billion" and as a result of this adjustment reduces launch costs by another $3.25 billion. He then raises the space shuttle development costs by $6.4 billion because he believes contractor estimates are understated and he raises the costs of payloads by $6 billion because the *development cost* of the space station should be included under shuttle payload costs, "if Mathematica, Inc. is going to include earth-to-space station flights in its mission model. . . ." He also suggests that including the space station in the mission model makes it clear that buying the space shuttle means we are also buying the space station.

There is absolutely no justification for these adjustments; in fact they violate accepted system analysis techniques which underlie any study comparing cost/benefits of alternative programs. The basic economic methodology applied by Mathematica in assessing the cost-effectiveness of the space shuttle program was to establish the *total program* life cycle costs of performing specified space programs for each of three technologies (current expendable, new expendable, and space shuttle and tug systems), seeking the *least-cost* approach for accomplishing a fixed set of mission objectives. Many variations and sensitivity analyses were performed around this general approach, but the key point is that in every cost comparison made between competing systems, *all* of the costs were included for doing the same job by alternative means. This is a basic principle of cost-effectiveness analysis.

The shuttle and the "Big G" systems could be "redundant", as Dr. Lapp claims, only if they were employed together. In fact, however, they are alternative means of accomplishing certain objectives—the current expendable system requires the "Big G" in order to perform the mission model. Its costs cannot be deleted from the current expendable accounting without destroying the fundamental principle of the cost comparison, namely that all relevant costs for doing the job must be included. The same explanation applies to his comment on current expendable system nonrecurring costs, which he proposes to delete from the accounting.

Raising the space shuttle development costs to overcome alleged contractor underestimates is not justified because the estimates already include a level of contingencies and allowances for changes, although certainly not in the magnitude suggested by Dr. Lapp. We might add that NASA has demonstrated that it can carry out major programs including significant technical unknowns within reasonable cost limits.

Dr. Lapp's statement that the space station development costs should be included as a cost of the shuttle payload makes no sense unless its costs are also included under the payload costs for the current expendable, since both systems must carry out the same mission objectives if valid economic results are to be obtained. As we have stated time and time again, the space shuttle is not a commitment to the development of a space station. This program will be decided on its own merits in the years to come.

Dr. Lapp also asserts that the space shuttle transportation system cannot achieve its advertised cost rates. The cost per pound delivered to orbit is an accurate measure frequently used to relate the efficiency of the various launch vehicle systems on the basis that each is loaded to capacity. However, the relevant cost comparison is the "per mission" cost (transportation and payload). On this basis, the shuttle will have an economical advantage over all competing systems because of the reductions in payload costs which are possible with the shuttle. But the real issue is not how NASA represents relative efficiency and least-cost but rather has NASA selected the most efficient and least-cost system? Of course, the real understanding of the comparative merits of shuttle and expendable systems can only be obtained by conducting an analysis of all costs associated with operation of a space program with the competing systems. This is, in fact, the type of analysis that has been performed by our contractors, Lockheed, Aerospace Corporation, and Mathematica, in the work reported by Dr. Morgenstern. These studies, together with NASA's in-house work, conclusively show that the space shuttle is a clear economic choice.

Dr. Lapp also suggests that a significant portion of shuttle traffic will be military payloads. We have certainly never made any secret of this and Dr. Seaman's recent Congressional testimony emphasized that he anticipated a requirement for about 20 flights per year for the military. I believe that this assumes that the international situation would remain much as at present.

As history has shown us, this situation could well change by the shuttle operational period. With this in mind, Mathematica has examined a range of space programs in which the military component varies from about 30% of the total to about 60% of the total. In all cases, the economic justification of the shuttle was found to be sound. Obviously, the space shuttle is a general purpose system which can transport military traffic as effectively as it transports non-military traffic.

Dr. Lapp, in commenting on the payload benefits projected through use of the shuttle, has questioned the merit of some of the assumptions in the technical areas where savings are anticipated, such as the relaxation of weight and reliability constraints, the advantage of on-orbit checkout, and the desirability of retrieving "obsolete" payloads.

Actually, the shuttle impact on payload costs and design is one of the most attractive features of the shuttle and it has been the subject of definitive analyses by Lockheed and Aerospace, which have been reviewed by the OMB, the DOD, NASA, and other competent organizations throughout the country. There is no disagreement that the shuttle will produce significant savings in many payload configurations although the full extent of these savings was an area of uncertainty and was the subject of intense analyses. The Lockheed Company, an experienced spacecraft development firm, prepared a detailed subsystem analysis correlating historical payload costs and technical parameters, and exposing areas where savings could be achieved. The Aerospace Corporation reviewed and validated the Lockheed results and conducted a very extensive trade-off and sensitivity study of each specific payload in the mission model to ensure that the application of low cost design (savings through relaxation of weight and volume constraints) as well as retrieval and refurbishment were economically desirable and technically feasible. Thus the detailing of the cost benefits called for by Dr. Lapp has been accomplished and has been critiqued by responsible people in NASA and other government activities.

An important finding of these studies is that the low cost design accounts for only about 5% of the estimated payload benefits and that payload retrieval and reuse are the significant drivers in reducing payload costs. It should be noted here that the payload costs for refurbishment include technological improvements which should eliminate Dr. Lapp's protest that the shuttle economic analysis is based on reusing obsolete payloads. Also, it should be pointed out that while the on-orbit checkout capability available with the shuttle is considered a definite advantage in payload operations, it was not a factor in the calculations of payload cost reductions with the shuttle.

Dr. Lapp also suggested that the reusability and refurbishment features of the solid rocket motors used with the shuttle should also be applied by NASA with the same degree of optimism to the standardized new expendable system. This point was considered in the decision process in the selection of the space shuttle system. Using the same assumptions and ground rules for the new expendable as applied to the space shuttle, NASA's finding was that the net benefits projected for the space shuttle would be reduced by less than 10%. The question of the degree of reuse and cost of refurbishment involves some uncertainty as Dr. Lapp suggests. Again, however, economic results in favor of the shuttle are not dependent upon recovery and reuse of the solid rocket motors since their recovery and reuse results in savings of about 30% of the original procurement cost.

MISUSE OF DRUGS

Mr. BROCK. Mr. President, a new national campaign to prevent a further spread of the problems of drug abuse is now well underway throughout the country.

President Nixon's Special Drug Action Office which has been operating under executive decree is now fully authorized by Congress. I supported the creation of this office and worked in the Government Operations Committee to give it the necessary tools to mount an all out effort to cope with drug abuse.

The main target of Federal law enforcement is the criminal, from the international trafficker down to the peddler.

Those who dispense addicting drugs and deliberately initiate new cycles of drug dependency must be stopped. But the answer to drug dependency is not simply aiming to control the supply side. It takes a balanced program of treatment and education such as is now being proposed.

Inflammatory and misleading information on drug abuse has probably done more to encourage and foment drug usage among many sectors of our society, particularly with young people, than any other thing.

Much of this misunderstanding and misinformation is reflected in current laws designed to prevent the use of drugs. Laws against the use of marihuana are in many cases so out of step with the degree of the offense that many judges are forced to dismiss defendants or interpret statutes drawn from principles that are refutable.

For two very significant reasons, I do not support the legalization of marihuana. First, I believe that presently our information on the physical, psychological, and social effects is inconclusive and filled with blank areas where we have virtually no data. Second, and perhaps more important, there is already an overabundance of mind altering substances legally available for public consumption. With or without prescription, from the liquor store or in the pharmacy, we have too many routes for escaping reality and too many people taking these courses—whatever their individual reasons.

In the case of alcohol, we find the Nation's most used and abused drug. Alcoholism has been called the country's No. 1 public health problem—not heroin or amphetamine, nor marihuana usage. The failure to make a massive assault on alcohol addiction arises from the fact that the use of the causative agent is socially and legally acceptable. Such is not the case with the use of heroin, "speed," marihuana, or any equivalent drugs of the so-called subculture.

Yet, Dr. Morris E. Chafetz, director of the National Institute on Alcohol Abuse and Alcoholism, estimates that there are 36 million problem drinkers in this country. Of that number, some 9 million are chronic alcoholics and this figure is rising by 100,000 a year. Further, he states the disease of alcoholism claimed 86,000 lives last year, excluding traffic accidents, and that at least 50 percent of the Nation's annual 56,000 motor vehicle fatalities were caused by excessive drinking. Every 2 years, irresponsible drunk drivers account for more deaths than our total losses in Vietnam.

On an average, Americans spend close to $20 billion annually on alcoholic beverages. Of this amount, the Nation's 9 million alcoholics account for half the sales.

As is quickly becoming the case with the use of the drugs such as heroin, marihuana and their counterparts, the disease of alcoholism cuts across all social and economic lines. Individuals are susceptible to addiction to alcohol, regardless of one's education, ethnic, cultural, or economic background.

I need not continue the endless list of statistics to demonstrate the enormity of the problems related to overindulgence in drugs. This is not to say that attention should be paid to one situation over the other, but merely to point out that a crisis situation exists within the total definition of drug abuse.

Legal and illegal drugs are being consumed at an enormous rate and we must strive with all speed to deal with this problem from the demand side as well as the supply side. One specific area of concern from a legal point of view is the growing use of marihuana.

It is estimated that at one time or another over 24 million Americans have tried marihuana. Of this number less than 2 percent could be termed as heavy users, and perhaps even fewer have developed a classifiable psychological dependency. As a large segment of the society has broken our laws regarding marihuana, and in taking the drug have found its effects have been enormously misreported, respect for law has been diminished.

Laws governing the use of marihuana have been ignored for too long. By virtue of lengthy criminal sentences, many State courts subject youthful offenders to prisons in the company of hardened convicts where drug usage is more widespread than in the society which removed him for their protection. Thus, we have the anachronism of a marihuana offender sent to prison for reform and emerging possibly more dangerous to himself and others than when he entered.

Ninety-three percent of arrests, in a study of enforcement in six metropolitan areas, were for simple possession, and two-thirds of the arrestees were held for possession of an ounce of marihuana or less. We are barking up the wrong tree.

In an attempt to get the country on a realistic course in coping with the problem of marihuana, the National Commission on Marihuana and Drug Abuse has recently issued its report and recommendations to the President. The reports goes a long way to bridging the information gap on marihuana usage and its wide effects.

While any change in official attitude toward marihuana use will have little immediate effect on the use of the drug itself, simply because reasons for marihuana use are diverse—part fad, part peer pressure, whatever, new, more appropriate and reasonable statutes are vital to maintain respect for law and restore sensibility in dealing with offenders.

The findings and recommendations of the Presidential Commission will certainly aid in this important realining process.

MUTUAL AND BALANCED FORCE REDUCTIONS

Mr. MATHIAS. Mr. President, the concept of mutual and balanced force reductions—MBFR—is the central approach of the North Atlantic Treaty Organization toward arms control in Europe. It has been the vehicle of NATO's proposals to Eastern Europe for a realistic European security arrangement at lower cost to both sides.

But how can we achieve force reductions in East and West Europe that are truly mutual and balanced? The March 1972, issue of International Conciliation, includes an excellent article entitled "Mutual and Balanced Force Reductions: The Next Step in Detente?" written by Robert E. Hunter. It is among the most lucid and satisfying examinations of the subject I have read. I heartily commend it to the Senate and ask unanimous consent that it be printed in the RECORD.

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

THE ARMS RACE: STEPS TOWARD RESTRAINT

(By Herbert Scoville, Jr., Betty G. Lall, and Robert E. Hunter)

ANNOUNCEMENT TO READERS

On behalf of the Board of Trustees of the Carnegie Endowment for International Peace, we announce with regret that the Endowment will cease publication of *International Conciliation* with this issue. The magazine has had a distinguished history through the years that the Endowment has published it, and we like to think it has made important contributions to the understanding of issues in the field of international affairs. It is always sad to see the end of a long established magazine, but, in our considered judgment, the increasingly high cost has grown disproportionate to the impact that the magazine has been able to make.

We are glad, however, to announce that arrangements have been made to continue in a new format the annual review of "Issues Before the General Assembly." Henceforth it will be published by the United Nations Association of the USA and will appear as a special autumn insert in their magazine, *Vista*.

We are also glad to announce that the Endowment has now entered into an association with the publishers of *Foreign Policy* magazine, the new quarterly journal of opinion, which has rapidly gained attention since its first appearance in the winter of 1971. We feel that the association with this magazine will enable us to cover a broader range of topics and to present a wider spectrum of views on significant international issues. Current subscribers to *International Conciliation* have been notified by mail that the unexpired portion of their subcription will be converted to *Foreign Policy* magazine unless they apply for a refund.

THOMAS L. HUGHES,
President,
Carnegie Endowment.

CONTRIBUTORS

Robert E. Hunter is a Senior Fellow at the Overseas Development Council. Mr. Hunter was formerly a Research Associate at the International Institute of Strategic Studies in England, a Lecturer in International Relations at the London School of Economics, and a member of President Johnson's White House Staff, 1964–65. He is the author of a number of studies, including *Security in Europe*, published by Indiana University Press, and *The Soviet Dilemma in the Middle East*, Adelphi Papers 59 and 60.

Betty G. Lall is Co-Chairman of the Task Force for the Nuclear Test Ban, an organization devoted to public education on this issue. Ms. Lall was formerly Special Assistant to the Deputy Director of the U.S. Arms Control and Disarmament Agency and Staff Director of the U.S. Senate Subcommittee on Disarmament. She has been a Contributing Editor of the *Bulletin of the Atomic Scientists* and is currently a member of the faculty of the New York State School of Industrial and Labor Relations of Cornell University in New York City.

Herbert Scoville, Jr., is a member of the

Board of Directors of the Arms Control Association, Washington, D.C., and was Director of the Arms Control Program at the Carnegie Endowment during 1969–71. Mr. Scoville was Assistant Director, Science and Technology, at the U.S. Arms Control and Disarmament Agency, 1963–69; Assistant Director for Scientific Intelligence and Deputy Director for Research of the Central Intelligence Agency, 1955–63. He has contributed many articles to newspaper and periodicals and is the author of *Toward a Strategic Arms Limitation Agreement*, published by the Carnegie Endowment, and co-author with Robert Osborn of *Missile Madness*, published by Houghton Mifflin.

PREFACE

This issue of *International Conciliation* appears at a time when prospects for a U.S.-U.S.S.R. agreement limiting the deployment of strategic armaments look promising. However, few advocates of strategic arms control would argue that such an agreement would constitute anything but a first step toward a much more comprehensive series of mutually agreed restraints on the arms race, both qualitatively and quantitatively. The recently announced increased defense requests by President Nixon and the reported increase in the nuclear delivery capabilities of both the United States and the Soviet Union make it all the more urgent that serious attention be devoted to developing restraints on the arms race as a means of strengthening national security rather than further enlarging our arsenals.

The three essays that follow propose and examine some potential next steps. The introductory discussion by Herbert Scoville, Jr., explores the broad range of possible activity following a limited SALT agreement, while the presentations of Betty Lall and Robert Hunter analyze the problems and prospects for a comprehensive test ban and for mutual and balanced force reductions in Europe, respectively. All three authors are members of the New York Arms Control Study Group of the Carnegie Endowment for International Peace, where the substance of these three essays has been extensively discussed. The authors and the Endowment are grateful to the members of the Study Group for their helpful comments and suggestions.

PATRICIA S. RAMBACH,
Editor-in-Chief.

ARMS CONTROL: WHAT ARE THE NEXT MOVES?

(By Herbert Scoville, Jr.)

THE FIRST STAGE OF SALT

The Strategic Arms Limitations Talks (SALT) are now well into their third year and, while concrete results still appear elusive, there seems a reasonable chance that some agreements will be achieved during the coming months. President Nixon's visit to Moscow in May will probably provide the stimulus for the high level decisions that will be necessary to achieve an initial agreement. Unfortunately, it seems likely that the limitations will be less extensive than those that were expected when the negotiations began.[1] However, even if controls are restricted to Anti-Ballistic Missile systems without any limits on offensive weapons, SALT will have made an important first step in dampening the strategic arms race. In fact, an "ABM-only" agreement would be better than one that includes only an illusion of controlling offensive systems.

As discussions have proceeded in Helsinki and Vienna, it has become apparent not only that limitations on ABMs should have the highest priority, but that they are probably also the easiest on which to achieve agreement. This was confirmed in May 1971, when President Nixon and Premier Kosygin jointly announced that they had "agreed to concentrate this year on working out an agreement for the limitation of deployment of antiballistic missile systems (ABMs)."[2] ABMs were the weapons first mentioned by President Johnson when he suggested in 1967 that the two countries should begin talks on strategic weapons. At that time, it was the Soviets who were pushing for the inclusion of offensive weapons, while in recent years the positions have been reversed and the United States has insisted on linking the two types. President Nixon strongly endorsed this linkage in his State of the World message in February 1971, but this position seems to have been considerably softened in statements since then. President Nixon in his State of the World message of 9 February 1972 noted that a consensus was developing toward a treaty setting comprehensive limitations on ABMs and only an interim agreement to freeze certain offensive arms.

The basic objective of any ABM limitation is to prevent the deployment of a system of sufficient size to provide nationwide coverage and thus give rise to fears that it might, by reducing a retaliatory attack to "acceptable" levels, downgrade the deterrent against the initiation of strategic nuclear warfare. Such concerns could come not only from the capability of the actual system deployed, but also from the possibility that anti-aircraft defenses might be upgraded secretly to obtain such a capability.

For these reasons, it is essential that both nations agree to limit the number, and particularly the location, of their large ABM radars, since these are the most critical, have the longest lead time, and are the most easily observable component of an ABM system. Secret deployment of an ABM radar in violation of a treaty is not feasible. It seems likely that the agreement might restrict the location of the United States radars to the vicinity of the Minuteman sites and the Soviet radars to the neighborhood of Moscow. Under such circumstances, no fears should be aroused over an ABM which could threaten the deterrent of either side. Secondly, it is important to limit the number of ABM interceptor missiles and their launchers. The United States is reported to have proposed at SALT that 100 would be allowed if these were deployed in defense of population centers (the Soviet program), and 300 if deployed in defense of missile sites (the United States plan). While logical from a strategic point of view, this inequality will probably be difficult to negotiate, and some compromise that narrows the difference between these two values seems necessary. From every aspect—security, expense, and arms control—the lower the agreed number, the better would be the treaty; however, even 300 interceptors on each side would be a satisfactory arrangement, provided that the radar deployment were simultaneously carefully controlled.

Because of the wide variety of offensive strategic systems, and the qualitative as well as the quantitative differences between the United States and Soviet systems, reaching an agreement in these areas is extremely complicated and difficult. The United States has been seeking a numerical limitation on both landbased and seabased offensive missile systems, as well as some restrictions on the number of very large Intercontinental Ballistic Missiles (ICBMs), such as the Russian SS–9.[3] Since the United States has long since stopped increasing the number of its missile launchers both on land and in submarines and has no plans to increase these in the future,[4] such a numerical ceiling is probably viewed by the Soviets as a very one-sided restriction. The United States instead has chosen to enlarge and upgrade its strategic forces by placing on its missiles multiple warheads capable of being individually aimed at separate targets (MIRVs). However, there have been virtually no attempts to negotiate limitations on MIRVs at SALT despite strong support for such action by the United States Senate. It seems likely therefore that any SALT agreement on offensive weapons will be limited to some sort of numerical ceiling.

The Russians might be willing to agree to a numerical ceiling on ICBM launchers since they now have appreciably more, about 1500, compared to the United States, which now has 1054. They might even agree to a sub-ceiling on very large ICBM launchers such as those for the SS–9 and the approximately 30 new large holes reported by Secretary of Defense, Melvin Laird, during the past year. The possibility of such a concession might be improved if the United States would limit its conversion of Minuteman missiles to the new Minuteman III with MIRVs, but at the moment there is no evidence that the United States is willing to do this—even though this conversion is not essential to national security. It seems less likely that the Soviets would agree to a ceiling on submarine missiles since they are both qualitatively and quantitatively significantly behind the United States in their submarine deterrent capability. However, if their desire to achieve an agreement were very strong, they might be satisfied if the submarines now under construction were allowed to be completed; this would give them approximate numerical, if not qualitative, parity. In any case, limitations on submarine missiles are far less important than on landbased ICBMs since the former are considered to be primarily second strike retaliatory weapons rather than first strike ones for use in initiating a nuclear attack. Actually, none of the proposed ceilings on offensive weapons are particularly useful as long as no restrictions are placed on upgrading existing systems or substituting new models for the presently deployed missiles. The United States has no program for increasing the number of its launchers, and the Soviets have as many as they need or probably even want. A numerical ceiling alone could turn the arms race toward qualitative improvements unless great restraint were exercised by both sides. A simplified summary of various options for an initial SALT agreement is given in Table I.

Footnotes at end of article.

TABLE 1.—SALT OPTIONS

Possible measure: ABM's	Potential effect on: Weapons programs	Arms race
(a) Restriction on location of radars	Limit ABM to Moscow and Minuteman sites	Most essential limitation.
(b) Limit on number of radars	Restrict expansion of present systems	Important but less so than restriction (a).
(c) Limit on number of interceptors:		
(1) 100	(1) Freeze U.S.S.R. at present level; allow 1 Safeguard site	(1) Preferable of 2 options. Neither U.S.S.R. nor U.S. ABM destabilizing.
(2) 300	(2) Allow U.S.S.R. expansion and 2 to 3 Safeguard sites	(2) Satisfactory but less so than (1), since would allow U.S.S.R. to improve ABM.

Note: ABM limitation would guarantee deterrent regardless of whether any limitations on offensive weapons were achieved. It would break action-reaction cycle of arms race.

TABLE 1.—SALT OPTIONS—Continued

Offensive weapons	Weapons programs	Arms race
(a) Ceiling on total numbers of launchers (replacements allowed).	Prevent increase in U.S.S.R.'s ICBM and SLBM launchers; permit increase in SS–9s by replacement of old missiles.	Of little value since would promote qualitative race and U.S.S.R. to continue SS–9 program.
(b) Ceiling on ICBM launchers (replacements allowed)	Same as (a) except no restrictions on SLBM's	Less useful than (a).
(c) Same as (b) but would ban replacement of small ICBM's by large SS–9 size missiles.	Same as (b) except stops SS–9 program	More useful than (a) since would stop SS–9s.
(d) Freeze on ICBM's—ban on replacements [1]	Halt SS–9 and Minuteman III	Much more useful than (a).
(e) Freeze on SLBM's—ban on replacements [1]	Halt U.S.S.R.'s SLBM and Poseidon conversion and freeze U.S. superiority.	Useful but not critical since SLBM's are primarily deterrent weapons.
(f) Ban on MIRV testing and deployment	Prevent U.S.S.R.'s acquisition of MIRV's and freeze U.S. Poseidon and Minuteman III programs.	Most useful. Assures security of landbased deterrent.

[1] A verification on replacements would be restricted to changes in the visible external characteristics of the missiles and launchers. Thus it would not prevent the deployment of such new weapons as MIRV's and advanced guidance systems.

Note: Ceiling (a) probably not negotiable since affects only U.S.S.R. and not U.S. programs. Items (b) and (c) might be achieved, as Soviets now have more ICBMs than United States. Freeze on ICBMs (d) may be most useful and yet practical for near future; this could be usefully combined with (e) without risk to U.S. security, MIRV ban (f) most useful, but probably not negotiable now, as United States too far ahead.

Even if no limitations are placed on offensive weapons during the first stage of SALT, an ABM agreement such as that discussed would by itself have a very important effect on the arms race and might provide the climate in which meaningful controls on offensive weapons might be achieved at a later date. It would guarantee for the indefinite future the continuation of the present state of mutual deterrence, since the initiation of strategic nuclear war is inconceivable without an ABM to deal with those retaliatory missiles that would inevitably survive a first strike. "A decision that would bring even one hydrogen bomb on one city of one's country would be recognized in advance as a catastrophic blunder." [5] Furthermore, the viability of our submarine missile deterrent with its thousands of nuclear warheads would be unquestionable for many years. Within the foreseeable future, there will almost certainly not be an antisubmarine warfare technology that could threaten a large fraction of the United States Polaris force. An ABM agreement by itself could usher in a new era in strategic stability. Since most new offensive missile programs are justified for overcoming an ABM, the incentives for new offensive programs would also be largely removed.

BEYOND THE FIRST STAGE OF SALT

The first stage of SALT probably will not place any restrictions on qualitative improvements, with the possible exception of a numerical ceiling on very large missiles. It is therefore important to consider what arms control measures should be promoted in the months ahead in order to rectify this omission. Perhaps the most feasible and most useful action might be the negotiation of a comprehensive nuclear test ban which would extend the limited Test Ban Treaty of 1963 to include underground tests as well. No serious negotiations have been carried out in this area since 1963 even though that treaty and the 1968 Non-Proliferation Treaty as well urged priority attention to the subject.

The banning of nuclear tests is of course not a concern of the United States and the U.S.S.R. alone but would restrict nations throughout the world and is in fact strongly endorsed by almost all. At its 1971 session, the United Nations General Assembly adopted a resolution expressing an urgent need for the suspension of nuclear and thermonuclear tests by a vote of 91 to 2, with 21 abstentions. China and Albania voted against, and the United States, the U.S.S.R., the United Kingdom, and France abstained. Thus it would appear that the nuclear weapons countries have little worldwide support for their continued testing. The negotiation of a comprehensive test ban treaty would more properly be carried out at the Conference Committee on Disarmament (CCD) in Geneva, where a wider world representation exists, rather than bilaterally at SALT. This, of course, would not limit private discussions between the United States and the U.S.S.R., which have always occurred in the past in Geneva. The Chinese of course are not now represented in the CCD but might join in the future. Their negative attitude toward a test ban could introduce a new difficulty in the negotiation even though their participation is not technically or militarily critical.

The negotiations would not be a part of SALT, but they would be a very natural outgrowth of an agreement achieved in its first phase. Even if SALT were limited to controls on ABMs, the requirement for additional nuclear tests by the United States or the Soviet Union would be greatly reduced. The weapons developers will always offer justifications for further tests, but over time these become less convincing. More than two thirds of the United States tests since 1963 have been related to strategic weapons systems; the largest one (5 megatons at Amchitka in November 1971) was for an ABM warhead. A limit on ABMs would not only eliminate the requirement for new warheads for such systems, but for offensive weapons as well. No longer would there be any need to have new missile warheads to ensure penetration of a future ABM. No longer would the effects of a nuclear explosion on an incoming warhead require testing. Finally, the security consequences of a treaty depend on the net effect of both the U.S. and the U.S.S.R. halting tests. A ban now would almost certainly freeze the U.S. in a superior technological position. Thus, it is most appropriate to seek a comprehensive test ban treaty after an initial SALT agreement, and steps should be taken now to start serious negotiations if we are to succeed in achieving this very critical move toward halting the nuclear arms race.

Another area that will apparently not be treated in a first stage SALT agreement will be those forward based nuclear weapons systems (FBS) deployed to support the United States allies, particularly NATO in Europe. It has been reported that in the early phases of the discussions the Russians were insisting on including in the definition of strategic arms those systems which had the capacity of delivering nuclear weapons on either the United States or the Soviet Union. Such a definition would include those United States nuclear delivery vehicles that are stationed in Europe or on carriers and have the capability of reaching the Soviet Union. On the other hand, the Russians do not have any such short-range weapons that can hit the United States, and their medium- and intermediate-range ballistic missiles (MR/IRBMs) stationed in the western U.S.S.R. and aimed at European targets, would not be included. Any limitations on these forward based systems would have involved complicated consultations with the NATO partners and would have perhaps indefinitely delayed the achievement of any agreement at SALT. During the past year the Soviets appear to have dropped their insistence that such systems be considered in the first stage of SALT; however, these weapons cannot be neglected indefinitely if the nuclear arms race is to be contained.

Since forward based systems are considered by the United States to be an integral part of its contribution to NATO defense, and since Soviet MR/IRBMs (medium- and intermediate-range missiles) are primarily a threat to NATO countries, it would seem appropriate that following the first stage of SALT, negotiations on these weapons be commenced in the context of mutual and balanced force reductions (MBFR) in the NATO Warsaw Pact area. Both East and West have agreed that discussions on MBFR should be undertaken, but as of the present time the start of concrete negotiations seems to have run into a number of roadblocks. The relationship of arms control in Europe to the Berlin question and to an overall European Security Conference has resulted in delays; however, these political difficulties may be ironed out in the near future, and specific discussions may commence. These forward based nuclear weapons systems would be very pertinent and probably even essential for inclusion in any discussions on mutual and balanced force reductions—since it would seem almost impossible to agree to limitations on conventional forces without at the same time taking into consideration the nuclear forces that are in the area. Such discussions would, of course, also have to include the nuclear weapons of both the United Kingdom and France since these are an important element of the overall NATO nuclear strength.

The very large asymmetries between the Eastern and Western nuclear capabilities will make the achievement of any agreement in this area very difficult. A first simple step might be to agree that there would be no further increases in the United States deployment of forward based systems and in Soviet MR/IRBMs. Since both sides already have much larger forces than are needed, and few, if any, plans to increase them, this should, in theory, be easily arranged. A next and more useful step would be the phased withdrawal of American nuclear forces back to this continent in return for Soviet removal of missiles from the western U.S.S.R.[6] In time, the levels of European based nuclear weapons might be reduced to the number of British and French nuclear missiles capable of reaching the Soviet Union. As a part of these arrangements, the U.S.S.R. could, in addition to its MR/IRBMs, withdraw from Warsaw Pact countries some of its forces capable of delivering nuclear weapons. Since the size of these is probably somewhat smaller in the Eastern bloc than in Western Europe, and since, on the other hand, NATO conventional forces are smaller than those of the Warsaw Pact, consideration should be given to an eventual trade-off between the cutback of Western nuclear forces and Soviet conventional ones.

It is obvious that the many possible variations can present severe problems in working out a specific agreement. Furthermore, ten or more countries with very strong but

Footnotes at end of article.

differing national interests will be involved in the negotiations, so that the achievement of an agreement will not be easily arrived at. These complications should be weighed against the relatively simple situation of a bilateral negotiation at SALT on weapons with purposes and values that can be rather easily determined. Yet the SALT negotiations have been going on for nearly three years, and success is still in the offing. The problem of forward based systems will never be solved unless it is faced. Key elements in the situation will be the ability to reduce the issues to relatively simple terms, and the willingness of the leaders on all sides to face up to the decisions which must be made. In most cases these will not involve technical or military issues but will be primarily of a political nature.

In addition to the initiation of serious negotiations on a comprehensive nuclear test ban and on mutual force reductions in Europe, there are many other strategic areas that will have to be controlled, in many cases as a continuation of the bilateral strategic arms talks. The exact nature of these cannot be determined until the precise provisions of a first-stage agreement are known. Clearly a major problem will be the extension from quantitative to qualitative controls. Otherwise the arms race could proceed unabated with only a turn in a new direction.

A most important factor will be the exercise of unilateral restraint on the individual country's weapons programs which are not banned by the agreement. When the limited Test Ban Treaty was ratified, the United States instituted a whole series of expensive programs which had the purported objective of providing safeguards against a possible Soviet violation or abrogation of the treaty. Underground testing went forward at an accelerated pace so that on the average more tests per year have been carried out since the treaty than before. In many ways these safeguards defeated the purposes of the treaty and much money was wasted.

This should not be allowed to happen again. After the first stage of SALT both nations must examine their weapons programs and only proceed with those that are truly necessary in light of the stabilized strategic balance created by the agreement. For example, with ABMs kept at low levels, the security requirement for MIRVs will disappear. With appropriate restraint the fruit of the initial agreement will have a chance to ripen. Countless opportunities will develop to expand the controls to many other weapons; in time this could lead to a complete halt in the upward trend and to the eventual reduction in nuclear armaments.

FOOTNOTES

[1] For background on the strategic arms race and on the issues raised at the start of the SALT negotiations, see George W. Rathjens, *The Future of the Strategic Arms Race* (New York: Carnegie Endowment for International Peace, 1969); and Herbert Scoville, Jr., *Toward a Strategic Arms Limitation Agreement* (New York: Carnegie Endowment, 1970), respectively.

[2] *The New Yok Times*, 21 May 1971.

[3] The U.S.S.R. has deployed or under construction about 300 landbased ballistic missiles which are larger than any deployed by the U.S. The current missile, nicknamed SS–9, can launch a single warhead of 25 MT or three of 5 MT. About 30 of the new large launchers being built will hold the SS–9 or a now as yet untested missile.

[4] The recently announced United States defense budget calls for an acceleration to the program for an advanced submarine missiles system (ULMS).

[5] McGeorge Bundy, "To Cap the Volcano." ***Foreign Affairs***, Vol. 48, No. 1 (Oct. 1969), p. 10.

[6] Strong political pressure exists, as expressed in the Mansfield amendment, which proposes unilateral withdrawal of U.S. forces from Europe regardless of whether the Russians reciprocate. Therefore, the longer negotiations on troop withdrawals are delayed, the weaker will be the U.S. bargaining position.

A Comprehensive Nuclear Test Ban Treaty

(By Betty G. Lall)

REVIVAL OF THE TREATY ISSUE

On 9 October 1971, the United States reported that the Soviet Union tested a large nuclear weapon underground, the equivalent of three million tons of TNT. On 5 November 1971, the United States, on the island of Amchitka, off the coast of Alaska, tested a nuclear weapon underground, the equivalent of five million tons of TNT. These two tests signify that the limited nuclear Test Ban Treaty of 1963, banning nuclear tests in the atmosphere, in outer space, and underground, no longer acts as a brake on the nuclear arms race. Nuclear weapons testing since 1963 has gone on at a faster pace than before the treaty was signed. The United States in this eight year period has tested 234 devices, compared to 298 tests from 1946–1963, a 17 year period. The Soviet Union, which does not announce its test, has tested since 1963, 54 nuclear weapons, according to United States reports. Its testing record in the previous comparable period was 124 tests.

Increasingly the size of these tests has grown, indicating that testing underground no longer inhibits the size of weapons tested. The first United States underground test in 1957 was 1,700 tons worth of explosive power; now testing is done in the 100,000 to several million tons range without apparent difficulty. These facts constitute one important reason why this is an appropriate time to review the possibilities, as well as the difficulties, for activating serious negotiations between the United States and the Soviet Union to extend the limited Test Ban Treaty so that it is comprehensive and bans all underground nuclear weapons tests.

There are other reasons why a comprehensive test ban treaty has again become a current issue. Further deployment of the delivery vehicles for these bombs and warheads may shortly be curtailed as a result of current U.S.-U.S.S.R. SALT negotiations to place limitations on their long range missiles and bombers. Therefore, further testing of nuclear weapons for strategic purposes not only may no longer be relevant to United States and Soviet armaments programs, it may also threaten the viability of a SALT agreement if post-agreement testing appears to give one side an unanticipated advantage over the other. A SALT agreement is more likely to endure if both sides believe that a status quo in this aspect of their weapons development has been reached and hence stabilized. If a SALT agreement does not materialize there will be pressure to step up the race in strategic armaments. Statements made by President Nixon and Secretary of Defense Laird in connection with the fiscal 1973 budget presentation suggest that the United States Executive branch may want to speed-up the development and deployment of additional strategic delivery vehicles such as an advanced missile submarine.[1]

The previously mentioned large nuclear tests of the United States and the Soviet Union presumably were to test the warhead of part of their antiballistic missile systems. If so, a relative parity in testing may now exist between the two sides. A state of parity would be a propitious time to seek an agreement. Moreover, there is not a lot more to be learned from testing at this time and, consequently, this would make a total ban more acceptable. On most occasions either the United States or the Soviet Union believes that it would be more to the advantage of the other party to have an agreement; this means that seldom do the two countries reach simultaneous judgments that a particular time to enter into an arms control accord would be beneficial. Weapons experts familiar with the development of nuclear weapons concede that no new breakthrough is expected in nuclear weapons design in the foreseeable future, but should no limit be placed on testing it may be predicted that weapons laboratory specialists will find some innovation worthy of a strong push for renewed testing. To take advantage of this plateau of development may be in the interests of both the Soviet Union and the United States.

A third reason to press for a comprehensive test ban agreement is the possibility that continued testing of large nuclear weapons will have a deleterious effect on the environment. The most serious aspect of this concern relates to the problem of underground tests triggering earthquakes. Studies in California over the past fifteen years revealed that underground tests detonated in areas of active earthquake activity, such as exists along the entire west coast of the United States, have stimulated small earthquakes. If the United States continues to test very large weapons, then the stimulation of earthquakes may be more intense, with the consequent danger of loss of life and damage to the environment. In the U.S.S.R. thus far most nuclear testing has occurred in areas of less seismic activity.

In addition to earthquakes another concern of environmentalists is the possibility of contamination of the water and earth surrounding test sites. Some of the underground tests of the United States and the Soviet Union have vented so that radioactive debris has been spewed into the atmosphere. There is a fear that water tables and the wildlife of the sea may be adversely affected if significant amounts of radioactivity escape through cracks in the earth caused by the tests.

When underground nuclear weapons tests vent and radioactive debris cross national boundaries, this is a technical violation of the limited Test Ban Treaty. Such technical violations occurred these past eight years on the part of both the United States and the Soviet Union, but neither side chose to object too strenuously, much less to threaten cancelation of the treaty.

Another worry is that if large underground tests near the shores of oceans produce earthquakes, this may cause tidal waves. There is as yet no evidence that such a misfortune has occurred from past tests, but this cannot be ruled out completely.

A fourth reason for mounting a campaign for serious U.S.-U.S.S.R. test ban negotiations is the belief that time is running out to prevent the proliferation of nuclear weapons to many other countries. Of the near-nuclear powers, only Canada and Sweden have ratified the Non-Proliferation Treaty which the Committee of the Disarmament Conference at Geneva, then eighteen nations, produced and submitted to states for ratification in 1968. Other near-nuclear powers, namely, the Federal Republic of Germany, India, Israel, and Japan, have various motivations for not wanting to renounce their right to produce nuclear weapons. Some believe that the major nuclear powers must first take more meaningful disarmament measures. Others are influenced by security problems within their own region. A comprehensive test ban treaty which would preclude any additional nuclear weapons testing, thus foreclosing further improvements in nuclear weapons design, would be an important demonstration that the nuclear powers at least may be serious in wanting to reduce their nuclear arsenals.

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A new argument for halting tests, not previously heard with much intensity, emphasizes the financial costs involved. While nuclear testing is only one ingredient, a small one at that, in the arms budget, its elimination would allow funds for testing to be used for other projects receiving higher priority by the political process. In the eight years, fiscal 1964 through 1971, over $2.5 billion have been spent by the United States for nuclear weapons testing; the average is over $300 million spent annually. A nuclear test ban treaty by which the United States and the Soviet Union both give up testing would make possible a reallocation of most or all of these resources.

Of all the reasons why attention is now being focused on reaching a comprehensive test ban treaty none is second to the argument that advances in research in the detection and identification of underground nuclear tests in the past eight years have been remarkable. The problem of verification of a comprehensive treaty, therefore, no longer exists in any way germane to United States national security. There will probably always be a threshold beyond which some seismic events cannot be identified, and others not even detected, but for the purposes of safeguarding national security and compared to the benefits cited above to be won from a treaty, it is no longer important (if it ever was) to delay a treaty because a 100 per cent capability to detect and identify seismic events has not been achieved or because on-site inspection cannot be negotiated. Below there follows a discussion of what these advances in research show and why they make it possible, in the view of many knowledgeable persons, to have full confidence that the Soviet Union could not gain a significant military advantage by attempting to violate a comprehensive treaty in secret.

BACKGROUND CONSIDERATIONS

Nuclear weapons testing constituted the first step in the post World War II nuclear armaments race between the United States and the Soviet Union.

Early in 1946 the Navy asked Congress for authority to destroy ships in the first nuclear weapons test series. This authority was eventually granted but only after Congress demanded that the number of ships destroyed be reduced and, after considerable debate in both the House and Senate as to whether such an early resumption of nuclear weapons activity, following the dumping of nuclear bombs on Japan, would not be counterproductive for United States foreign policy objectives: to place the atomic bomb under international controls and make the United Nations the mechanism for building a lasting international security system. Senator J. Huffman from Ohio, a leading opponent of the test series, said to the Senate:

"This is no time for martial gestures. The proposed tests should be canceled until the cause of international cooperation for a firm and lasting peace has been given every opportunity to succeed. . . . The United Nations Organization is in its infancy. It is incongruous to its every purpose and aim for this Nation or any other nation to exhibit large-scale preparation for future wars, and it is unthinkable that the United States should even remotely indicate that she is preparing for an atomic war." [2]

In the House there was equal consternation but that body, by a lopsided vote of 313 to 25, decided to authorize the tests.

When the cold war seemed capable of thawing after Stalin's death, in 1954 nuclear testing became the focus for a first step agreement. That year, after the crew of the Japanese fishing vessel, the Lucky Dragon, had unfortunately been unduly exposed to radioactive fallout from United States tests in the Pacific, India's Prime Minister Nehru raised the question of halting nuclear testing. The United States paid little heed to this demand. But as testing continued each year and as levels of radioactive fallout rose in many areas of the world, particularly in the United States, calls for an international agreement to halt testing intensified. Resolutions to this effect in the General Assembly of the United Nations were passed with increased frequency. The Soviet Union adopted the position that tests should stop, but refused to consider any means of verification of a test ban agreement that involved foreign inspection teams on Soviet territory. The United States, frightened by the secrecy surrounding all Soviet military activities, refused to consider any agreement that did not provide for inspection within the Soviet Union. These incompatible positions, characteristic of all U.S.-Soviet arms control and disarmament negotiations from 1946 to 1963, were to plague all international discussions of the test ban issue in their first several years.

In mid-1955 two developments occurred within the United States which were to have a positive impact on the quest for a nuclear test ban agreement. The first was the appointment by President Eisenhower of Harold Stassen as his Special Assistant for Disarmament. Mr. Stassen was determined to negotiate at least a first step arms control agreement with the Soviet Union and believed that a ban on nuclear tests was one of the areas (the other being withdrawal of troops from Central Europe) in which agreement might be possible. Shortly after the Stassen appointment the second important development took place; this was the creation by Senate resolution of a Special Senate Subcommittee on Disarmament, composed of members from the three key committees concerned with foreign and military policy—Foreign Relations, Armed Services, and the Joint Committee on Atomic Energy.[3] Senator Hubert Humphrey chaired the subcommittee, which represented the first significant and sustained Congressional interest in the subject of arms control since the end of World War II. This subcommittee took an active interest in all aspects of disarmament and arms control, and in 1958 decided to examine prospects for a nuclear test ban agreement as the most likely possibility for a breakthrough in the impasse suffered in United Nations disarmament negotiations.

With so much public attention focused on the need to stop nuclear testing, United States and Soviet leaders reacted finally in mid-1958 and agreed to hold a conference of nuclear experts to determine whether they could reach common ground on the question of the verification of nuclear weapons tests. The conference, attended by scientists from eight countries (four from NATO and four from Warsaw Pact countries), reached agreement.

Subsequently, diplomatic negotiations were entered into on the part of the United States, the Soviet Union, and the United Kingdom to write a treaty banning tests in the atmosphere, in outer space, under water, and underground. International verification that tests were not being conducted in any of these environments became the most important and controversial element in the negotiations. Verification of testing underground became the serious point of controversy, because tests underground emitted signals to the earth which, many scientists proclaimed, could not be differentiated from earthquakes. In these negotiations the United States insisted on the right to send an inspection team to the probable site of an underground event if the seismic signal was unclear. The Soviet Union resisted all such rights of inspection, claiming that a country would not cheat on the agreement and that in any case seismic instruments located in far off stations could discriminate between explosions and earthquakes. Finally, the Soviet Union agreed to accept up to three inspections a year. This was not sufficient for the United States, but after many months of negotiations, sometimes productive, sometimes vituperative, and sometimes abandoned, the Soviet Union in July 1963 accepted a proposal originally advanced by the United States to sign a limited test ban treaty, banning tests only in the atmosphere, under water, and in outer space, leaving underground tests to future negotiations.[4]

There were three aspects of the negotiations of this period having a significant bearing on current efforts to achieve a comprehensive test ban treaty. The first concerns the manner in which the negotiations began. Stemming from the nuclear experts conference of 1958, the negotiations were afflicted with a heavy emphasis on technical questions of verification. Although the participation of scientists helped to assure the success of the nuclear experts conference, and scientists played a key role in resolving many problems blocking agreement, the concentration on technical questions, especially in the public debate, tended to obscure the more important question of the relationship of a nuclear test ban agreement to national security. Many scientists themselves regretted that the evaluation of the net worth of a treaty did not rest primarily on whether the United States was better off, from a security point of view, to have a treaty banning tests which would not be technically perfect, than to have continued and unlimited nuclear testing in the world.

The second aspect of the negotiations was their accompaniment by a moratorium on all testing, which lasted from the fall of 1958 until the Soviets conducted a whole series of publicly acknowledged tests in early September 1961. Many who were hostile to the realization of a test ban agreement insisted during the period of the moratorium that the Soviet Union was testing nuclear weapons secretly. No significant evidence was produced, however, and the consensus was that in fact the Russians had abided by the moratorium.

President Kennedy, between the time of the signing of the test ban treaty in Moscow and the Senate vote to consent to ratification some two months later, conducted negotiations of his own within the United States government, both within the Executive branch and on Capitol Hill. These discussions essentially were to win support for the treaty from potentially hostile persons in the Defense Department and members of the Senate Armed Services Committtee. The President agreed to adopt certain safeguards to assure that the United States would suffer no disadvantages under the treaty. These safeguards included the commitment to keep United States weapons laboratories in a constant state of readiness, to conduct an underground testing program for a variety of weapons purposes, and to take whatever steps were necessary to assure that the United States would not fall behind the Soviet Union in military technology. Unfortunately, the effect of the steps was to undercut in part one of the objectives of the treaty, namely, to slow down the nuclear arms race between the two nuclear giants.

Despite the difficulties in negotiating the limited Test Ban Treaty, on balance the treaty has had positive results. Most nations continue to observe it; over 100 countries have ratified it; and most important, the decision by the Senate to consent to ratification by a vote of 77 to 19 resulted in a more positive outlook on the part of the Senate toward attempts by the U.S. Executive Branch to improve U.S.-U.S.S.R. relations. Few would have predicted how profoundly the Senate viewed its responsibility to vote the treaty up or down. It was judged to be the most important act of conciliation

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towards the Soviet Union since the end of World War II. More than one senior Senator declared it to be the most difficult vote in his long career in the Senate. None of the several subsequent steps to place constraints on the arms race produced so much soul-searching. Many other arms control measures were enacted, nevertheless, including the Non-Proliferation Treaty, the agreements not to place weapons of mass destruction in orbit or on the seabed, and the treaty prohibiting biological warfare. After the decision in 1963 these acts seemed less consequential. Serious preparations began by both countries for negotiations to limit strategic nuclear delivery systems. These SALT talks, commencing in late 1969, will probably lead to some agreement. New preparations are beginning for talks on limiting United States and Soviet troops in Central Europe and for a European Security Conference.[5]

SCIENTIFIC ASPECTS OF VERIFICATION

The issue of verification of arms control agreements arose out of the cold war and the extreme distrust with which the United States and the Soviet Union had viewed each other for so many years. In the United States the distrust originally manifested itself by political and military officials demanding that the Soviet Union accept the right of inspection as the major means to verify arms control agreements. In the Soviet Union the distrust manifested itself by its leaders rejecting any form of inspection on the territory of the U.S.S.R., on the ground that this was wanted for espionage purposes. In the late 1950s the Soviet Union indicated willingness to accept limited territorial inspection in an agreement to prevent surprise attack and up to three inspections a year in an agreement to ban nuclear weapons tests. These offers were not pursued by the United States.

The current official United States government position is that the right of on-site inspection should be included in any agreement which bans tests underground. Most non-governmental scientific and knowledgeable opinion, however, now rejects this view and instead reflects the view that developments in seismic detection and identification have progressed sufficiently to eliminate on-site inspection as a prerequisite to an agreement.[6] Given these divergencies it is important to review how seismic detection and identification are achieved and the extent of advances in research in this area.

Underground events (earthquakes and man-made explosions) release energy into the earth. Some of this energy is released in the form of body waves (called P waves, magnitude m_b), which travel through the interior of the earth, and some of the energy from seismic events, which travels along the surface of the earth, are called surface waves (M_s). Both kinds of waves can be measured by appropriate seismic instruments. The magnitude of seismic events is measured on a numerical seismic scale. For example, a nuclear explosion equal to six kilotons detonated in granite generates signals (P waves) that measure 4.5 on the M_b seismic scale. (In softer rock—tuff—an explosion would need to be about 12 kilotons to register 4.5 and in porous material—alluvium—a 4.5 magnitude would be equal to about 45 kilotons. Alluvium, however, tends to collapse and thus such an explosion could be detected by non-seismic means.)

Until a few years ago the principal way that earthquakes could be distinguished from explosions was to identify an earthquake by the reading of the direction of the first motion on a seismograph. Seismic stations located in all directions from the earthquake would have about half of its first motions register a direction away from the event and half register toward the event. This is so because an earthquake is considered to be a sliding a fault in the earth. Explosions, on the other hand, would all have their directional first motions away from the event. Verification for an underground test ban agreement, therefore, had primarily consisted of identifying earthquakes, leaving the unidentified seismic events to be subject to inspection as possible underground nuclear tests.

Seismologists also devised other means by which many seismic events could be eliminated as earthquakes. These "diagnostic aids," as they are called, include the following: 1) the depth of the event; this can often be measured, though not always with precision, and when depth is established as being many miles beneath the earth's surface the event is fairly certain to be an earthquake; 2) location of the event; many earthquakes occur deep in the earth under water in the ocean and it would be extremely difficult to dig deeply into the ocean floor at great depths in order to conduct a clandestine test.

Despite these various means to identify earthquakes, verification still faced several problems. One of these was the background noise surrounding the usual seismic station; such noise, whether it came from the ocean pounding the beach, vehicles rumbling by a road, or machinery operating nearby, tended to make difficult a clear reading of the seismic signals as they were registered on graphs in the seismic station. This problem can be alleviated by placing seismic stations in strategically located quiet sites and by constructing sophisticated arrays of stations.

A second problem was the inability of the seismic instruments to pin-point the exact location of the event. Ascribing value to on-site inspection assumes not only that the instruments accurately located the event, but also that clear evidence—radioactive debris—of a test can in fact be found. The accuracy of location, however, could be subject to an error of several miles; this would make any inspection team almost certain not to find evidence of a nuclear test. This problem can be alleviated if local seismic stations are installed in a way that permits regional variations in the earth to be pinpointed so that travel time can be calibrated accurately.

A third problem in verification stemmed not so much from the fallibility of seismic instruments but from the rugged terrain of many earthquake areas in the Soviet Union. Assuming most inspection would be nothing more than inspections of earthquakes, they would require inspection teams to visit and dig around in difficult mountain spots. On the Kamchatka Peninsula there are very few roads and it is in this area and in the surrounding sea that most earthquakes in the Soviet Union occur. It would be difficult to bring in equipment to implant a nuclear device in the soil or water of this area and even more difficult to bring in inspection equipment to determine whether a device had ben detonated.

Another verification problem was seen by some to lie in the possibility of muffling the energy from an explosion so that no strong seismic signals would be transmitted. This has been calculated to be theoretically feasible and some very small conventional (and one nuclear) explosions have shown that the signals can be muffled. Whether this can be done effectively with large explosions remains in doubt. Of further dubiousness is the unlikelihood of any power digging deeply without having this revealed through various methods of intelligence, such as satellite detection. Another theoretical method of cheating would be to detonate a nuclear test simultaneously with an earthquake with the expectation that the seismic signals from the latter would obscure those from the former. This has never been tried and there remains the doubt that it is of practical concern, since waiting an undetermined period of time for an earthquake of a specific size to occur, with all equipment and personnel poised to set off a nuclear test, hardly seems an effective technique to advance military security.

As a result of intensive research over the past eight years, scientists have essentially solved the difficult problem of positively being able to identify explosions as explosions. The large scale seismic research program undertaken by the United States government, called Project Vela, and the research programs of other governments and private scholars and groups, produced major improvements in the capability to detect and identify seismic events. The most important advance is that explosions have now been found to have different seismic characteristics from earthquakes, especially in their extremely weak surface waves (M_s). When surface waves versus body waves are plotted, earthquakes and explosions can be separated from each other. Thus, with sophisticated instruments installed, any seismic event as small as the equivalent of 5 to 10 kilotons of explosive power detonated in hard rock can be identified by instruments located thousands of miles from the event. This is the position of a Canadian working paper presented to the Geneva Disarmament Conference and supported by prominent United States seismologists, including James N. Brune, Professor of Geophysics at the University of California.[7] Even if available improvements in seismic instruments were not made, the estimate of the current capability is 10 to 20 kilotons. Dr. Brune's summary of the advances in detection and identification of seismic events, presented to the Senate Foreign Relations Subcommittee on Arms Control, International Law and Organization on July 23, 1971, is as follows:

Discrimination between earthquakes and explosions is possible because the seismic waves generated by underground explosions and earthquakes are fundamentally different at all levels in simple and obvious ways. One of the important results of seismic studies in the last 10 years has been to reaffirm this result with great certainty. Although there is a wide variety of diagnostic aids which can be used to discriminate earthquakes from explosions, the main criterion used at present is the M_s versus m_b criterion, that is, the relative excitation of long period (12–40 sec.) surface waves (M_s) and short-period (½–2 sec.) body waves (m_b). A plot of M_s versus m_b separates earthquakes from explosions, earthquakes generating relatively greater amplitude surface waves. In addition, diagnostic aids such as depth determination, first motion, complexity, surface wave spectra, Love wave excitation and event location, when combined, provide powerful additional discrimination tools. There is no problem of detection and discrimination for large underground tests and a treaty banning such tests could easily be monitored. I agree with the recent Canadian statement at the Conference of the Committee on Disarmament in Geneva indicating that discrimination in Eurasia could be implemented at 5–10 kilotons in the near future.[8]

The weight of evidence submitted by knowledgeable seismologists demonstrates that the United States could use national means to verify a test ban treaty which banned all underground tests. Those few seismic events not identified would not have any appreciable effects on our national security. This is so because, as the following section will show, most testing in the past has covered tests of larger sizes (10 kilotons and above), ones that can be identified; those in the smaller range, if conducted successfully in secret by the Soviet Union, would not have any profound effect on the U.S.-U.S.S.R. strategic nuclear balance.

Another reason it is unlikely that the Soviets could gain an important military advantage over the United States by attempt-

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ing to test in secret is because most nuclear weapons development requires many tests before the technology can be utilized in the production of weapons. Hence the Assistant to the Secretary of Defense for Atomic Energy testified to the Senate that the development program for a nuclear warhead generally takes three or more years if the design is based upon a relatively well known technology. During this period as many as twenty to thirty underground nuclear tests may take place.[9]

MILITARY NEEDS

To assess how important nuclear testing is to current requirements for military security is a difficult and subjective task. Similarly, there is no ready and obvious answer to the question, how much curtailment of the arms race would a comprehensive test ban treaty achieve? Data supplied by the United States Department of Defense and the Atomic Energy Commission appear in generalities in public statements. Even the detailed questioning of Executive branch witnesses by members of Congress, while more enlightening than official reports, still leaves considerable doubt about the true state of affairs concerning the relationship of nuclear testing to military objectives and strategies.

For the foreseeable future it is not essential for United States military security to continue testing nuclear weapons. In short, nuclear weapons development, while not insignificant in some areas, by and large is not expected to contribute in any substantial degree to the total arsenal of nuclear weapons. The important changes in weaponry that have occurred should be noted, however, because they do show that stopping the tests even at this late date may still have a positive impact on limiting the arms race, not only in nuclear ammunition (warheads and bombs) but also in strategic delivery vehicles.

According to the Department of Defense, 91 per cent of the 234 tests conducted to date were concerned with military needs and 9 percent were related to peaceful uses of nuclear explosions.[10] Of the tests for military purposes, 65 per cent were for weapons development, 16 per cent were validation tests (whether the weapons in the stockpile were still effective), 9 per cent were for weapons effects (on the environment, property, other weapons, and people), 5 per cent for combined weapons development and validation, and 5 per cent for combined weapons effects and validation. Those in charge of the testing program stress predominantly the need for continued development of weapons, and to a much lesser degree the need to check weapons in the stockpile or to ascertain how weapons might behave when used in actual warfare.

As to the mission of the weapons tested, the overwhelming preference has been for the testing of warheads for offensive and defensive strategic weapons, such as the ABM Spartan and Sprint missiles and the MIRV vehicles for the Poseidon and Minuteman III offensive missiles. The Department of Defense said: "These warheads could not have been developed without testing, both in regard to the size, shape and yield of the warheads and in regard to their hardness levels." [11] Eighty-nine per cent of the nuclear weapons tests were concerned either exclusively with strategic weapons (67 per cent) or with strategic and tactical weapons combined (22 per cent). Only eleven per cent of the tests were concerned with the small, tactical nuclear weapons. The proportion of tests allocated to these various purposes had not changed in the past eight years.[12]

Many would prefer to have had these weapons developments prevented on the part of both the United States and the Soviet Union, and a comprehensive test ban probably could have foreclosed them because these large tests, several hundred kilotons to several megatons of explosive power, are not ones which would remain unidentified by the seismic stations now installed. Some weapons experts, however, believe that the ABM and MIRV warheads could probably have been developed from weapons designs already tested, produced, and stored in the stockpile. Although such warheads might not have been as efficient (in that they might have been heavier and perhaps some of their materials might not have been as effective), they nevertheless could have been developed. These experts also believe that new weapons on the drawing boards could use warheads already developed and placed in the stockpile. A treaty which entered into force in 1973 or 1974 could allow timely conclusion of ongoing programs.

Defense Department officials emphasize that, of the 25 basic models of nuclear weapons now in the United States stockpile, about 15 have received validation tests; in other words, tests to determine that the weapons are still effective. They emphasize this is an important aspect of testing, although they acknowledge that most validation takes place through tests done in the laboratory. In fact, the assistant to the Secretary of Defense for Atomic Energy has said that nuclear testing "has been rarely if at all used" to discover defects in weapons in the stockpile.[13] Validation tests of nuclear assemblies are not conducted after a warhead has entered stockpile unless such tests are deemed necessary to determine performance degradation which is suspected because of evidence obtained in the stockpile sampling program or to demonstrate that defects have been satisfactorily corrected. Other experts, moreover, point out that of all the aspects of nuclear weapons, the warhead is probably the most reliable and that validation tests for other components, such as degradation of the fuel system, ignition system, guidance system, accuracy, or hardening, are more important. Aging effects of nuclear weapons are not discovered by nuclear tests. If they are found by other means, they can always be corrected by replacement with a newly fabricated weapon without additional nuclear tests.

In discussing possible needs for testing in the future, Defense Department spokesmen cite the following goals:

The goals of the United States nuclear weapons program are: (a) to develop new warheads to meet established Defense Department requirements; (b) to identify new options to meet new military circumstances; (c) to contribute to a continuous advance in nuclear weapon technology; (d) to contribute to the maintenance of a viable weapons stockpile; (e) to aid in understanding the effects of nuclear detonations; and (f) to assist in the evaluation of the threat from other nations' capabilities. These goals are achieved by means of a vigorous program which includes theoretical design, laboratory testing, and nuclear testing in the field.[14]

Specifically they mention such areas as missile design, improving the yield to weight ratio, production of low fission weapons, and weapons with a smaller diameter as being of interest to a nuclear test program within the next five years. With respect to the yield to weight ratio most expert opinion appears to think that this has been extended almost to its outer limit and further major improvements are not likely. With respect to the need for low fission weapons and those with a smaller diameter, the proponents of an agreement point out that these are weapons in the tactical category which have not been of much interest to those making decisions about the kinds of tests to hold. Moreover, some would suggest that any further improvements in tactical weapons should be foreclosed, if possible, so that these weapons would not become easily available to other nations as well as the United States and the Soviet Union.

Some in the Defense Department take the view that nuclear testing is more important to the United States than to the Soviet Union, and thus the United States would suffer more if a comprehensive treaty were negotiated. They reason that the Soviets developed their basic strategic warhead designs before 1963 and that the Soviets have not been as elaborate or as sophisticated as the United States in their testing programs. This contention no doubt is at least partially true, but this is not different from the comparison of the United States and Soviet weapons programs in other fields. With the apparent greater affluence of the United States, we have tended to expend more funds and resources on diversifying our weapons designs. With fewer designs, the Soviets presumably would have greater uncertainty than the Americans about both the reliability of weapons in the stockpile and their effects once used in a real environment. To say that because of greater affluence and sophistication the United States must continue to test nuclear weapons at a more rapid pace than the Russians is making a questionable judgment both about military needs and the use of the nation's total resources. The opposite argument could also be mentioned—the U.S.S.R. could at some future time by testing make greater strides if they are indeed behind.

A consideration that should be discussed at this point is what relationship, if any, China's continued testing of nuclear weapons would have to a comprehensive test ban treaty. The answer lies primarily in the fact that the United States (and to a lesser extent the Soviet Union) has conducted several hundred tests over the past twenty-five years and its technology is so far ahead of China that there is virtually no possibility that continued Chinese testing could overtake U.S.-Soviet capabilities in strategic and tactical nuclear weapons. This situation is likely to be the case for at least a dozen years. Some day, if China continued to refuse to sign an agreement to stop testing, one or both of the nuclear powers may feel compelled to use the escape clause provided in the limited Test Ban Treaty, or in a comprehensive test ban, to opt out of the treaty. Since that time is not likely to come soon, this should not be a hindrance to the completion of an agreement at the present time. Furthermore, a comprehensive test ban would make it more difficult politically for the Chinese to engage in continuous testing than does the current situation with the United States and Soviet tests continuing. Such a treaty adopted by the United States, the Soviet Union, the United Kingdom, and many other nations would mean that world political pressure and public opinion opposed to nuclear testing would focus on China and France and any other powers continuing to test. Finally, any improvement in the relations among the major powers, especially manifested by further arms control agreements, should also have a beneficial influence on persuading the Chinese to be more sympathetic to curtailing their nuclear weapons program, including testing.

Before leaving the discussion of nuclear weapons and testing, it is necessary to relate it specifically to the United States-Soviet SALT negotiations to achieve agreement to limit strategic nuclear delivery vehicles. The SALT talks, now in their third year, move closer to agreement, with the most likely outcome an agreement to limit the number of ABMs to be deployed to protect cities or missile sites. There is less of a chance that an agreement will limit quantitatively the number of land-based offensive missiles (ICBMs). It is also likely that one of the provisions of a SALT agreement may be that if one side substantially improved its offensive capabilities this would constitute grounds for the other

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side withdrawing from the agreement. Such a provision obviously is intended to help stabilize the deterrent capabilities of the two large nuclear powers. In this context a comprehensive test ban treaty becomes an important sequel to a successful SALT agreement, since the main purpose of nuclear testing has been the improvement in strategic nuclear weapons development. An agreement to stop testing would be an incentive to take additional steps at SALT so as to stabilize at lower levels the military balance as now developed by both nuclear powers.

THE PLOWSHARE PROGRAM—PEACEFUL TESTS

A growing problem in the realization of a comprehensive test ban treaty is the interest of some non-nuclear and nuclear powers in using nuclear explosives for peaceful purposes. Of the 234 nuclear tests by the United States since 1963, 21 have been primarily adapted for the peaceful uses program, called Plowshare. Some of the Soviet tests have also been of this type. The possibility that such tests might some day have a utility for mining, digging tunnels, and otherwise exploring the resources of the earth for the benefit of man has whetted the appetite of some developing countries, particularly India and Brazil. In fact, such powers as these argue that they are not so much concerned with becoming nuclear weapons powers as they are with achieving a nuclear capability for peaceful uses.

The trouble with the Plowshare type programs is that it is virtually impossible in a nuclear explosion to determine whether it is for peaceful or weapons purposes. A country could and probably would develop a significant nuclear weapons capability under the guise of detonating nuclear explosions for a specific domestic project of non-military dimensions.

A number of solutions have been proposed to the Plowshare problem. One would be to ban peaceful as well as weapons explosions for a specific period of time. Many sophisticated and knowledgeable scientists believe that as yet the benefits from peaceful nuclear explosions do not outweigh the social costs involved, for example, potential harm to the environment through the escape of radioactive debris from these events. Most objectives to be achieved by nuclear explosions can be achieved by conventional explosions or other methods. When scientists compare the gains from peaceful nuclear explosions to their disadvantages arising out of potential harm to the environment and the complications they cause to the achievement of a comprehensive test ban treaty, many tend to favor forgoing the peaceful explosions. This would be especially so if a simple comprehensive test ban treaty without on-site inspection could be realized in the near future.

Should other countries persist in their demand for peaceful explosions, the considered next best alternative would be to have all peaceful explosions conducted or monitored by the International Atomic Energy Agency. This would be a complicated feat to execute but it could eventually be done. A treaty might contain provisions for a monitoring function to be worked out by the IAEA and this would allow the treaty to be consummated without delay while details for conducting peaceful explosions are worked out by the parties concerned. In any case peaceful explosions should not be allowed to postpone achievement of a comprehensive test ban.

INTERNATIONAL AND NATIONAL POLITICS OF NUCLEAR TEST BAN NEGOTIATIONS

While professing support for a comprehensive test ban treaty, the United States maintains that despite the many advances in seismic research to detect and identify explosions down to small sizes, a treaty must still contain the right of on-site inspection. It has maintained this right knowing that the conduct of an inspection on Soviet soil would be extremely difficult, costly, and would not have a high probability of success. The United States position, which has not changed in principle on this point since it was first enunciated in the mid-1950s, has continued without apparent regard for the fact that nuclear weapons development does not promise to advance much through further testing. Between 1963 and 1972, the United States Executive branch apparently undertook no initiatives to review its position.[15]

Although many senior officials who formerly served in the Eisenhower, Kennedy, and Johnson Administrations have openly advocated a comprehensive test ban treaty without on-site inspection, the entrenched positions of members of the government's scientific and military bureaucracy continue to dominate arms control policy in this area. No other explanation seems plausible when it appears clear that all of the top policy makers in the arms control area, as well as science and defense advisers to former Presidents believe that a comprehensive test ban treaty without on-site inspection would be more in the security interests of the United States than continued unlimited underground testing.

The Advanced Research Project Agency (ARPA), supported by the Department of Defense, recently took the unusual step of altering the conclusions of a group of scientists which met in July 1970, at Woods Hole to consider recent advances in seismic detection and identification capabilities. ARPA evidently disagreed with the optimistic views of the scientists. The second summary issued by ARPA was objected to by these participating scientists as not representing their point of view as expressed in the original report. One of the scientists attending the conference, who had been mentioned earlier, James Brune, stated to the Senate: "I think the second summary emphasizes the difficulties . . . which might be encountered and tends to sort of negate the optimism which I felt definitely existed at the meeting."[16]

Within the Congress, at least a fifth of the Senate membership has taken positive stands on behalf of a comprehensive treaty. Subcommittees of both the Senate Foreign Relations Committee and the Joint Committee on Atomic Energy have held hearings during the past year. In the House there has not traditionally been much activity concerning a test ban agreement except for occasional speeches by members with special interests in the field, or by those who work closely with constituent groups with such interests.

The Congress is sensitive to the opinion and activity of private groups, however, and reacts also when it becomes aware of important developments and controversies within the Executive branch. Hence, as public efforts grow to achieve a test ban treaty, and as international pressures activate policy discussions within the Executive branch, Congress can be expected to expand its participation in the exploration of the conditions necessary for an agreement. A number of public organizations also have increased their efforts to stimulate support for an agreement. They include the Task Force for the Nuclear Test Ban, the Council for a Livable World, the Federation of American Scientists, the Committee for Nuclear Responsibility, the Coalition on National Priorities and Military Policy, and Americans for Democratic Action.

Late in 1970 and early 1971 members of Congress in both the Senate and the House issued statements and introduced, or indicated they planned to introduce, resolutions which would call for immediate negotiations between the United States and the Soviet Union to reach agreement on a comprehensive test ban treaty. Senator Edmund Muskie in November 1971 advocated a comprehensive test ban treaty. Senator Edward Kennedy submitted a resolution in January 1972, and Representative Bella Abzug in December 1971 introduced a resolution with basically the same intent but somewhat different language and provisions. Other senators and congressmen indicated that they too would be introducing similar resolutions.[17] This activity apparently stimulated the Executive branch to review the government's position.

Groups in opposition to a comprehensive test ban treaty have not been active in recent years because the United States government has taken no tangible step to demonstrate it has an interest in pressing the Soviet Union to negotiate for such an agreement. Presumably some opposition would be organized by groups close to the government's military and scientific weapons' establishments if international negotiations took on a serious complexion. One such potential group, active in the past, is the American Security Council.

Internationally, pressures for a comprehensive test ban treaty without on-site inspection have grown, particularly in the past three years. Canada, Japan, Sweden, Egypt, and Brazil, all nations represented at the Geneva disarmament conference, have placed major emphasis on the need to negotiate a treaty in the near future. None of these countries sympathizes with the position that on-site inspection is necessary. Some have proposed alternative means to satisfy questions of verification. One alternative, proposed by Sweden, is to permit a challenge to a country to explain the nature of an unidentified seismic event. If the explanation is not acceptable, then the inquiring country may seek relief from the constraints of the treaty.

Other countries, such as India and Israel, have not been active on behalf of a comprehensive treaty, no doubt largely because of their interest in preparing to develop nuclear explosions for peaceful or weapons purposes. United Nations members, however, overwhelmingly went on record at the 1970 session of the General Assembly by voting 112 to 0 (one abstention) to urge the nuclear powers to extend the limited Test Ban Treaty to underground tests at the earliest possible date. The resolution did not specify a judgment about the need for on-site inspection. Another resolution, which passed the United Nations General Assembly at its 1971 session by a vote of 91 for, 2 against (China and Albania), and 21 abstentions, called on all governments to adhere to the limited Test Ban Treaty and on those governments conducting nuclear weapons tests immediately to undertake measures to suspend tests or limit or reduce the size of their tests pending the completion of a comprehensive test ban.[18]

The official position of the Soviet Union remains in favor of a treaty but without on-site inspection. The U.S.S.R., like the United States, has not taken any initiaive since 1963 to press for a treaty. It too has been testing underground at a much greater pace since 1963. Much of its tests, according to United States analysts, have been concerned with warheads for strategic defensive and offensive nuclear delivery vehicles.

Nuclear powers, other than the United States, the Soviet Union, and the United Kingdom, have not supported any limitation on nuclear testing in the absence of a comprehensive disarmament agreement The Chinese presumably will continue to test nuclear weapons until they feel secure relative to the military capabilities of the United States and the U.S.S.R. France does not consider iself in a race with the two large nuclear powers, but does not view a test ban agreement as contributing anything substantial to improving the prospects for peace and removing the threat of war.

The main international private thrust for

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a comprehensive treaty stems from the annual conferences of the Pugwash Movement, the Conference of Scientists on World Affairs. These annual week-long meetings, held under the auspices of the Academy of Science of several countries, often include scientists who are close to establishment thinking on national security problems. Despite the official reluctance of the United States and the Soviet Union to show movement toward negotiating a comprehensive treaty, Pugwash scientists consistently advocate such a step. The latest statement, issued by the Pugwash Committee following the 21st conference at Sinaia, Romania, 26–31 August 1971, is as follows:

Preventing further vertical and horizontal proliferation of nuclear weapons remains extremely important, and the achievement of a Comprehensive Test Ban Treaty will make a major contribution to that end. Fortunately, progress in the development of the means for detecting possible violations has effectively removed the obstacles which once blocked the achievement of such a treaty. These means include not only seismic methods for detection and identification of nuclear explosions but also satellites and other unilateral means for collecting information. The combination of all these techniques now makes it practically impossible to conduct meaningful nuclear testing without detection.

In the process of preparation and putting into effect of such a treaty, it is most important to include at an early stage all the nuclear nations; it is also important to involve other nations, especially those that have the capability of becoming nuclear powers in the near future.

In this connection the problem of so-called Peaceful Nuclear Explosions was also discussed. The conclusions reached at the last Pugwash Conference were re-affirmed: "Excessive claims have been made regarding the importance of nuclear explosions for peaceful purposes. Whatever short term economic advantage there may be in the use of such explosions is likely to be more than offset by the risks of nuclear proliferation implicit in such explosions." [19]

WHAT WOULD A TREATY LOOK LIKE?

A simple way of negotiating a comprehensive test ban treaty would be to amend the limited treaty of 1963. This could be done by removing all phrases describing the limited treaty and inserting the word "comprehensive" wherever applicable. A less simple way would be to draft a new treaty which would acknowledge the existence of the 1963 treaty and would then indicate that tests underground were also prohibited. A new treaty could also contain clauses specifying that verification would be by national means and that if the supreme interests of a party were jeopardized by its adherence to the treaty, that party by giving three months notice could exercise its sovereignty and withdraw its ratification.

There is a slight possibility that provision for right of request for explanation of a suspicious seismic event might be acceptable to both the United States and the Soviet Union as a means of bridging the different views about verification. Neither party, however, has expressed support for such an approach and thus its eventual inclusion in a treaty remains doubtful.

Subsequent to the passage of the 1963 limited Test Ban Treaty, some countries, such as Egypt and Japan, proposed the concept of a threshold treaty whereby tests down to a given size, as measured on a seismic scale, would be banned. The threshold would be set by the consensus about what size tests could definitely be identified. Tests below the threshold would either be allowed or would be banned for a specific period pending the results of further research and experimentation. The proposal was never discussed at any length at the disarmament talks after 1963. This may reflect the general reluctance of the United States and the Soviet Union to open any negotiations on the subject of a comprehensive test ban, or it may reflect a view that a threshold treaty might be too complicated to live with, given the constant possibility that seismic measuring devices may not always clearly measure the size of an event and thus unambiguously determine whether it was above or below the threshold established. In view of improvement in seismic capability this no longer appears an interesting approach.

RISKS VERSUS BENEFITS

Ultimately, the assessment of whether a major drive should be made to negotiate a comprehensive test ban treaty rests on weighing the risks inherent in a treaty, especially one which uses national means for verfication and does not require the right of on-site inspection, versus the benefits of stopping all tests by the United States, the Soviet Union and possibly other powers. Moreover, any weighing of these factors assumes certain judgments about the primary objective of United States national security policy.

A major benefit of a comprehensive test ban is clearly that it would provide a significant curtailment of the nuclear arms race between the United States and the Soviet Union. It would take the two countries a small step nearer the long-range goal of a world in which military means do not constitute the principal means a nation chooses to defend its interests. Not only would a comprehensive test ban realize this objective, it would also satisfy in part the objective of United States national security policy of achieving greater military stability between the two powers; if unlimited nuclear testing is allowed there is always the possibility that stability will be upset and the arms race would again increase in intensity.

Alongside the benefit contributing to curtailment of the arms race in nuclear warhead designs and greater stability, a comprehensive test ban would also help to reinforce an agreement arising out of the SALT talks. If these talks produce a limitation on deployment of anti-ballistic missiles and even if no action is taken limiting the deployment of offensive weapons, a comprehensive test ban would be an obvious next step. Since the major need for nuclear testing has been in the area of strategic nuclear weapons development, a ban on testing, by preventing this aspect of the strategic balance from being disturbed, would help to assure the continued observance of a SALT agreement. New warheads for offensive weapons would not be needed if no or only a weak ABM system existed.

A comprehensive test ban would have the benefit of encouraging greater adherence by non-nuclear nations to the principle of not proliferating nuclear weapons. Such nations, even if they did not sign the non-proliferation agreement, would not likely become nuclear powers if they signed a comprehensive test ban and therefore agreed to forgo nuclear testing. Many nations, such as India, Japan, and Brazil, would be much more likely to accept a comprehensive test ban than the non-proliferation treaty because the former is non-discriminatory, while the latter discriminates against them. In a comprehensive test ban all powers would be treated alike under the substantive terms of the treaty.

Other benefits stemming from a comprehensive test ban would include a further step in the growing detente between the United States and the Soviet Union, a savings of many millions of dollars of expenditures on the part of the two countries, and the removal of potential dangers to the environment.

Finally, it would be an added impetus to reaching arms control and disarmament measures. A comprehensive test ban has been a major concern of the Twenty-five Nation Conference of the Committee on Disarmament.[20] The achievement of a comprehensive test ban would raise the issue of future priorities for the Committee. Control and reduction of conventional weapons, regional disarmament measures, control of the trade and traffic in armaments, reductions in strategic and tactical nuclear delivery vehicles and warheads, reductions in the armed forces of states, and cutbacks in military budgets are some of the measures awaiting serious negotiation. A comprehensive test ban would contribute to the momentum of continued concentrated negotiation for the objectives of disarmament and arms control.

Against the above benefits the risks must be considered. The most important risk is that the United States, as well as the Soviet Union, would have to forgo improvements in nuclear weapons development and thus be denied continued upward thrust of its reliance on nuclear weapons for military security. A lesser risk is that some uncertainty may grow about the effectiveness of weapons in the stockpile; although testing has not been used in the past to discover a weapons defect, tests have been used to verify that a defect discovered in the course of examination by other means was corrected. Under a comprehensive test ban only those corrections can be made which need not be verified through testing. Any such restriction would apply equally to the Soviet Union and in fact might present it with greater problems than it would the United States.

There is also the risk that the Soviet Union might try to violate the agreement by testing successfully without being caught. The Soviets, it is argued, might realize some significant gains in weapons development in areas not limited by a SALT agreement, some information about correction of defects in its stockpile, and information about weapons effects. The question here is how much can be learned through the testing of a single device or a series of tests of very low yield. This is about the extent of what the Soviets could possibly accomplish. A large series of tests of moderate to high yield would surely be detected. According to testimony of the United States Defense Department as many as twenty or thirty tests are used in the development of a new weapon even when the technology is fairly well known; there is serious doubt, therefore, about the severity of this risk.

There is the risk that China may, through its continued weapons development programs, eventually pose a threat to the United States. This risk too appears minimal since any comprehensive test ban would no doubt contain a clause, similar to that in the limited Test Ban Treaty, to the effect that events which jeopardized the supreme interests of the nation would be cause for abrogation of the treaty. A continued watchfulness of China's nuclear weapons development should assure that no surprises could take place to injure the military security of the United States.

Finally, there is claimed by weapons scientists the risk that a comprehensive test ban would require the dismantlement of weapons laboratories with the most talented scientists leaving the nuclear weapons field for more fruitful work elsewhere. They do not think that the Soviet Union would face comparable difficulties since its scientists could be "forced" to work in weapons laboratories. Two points need to be cited about the risk. The first is that in the 1958–61 period when there was a moratorium on testing, the laboratories did not suffer. Therefore, any deterioration in maintaining quality work in the laboratories probably would not occur immediately; in fact the laboratories have many other functions to perform. After a period of three years there would be some

Footnotes at end of article.

assessment as to whether the benefits of the treaty continued to outweigh the risks. Second, it is becoming increasingly difficult for Soviet leaders to compel Soviet citizens to perform work which they do not want to perform. Soviet scientists are not immune to the influences of the outside world and Soviet society is not nearly so monolithic as it once might have been with regard to attitudes toward the United States and the need for cooperation and coexistence.

On balance the benefits eclipse the risks when the totality of the former are weighted against the totality of the latter. It is only after a total view of the issue is taken that a judgment can be rendered which considers national security in a comprehensive framework. Whether governments can be persuaded to revive the comprehensive test ban in a serious manner probably depends to a large extent on whether public, legislative, and international pressures increase.

Note: The author wishes to acknowledge with appreciation the helpful critical comments of Franklin Long, Herbert Scoville, Jr., and Richard Garwin.

FOOTNOTES

[1] See *The New York Times*, 7 December 1971. See also State of the World message, *The New York Times*, 10 February 1972.

[2] *Congressional Record*, Vol. 92, 29 March 1946, p. 2790.

[3] Senate Res. 93, 84th Congress, 1st Session, 25 July 1955.

[4] See John P. de Gara, "Nuclear Proliferation and Security," *International Concilliation*, No. 578 (May 1970).

[5] See pp. 39–58.

[6] See, for example, statement of Dr. Jerome Wiesner and testimony of Professors Frank Long, Bernard Feld, and James Brune in *Prospects for Comprehensive Nuclear Test Ban Treaty Hearings*, U.S. Congress, Senate Committee on Foreign Relations, Subcommittee on Arms Control, International Law and Organization, 92nd Congress, First Session, 22 and 23 July 1971.

[7] The Canadian paper is Document 327 of the Conference of the Committee on Disarmament entitled "Working Paper on the Seismological Detection and Identification of Underground Nuclear Explosions."

[8] During the same hearings the U.S. Defense Department spoksman, Dr. Carl Walske, indicated that under optimistic assumptions only two or three events per year each in the Soviet Union and China above the equivalent of six kilotons would go unidentified; above 1½ kilotons, the number of unidentified events would be about 25 in the U.S.S.R. *Prospects for Comprehensive Nuclear Test Ban Treaty Hearings, (Op. cit.)* p. 119.

[9] *Ibid.*, p. 129. It is possibly true that U.S. weapons are more sophisticated than their Russian counterparts, but, nevertheless, the Soviet Union also would have to conduct several tests in developing new technology, though not of the order of the number of U.S. tests.

[10] *Ibid.*, p. 130.

[11] *Ibid.*, p. 131.

[12] *Ibid.*, p. 130.

[13] *Ibid.*, pp. 107. 129.

[14] *Ibid.*, p. 130.

[15] *Ibid.*, Testimony of Philip J. Farley, Deputy Director of the U.S. Arms Control and Disarmament Agency, p. 16. He said: "In view of the situation which has prevailed in international negotiations since Geneva, we have not had occasion to review formally the precise number and have not either introduced or determined privately a new number since we last spoke of seven. I think it was in 1963." Late in February 1972, however, news reports suggested that some Executive branch consideration had been initiated. See for example, *Washington Post*, 4 Feb. 1972.

[16] *Ibid.*, p. 146.

[17] On 2 March (as this publication went to press) Senators Philip A. Hart and Charles Mathias introduced a bipartisan resolution supporting a comprehensive test ban treaty using national means for verification.

[18] General Assembly Res. 2828 C (XXVI), 16 Dec. 1971.

[19] The last paragraph is especially important representing as it does a consensus of knowledgeable American, Soviet, Indian, European, and other scientists that uncontrolled peaceful nuclear explosions represent a threat to curtailing nuclear weapons proliferation.

[20] This committee resulted from several months of United States-Soviet Union negotiations in 1961. The negotiations produced a Joint Statement of Agreed Principles for Disarmament Negotiations to guide the two countries in their conduct of future disarmament negotiations. One of these principles specified that the two sides would continue to negotiate until a complete and comprehensive disarmament agreement was achieved.

Mutual and Balanced Force Reductions: The Next Step in Detente?

(By Robert E. Hunter)

Can there be arms control in Europe? This is a question that is being asked with increasing urgency in a number of countries. It is a problem first of maintaining European security at lower cost to countries in both East and West. But any attempt to solve this problem will inevitably also have a significant impact on other matters of far-reaching importance to the future of Europe. What happens in European arms control could, for example, affect the methods and possibly even the extent of Soviet control of political developments in East Europe; it will affect future relations between the United States and Western Europe in many fields; it will affect the evolution of the European Community; and it is inextricably linked to the complex questions relating to a European Security Conference. As a result, the discussion that follows must continually be seen in a broad context and not as a matter primarily of negotiating tactics and military mechanics; otherwise, we may prejudice the resolution of other issues which, for the European allies especially, are more important than questions of strategy or military force levels.

This article will therefore treat problems of force-reductions in Europe with an emphasis on related developments in the United States, in Western alliance relations, and in East-West *détente* generally. It will also deal with the timing of mutual and balanced force reductions (MBFR), necessary parallel efforts, and the relationship of United States-Soviet negotiations to multilateral negotiations. The article will not attempt, however, to suggest specific positions that should be adopted by the North Atlantic Treaty Organization (NATO) allies in actual negotiations, or the details of negotiations or possible agreements, or the shape of military deployments and strategies in the event that negotiations succeed. It will concentrate instead on political methods and interrelationships leading up to negotiations themselves.

It is unlikely that a process of negotiating force reductions on the Continent will take place in the orderly manner recommended here. But the recommendations may at least point to a direction in which the United States particularly—and the Western allies generally—could usefully proceed.

The views of East and West

Securing the strategic balance in Europe with fewer forces and at far lower cost than at present has long been a stated goal of Western policy. The setting of this goal derives from the existence of a tacit understanding, on both sides of European confrontation, that the strategic *status quo* on the Central Front must be preserved in the interests of all countries concerned with European security. This goal is also based on the growing perception that the massive array of forces constituting NATO and the Warsaw Pact is much greater than required to provide assurances that the *status quo* will be preserved. There is also an important unstated—and so far untested—assumption in proposals for force reductions: that there can be a less expensive "balance" of forces that will not threaten the climate of acceptance for the strategic *status quo*, and that such a balance of forces could also reduce anxieties on all sides by de-emphasizing the role of deployed forces in European confrontation. There would, in effect, be as much "certainty" in European security as there is today, and a further step taken toward lowering tensions all around.

Unfortunately, we have not yet found the means necessary to change the structure of military confrontation in Europe that protects both East and West against virtually all contingencies (many of which are conceivable only as expression of military "worst-possible-case analysis," and not as realistic predictions of developments on the Continent). In recent months, however, we have seen a number of developments that could lead toward some formal, institutional approach to a reduction of forces deployed in Europe. These developments are not of recent origin. For example, for many years there have been approaches from the Warsaw Pact concerning force reductions and even the abolition of the two military pacts. Most important, the Warsaw Pact has repeatedly proposed the convening of a European Security Conference to consider several political and economic issues in Europe.

At least until NATO's recent formal commitment to it, the idea of holding a conference has been resisted in several Western countries—especially in the United States—for several reasons. First, there is a risk of raising false expectations and of giving the Soviet Union a "propaganda victory." It is also feared in some quarters that such a conference would merely "confirm" Soviet hegemony in Eastern Europe without gaining anything substantial for the West. And there has been uncertainty about the role the United States would be able to play in a European Security Conference. This uncertainty has been somewhat abated by the specific references to a United States role—in, for example, the June 1970 Warsaw Pact declaration and the Brezhnev-Brandt communiqué of 18 September 1971.[1] But it has nevertheless reinforced anxieties in Washington that the Soviet Union would place more emphasis at such a conference on trying to divide the United States from its European allies than on trying genuinely to sort out problems to mutual advantage.

In 1968, NATO outlined its own views in a set of proposals designed to achieve the more limited objective of moving toward a less expensive and perhaps even more stable form of European confrontation. This proposal, expanded somewhat at the Rome Ministerial Meeting of the North Atlantic Council in 1970, attempted to place primary focus on achieving MBFR ahead of other matters that might be considered at a European Security Conference. Perhaps more fundamental changes, or at least discussions, could come later, but concrete steps first had to be taken in regard to force reductions in both halves of Europe. In part, those steps would test overall Soviet intentions toward improving East-West relations in Europe by concentrating on a concrete issue of particular interest to the West. Indeed, it is not entirely clear that the NATO powers expected much to come of their proposals for force reductions, nor that this was a completely serious effort.

Footnotes at end of article.

Nonetheless, in June 1970, the Warsaw Pact foregin ministers responded favorably to the idea of discussing force reductions—indicating, however, that these should not take place at an all-European conference but should be determined instead "by the organ proposed to be established by the all-European conference or in any other forum acceptable to interested states." NATO at that time did not consider this an adequate response.

General Secretary Leonid Brezhnev went further at the Twenty-Fourth Congress of the Soviet Communist Party in March 1971 and again in a speech in May. He accepted in broad outline the prevalent Western view that MBFR should proceed on its own, benefiting from whatever political context is implicit, but not requiring the prior solution of more complex issues. Why Brezhnev made this proposal is not clear. He may have wished to exploit Western desires for lower defense budgets in order to weaken resolve to maintain today's level of forces or increase their effectiveness. Brezhnev may have been genuinely interested in seeing *détente* move forward in an area promising some budgetary savings (even though the current five-year plan belies this), and permitting the Soviet Union to pay greater attention to China. He may have seen this proposal as a device for gaining greater access to Western technology. He may have wished to gain specific Western recognition of the Soviet "sphere of influence" in Eastern Europe, as a way of reducing the West's economic attractiveness for Eastern Europeans. Or he may simply have wanted to show that the Soviet Union, in contrast to China, was concerned with arms control and relaxation of tensions—a position that would reflect Soviet anxieties over a possible Sino-American *détente* and might help the USSR in the internal debates taking place within the Communist world.

Indeed, if this last suggested motive of simply *appearing* to be interested in arms control was the dominant one, the Soviet Union may not have had a clear idea at the time of what negotiations would entail, and may not have been prepared for NATO's favorable response. And this response, after all, was precipitated in part by the role the May Brezhnev speech played in the United States Senate debate on Senator Mike Mansfield's amendment to reduce United States forces in Europe by 150,000 men. Significantly, Brezhnev's earlier, March speech had been largely ignored in the West.

NATO'S "GO SLOW" APPROACH

NATO's formal response to the Soviet proposal came at the Ministerial Meeting of the North Atlantic Council, held at Lisbon in June 1971. While responding favorably, NATO added enough qualifications to ensure that the process would get under way slowly. The qualifications included: further exploration of the Soviet offer; a meeting of NATO's deputy foreign ministers, "or other high officials," to review the results of exploratory contacts and to consult on approaches to MBFR; and appointment by the Council of a representative to conduct still further exploratory talks designed to work out arrangements for the negotiations. NATO's retiring Secretary-General, Sgr. Manilo Brosio, was selected to represent the Organization, but so far the Soviet Union has studiously refused to receive him.

In view of past disappointments in the pursuit of *detente* (and especially in view of the shock produced by the Soviet invasion of Czechoslovakia) by the slow and cautious approach prompted by the United States and adopted by NATO was understandable. Indeed, without a clear indication of Soviet motives and intentions, there is still much skepticism in the West about proceeding with negotiations on force reductions at all. Not only are there the arguments advanced against a broader European Security Conference, but also there is concern that the very start of negotiations to reduce forces would lead NATO to begin "unravelling" before an adequate system of European security is ready to replace it. Many European states, especially, would be inclined to reduce their contributions to defense still further, in anticipation of a successful outcome of the talks. Or they might see negotiations largely as a United States effort to cloak a decreasing concern with Europe's future.

It is possible to exaggerate the potential financial savings to be derived from force reductions, especially for the United States. Even if reductions were substantial, which is unlikely in the near future, the United States would continue to maintain considerable forces on the Continent, along with the infrastructure and weapons required for returning major forces to Europe in the event they were needed. Indeed, such a double-basing concept would cost the United States more than simply leaving forces where they are. And returning forces to the United States, but not disbanding them, would not be cheaper, even though there could be some savings in foreign exchange.

In addition, there is the tremendous difficulty of coordinating policies, on almost any subject, within the NATO alliance. How much more difficult it would be to hammer out a common bargaining position on issues as substantive as force reductions or the new strategies that would be needed for Western defense (provided, of course, that MBFR proceeded far enough to invalidate current strategies)! Furthermore, starting MBFR negotiations now may be introducing prematurely one of the most difficult issues in *détente* before enough other "political" steps have been taken to make it possible for troop reductions to help relax tensions and strengthen the Western alliance rather than raise new anxieties.

Most important, however, beginning MBFR negotiations now would increase the attention paid throughout the continent to questions of forces and strategies at a time when progress in *détente* has been making these seem less important and when attention has been turning optimistically toward political and economic matters. Already, for example, the United States Secretary of Defense has been exhorting the allies to maintain and augment their defenses as part of a bargaining position for MBFR. Ten of them responded in December 1971 by pledging a $1 billion collective increase in their defense budgets for 1972. Secretary Laird has also announced that American forces in Europe would be brought back up to nominal strength. Yet the paradox of seeking force reductions through increases is obvious.

Furthermore, as negotiating positions are worked out and new strategies formulated, we may find that MBFR merely prolongs a preoccupation with strategic matters to the extent of stifling other more promising aspects of *détente*. One cannot stress this point too much. The best alternative for *détente*, therefore, may be simply to stop discussing force levels in general, and MBFR in particular, until a more appropriate moment presents itself to raise these subjects again.

WHY BEGIN NEGOTIATIONS NOW?

All of these objections have to be weighed carefully against arguments in favor of proceeding with negotiations at this time—not the least of which is the fact that the project has entered the canon of accepted NATO objectives. It may simply be too late *not* to start negotiations, although, of course, whether or not they must be pursued to any conclusion is a different matter. Other, more "positive" arguments include the hope that any step forward can "build confidence" in *détente* and thus lead on to other steps. But two of the most important reasons for proceeding now toward MBFR relate primarily to the timing of the negotiations and are essentially negative. They may be no less compelling for all that.

THE MANSFIELD AMENDMENTS

To begin with, the issue of reducing troops in Europe has not been raised in a political vacuum. Most important, in the United States, there is growing concern to reduce United States forces on the Continent, unilaterally if necessary. This concern is most apparent in the Senate, where there has long been considerable sentiment against maintaining a large United States presence in Europe, and a feeling that the Europeans should "pull their own weight." This sentiment has been exacerbated by the economic nationalism of President Richard M. Nixon's new economic policy. It is also unlikely, on the basis of past experience, that the new efforts of "burden sharing" among the allies will prove substantial enough to quiet Senate concern for very long.

Senator Mansfield has been the most diligent in trying to put the Senate on record in favor of United States troop cuts. In the past, he has sponsored "sense of the Senate" resolutions to this effect. More recently, however, he has embodied his idea in amendments which, if signed into law, would have had binding effect. Two of these were defeated: one, in May 1971, requiring a 50 per cent cut in forces; and one, in November, requiring a cut of 60,000 troops by 15 June 1972.

Despite these defeats, some observers believe that the United States Administration has not been sufficiently sensitive to the important—even if not yet majority—sentiment expressed in the Senate resolutions and amendments. They argue that the White House is now living on borrowed time with regard to maintaining 310,000 forces in Europe. At some point, perhaps in the near future, the Senate Majority Leader is likely to muster enough votes to pass an amendment calling for some United States troop reductions in Europe—unless he is preempted by some other event, such as promise of success in MBFR negotiations.

A key question therefore relates to timing: will Senator Mansfield succeed soon, or only after a period of two to three years? Senate feeling against continuing to bear such a large military burden on the Continent does not appear to have been dissipated by the defeat of the Mansfield amendments, but it is not yet clear whether enough Senators would choose to be identified as opponents of this particular "security" issue before the 1972 elections. Yet no matter what the immediate Senate decision is on this matter, some concrete steps are required of the Administration if it wishes to retain control of this issue.

In practical terms, of course, an affirmative vote in the Senate—whenever it comes—might not carry the day, since any such amendment would have trouble passing the House, much less weathering a presidential veto or a direct appeal to the nation on the basis of the President's responsibilities for national security. But in terms of United States relations with the European allies, an expression of sentiment by a majority of Senators would have a strong impact. There is already serious concern in Western Europe that the experience of the United States in Vietnam is eroding its willingnes to retain a significant commitment to Europe's future. A declaration of sentiment by the Senate is therefore likely to reinforce uncertainties. The United States might then find that many Europeans would be less prepared to accept at face value expressions of support made by a United States Administration for the course of political and military developments on the Continent.

Thus, for some time already, there have been persuasive arguments at hand for the United States government to take a clear stand in favor of negotiations on MBFR—before Senator Mansfield gains majority support in the Senate for his views, and especially before the European allies become convinced that his success is imminent. It may

be that these negotiations will take some time to reach any real conclusion. It may be that the Russians will retreat from their support of this bold initiative if they see that the West is willing to proceed in earnest (in fact, this may have been the reason for Moscow's noticeable cooling to the idea at the end of 1971). But from the standpoint of preempting a Mansfield amendment—or at least of hedging against its success—the convening of negotiations at an early date has increased in importance.

Indeed, as critical as it clearly is, the manner in which negotiations on MBFR are conducted may not be as important in United States domestic politics as any action that is both prompt and apparently pointed in the direction of troop reductions. It has been possible for some time to argue that the Administration might have less difficulty over time in maintaining "enough" United States forces on the Continent by demonstrating clear support for early negotiations on MBFR (regardless of the Soviet response). In this context, "enough" relates to the ability a) to demonstrate continuing United States commitment to Western Europe and b) to reduce any possible Soviet incentive to stall while waiting for unilateral United States reductions. Time, therefore, may only be on the side of the United States (and of those allies wishing to avoid a crisis over the United States commitment) if it is prepared to use it soon.

The Administration implicitly moved toward the position suggested here when it relied heavily on the Brezhnev speech in May to defeat the first Mansfield amendment (by a vote of 61 to 36); it locked itself into this position in November, when its chief weapon in defeating the second amendment (by a vote of 54 to 39) was a presidential letter arguing that unilateral United States cuts would undermine progress toward negotiations to reduce forces on both sides. Continuing this process has now thus become necessary if the Administration is not to be faced by a future, successful challenge from the Senate, with consequences outlined above.

STRATEGIC SEPARATISM

These concerns are supplemented by trends emerging in Western Europe. In the next few years, for example, the United States will have to face the possible growth within the alliance of a European movement favoring the addition of a formal security dimension to the European Community. This still nascent development stems in part from increased doubts that the United States can be relied upon much longer to provide Western Europe with all of the strategic assurances it needs—assurances not so much that the United States would be prepared to help prevent war as that it would be prepared to underpin a diplomatic process of movement in East-West political and economic relations. There are also growing indications that Britain and France are each disposed to believe that the other power looks to some form of European military effort and identity as an important element of their revived relationship with each other.

Furthermore, the idea of strategic separatism is emerging in Western Europe as a device for gaining greater influence—at least symbolically—in the course of political changes that will be possible in East-West relations during the next few years. This is particularly important in the case of bilateral United States–Soviet negotiations such as SALT, which vitally affect Europe, and in which it can no longer be assumed that United States and Western European interests are identical.

For all these reasons, it appears likely that Western European governments will wish to take a more active part in ordering European security during the next few years. Because of opposition in parliaments, this may mean not increased defense budgets, but rather movement toward, among other things, some form of Western European security organization. Such a development would be a natural one, at some point, as an emerging European Community takes more decisions in common and accepts more responsibility for all aspects of supranational sovereignty, including foreign policy and defense. Nor should the United States be opposed to such a development, especially since it would promote the strength of a European Community for whose security and prosperity the United States will continue to have concern.

The question is less one of "whether?" than of "when?"—though public reluctance to take defense seriously could vitiate even those organizational efforts that did not cost more money. As the failure of the European Defense Community in 1954 testifies, however, cooperation in basic areas of national sovereignty such as defense and foreign policy has to come late in the process of forming a community—if the risk is to be avoided of threatening the whole edifice by forcing individual countries to take critical decisions before they are prepared to do so. The Common Market crisis of 1965, which raised problems that had even fewer implications for national sovereignty, reinforces this point. Furthermore, there are some practical implications of moving at this time to greater European defense cooperation—implications for reducing the emphasis in *détente* on military questions.

On the most practical level, greater emphasis on a separate strategic identity in Europe at this time would mean even more attention paid by governments to defense and deterrence in general, and to the actual details of forward defense and defense organization in particular—despite general acceptance of the strategic *status quo* which has reduced the importance of these defense efforts, even if there were fewer United States forces on the Continent. Any such preoccupation with modalities, should it occur, would come about precisely because of the compelling *political* objectives of European cooperation that would be served by European defense arrangements. These political objectives are judged to be at least as important as concern about United States intentions toward the Continent.

It is true that such an effort would act as a hedge against lingering uncertainties about Soviet intentions toward Western Europe. Yet it is also true that a context of military confrontation, once established, imposes a logic of its own. That logic then exerts its own pressures, even when there is no military threat sufficient to warrant its emergence. Even if it came up against widespread public indifference, this logic would still be taken seriously by governments, and greater concentration on military factors would have a significant impact on the process of negotiating force reductions. For one thing, it would lead the Western allies to spend extra energy debating the strength and character of the defense structure that would be left after force reductions have taken place. This is not to say that defense issues need not be considered; it is a matter of emphasis and degree. There has always been a danger that a political process of reducing forces would be negated by an approach, on both sides, that placed too much emphasis on the kinds of strategies that would be viable after MBFR had taken place.

A EUROPEAN NUCLEAR DETERRENT?

For another thing, in time there would also be more interest in Europe in creating some form of nuclear deterrent—based on current British and French capabilities—that can operate independently of the United States deterrent. This interest would merely be strengthened by any Western European move toward a security organization, which would inevitably come up against the reluctance to spend more on defense. There would be a tendency to make up a shortfall in troop levels with nuclear weapons—even though these would be less sophisticated than weapons available to the Soviet Union.

The development of a European nuclear deterrent could be particularly unsettling for all concerned. The Soviet Union, especially, is not yet ready to welcome another center of strategic decision-making in Western Europe in addition to that controlled by the United States President. Indeed, the more likely it is that the Western Europeans will want to proceed to some form of politically independent deterrent—even if this does not now seem a real possibility to the Russians—the less likely Moscow will be to pursue a process of mutual force reductions that would significantly diminish its military presence in Eastern Europe (if it would do so at all).

The role of West Germany in any nuclear deterrent would be of even greater concern to all nations interested in the future of Europe. This role might be limited to financial contributions at first. At some point, however, the vexing question of a West German role in the actual use of nuclear weapons would have to be faced. Indeed, the prospect of this issue's eventually arising would inhibit the progress of negotiations on MBFR step by step with any discussions within Western Europe about its own deterrent.

The United States, too, continues to be directly concerned about the emergence of a Western European nuclear force. It still values its dominant role in nuclear decision-making for the West, and will no doubt continue to do so. Since the onset of *détente*, however, this role has been less important to the United States as a way of ensuring its control over the use of the Western arsenal in the event of a nuclear war than as a factor in United States relations with the Soviet Union. The SALT talks, after all, are predicated on the United States' being able to negotiate—whether its allies agree or not—the level of those armaments that make up the bulk of the Western strategic arsenal, but which are also centrally involved in Western European strategy. For this reason—as well as for others, including its interest in nonproliferation—the United States would look askance at Western European efforts to create another center of nuclear decision-making.

For the United States, therefore, a key issue in approaching negotiations on MBFR relates to the likelihood that in the fairly near future Western Europe will seek a greater degree of strategic independence, either within NATO or in some new European security organization. For as long as it is in the United States' interest to inhibit, or at least postpone, this movement, it will need to maintain enough forces on the Continent to continue the credibility of its nuclear guarantee. The nuclear guarantee is important, as noted above, more for its role in the "logic" of military confrontation and in demonstrating a United States political commitment to Europe's peaceful and orderly development than for its role in an actual crisis or war. The United States must therefore continue to station "hostage" forces capable of some limited form of flexible response, although how large these must be is by no means clear. The United States must also retain enough tactical nuclear weapons on the Continent to reinforce the idea that there would be fairly rapid escalation to nuclear war (with the United States strategic arsenal brought into play) in the event of major hostilities. At the same time, the United States needs to bring its allies more fully into the planning of forward defense, in order to give them a greater stake in existing arrangements rather than direct them toward separate efforts. In this way, the United States would also help to reassure the Russians that its presence in Western Europe exerts a considerable force for restraint on

Western European ambitions for a separate strategy.

Clearly these efforts would work against MBFR by stressing a United States military role in Europe at the very time that it should be de-emphasized. There is no simple way to resolve this dilemma. However, if negotiations on MBFR were started fairly soon, the United States could at least get that process well under way before Western European strategic separatism becomes an important trend.

PRACTICAL STEP TOWARD MBFR

Prompt action would help in several ways to meet the various problems presented here. First, if negotiations on MBFR were to begin soon, they would help focus attention in the NATO alliance on an orderly means of permitting some United States force reductions before domestic pressures cause reduction to take place higgledypiggledy and with little regard for political consequences. Of course, it may be argued that starting negotiations on MBFR now would only hasten Western Europe's search for its own strategic identity. Yet it can also be argued that the Europeans are more likely to be discouraged from this search by evidence that the United States is prepared to take their security problems seriously—evidence represented by serious efforts to bring about formal negotiations—than they are by today's uncertainty about future United States military, political, or economic intentions toward the Continent.

Second, an orderly *process* of negotiating MBFR, provided that it begins soon, could itself help to reduce anxieties concerning a possible turning away by the United States from Continent. Such a move by the United States would increase the Soviet Union's chances to reduce Western Europe to a state of political neutrality, if not dependence.[2] Today, a European Community armed with nuclear weapons would appear to be one way of protecting the area from the emergence of such a Soviet threat; making a commitment to an orderly political process of MBFR would be a better way to do it, even though this effort might not be enough. Indeed, neutralization is more a problem of Western European cohesion and of orderly changes in Western defense than it is of any particular strategy, force structure, or pattern of European involvement in military affairs. Without cohesion, Western European nuclear weapons would do little to prevent political neutralization.

Third, and most important, a process of negotiating MBFR that gets under way in the near future, with all of its institutional paraphernalia and consultations, might help to "freeze" Western European trends toward strategic separatism before they get well established, and before they exaggerate the role that will continue to be played in European security by military forces and a viable forward defense. Even the most ambitious European federalist will resist introducing an added element of complexity—both diplomatic and military—into an effort that has raised hopes (true or false) that defense budgets of all countries involved in European security could be reduced without prejudicing the political development of the European Community.

Fourth, successful negotiation on MBFR could also help to reinforce a trend that has already appeared in superpower politics—that of reducing the role of military forces as the primary factor in constituting and demonstrating a nation's power. Provided that MBFR did indeed preserve the climate of acceptance for the strategic *status quo* in Europe, there could be a decreasing emphasis on questions of military forces and strategy in the ordering of security on the Continent, even though the initial response would be to *increase* that emphasis.

In time, moving away from reliance on military forces as the exclusive foundation for European security could also help to inhibit the growth of pressures in the European Community for nuclear weapons simply as a function of great power status. MBFR could make clear to all Western Europeans—as it already has to the United States and the Soviet Union—the limited political value of nuclear weapons in this part of the world. Even if Western Europe were to opt for some form of defense organization of its own, it would be less likely after MBFR had taken place to substitute a nuclear force for expensive, and thus unpopular, conventional force levels; a non-nuclear defense organization could be maintained at lower cost, yet carry relatively more diplomatic weight, in an environment where United States and Soviet forces also had been reduced.

It is even possible that a general reduction of arms on the Continent would hasten the day (still very far off, if possible at all) when some form of cohesive structure in Western Europe would be able to deal more effectively with the Soviet Union in a diplomatic arena, without either going its separate way from the United States or acquiring nuclear weapons. Then Western European economic strength could have a greater impact on political developments.

For all these reasons, therefore, both the United States and its allies have an interest in seeing that steps leading to negotiations on MBFR (whether they take place separately or as part of a European Security Conference) begin soon and maintain momentum. Undeniably, how these negotiations take place will also be very important and worthy of careful deliberation unmatched in NATO's history. There is always a possibility that the process of negotiating may itself get out of hand, especially in the case of efforts by the Western powers to coordinate their position.[3] At the outset, however, a firm commitment to proceed in this direction may be more important than insistence on the working out of all procedural details. The time factor may be on the Western allies' side only if they are prepared to use it wisely now. And the methods they employ in trying to agree may become even more important than the specifics of their agreement.

UNITED STATES-EUROPEAN COOPERATION

Negotiations on MBFR must also take account of other developments taking place in Europe. Indeed, it should be clear at this point that mutual and balanced force reductions will have a most profound—though as yet unclear—impact on the character of both the Western and Eastern alliances. Negotiations must therefore be seen primarily as a political process whose essential objective is to shore up what military stability already exists, at lower cost, while minimizing difficulties that arise in the process. The word minimize is used advisedly: some developments, such as the decreasing influence of the United States in Europe in many fields, will in any event create profound difficulties, which are beyond the scope of this paper. Within the limited context of the subject under discussion, however, there are some things that should be done. For one thing, the United States should realize that domestic pressures, and European views of these pressures, for a reduction of United States forces on the Continent may proceed faster than negotiations on MBFR, despite the inhibiting effects but these negotiations would have on any Mansfield amendment and sentiments related to it. This will be particularly significant if for any reason the Russians retreat from their commitment to negotiations, as they may now be doing.

At the same time, it is necessary to reinforce any existing Soviet interest in MBFR, even though the Soviet Union might believe it could gain significant advantages by simply allowing United States forces to be reduced unilaterally. It is not certain, however, that this would be entirely to Soviet liking, at least in the long run, because of the potential problem of Western European strategic separatism noted above. The Russians also may not wish the United States to withdraw so many troops that the role of the *Bundeswehr*, the largest conventional army in NATO Europe, would be further enhanced.[4]

An approach to resolving these problems may be to concentrate on establishing an orderly process that would lead to the withdrawal of some United States forces, rather than trying, in the absence of an MBFR agreement, to prevent any and all United States troop reductions. On the face of it, this suggestion may seem paradoxical, but it is not when viewed in terms of allied political relations, and especially in terms of Western European psychology regarding the underlying United States political commitment to the Continent. It is clear that the United States does not need 310,000 troops on the Continent to preserve a credible commitment to its allies' future. In fact, reinforcement of this "magic number" may simply be tempting fate by increasing pressures at home that would initiate troop reductions on a haphazard and disorderly basis and might overemphasize the importance of any reductions that do take place. It is this disorder that the United States most needs to avert. Indeed, the manner in which American force reductions take place is more important than the actual number of troops arrived at. The United States can help in this process by determining in consultations with its allies the number of forces actually required to retain European confidence in the United States commitment. Of course, "consultations" are always taking place. But an effort must be made to convince Western Europeans that these consultations can be a means of gaining some say in United States force reductions—rather than simply a means of stressing demands that Washington maintain present force strength. Without this albeit difficult process the allies will be unprepared for the consequences of a smaller United States troop presence, however it comes about. Indeed, there is considerable scope in this matter for the Western Europeans to try to act in common—building, perhaps, on the so-called "Eurodinner" consultations among themselves that take place before meetings of NATO's Defense Planning Committee. Such cooperation would also be helpful throughout MBFR negotiations, and would give Western Europeans a form of "identity" within the Atlantic alliance, without a defense organization that included strategic separatism and overemphasis on military programs and plans.

In the process, the United States could begin to reduce the military character of its involvement with Europe, further reducing the role of NATO in alliance diplomacy, and begin to bolster a recognition that economic relations and economic organizations (such as the Organization for Economic Cooperation and Development) will play an increasingly significant role in demonstrating United States concern for the future of Europe. Indeed, promoting this shift of emphasis could actually contribute to European security, by placing Atlantic relations increasingly on a basis that is more likely to endure than is the stationing of 310,000 men in Europe.

In this regard, the economic nationalism of the new economic policy was particularly unfortunate, as was European reluctance to meet legitimate United States objections to some practices of the European Community. A failure by the allies to work out current problems in their trade and monetary relations could have effects of far-reaching importance on the alliance, particularly with

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major decisions on force reductions pending. If discussion within the alliance on this sensitive subject goes forward in the midst of a general climate of acrimony and distrust over economic matters, then the potentially adverse consequences of MBFR negotiations sketched earlier would be more likely to come about. Indeed, reestablishing a climate of cooperation on alliance economic problems has now become a critical matter for its own sake, for the sake of the next steps to be taken in *détente*, and for the sake of the future of Atlantic relations and security generally. The initial agreement on the devaluation of the dollar, in December 1971, was therefore a step in the right direction. The real test will come, however, with efforts to restructure the international monetary system and to sort out disagreements on trade.

This economic crisis underscores the changes taking place in Atlantic relations. But it is not yet clear what the nature of the new relations will be; they can only develop through consultations, experience, and sensitivity on all sides. It is extremely important that the United States not try to decide the character of these relations in advance; it will need to adapt itself gradually to the emergence of a situation in which "equality" is becoming a fact rather than merely the goal of political rhetoric that it was in the 1960s.

Provided that these points are borne in mind, consultations leading to some unilateral United States force reduction can take place without weakening the strength of the Atlantic alliance. By bringing the Western allies more closely into United States defense decision-making, while demonstrating to the Soviet Union that the process is an orderly one that will not weaken the fundamental fabric of Atlantic relations (if this can, indeed, be done), such an effort could actually reinforce Moscow's incentives to reduce forces on its side as well. Certainly it would reduce the utility of Soviet forces as a political weapon for intimidating Western Europe. If consultations on a unilateral force reduction did take place between the United States and the Western allies, the Russians would also have less incentive to stall on MBFR; there would then be little reason for them to expect United States unilateral reductions to weaken Atlantic ties and thus increase Soviet political opportunities in Western Europe.

Of course both the United States and the Western allies should continue to press for negotiations on MBFR, especially to ensure that the process of reductions on both sides is clear and controlled all around. But some reduction of United States forces, undertaken while the United States supports its allies' political efforts in *détente*, need not rule out Soviet and Warsaw Pact reductions as well. The essential point is that the two processes need to be pursued simultaneously by the West. If this is done, the allies might be better able to discuss in an orderly fashion the complex questions of Atlantic relations that will arise whenever and however forces are restructured on the Continent. By broadening alliance consultations on a host of political issues, and thus decreasing the chances of fragmentation, it may be possible to offset the advantage the Eastern bloc would have in negotiating as a unit on MBFR in the event that negotiations take place outside a broader European Security Conference.[5]

Another political effort that should be conducted at the same time as MBFR concerns one of Western Europe's primary goals in *détente:* to gain better Soviet behavior in Eastern Europe. At the moment, this objective is most threatened by the Brezhnev Doctrine, by which the Russians have been attempting to retain a large measure of control over internal developments in Eastern Europe. Of course it may be that the Doctrine cannot be sustained in any event, especially in view of the growth of Eastern European economic power and the increasing dependence of the Soviet Union on the West for its own economic progress. So far, however, the Doctrine certainly has not been abandoned.[6]

Western European states will be more disposed to explore the possibilities of a more liberal Soviet approach in Eastern Europe (and will be better able to do so) if the United States continues its strong opposition to the Brezhnev Doctrine at the same time that it reinforces understandings with Moscow about the strategic *status quo* in Europe and pursues agreement at SALT. Such an effort will help to bridge potentially competing objectives between the United States and its European allies. By acting in this way, the United States can also help to impose a choice upon its Western European allies either to promote some form of strategic separatism, which would have the consequences for MBFR sketched above, or to pursue the development of economic relations with Eastern Europe. It appears that Western European states will not find it easy to do both—at least not while the Soviet Union retains considerable control over Eastern European international economic activity, and continues to be concerned that the United States preserve its control over Western European strategic policy, especially in relation to nuclear weapons. It is also possible, though highly debatable, that successful negotiations on MBFR would reduce the Soviet incentive for continuing to pursue the Brezhnev Doctrine. At least one official justification for the Doctrine—the strength of NATO—would be weakened.

The United States should also exercise more tolerance for its allies' independent approaches toward the East than it has in the past. These approaches include West German *Ostpolitik* and the sale of so-called strategic goods to the East. And it needs to show more understanding of its allies' support for a European Security Conference and permanent Commission, which many Europeans conceive as ways of increasing contacts between Eastern and Western European states, thereby lessening, by however little, Soviet control of Eastern European internal developments. At least the Russians would have to grant legitimacy to contacts between Eastern Europe and the West that took place within this formal context.[7]

The question of a European Security Conference will remain important even if MBFR negotiations are held separately. Indeed, a Conference, and a permanent Commission to be set up by it, would offer some distinct advantages over separate MBFR negotiations as a way of helping to secure the Western European objective of greater freedom of action for Eastern European states. The existence of two military structures—NATO and the Warsaw Pact—naturally makes it likely that any separate MBFR negotiations would be conducted on a bloc-to-bloc basis instead of a multilateral basis in which each state would be represented on its own. Since there is a greater identity of views between the Russians and the Eastern Europeans on military matters than on political or economic issues, MBFR negotiations separated from a broader political conference could actually aid Moscow's efforts to dominate the role of the Eastern European countries in the process of change.

As a result, there is considerable value for the West in its favorable response in December 1971 to proposals for a European Security Conference, despite the possibility that greater divisions in Western attitudes might emerge in truly "multilateral" (as opposed to bloc-to-bloc negotiations). Any disagreements that might arise among the Western states could be handled in part by treating the Conference and Commission as an exploratory operation, designed to test Russian willingness to permit greater latitude for the Eastern European states; the West needs to stress that a European Security Conference, and a Commission to be set up by it, would merely be part of a very long process that would only gradually get into problems of a truly sensitive nature.

In any event, the NATO allies may soon be faced with a real decision on this issue. At its meeting in May 1971, the North Atlantic Council declared that a European Security Conference could not be held before a successful conclusion of negotiations in Berlin. It reaffirmed this decision in December and indicated a readiness to initiate conversations "as soon as possible" after the successful conclusion of those negotiations. What this will mean, however, is still not clear. Yet for reasons presented here, the allies would be well advised to see that such a conference is pursued either parallel with negotiations on MBFR, or as the actual forum for these negotiations (although the latter method would raise complications because of the presence of neutral powers). This approach would be designed to further Western European political and economic objectives in *détente* at a time when emphasis on military subjects in East-West relations will simply increase Soviet control over developments within the Eastern European bloc.

It is also desirable to establish this parallelism, or actual link, between MBFR negotiations and a European Security Conference *before* military questions are resolved either at SALT or on MBFR. After these questions are settled, it will be harder to discuss the matter of Soviet behavior in Eastern Europe, especially Soviet efforts to regulate Eastern European contacts with the West. Of course, if MBFR negotiations were to lead to a sizable reduction of Soviet forces in Eastern Europe, this would potentially give some greater freedom of action to the Eastern European states. Even if Soviet forces were only a few miles away, it would be politically more difficult to reintroduce them than to use them (as in, say, Poland) before they were withdrawn. However, the Russians are not likely to proceed so far with force reductions that this issue would become a live one—at least not for some time. On the basis of experience in Czechoslovakia, the Russians may believe they can make small force reductions without losing their ability to act or to control events decisively in Eastern Europe, even if the Eastern European states gain more room for maneuver. Beyond that, however, further steps are uncertain. As a result, there is more incentive for the United States at the same time to encourage greater East-West political and economic contacts and a modification in *practice*—not just in declaration—of the Brezhnev Doctrine.

This point leads to consideration of a final parallel development with force level negotiations which again relates to the differing interests of the United States and its European allies in *détente*. Quite simply, the United States needs to have some means of involving its allies more closely with what is happening at SALT. Negotiations on MBFR are potentially an ideal vehicle. The very convening of negotiations could increase United States latitude at SALT by helping to reduce Western Europe's suspicions that the USSR and the United States were independently reaching agreements affecting Europe's future security.[8]

FORWARD BASED SYSTEMS

Force level negotiations are also the logical way to approach one further complex issue: the future of United States tactical nuclear weapons stationed in Western Europe and with the Sixth Fleet. Some of these weapons, out of a total of at least 7,000, could reach the Soviet Union. These are the so-called "forward based systems" that at some point will be a focus of attention at SALT. It is clear that decisions on forward based systems will have a profound effect on Euro-

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pean security, especially upon the European allies' view of the need to develop their own nuclear capability. Western Europeans will therefore resist the resolution of this issue at the SALT talks. Nor can the issue really fit within negotiations on MBFR, since forward based systems do relate to the total United States strategic arsenal that is capable of attacking the Soviet Union.

If MBFR negotiations and the SALT talks proceed in parallel, however, there is some chance that the issue of forward based systems can be successfully resolved, along with the issue of the Soviet defense equivalent—the medium-range ballistic missiles targeted on Western Europe. Otherwise, the United States may find itself in the embarrassing position of being asked at SALT to withdraw these systems out of range of the Soviet Union while they remain a key part of Western strategy in the event of an attack on Western Europe. This is another example of an issue that could have political consequences in Western Europe, even if it makes little military sense at a time when there is a well-developed climate of acceptance for a strategic *status quo* in Europe. In such circumstances, considerable opportunities are open to the Soviet Union to play the United States and its allies against one another, thereby weakening the Atlantic alliance. But if any agreement to include forward based systems at SALT proceeds parallel with talks on mutual and balanced force reductions, the issue of forward based systems could be approached in United States-Soviet bilateral relations at the very time that negotiations were proceeding to reduce levels of forces, including tactical nuclear weapons, to be deployed in Western Europe. Alternatively, the subject could be dealt with in negotiations on MBFR. Either way, at least the Western European states would be clearly involved in any decision regarding these weapons, and in revising allied strategy accordingly.

HOW CAN NEGOTIATIONS PROCEED?

In approaching the subject of mutual and balanced force reductions, it is important to stress again that the negotiations are likely to be long and may not lead to a substantial withdrawal of forces on each side until there is some more general arrangement about the future of European security, if then. Indeed, it would be better to embody the negotiations in a continuing institution, rather than in a single conference, however long it lasts. Nor can there be a total withdrawal of United States forces from Europe as long as the question of maintaining a strategy of escalation to nuclear war remains valid for the West.[9] Furthermore, until such time in the distant future that patterns of confrontation are recast, NATO and the Warsaw Pact will remain. Psychologically, they may even become more important as symbols of strategic understandings at a time when other factors are in a state of flux.

The various parties interested in MBFR may soon recognize that the military institutions themselves are probably not the best mechanisms for conducting negotiations. It is true that NATO would remain invaluable as a forum for reconciling competing views of strategy within the Western alliance. But as an institution it is too much concerned with military problems to give proper weight to the essentially political nature of the entire negotiating process. Much the same can be said about the Warsaw Pact. Different views within the Atlantic alliance on the nature of "security" make this an important point. Governments may be represented on a bloc-by-bloc basis; but governments will not want their activities to be determined by military institutions designed for quite different purposes.

Finally, negotiating MBFR should be seen as less a matter of *bargaining* on the details of military forces than of searching for mutually acceptable areas of agreement that will give all nations concerned greater confidence about the political understandings that are being sought. These are understandings, especially, about the need to preserve the climate of acceptance for the strategic *status quo*, despite a lower level of forces. What would happen in this process is unclear and beyond the scope of this article; yet the need to establish the right emphasis is important. If this is not done at the start, here will be a host of perhaps insoluble issues, such as the fact that the Soviet forces will only have to withdraw a few hundred miles as compared with the United States' 3000. But if the emphasis is placed on political problems and political understandings, instead of on bargaining about details, issues like this one may not prove insuperable in the long run. This is an important distinction: if negotiations on MBFR are permitted to be dominated by a discussion of details, then the military tail could easily come to wag the political dog. This has already happened to some extent at SALT, where emphasis on bargaining each element in the "package" has led the two powers, both intent on agreement, to move toward much higher levels of armaments deployment.

Indeed, negotiations on MBFR should be seen as a gradual process of "confidence building" throughout Europe. Thus the issue of actual force reductions may come rather late in the negotiations—as the Germans have suggested—after an initial discussion of principles and preliminary agreements on subjects such as force ceilings, limitations on force movements, exchange of information, and posting of observers on both sides. After these questions are discussed, negotiations on MBFR can proceed to more substantive matters, while seeking at the same time to preserve confidence at every step along the way. Orderliness will not be easy to achieve. But if it is achieved, these negotiations hopefully can then become an important basis for other political agreements in Europe.

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FOOTNOTES

[1] For information on the Warsaw Pact Declaration, see *The New Yorks Times*, 22 June and 27 June 1970; for the Brandt-Brezhnev communique, see *The New York Times*, 19 Sept. 1971.

[2] Of course, any process that would lead toward decreasing European links with the outside superpowers would be appreciated in Eastern Europe. (The process of neutralizing Western Europe is called "Finlandization" in reference to Finland's somewhat dependent relationship to the Soviet Union.)

[3] This problem has not arisen in the case of the SALT negotiations; the *bilateral* nature of these talks has not presented the diplomatic problems and demands that are inherent in any *multilateral* effort.

[4] Needless to say, anxieties on this point are shared by other European states, both in the West and in the East. This problem has long been recognized in West Germany, and is part of what lay behind the agreement between Brezhnev and Brandt in September 1971—namely, that MBFR not be limited to United States and Soviet forces. (Of course, Brezhnev may also have been interested in removing one more impediment of the eventual reduction of the United States presence in Europe.)

[5] At its January 1971 meeting, the Warsaw Pact Consultative Committee argued that troop reduction "should not be the prerogative of the existing military-political alliances in Europe." While this statement may have been primarily an attempt to place negotiations on MBFR within a broader European Security Conference, it would also serve Western interests by decreasing the role of Warsaw Pact in—and hence Soviet control over—this step in *détente*.

[6] Despite Brezhnev's token rejection of the Doctrine during his visit to Yugoslavia last September, a careful look at the documents coming out of the meetings indicates that the Doctrine has not been abandoned.

[7] Many contacts of course take place now on a bilateral basis, but at some point there must be real value in eliciting their explicit sanction by the Soviet Union.

[8] This is not the concept of "linkage" introduced by President Nixon; instead, the emphasis would be on the method of involving Western Europeans, not on typing agreement at SALT to a resolution of specific European problems.

[9] MBFR along the Central Front, without the emergence of firm political understandings between the United States and Soviet Union about, for example, Yugoslavia, or the Middle East, may actually require greater United States naval forces in the Mediterranean, and perhaps greater emphasis on the ACE Mobile Force, to offset the loss of forces on the Central Front that now could be used in these other strategic contexts. And for countries like Yugoslavia, a properly prepared European Security Conference would become even more important, as a way of extending political understandings. From Belgrade's point of view, MBFR negotiations taking place by themselves (from which the Yugoslavs would be excluded) would be of no value whatsoever and might even be seen as dangerous. Unless these negotiations were firmly imbedded in a European Security Conference, or were closely linked to one, Yugoslavia and the other neutrals would be isolated.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. INOUYE). Is there further morning business? If not, morning business is concluded.

RURAL DEVELOPMENT ACT OF 1972

Mr. TALMADGE. Mr. President, I ask unanimous consent that the Chair lay before the Senate the unfinished business.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which the clerk will state.

The legislative clerk read as follows:

S. 3462, to provide for the development of rural areas.

The Senate resumed the consideration of the bill.

Mr. MILLER. Mr. President, I send to the desk a series of amendments and ask that they be stated.

The PRESIDING OFFICER. The amendments will be stated.

The legislative clerk proceeded to read the amendments.

Mr. MILLER. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendments will be printed in the RECORD.

The texts of the amendments are as follows:

On page 95, between lines 23 and 24, insert the following:

"SEC. 909A. Sec. 309(a) is amended by inserting in paragraph (5) after 'to pay' the following: ', for contract services,' "

"SEC. 909B. (a) Section 307(a) is amended by inserting before the period at the end the following: ', and borrowers under this title shall prepay to the Secretary as escrow agent such taxes and insurance as he may require, on such terms and conditions as he may prescribe'.

"(b) Section 309(f)(2) is amended by—

"(1) striking out 'the interest' and inserting in lieu thereof 'amounts';

"(2) changing 'prepayments' to 'payments' in all three places; and

"(3) inserting after 'until due' the following: 'or until the next agreed annual or semi-annual remittance date'."

Page 96, between lines 2 and 3, insert the following:

"SEC. 910A. Section 331 is amended by adding at the end a new paragraph as follows: '(g) Not require borrowers to pay interest accrued after December 31, 1972, on interest in any loan held or insured by the Farmers Home Administration'."

"SEC. 910B. Sec. 331(b) is amended by inserting before the semicolon, the following: ', and make contracts for services incident to making, insuring, collecting, and servicing loans and property as determined by the Secretary to be necessary for carrying out the purposes of this Title;' "

Page 99, amend section 309A(g)(2), as added by section 911 of S. 3462, as follows:

"(1) In line 8, strike out 'the interest' and insert in lieu thereof 'amounts';

"(2) Change prepayments' to 'payments' in lines 10, 12, and 13; and

"(3) In line 14, insert after 'until due' the following: 'or until the next agreed annual or semi-annual remittance date'."

Page 100, lines 4 and 5, amend Section 309A(g)(6) as added by section 911 of S. 3462, by deleting the words "or property appraisals" and inserting in lieu thereof, the following: "expenses for necessary services, including construction inspections, commercial appraisals, loan servicing, consulting business advisory or other commercial and technical services, and other program services,"

Page 100, line 12, amend section 309A(g)(6), as added by section 911 of S. 3462, by inserting before the semicolon at the end thereof the following: ", or in connection with grants and any other activity authorized in this title".

Mr. MILLER. Mr. President, this amendment is really a series of technical amendments which I propose to offer en bloc. It is a series of perfecting amendments which have been requested by the Farmers Home Administration.

These amendments have been worked up by the committee staff, coordinated with the chairman and the staff of the committee and, to my knowledge, there is no objection to any of them. They are purely technical.

Mr. TALMADGE. Mr. President, will the Senator from Iowa yield?

Mr. MILLER. Yes indeed.

Mr. TALMADGE. I have examined the amendments. As the Senator from Iowa has stated, they have been requested by the department and I think they will improve the bill. I have no objection to them and would urge the Senate to adopt them.

Mr. MILLER. I thank my colleague. If he will indulge me, just for the record, I should like to explain them.

They have as their purpose the clarification of the authority of Farmers Home Administration to contract for services and to pay the cost thereof and to modernize the handling of its loan instruments.

Farmers Home Administration presently originates and services all its loans, both direct and insured. With the spectacular growth in its lending operations, the paper work involved in servicing its mortgages has grown to be such a massive clerical job that it is diverting Farmers Home loan personnel from their primary job of providing credit services to rural people.

The agency proposes to contract with commercial lenders and others to help with its expanding work volume; and, the 1973 budget now before the appropriations committees contains $10 million in new administrative money for contract purposes.

One of the best prospects for contracting is with private banks and other mortgage lenders in the small towns of rural America to handle monthly collections on mortgage loans. Such an arrangement would be beneficial to both the Farmers Home Administration and to the commercial lender. It would relieve Farmers Home of routine clerical functions. It would give the local bank the opportunity to get acquainted with the FHA borrower and to attract new customers.

The agency is exploring other opportunities for contracting for services such as fee appraisals, building inspections, and other commercial services.

To facilitate Farmers Home's efforts to make best use of the private sector through contracts and to modernize its note handling operations, I propose this series of amendments to both the Consolidated Farmers Home Administration Act and to the new Rural Development Insurance Fund provisions in S. 3462 as follows:

First, to clarify the Secretary's authority to contract for services;

Second, to authorize the collection of insurance and taxes in the monthly mortgage payment and to permit the Secretary to pay noteholders annually or semi-annually even though payments are made by borrowers monthly;

Third, to modify outstanding loan contracts to provide that interest on late payments would be calculated on a simple interest basis rather than a penalty interest basis.

Fourth, to use fees and charges authorized in the section to pay for contract services, insured loan activity, and other;

Fifth, to permit the Secretary to pay noteholders annually or semi-annually even though payments are made by borrowers monthly.

These amendments to the basic authorities of the Farmers Home Administration will provide it with more flexible authorities to carry out the expanded programs authorized in the Rural Development Act.

I recommend their adoption by the Senate.

Mr. President, I thank my colleague from Georgia for his gracious comments with respect to these amendments.

Mr. President, I yield back the remainder of my time.

Mr. TALMADGE. Mr. President, I yield back the remainder of my time.

Mr. MILLER. I ask unanimous consent that the amendments be agreed to en bloc.

The PRESIDING OFFICER (Mr. ROBERT C. BYRD). Without objection, the amendments are considered and agreed to en bloc.

Mr. TALMADGE. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time used therefor be equally divided between both sides.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 1139

Mr. INOUYE. Mr. President, I call up my amendment No. 1139 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read the amendment as follows:

Title II, page 108, line 17, add the following new section:

SEC. 924. Subtitle A is amended by adding at the end thereof after section 310B as added by section 912 hereof, a new section as follows:

"SEC. 310B. For the purposes of title V of the Housing Act of 1949, as amended, a guarantee of payment given under the color of law by the Department of Hawaiian Home Lands (or its successor in function) shall be found by the Secretary reasonably to assure repayment of any indebtedness so guaranteed.".

Mr. INOUYE. Mr. President, I offer at this time an amendment to the Rural Development Act of 1972, that will rectify a situation that has been a source of frustration to lessees of Hawaiian homestead lands. At the present time, two Federal laws operate, together, to adversely affect the rural dwellers of Hawaiian ancestry. The benefits of the Federal loan programs that were specifically designed to give them financial assistance are not available to them at a time when they sorely need the funds.

In 1920, Congress enacted the Hawai-

ian Homes Commission Act, to preserve the native Hawaiian race, raise their standard of living, provide them the means to a better livelihood, and generally improve the quality of life for the Hawaiians. The major feature of this legislation was homesteading, whereby those of Hawaiian ancestry were encouraged to settle on specific plats of land. The law prohibited these Hawaiian families from acquiring title to the lands that they occupied. More importantly, and relative to the issue that this amendment addresses, these Hawaiians were prohibited from mortgaging their homesteads.

Since the enactment of the 1920 law, the lands have been administered by the Hawaiian Homes Commission. The leaseholds can be conveyed by a lessee only with the approval of the commission and only to a family member who can meet the blood qualifications. Due to these strict limitations, these Hawaiians have never been able to acquire any equity that would constitute security for a mortgage agreement.

Moreover, under the provisions of the Housing Act of 1949, which established home loan programs, a mortgage on fee simple real estate is required before a loan can be transacted with the Farmers Home Administration.

Thus the lessees of the Hawaii Home Lands have continually been informed by the administrators of these programs that they are ineligible for financial assistance due to their lack of security or collateral. This adverse administrative determination excludes Hawaiian homesteaders from one of the most important sources of rural housing loans.

This amendment, a relatively simple one, would rectify the present situation by releasing the homesteaders from a trap that was inadvertently set by legislative oversight. With this amendment, the Hawaiian homesteader can acquire the states, as a borrower, that all other rural dwellers in this country already have.

Today, the State of Hawaii through its Department of Hawaiian Home Lands, is ready, willing and able in appropriate cases to provide, in lieu of real estate mortgages on fee simple land, a guarantee that the borrowing Hawaiian homesteaders will repay loans authorized and approved by Federal agencies. The loan guarantee limit is $20,000.

My amendment to the act would require the Secretary of Agriculture to accept a loan repayment guarantee by the Department of Hawaiian Home Lands of the State of Hawaii as security for a rural housing loan on land under the Hawaii department's jurisdiction which cannot be encumbered by a mortgage.

It is my belief, Mr. President, that the purpose and effect of this amendment is in complete accord with the purposes of the major bill before us: to extend financial assistance to rural Hawaiian residents for the construction, improvement, alteration, or repair of dwellings, and related facilities that they so sorely need.

Mr. President, I ask unanimous consent that my senior colleague, Senator FONG, be added as a cosponsor.

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

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. INOUYE. I am happy to yield to the distinguished Senator from Georgia.

Mr. TALMADGE. Mr. President, does this relate exclusively to housing loans administered by the Farmers Home Administration under title V of the Housing Act of 1949?

Mr. INOUYE. Mr. President, this applies to the Farmers Home Administration.

Mr. TALMADGE. Mr. President, the Senate Committee on Agriculture and Forestry has unanimously reported previous bills relating to a similar matter, farm owner-operator loans under the Farmers Home Administration Act. The Senate has agreed to them, and they have become law. Special provision is needed, because the Hawaiian Homes Commission Act prevents the homesteaders from acquiring title to Hawaiian homestead lands or giving a valid mortgage. The amendment provides that the guarantee of a State agency will serve as an adequate substitute for a mortgage in these cases.

Mr. INOUYE. The Senator is correct.

Mr. FONG. Mr. President, I urge my colleagues to support the amendment offered by my colleague from Hawaii (Mr. INOUYE) and myself which adds a new section, section 924, to the bill on page 108, line 17.

This amendment would require the Secretary of Agriculture to accept a guarantee by the Department of Hawaiian Home Lands of the State of Hawaii as security for a rural housing loan on lands under such Department's jurisdiction on which a mortgage cannot legally be given. Under the Hawaiian Homes Commission Act, a State law, a mortgage on Hawaiian Home Lands cannot legally be given to any person or organization except a native Hawaiian.

Lands under the jurisdiction of the Hawaiian Homes Commission by State law can be leased in the first instance only to "native Hawaiians," meaning descendants of the Polynesian Hawaiians who settled in Hawaii before 1778.

In addition, the Hawaiian Homes Commission Act, in section 208(5), prohibits the transfer to, or mortgage, pledge, or otherwise holding for the benefit of any person or group or organization of the lessee's interest in the land except a native Hawaiian. Also, with some expectations, such interest cannot be subject to attachment, levy, or sale upon court process.

However, the act further provides that the Department of Hawaiian Home Lands "may assure the repayment of loans to lessees from governmental agencies where such loans have been approved by the department," up to the limits provided in the act. Under present State law, the limit on guaranteed home loans is $10,000. But under a bill just passed by the Hawaii State Legislature and sent to the Governor, this limit would be increased to $20,000.

Because of the restrictions in the Hawaiian Homes Commission Act, the Farmers Home Administration has not extended loans to these lessees. The proposed amendment to the rural development bill would provide a means by which lessees of Hawaiian Home Lands could qualify for rural housing loans.

This would be accomplished by requiring the Secretary of Agriculture to accept a guarantee by the State of Hawaii Department of Hawaiian Home Lands. Under the bill just passed by the State legislature, the amount of funds authorized to the Department which could be used for guaranteeing home loans to Hawaiian Home Land lessees would be doubled.

Gov. John A. Burns of Hawaii yesterday by cable assured me that his administration and the State legislature are in favor of the pending amendment.

There is also broad support in the Hawaiian community for this amendment. I have been contacted by a number of Hawaiian organizations urging support of this language, which was included by the House of Representatives as part of H.R. 12931, Rural Development Act of 1972, which passed the House on February 23 this year. H.R. 12931 is similar to the Senate bill (S. 3462), to which our amendment is offered.

This amendment seeks to remedy an inequity falling on descendants of the Polynesians inhabiting Hawaii prior to 1778, an inequity resulting from a State law governing land leases to these people. The amendment would protect the interest of the Federal Government in its rural housing loans at the same time that the amendment would make it possible for lessees of Hawaiian Home Lands to qualify for Farmers Home Administration housing loans.

Mr. President, I urge my colleagues to support this amendment.

Mr. TALMADGE. Mr. President, I have examined the amendment. The senior Senator from Iowa (Mr. MILLER), the ranking minority member of the committee, and I both think that it should be agreed to.

Mr. INOUYE. I yield back the remainder of my time.

Mr. TALMADGE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Hawaii.

The amendment was agreed to.

Mr. TALMADGE. Mr. President, the Senator from Louisiana desires to be recognized for the purpose of offering an amendment.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

AMENDMENT NO. 1120

Mr. ELLENDER. Mr. President, I send to the desk amendment No. 1120 and ask that it be stated.

The PRESIDING OFFICER (Mr. INOUYE). The amendment will be stated.

The legislative clerk read as follows:

Strike out all of title 1, page 1, line 5, to page 89, line 17, and renumber succeeding titles, sections, and cross-references accordingly.

Mr. ELLENDER. Mr. President, it is not my purpose to take much time to ex-

plain the pending amendment. The amendment strikes out title I of the bill.

I regret having to oppose that portion of the bill. I think the record will show that I was the only Senator who voted against the measure. I did so because title I of the bill would create a vast new bureaucracy with the supposed purpose of assisting rural development by duplicating and undercutting all of the other agencies we have doing that work now.

Mr. President, as I see it, there is absolutely no need for another huge bureaucracy at this time. The seed money for this bank would be furnished by the Government at the rate of $200 million a year over a period of 10 years, or an aggregate of $12 billion for the entire 10 years. This seed money would be used by this new bank to make loans to construct facilities designed to create employment within certain areas.

This bank will not be under the direct control of Congress, but will have a Federal charter. It will have the right to loan as much as $40 billion based on its original capitalization.

Mr. President, over my entire Senate career I have encouraged the Congress to adopt legislation that would help to assist rural areas. I fostered laws aimed at farm problems, and at bringing about general improvement in rural life. Unfortunately, two bills that I introduced in 1966 and 1967, as will appear in the RECORD, were passed by the Senate but were not considered by the House. They were aimed specifically at helping to bring about rural community development. That legislation was S. 2934 of the 89th Congress, and S. 645 of the 90th.

It was my intention to provide ways and means of assisting the local people to develop rural areas. It was my aim to help the local people help themselves. I was confident that, if jobs could be provided, our young people, growing up in the country, would prefer to settle near their homes and not flood into the cities.

The bill I introduced had as its main objective the creation of development areas or districts within a State. The people who were to administer the program would be elected officials within the several parishes or counties that would be organized into a district. Then the Federal Government would come into the picture by paying part of the moneys necessary in order to prepare plans indicating what the resources of that particular area were, so that the information could be disseminated throughout the country as an attraction to business.

Although the bill that I introduced was passed by the Senate on two occasions but failed in the House, certain Government agencies have copied from that bill almost the same idea; that is, they are promoting ways and means by which large industries—and, in fact, the public as a whole—could be apprised of the needs of a certain area, and also of what the resources of a particular area are.

We now have the program that is conducted by the local people, which in my opinion, is very effective. I have many instances I could present to the Senate. Only a short time ago there was constructed in one of our parishes an industry that employs around 800 to 900 people. That was done through the assistance of the Economic Development Administration. We have had similar small business established throughout the State through the use of the available programs. These businesses were established by virtue of work done by the local people. We received assistance from existing agencies that permitted the local people to provide certain programs that were necessary in order to attract businesses.

I may say that in most cases when a new industry comes into being they like to know what the transportation system is, the water system, the sewage system. At the suggestion of those in charge of fostering businesses for certain areas, the local officials apply, let us say, to the Farmers Home Administration. That is one agency that has been very helpful in providing funds to correct certain problems existing in a locality where businesses desire to locate.

The Farmers Home Administration assists farm production directly and also provides recreation and soil improvement loans. In addition, loans are made to public and nonprofit associations for water supply and waste disposal improvement. Grants are also available for this purpose through the FHA. Rural housing is assisted, and watershed improvement and flood prevention loans are available. Resource development grants are made. All of these make it attractive to companies or people who are desirous of opening up new businesses in the area. Technical assistance for comprehensive planning is provided in cooperation with the Department of Housing and Urban Development. That is in line with the bills I referred to a moment ago which were reported from the Committee on Agriculture and Forestry in 1966 and 1967.

Mr. President, I have an exhibit here which is a detailed presentation of the assistance programs of the FHA. I am not going to attempt to read them all, but this exhibit indicates the areas in which the Farmers Home Administration is involved. There are many ways in which farmers and others in rural areas, can obtain this assistance to improve the conditions of their everyday life.

Under the Farmers Home Administration we have, of course, farmers' ownership loans. Those are to broaden the scope in farming and provide for all sorts of ways and means of improving farms. We have recreation loans which can be made in order to make an area more attractive for the people. We have soil and water loans to individuals which are provided. Loans are made to public and nonprofit associations for the effective development and utilization of water supply and waste disposal systems, and the improvement of land by soil and water conservation facilities and practices.

Oftentimes when an individual or company desires to locate in a certain area the first request is, "Do you have sufficient water there, and can it be readily used? What about your sewage system?" Things of that kind are asked. The FHA has in the past contributed considerably to many of these areas and as a result of that the conditions of life were improved.

There are several others which can provide assistance and enhance living conditions in rural areas.

Mr. President, I ask unanimous consent that the exhibit and summary of agencies assisting rural areas from which I have just been reading be printed in the RECORD at this point.

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

SUMMARY OF GOVERNMENT AGENCIES' EMPLOYMENT AND BUDGET DEVOTED TO ASSISTING RURAL AREAS

1. *Farmers Home Administration.* FHA assists farm production directly and also provides recreation and soil and water improvement loans. In addition, loans are made to public and non-profit associations for water supply and waste disposal systems improvements. Grants are also available for this purpose through the FHA. Rural housing is assisted. Watershed improvement and flood prevent loans are available. Resource development grants are made. Technical assistance for comprehensive planning is provided in cooperation with the Department of Housing and Urban Development.

Exhibit I is a detailed presentation of all these programs.

Exhibit I(a) provides a breakdown of the loans and grants made by the FHA for the last two fiscal years with an estimate for fiscal '73.

It is estimated that in fiscal '73, the FHA will make $3.2 billion in loans available for applicants for all purposes. It is also estimated that $51.2 million will be made available for grants. The grand total in loans and grants for FY 73 will be $3,275,592,000. This compares with $2,411,584,000 made available in FY 71.

As of March 31, 1972, there are 7,544 employees in the FHA. Of these 265 were in Washington, 472 at the Computer Center in St. Louis, and 6,817 were employed as field personnel in the State and County offices.

2. *Farm Credit Administration.*

In the 12 district offices of the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, there are 1,830 employees.

In the local Production Credit Associations, there are 6,845 employees.

In the Farm Credit Administration itself, there are 220 administrative employees.

Total: 8,895.

Administrative costs of the FCA amount to $128.4 million annually. In the current year, loans amounting to $17 billion will be made.

The Farm Credit Administration is now totally privately financed by its members and receives no Federal funds.

The Farm Credit system operates on sound banking principles. Yet it required about 30 years to move away from government subsidy.

3. *Economic Development Administration.* One of the purposes of EDA is to promote balanced national growth. Efforts are made through it to improve life in rural communities and help small towns achieve some of the advantages of cities. It does this through making technical assistance and planning grants available to development districts.

It provides public works grants and loans to enable areas to build public facilities and provides basic services necessary for economic growth and community development.

Business loans and capital guarantees are made to help business men expand industries and generate new jobs.

In support of its programs, extensive research is carried out to identify causes of economic distress and determine ways in which Federal development activies can be made more effective.

EDA sponsors multi-county economic development districts which assist small communities to work together. Locally elected officials and civic and business leaders in neighboring counties are encouraged to pool their resources to bring economic growth.

In fiscal 72, the EDA budget was $284,355,000.

As of March 31, 1972, there were 897 full-time employees.

4. Small Business Administration.

The SBA assists business men with no primary regard to location. There are no current figures available on the amount of SBA assistance made available to rural areas. A study has been conducted on the breakdown between rural and urban areas for the fiscal years 1968, 1969 and 1970. In 1970, 769 Small Business loans were made in rural areas. The total amount of these was $9,238,000, of which the SBA share was $8,812,000. In 1968, 4,909 loans were made, of which the SBA share was $5.2 million out of a total of $5.5 million made available.

In fiscal 1972, there were 4,019 employees on board the SBA.

5. Department of Housing and Urban Development.

In fiscal 1970, HUD's total outlays for housing programs amounted to $10,057,900,000, Of this total $2,166,100,000, or 21.5 per cent, went for assistance to rural areas.

Even in the categories classified as urban development, funded at a level of $1,649,200,000, 28.3 percent of that amount went to improve conditions in rural areas. These activies include comprehensive planning, water and sewer facilities grants, open space land programs, neighborhood facilities grants and some urban renewal as well as public facilities loans.

6. Health, Education and Welfare.

In HEW for fiscal year 1971, total outlays amount to $52.6 billion. Of this amount, it is estimated that $20.2 billion, or 38.5 percent, went to rural areas.

7. In a soon to be released study of the amount of Federal monies going to rural areas in selected programs, the record is shown as follows:

In fiscal 1970, in the agencies included in the study, $159.96 billion was expended. Of this amount $54.726 billion went to rural areas, or 34.2 percent of the total.

For fiscal year 1971, the total outlays were $178 billion, of which $61.5 billion, or 34.5 percent, went to rural areas.

FARMERS HOME ADMINISTRATION PURPOSE STATEMENT

The Farmers Home Administration, established November 1, 1946, by the Farmers Home Administration Act of 1946, conducts the following activities:

1. *Farm ownership loans.* Loans are made to farmers and ranchers for acquiring, enlarging, or improving farms, including dwellings and farm buildings; land and water development, use and conservation; forestry development; recreational facilities; the development of nonfarm enterprises on farms; refinancing indebtedness, and for loan closing costs. Loans are limited to farms which are not larger than family farms and cannot exceed the normal value of the farm or $100,000, whichever is the lesser. The loan limitation includes the unpaid indebtedness against the farm or other security. Loans are repayable in not more than 40 years and bear interest not in excess of 5 percent. Loans may be made simultaneously with loans made for authorized farm ownership purposes by private long-term lenders. Insured loans are made from the Agricultural Credit Insurance Fund for sale to private lenders. Payments of principal and interest to the lenders are fully guaranteed. The Administrator services these insured loans, makes collections, and pays the lenders.

2. *Recreation loans.* Loans are made to farmers and ranchers for converting all or a portion of the farms or ranches they own or operate as outdoor income-producing recreation enterprises which will supplement or supplant farm income and permit carrying on sound and successful operations. Recreation loans to individuals are insured on the same basis as insured farm ownership loans.

3. *Soil and water loans to individuals.* Loans are made to farmers, ranchers, and nonoperator owners for land and water development, use and conservation. Direct land conservation and development loans are made in the Appalachian region to establish and carry out land stabilization, conservation and erosion control practices. Loans may be made on farms of any size. A loan cannot exceed the normal value of the farm or $100,000, whichever is the lesser. The loan limitation includes the unpaid indebtedness against the farm or other security. Loans are repayable in not more than 40 years and bear interest not in excess of 5 percent. Soil and water loans to individuals are insured on the same basis as insured farm ownership loans.

4. *Loans to associations.* Loans are made to public and nonprofit associations for the effective development and utilization of water supply and waste disposal systems and for the improvement of land by soil and water conserving facilities and practices. Loans to associations also may be made for shifts in land use, including grazing, the development of recreational facilities and for irrigation development. Loans to associations are authorized in designated areas to repair or replace certain public facilities damaged or destroyed by a major disaster. Association loans may be made to serve residents of open country and rural towns and villages of not more than 5,500 population, which are not part of an urban area. The unpaid principal indebtedness of a loan, together with the amount of any grant assistance, is limited to $4,000,000. Loans are repayable in not more than 40 years and bear interest not in excess of 5 percent. Association loans are insured on the same basis as insured farm ownership loans.

5. *Indian tribe land acquisition loans.* Loans are made to qualified Indian tribes or tribal corporations to acquire land or interests in land within the tribes' reservation or Alaskan Indian community, as determined by the Secretary of the Interior. These loans are insured on the same basis as insured farm ownership loans.

6. *Grants for the preparation of comprehensive plans which coordinate the development of water and waste disposal systems in rural areas.* Planning grants are made to public bodies such as counties, townships, planning commissions, and similar units of government, and such other agencies as may have authority to prepare such official comprehensive plans. The amount of each grant will be limited to the actual expense for the preparation of the plan which is outside the normal budget of the recipient organization.

7. *Grants for water and waste disposal development.* Development grants are made to associations, including corporations operating on a nonprofit basis, municipalities, and similar organizations, generally designated as public or quasi-public agencies, that propose projects for the development, storage, treatment, purification, and distribution of domestic water or the collections, treatment, or disposal of waste in rural areas. Development grants to associations also are authorized in designated areas, under limited conditions, to repair or replace certain public facilities damaged or destroyed by a major disaster. Grants may not exceed 50 percent of the development cost of the projects and supplement other funds borrowed or furnished by applicants to pay development costs. No grant may be made which, together with any unpaid principal loan indebtedness of any association owed to the Farmers Home Administration, would exceed $4,000,000 at any one time.

8. *Operating loans.* Loans are made to farmers and ranchers for costs incident to reorganizing a farming system for more profitable operations; for a variety of essential farm expenses such as purchase of livestock, farm equipment, feed, seed, fertilizer, farm supplies, and other essential operating expenses, including cash rent, and costs incident to the production and harvesting of forestry products; for financing land and water development, use and conservation; for recreational uses and facilities; for costs incident to nonfarm enterprises on farms; for refinancing indebtedness; for other farm and home needs; and for loan closing costs. Loans are confined to operators of not larger than family farms. The outstanding principal loan balance for operating loans is limited to $35,000. Loans bear interest at a rate based on the average rate paid by the U.S. Treasury on obligations with a similar maturity period. The rate for the 1972 fiscal year is 6⅜ percent. Loans may be scheduled for payment over periods from 1 to 7 years depending on loan purposes. In some situations, they may be renewed for not more than 5 additional years. Loans are secured by crop and chattel liens and, when necessary, by real estate mortgages. Other reliable agricultural credit sources are encouraged to furnish as much as possible of the essential needs of loan applicants with the balance being supplied with operating loan funds from the Farmers Home Administration.

9. *Emergency loans.* Loans are made in designated areas where a natural diaster has caused a general need for agricultural credit. The former statutory emergency loan requirement of inability to obtain credit elsewhere was suspended by Public Law 91-606, approved December 11, 1970, for loans made before the end of the first full operating year following the disaster. Thereafter, however, applicants must be unable to obtain credit elsewhere in order to qualify for additional emergency loans based on the same disaster. Emergency loans are made to eligible established farmers, ranchers or oyster planters, and to private domestic corporations or partnerships engaged primarily in farming, ranching or oyster planting. Emergency loans are made primarily for financing farm operating needs, family living expenses, and a number of closely related purposes. Loans bear interest at a rate determined monthly not in excess of 6 percent and are repayable over periods not longer than regular loans made by the Farmers Home Administration for similar purposes. Loans may be made outside of designated emergency areas under certain conditions to persons or corporations who have suffered severe production losses not general to the area as a result of a natural disaster, or to persons who are indebted for emergency loans made under prior authorities. Public Law 91-606 authorized loans in areas where the President has declared a major disaster, with special provisions for refinancing real estate debts under restricted conditions, for cancellation of a portion of principal up to $2,500, and for deferment of interest and principal payments up to three years on loans for other than operating expenses. Under Public Law 92-173, approved November 24, 1971, emergency loans may be insured on the same basis as insured farm ownership loans.

10. *Rural housing loans.* Insured building loans to individuals are made to enable eligible applicants in rural areas to construct, improve, alter, repair or replace dwellings and essential farm service buildings. Loans may include funds to buy a house, building site

and farm service buildings. If the borrowers are persons of low or moderate incomes, and if their need for necessary housing cannot be met with financial assistance from other sources, including assistance available under section 235 of the National Housing Act, the insured loans made by the Farmers Home Administration in fiscal year 1972 will bear interest at 7¼ percent with provision for interest credits up to 6¼ percent under certain circumstances. Such loans may not exceed amounts necessary to provide adequate housing, modest in size, design and cost. Building loans are made to farm owners, owners of other real estate in rural areas, others who are or will become rural residents, and long-term leaseholders. These loans are repayable in not more than 33 years. Loans are limited to rural areas which include towns, villages or other rural places with a population up to 10,000 inhabitants. Insured rural housing loans are made from the Rural Housing Insurance Fund for sale to private lenders. Payments of principal and interest to the lenders are fully guaranteed. The Administration services these insured loans, makes collections and pays the lenders.

Insured natural disaster loans are made at a rate determined monthly not in excess of 6 percent for not more than 33 years to provide for repair or replacement of farm or rural dwellings, farm service buildings and related facilities damaged by a natural disaster.

Direct repair and improvement loans of $2,500 or less are made at one percent interest for not more than 10 years only to very low-income families who are owners of farms or nonfarm rural property to repair or improve their dwellings and essential farm buildings in order to make them safe and sanitary or to remove health hazards to the families or the community. Such loans which involve water supply, septic tanks, or bathroom and kitchen plumbing facilities may be made in amounts not in excess of $3,500.

11. *Insured rural rental and cooperative housing loans.* Insured loans are made to individuals, corporations, associations, trusts, or partnerships to provide moderate cost rental or cooperative housing and related facilities for elderly persons and other persons of low or moderate income in rural areas. These loans are repayable in not more than 50 years and bear interest in fiscal year 1972 at 7¼ percent with provision for interest credits up to 6¼ percent under certain circumstances. These loans are made only if the need for necessary housing cannot be met with financial assistance from other sources, including assistance available under section 236 of the National Housing Act. No loan may exceed $750,000. Loans are limited to rural areas which include towns, villages or other rural places with a population up to 10,000 inhabitants. Rural rental and cooperative housing loans are insured on the same basis as insured housing loans to individuals.

12. *Farm labor housing loans.* Insured loans are made to a farm owner, to a public or private nonprofit organization or to a nonprofit organization of farmworkers incorporated within a State to provide modest living quarters, basic household furnishings, and related facilities, including land necessary for an adequate site, for domestic farm labor. These loans are repayable in not more than 33 years and bear interest not in excess of 1 percent. Farm labor housing loans are insured on the same basis as other insured rural housing loans.

13. *Financial assistance to a public or broad-based private nonprofit organization or to a nonprofit organization of farmworkers incorporated within a State for low-rent housing and related facilities for domestic farm labor.* Grant assistance, not to exceed 90 percent of the total development costs, is provided for new structures or rehabilitation of existing buildings suitable for dwelling use by domestic farm labor. Funds also may be used for essential related facilities such as dining halls, community rooms or buildings, infirmaries or other essential services, including basic household furnishings. These grants may be made simultaneously with farm labor housing loans.

14. *Financial assistance to local organizations to promote mutual or self-help housing.* These grants are especially designed to aid the development of mutual or self-help housing programs under which groups of families build their own homes by mutually exchanging labor. Grants are used to provide technical and supervisory assistance to families who build their homes by the self-help method.

15. *Loans for purchase and development of land to be subdivided into building sites* and sold on a nonprofit basis to low-income families or to organizations for rental or cooperative housing. Site loans are insured on the same basis as insured rural rental and cooperative housing loans. Direct site loans are made at 3 percent interest for a two-year period to develop building sites for sale in connection with self-help projects. Insured loans are made at 7¼ percent interest in fiscal year 1972 for a two-year period.

16. *Watershed works of improvement and flood prevention loans* to sponsors of projects approved for operation by the Soil Conservation Service. Direct loans are made to local organizations for installing, repairing or improving works of improvement and water storage facilities, purchasing sites for rights-of-way and for related costs. Watershed works of improvement and flood prevention loans are repayable in not more than 50 years at an interest rate based on the average rate paid by the U.S. Treasury on obligations of similar maturity. The rate for the 1972 fiscal year is 3.502 percent. Total loans outstanding on any one project may not exceed $5,000,000.

17. *Resource conservation and development loans* to sponsors of projects approved for operation by the Soil Conservation Service. Direct loans are made to local organizations and individuals for planned measures and works of improvement as specified in approved work plans. Resource conservation and development loans are repayable in not more than 30 years, with repayment of principal and interest deferred up to 5 years, if necessary. Loans bear interest at a rate based on the average rate paid by the U.S. Treasury on obligations of similar maturity. The rate for the 1972 fiscal year is 3.502 percent.

18. *Grants* may be made from funds from the Appalachian Regional Commission, the Department of Commerce, or the Department of the Army to supplement the water and waste disposal loans and grants made for development costs by the Farmers Home Administration.

19. *Technical assistance for comprehensive planning* is provided, in cooperation with the Department of Housing and Urban Development, regarding establishment of nonmetropolitan districts and the carrying out of comprehensive planning in such districts.

Technical guidance in planning and carrying out sound operations is provided borrowers on the basis of their individual problems and needs. *No loan is made to anyone who can secure adequate credit from other sources at reasonable rates,* except for certain initial emergency loans. A local county or area committee of 3 is generally required to approve each applicant and each loan or grant.

On July 1, 1971, the Administration was servicing the accounts of about 548,000 individual borrowers and 7,500 association borrowers serving aproximately 1,800,000 families with principal indebtedness of $7,869,000,000. Under the program direction of the Washington headquarters, this service was provided through 42 State offices, a National Finance Office in St. Louis, Missouri, and approximately 1,750 county offices utilizing the services of about 3,200 supervisors and 7,500 local committeemen.

EXHIBIT I(A)

FARMERS HOME ADMINISTRATION—OBLIGATIONS FOR ALL LOAN AND GRANT PROGRAMS

[Dollars in thousands]

Type of loan	1971 actual	1972 estimate	1973 estimate
Farm ownership loans:			
Direct	$5,437		
Insured (regular)	259,658	$340,000	$340,000
Insured (including non-farm enterprise)	3,341	10,000	10,000
Subtotal, farm ownership loans	268,436	350,000	350,000
Recreation loans (individuals):			
Direct			
Insured	1,090	2,000	1,500
Subtotal, recreation loans (individual)	1,090	2,000	1,500
Land conservation and development loans (Appalachia) (direct)	13	100	
Soil and water loans (individuals):			
Direct	2,563		
Insured	4,744	4,000	3,000
Subtotal, soil and water loans (individual)	7,307	4,000	3,000
Association loans:			
Water and sewer systems:			
Direct	$30,097		
Insured	231,607	$300,000	$300,000
Subtotal	261,704	300,000	300,000
Irrigation and drainage:			
Direct	900		
Insured	408	1,000	1,000
Subtotal	1,308	1,000	1,000
Grazing:			
Direct			
Insured	6,947	5,000	4,000
Subtotal	6,947	5,000	4,000
Recreation facilities:			
Direct			
Insured	1,632		500
Subtotal	1,632		500
Indian tribe land acquisition loans:			
Direct			
Insured	5,000	10,000	10,000
Subtotal	5,000	10,000	10,000

Footnotes at end of table.

EXHIBIT I(A)—Continued

FARMERS HOME ADMINISTRATION—OBLIGATIONS FOR ALL LOAN AND GRANT PROGRAMS—Continued

[Dollars in thousands]

Type of loan	1971 actual	1972 estimate	1973 estimate
Association loans—Continued			
All association loans:			
Direct	$30,997		
Insured	245,594	$316,000	$315,000
Subtotal	276,591	316,000	315,500
Farm operating loans (direct)	275,000	275,000	275,000
Rural housing building loans (individual):			
Direct	11,283	10,000	10,000
Insured	1,356,485	1,555,000	2,059,000
Subtotal, building loans (individual)	1,367,768	1,565,000	2,069,000
Rural rental housing loans:			
Direct	1,151		
Insured	25,637	35,000	70,000
Subtotal, rural rental housing loans	26,788	35,000	70,000
Rural housing site loans:			
Direct (self-help land development fund)	150	1,225	900
Insured	1,459	5,000	5,000
Subtotal, rural housing site loans	1,609	6,225	5,900
Farm labor housing loans (insured)	474	10,000	10,000
Emergency loans:			
Direct	127,636	30,000	[1] 500
Insured		110,000	100,000
Subtotal, emergency loans	127,636	140,000	100,500
Watershed works of improvement loans (direct)	$6,758	$5,000	$20,000
Flood prevention loans (direct)	228	400	400
Resource conservation and development loans (direct)	1,959	3,300	3,600
Loans to individuals (OEO) (direct)	2,439		
Loans to cooperatives (OEO) (direct)	1,033		
Total, direct loans	466,647	325,025	310,400
Total, insured loans	1,898,482	2,387,000	2,914,000
Total loans	2,365,129	2,712,025	3,224,400
TYPE OF GRANT			
Water and sewer grants:			
Planning	2,643	2,000	2,000
Development	41,355	40,000	40,000
Subtotal, water and sewer grants	43,998	42,000	42,000
Farm labor housing grants	736	3,767	5,463
Mutual and self-help housing grants	1,721	2,450	3,729
Total, grants	46,455	48,217	51,192
Grand total, loans and grants	2,411,584	2,760,242	3,275,592

[1] For security servicing.

FARMERS HOME ADMINISTRATION—NUMBER OF LOANS AND GRANTS FOR ALL PROGRAMS

Type of loan	1971 actual	1972 estimate	1973 estimate
Farm ownership loans:			
Direct	$200		
Insured (regular)	10,614	$13,730	$13,275
Insured (including nonfarm enterprise)	142	370	365
Subtotal, farm ownership loans	10,956	14,100	13,640
Recreation loans (individuals):			
Direct			
Insured	43	80	60
Subtotal, recreation loans (individuals)	43	80	60
Land conservation and development loans (Appalachia) (direct)	9	100	
Soil and water loans (individuals):			
Direct	423		
Insured	872	800	600
Subtotal, soil and water loans (individuals)	1,295	800	600
Association loans:			
Water and sewer systems—			
Direct	201		
Insured	1,136	1,740	1,935
Subtotal	1,337	1,740	1,935
Irrigation and drainage:			
Direct	4		
Insured	13	24	24
Subtotal	17	24	24
Grazing:			
Direct			
Insured	50	48	50
Subtotal	50	48	50
Recreation facilities:			
Direct			
Insured	34		8
Subtotal	34		8
Indian tribe land acquisition:			
Direct			
Insured	5	50	50
Subtotal	5	50	50
All association loans:			
Direct	205		
Insured	1,238	1,862	2,067
Subtotal	1,443	1,862	2,067
Farm operating loans (direct)	42,180	42,800	40,900
Rural housing building loans (individual):			
Direct	$6,397	$8,700	$8,700
Insured	107,067	112,800	138,300
Subtotal, building loans (individual)	113,464	121,500	147,000
Rural rental housing loans:			
Direct	12		
Insured	410	600	1,190
Subtotal, rural rental housing loans	422	600	1,190
Rural housing site loans:			
Direct (self-help land development fund)	4	31	22
Insured	18	63	65
Subtotal, rural housing site loans	22	94	87
Farm labor housing loans (insured)	13	105	105
Emergency loans:			
Direct	19,804	4,380	
Insured		16,220	14,300
Subtotal, emergency loans	19,804	20,600	14,300
Watershed works of improvement loans (direct)	28	25	85
Flood prevention loans (direct)	3	7	7
Resource conservation and develop. loans (direct)	30	50	53
Loans to individuals (OEO) (direct)	1,336		
Loans to cooperatives (OEO) (direct)	33		
Total direct loans	70,664	56,093	49,767
Total insured loans	120,417	146,630	170,327
Total, loans	191,081	202,723	220,904
TYPE OF GRANT			
Water and sewer grants:			
Planning	175	140	140
Development	625	630	630
Subtotal, water and sewer grants	800	770	770
Farm labor housing grants	4	16	21
Mutual and self-help housing grants	15	24	37
Total, grants	819	810	828
Grand total, loans and grants	191,900	203,533	220,922

Mr. ELLENDER. Mr. President, after all, the virtue of these programs is that the local people handle them. The local people try to take care of their own problems. They give of their time in order to establish businesses that will in turn employ many rural people, and thereby keep them occupied where they live so that they will not drift into the larger cities.

I think these programs as well as the programs of other agencies have been very effective up to now. To simply create a new banking agency with 10 regional banks that can obtain Government funds with cut rates of interest, will be very costly to the Federal Government.

As I indicated a while ago, the recipients of this method of financing can get, aside from the loans asked for, a certain amount of money which is set aside, separate and apart from the seed money of the banks, whereby some of these industries can be subsidized at Government expense. Not only can they be subsidized by the furnishing of funds—the total would be $100 million—in order to build certain enterprises, but they can also receive a subsidy on interest. In other words, the going rates of interest can be cut back, and good old Uncle Sam will absorb the difference.

It is my belief that such a bank is not necessary at this time at all. As I said, it is going to be a severe drain on the Federal Government which is already in a bad way financially.

I am not going to go into details, but I am sure all Senators are familiar with the financing problems of our Government. As chairman of the Appropriations Committee of the Senate, I have examined into many problems that have arisen in the last few years in respect to our finances.

For the information of the Senate, the last time I looked at our debt figure, I think it was in excess of $435 billion. Come June 30 this year, that debt will be increased to as much as $450 billion.

As one looks over the fiscal year 1973 budget, it will be found that there is an admission on the part of the administration that the deficit will be in excess of $23 billion or $24 billion, but that is only the unified budget deficit. If we take into consideration the administrative budget, I venture to say that, unless things improve quickly, the deficit will be in excess of $45 billion.

By June 30, 1973, our debt may be almost half a trillion dollars. The carrying charge on that huge sum will be about $23 or $25 billion, merely to pay the interest on our debt.

To saddle our Government with the creation of a new institution, a bank, in order to foster small businesses throughout the country will be very expensive. My fear is that much loss will come to the Government.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CURTIS. I might add to what the Senator from Louisiana has said that the Small Business Administration is doing a great deal in rural development. Not only does it have the lending service directly, but authority to participate in the creation of investment companies for the promotion of industry, and that is done right along in the small communities and rural areas.

I happen to know also that within the last year a very small community in my State established a concern that is manufacturing housing material and also building houses. This was established in an Indian community. The agency that financed it was the Small Business Administration.

I cite that for the reason that I doubt very much if we need an additional agency in this field.

Mr. ELLENDER. Mr. President, a moment ago I mentioned, as a part of my remarks, the names of these various agencies and how they operate.

As I say, I have had reports from my State which indicate that practically every parish in the State is now a part of these development districts that have been organized and created under the law by the local people.

Local people get together, and they get information as to conditions within their respective areas, and they work up to the point where they can provide good water, good transportation, good housing, sewage plants, and various other facilities that are needed if a business is to be established within the area.

As I said, under the procedures we now have, the local people, through their own work, through their own efforts, get together in my State, and I am sure in the Senator's State, too—in fact in practically every State in the Union. Assistance is obtained from existing agencies, the Small Business Administration, the EDA, and the Farmers Home Administration have aided in doing the things necessary to bring small business there.

As I say, Mr. President, for us now to create a huge bureaucracy which can, in the next few years, involve expenditures for our country of as much as $40 billion, should not even be considered at this time. I am very hopeful, Mr. President, that my amendment will prevail.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, since the first day I came to the Senate I have been associated with the senior Senator from Louisiana. I associate myself with him now in his effort to make of this bill, S. 3462, a law which will truly benefit American agriculture and American rural life.

No Member of this body knows agriculture better than the senior Senator from Louisiana. He not only knows American agriculture in all its 50 States; he knows agriculture in virtually every country in the world, and how to work with agricultural interests in every other country in the world.

He has been a humanitarian Senator, too. He was the original sponsor of the food stamp program, which I believe was a year or two before I came to this body. He is the father of the school breakfast and school lunch programs. He was a coauthor of Public Law 480, which passed Congress in 1954 and which has resulted in virtually eradicating famine as is was previously known in most parts of the world. He is the author of the Community District Development Act.

But in spite of all his consideration for people who needed his help, whether on the farms, in the towns, in the cities, or in foreign countries, he has insisted upon getting full value for every dollar expended. He has not always been successful in doing that, but he has insisted on it. As chairman of the Committee on Agriculture and Forestry over these many, many years, he not only had the smallest staff of any committee of the Senate, but I say without hesitation one of the two or three most efficient staffs of the entire Senate.

I would just like to say that the Senator from Louisiana has explained this bill better than I can do. I am not going to waste time on it. But I do want to say that not only the Senate but this country needs more men of the caliber of ALLEN ELLENDER of Louisiana, and we need him for a long time to come.

The Senator has explained a part of this bill which he believes to be undesirable, and which I, too, believe is undesirable. I do not favor downgrading the agencies of our Government which have done such excellent work up to this time by establishing a new, overall banking organization which would engulf them, and heaven knows what the ultimate cost to the country might be, or the ultimate responsibilities might be. I think the Farmers Home Administration has done remarkably well, particularly in the last few years since we have given it additional authorization and something to work with. It has not done all it could because Congress has not let it do all it could. Now, I believe, they are in a position to do better work than they have ever done before. A few years ago, we gave them the authority for administering the rural water and waste disposal program. I believe the State of Mississippi has benefited more from that program through the Farmers Home Administration than any other State, and Texas second, but every State in the Union has now felt the beneficial effect of that legislation.

I say we have other agencies, too, that have done excellent work. The Farm Credit Administration—why should we create opposition, as there certainly would be, opposition of a political nature? I am not speaking of Democrats and Republicans, either, but it would still be of a political nature. In fact, the bank proposal which the Senator from Louisiana would now like to strike from this bill was first proposed, I believe, when Orville Freeman was Secretary of Agriculture. It did not get anywhere at all. They could not convince him that it was good to downgrade these other agencies and set up something overall, when we did not know what it might develop into.

We have the Farmers Home Administration. We have the Extension Service, which has done excellent work. We have the resource conservation, and development program, which I know from experience has done splendid work in developing rural areas and increasing the incomes and standards of living of the people who live there.

We have the agricultural conservation program, which is now going under the

name of, I think it is, REAP, whatever those letters mean. We have the Soil Conservation Service and the Farm Credit Administration, with the Production Credit Associations, which have now been eminently successful.

We have the Small Business Administration, which for the last 2 years has gone into the same work which it would be expected to share with or subordinate to the new monolithic bank proposal contained in title I of this bill, and I will say now that Housing and Urban Development, HUD, is working in concert with them.

Why do we want to break up and downgrade these agencies of Government which have done excellent work? I say that we should approve the amendment of the Senator from Louisiana—the great Senator from Louisiana, if I may add that—and upgrade these agencies which are all prepared to handle this work if given the opportunity and the means.

Many parts of this bill are excellent. They ought to be approved. They will improve rural living in this country. They will improve the status of the farmer in the United States. But let us not slap down those agencies of Government which have done excellent work by authorizing something that in the future—the not distant future—would be expected to downgrade their good work and their endeavors.

I compliment the Senator from Louisiana again.

Mr. President, I ask unanimous consent to have my individual views on this bill printed at this point in the RECORD.

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

INDIVIDUAL VIEWS OF MR. AIKEN

The Rural Development Act of 1972 contains a number of important provisions which should be enacted into law if rural life is to have modern and efficient economic and social attractions.

Title II is especially important for it contains broad new powers which are critically needed if the Farmers Home Administration is to become a central source of credit and grant funds for the wide range of development projects which our rural areas require.

The bill also contains important new provisions for Federal cost-sharing to improve water quality, and provide technical assistance in solving problems of land management and agricultural waste control. Closely linked to these are additional provisions for rural fire protection and Federal cost-sharing for rural municipal, industrial and community water supply needs.

These sections of the bill were originally contained in S. 2981 which I introduced with the Chairman of the Committee and 69 other cosponsors. They would allow for effective expansion of our Small Watershed Program and Resource Conservation and Development projects.

Another section of considerable merit authorizes special technical assistance for small marginal farms and would allow the establishment of a nationwide Farm Family Program similar to the highly successful program which has been developed as a national pilot program in Vermont over the last three years.

These important provisions are, however, jeopardized by Title I, which would not be in the bill and which, if retained, might very well block any hope for enactment of the desirable provisions of the bill.

Title I should be dropped as it duplicates and overlaps the new FHA functions provided in Title II. It would establish a massive new untried banking system which would compete not only with private banks but with FHA as well. As an independent agency it would escape the normal budgetary and personnel ceilings and would set its own interest rates.

It could become a second market for obligations. It would set its own loan terms and conditions. The Secretary could insure or guarantee its obligations with the full faith and credit of the Federal Government. The bank could accept deposits and pay interest on them like any normal bank.

It could become a bonanza for political patronage as it has 10 regional appointed boards of directors and one Federal board of directors, each consisting of 12 members.

The proposed banking system would not be required to pay Federal income taxes on its earnings. The system would consist of a Federal bank, 10 regional banks and hundreds of local district banks. Practically any institution would be eligible to become one of its district banks.

The banking system would also have funds to subsidize the construction of bank buildings, operation costs and interest without limit. This subsidy is such that it could reward inefficiency.

The Senate should strike Title I and insist on the expansion of FHA and other existing credit agencies to perform the credit functions needed for rural development.

There are certain other provisions of the bill, such as the revenue sharing proposal, with which I am not fully satisfied at this time. With the exception of Title I, however, to which I am completely opposed, other provisions of the bill can be taken up in Conference with the House and modified or deleted if it is found advisable.

GEORGE D. AIKEN.

Mr. ELLENDER. I thank the Senator from Vermont for his kind remarks.

Mr. President, this huge bank would overlap much of what is now being done. As I understand title II of this bill, some programs can be undertaken under that title which are included in title I. As I have said, it is a duplicating effort.

All my life I have lived on the farm. I have been raised in rural areas. I think I understand their problems. If we have to beef up some of the programs we now have, I would much prefer doing it that way than to create a huge monster, as I call it, of a banking institution that would have the capability within the next 10 years of saddling the Government with debts of $40 billion.

I wish to read an excerpt that I received recently with regard to the proposal we are now discussing:

The rural development credit system would be given extraordinarily broad powers to formulate its own programs and to finance broadly defined rural development projects.

That is what we are trying to do now through the people living in the various regional areas that are created under the present law.

The statement of program purpose would authorize a credit system to engage in virtually any commercial or community undertaking which it feels in its judgment would contribute to rural development. The credit system would be given blank check authority to finance its activity by direct borrowing from the Treasury and through the use of the full-faith-and-credit powers of the Federal Government to back its credit sales in the central money market.

This combination of authorities would have the effect of taking the credit system out from under the disciplines of the Federal budget. The credit system would be virtually an autonomous entity, able to chart its own course in program administration and to finance these programs outside of the budget. The appropriations authorized for this title include——

I have already stated the $200 million annually for 10 years, which can be multiplied by 20 over the next 10 years. There is $100 million annually for grants; $26 million annually for research and scientific study; $5 million as initial capital to the Secretary of Agriculture for a revolving fund to guarantee the loans; any other sums necessary to carry out the title.

It is apparent from the language in this bill that the sky would be the limit. I do not want to be a party to any program that gives so much power to just a few people and is able to obtain from the Treasury credit to the tune of $40 billion within the next 10 years, and then these additional sums of $100 million a year in order to contribute grants for these new industries.

Aside from that, as I have just stated, the interest rates, although fixed at the beginning of a loan, can be subsidized if it is found that the businesses do not prosper as well as anticipated. So that with this title, as I said earlier, the sky would be the limit, and there is no telling what the results would be within the next 10 years.

In addition, I am convinced that adoption of this section of the bill—title I—would be to the actual detriment of our farmers, who are still the backbone of our rural communities. I say this because the money to fund this bank would have to be taken from existing Federal programs that have proved very successful and beneficial to our farmers, consumers, and rural and urban dwellers alike.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. MILLER. I yield myself such time as I may require.

The PRESIDING OFFICER (Mr. CHURCH). On the bill?

Mr. MILLER. How much time remains on the amendment, Mr. President?

The PRESIDING OFFICER. The Senator from Georgia has 90 minutes. He has not used any of his time. The Senator from Louisiana, on the other side, has 49 minutes remaining on the amendment.

Mr. MILLER. Mr. President, will the Senator from Louisiana yield me such time as I may require? I understand that he has 49 minutes remaining.

Mr. ELLENDER. I yield 10 minutes to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 10 minutes.

Mr. MILLER. I thank the Senator from Louisiana.

Mr. President, I am hopeful that Congress will have a rural development bill ready for the President's signature within a short period of time.

However, I must say I share the view of our colleagues who serve on the Com-

mittee on Agriculture in the other body with regard to the form this legislation should take.

The report accompanying H.R. 12931, which has been adopted by the House, states:

The Committee, in considering rural development, had the option of either creating a new Federal bureaucracy or expanding the roles of existing Federal agencies now engaged in some form of rural development.

The Committee chose the latter course because, through the years, two agencies of the Department of Agriculture have long performed vital services to rural areas in which their programs operated. These agencies, the Farmers Home Administration and the Soil Conservation Service, have an effective network of offices and personnel throughout rural America.

The report continues:

In most instances, these employees know the problems of rural people and are in touch with the conditions of farmers and other rural residents.

The Committee feels that it is both more logical and far wiser to utilize the facilities of these agencies, bearing in mind that it would be mandatory to give added personnel and expertise to these agencies to perform these new roles.

Mr. President, I have taken the liberty of quoting from this report at such length because it coincides with the views I have expressed previously on the floor of the Senate and during committee consideration of this legislation and my additional views on pages 134 and 135 of the committee report.

I ask unanimous consent that an excerpt from page 134 of the committee report be printed in the RECORD.

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

Title I would create an entirely new rural development banking system, modeled after the Farm Credit System, while the Farm Credit System was designed to deliver relatively small loans to a relatively large number of borrowers in a fairly homogeneous farming industry, the rural development banking system would likely make a small number of relatively larger loans to borrowers in a wide variety of non-farming, commercial industries and for community facilities. (See USDA Report—page 94).

The new credit system would be composed of a complicated new bureaucracy for loan-making purposes. This approach has several built-in disadvantages including: requiring a long time to establish an effectively operating organization; being expensive to operate, thereby using up funds that could be more profitably used for rural development; creating new national, regional, and some new local lending agencies with little or no lending experience; and being likely to make a larger than normal number of mistakes during its early years which might harm the entire rural development effort.

An even more serious set of difficulties arises with the subsidy provisions of the rural development banking systems. This would allow interest subsidies to private businesses which obtain loans from the system and are unable to repay at the market rate of interest. In the case of community facilities, loans could be augmented by grants.

The interest subsidy would be available only to firms locating in areas which have had a net loss of population. This would have the effect of encouraging only marginal firms to locate in those areas, because only those firms which are unable to pay full interest on their loans would be entitled to subsidies.

This "selection of the weakest" process could weaken, rather than strengthen, the rural economy.

Although the rural development banking system is billed as a "hard credit" bank, the interest subsidies and grants add to its duplication of other programs authorized in the bill. In addition, there would be created an insurance fund through which the Secretary of Agriculture may guarantee loans made by the credit system. This creates additional duplication of Farmers Home Administration programs.

Mr. MILLER. Mr. President, this also accords with the views expressed by the Department through a letter I have received from the Honorable Earl L. Butz, Secretary of Agriculture, dated April 17, 1972, which I ask unanimous consent to have printed in the RECORD.

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

DEPARTMENT OF AGRICULTURE,
Washington, D.C., April 17, 1972.

Hon. JACK MILLER,
U.S. Senate,
Washington, D.C.

DEAR JACK: It has come to my attention that there is some confusion with regard to the Administration's position on the Rural Development Act of 1972 (S. 3462).

In 1971, and again this year the President sent special rural development messages to Congress proposing rural community development revenue sharing and government reorganization as means of creating a new partnership between all levels of government to assure rural Americans "a full share in the nation's prosperity and growth. . ."

We are concerned with the overlap and duplication which are inherent in Titles I and II of S. 3462. Title I would create a new "Rural Development Banking System" which could make loans for any purpose that would enhance rural communities or rural areas as a place to live or make a living.

Title II would authorize Farmers Home Administration to guarantee loans made by private financial institutions for any purpose which would enhance rural communities or rural areas as a place to live or make a living.

We believe that the creation of a new federal bureaucracy in addition to the already existing delivery system of Farmers Home Administration is wasteful and detracts from the real goal—to help develop rural America. In addition, we believe the duplication of effort between the new banking system, Farmers Home Administration, Small Business Administration, and the Economic Development Administration would create a competitive situation which could permanently damage the efforts to develop rural America.

I hope you will urge your colleagues to strike Title I when this legislation comes before the Senate.

Sincerely,

EARL L. BUTZ,
Secretary.

Mr. MILLER. Mr. President, there is little doubt that should title I become law, there will be a new bureaucracy created, whether federally supported or not. This would undoubtedly lead to an expensive "shakedown" period and consequent delays and inefficient use of financing promptly needed for rural development.

Some of my colleagues have predicated their support of title I upon the premise that a borrower-owned rural development banking system would not be subject to Federal budget constraints.

However, as long as any Federal capital remains in the bank, the bank's lending would have to compete with other Federal program priorities. It would not be free of budget constraints.

There are two other provisions in title I, Mr. President, which, in my opinion, add to its duplication of title II by authorizing the rural development banking system to place a great deal of financial reliance upon the Federal Government through the Secretary of Agriculture.

First, there is authorized within title I a $5 million Federal contribution to a revolving fund. The Secretary of Agriculture could use this fund to insure loans made by the rural development banking system.

Although the bill does not specifically spell out exactly how this revolving fund would work, I believe it is logical to assume that Farmers Home Administration would be given administrative authority with regard to this revolving fund. This would mean that FHA would be given the job of liquidating any insured banking system loans which become in default.

This renews the question: Why create a new bureaucracy with the authority to pass on its bad loans to the Government and at the same time give Farmers Home Administration the authority to make exactly the same type of loans?

Another section of title I also gives the Rural Development Banking System more of the characteristics of a government agency than a borrower-owned financial institution. Section 313 of this title authorizes the Secretary of Agriculture to "guarantee the timely payment of principal and interest on such obligations as shall be issued by the Federal agency on behalf of the regional banks or other institutions of the rural development credit system."

There is little doubt in my mind that the major investors of the Nation would purchase the obligations of this proposed new rural development banking system without the security of a Federal guarantee.

With this information, I do not see how anyone can call the rural development banking system—borrower-owned.

It may be argued that the President's task force on rural development urged the creation of such a financial institution. I would like to quote the exact language of the task force report on this subject:

The Task Force recommends a new credit institution to provide rural areas with greater access to private capital. This institution—to be named the Rural Development Credit Bank—should be structured in law as a wholly new title in an amendment to the Farm Credit Act.

I would point out that efforts to give the farm credit system authority to make rural development loans were rebuffed during last year's discussion on amendments to the Farm Credit Act. It was representatives of the farm credit system who objected to giving the system such new authorities, as recommended by the task force.

As I stated in my earlier remarks on

the bill, the authorities granted Farmers Home Administration in title II are a great step toward the goal of providing the capital needed to help make the countryside a better place to live and work.

Accordingly, I shall support the amendment of the Senator from Louisiana, and I thank him very much for yielding me this time.

Mr. TALMADGE. Mr. President, I yield 5 minutes to my distinguished colleague from Georgia (Mr. GAMBRELL).

The PRESIDING OFFICER (Mr STEVENSON). The Senator from Georgia is recognized for 5 minutes.

Mr. GAMBRELL. Mr. President, I thank my distinguished senior colleague from Georgia, the chairman of the Committee on Agriculture and Forestry, for yielding to me for this brief period, during which I wish to address my remarks to the pending bill and, in particular, to the amendment proposed by the Senator for Louisiana (Mr. ELLENDER).

I plan to offer a more extended statement in the RECORD in support of the legislation itself, but would like to take this opportunity to commend my colleague from Georgia (Mr. TALMADGE) and also the Senator from Minnesota (Mr. HUMPHREY) for the outstanding work they have done in developing this legislation.

Mr. President, I have frequently described the State of Georgia as the rural capital of the United States and possibly of the world.

Georgia is distinguished by its great amount of open space, its clean air, and its abundant supply of water. Its natural resources are outstanding, as are its human resources—its people. They are outstanding for the tremendous potential for development of their own economic lives.

In addition, there are a number of areas in Georgia which lead in the field of rural development.

Let me mention some of them briefly.

The city of Alma in Bacon County, and Bacon County itself, are the leading rural model cities under the Model Cities Act in the country. Alma and Bacon County represent the most successful model cities development in the United States—a city of somewhere around 3,000 to 4,000 people in a county of somewhere around 17,000 to 18,000 people.

In Tifton, Ga., the University of Georgia system has a rural development center of which there is nothing like it in the country under either governmental or academic sponsorship.

The Agriculture Committee and the Subcommittee on Rural Development have visited both of these places during the preparation of this legislation.

The State of Georgia leads in area planning development. It is more thoroughly covered by area planning commissions than any other State in the country.

Recently, in Berrien County, Future Farmers of America chapter, the young men of that county were awarded a national first prize sponsored by the Department of Agriculture in the area of what is called "Build Our American Communities"—the BOAC program, so that the State of Georgia leads in rural development in many ways.

With reference to title I, my experience as a practicing lawyer in Georgia over the past 20 years has been devoted to a large extent to municipal and industrial development financing. I have had experience, on an almost daily basis, in dealing with rural communities throughout Georgia in the consideration of their plans and needs in community development and in industrial development. I know what their problems are. I know the barriers they have faced.

I know, as the opponents or the proponents of the Ellender amendment have stated, that the communities are poor credit risks, that the possibility of setting up such a system is subject to any number of objections; but I would say that the reasons in favor of developing this program as proposed in title II by far outweigh the objections.

Of course, I was not here at the time, but I suppose the same objections were made against the REA, the same objections were made to the Production Credit Association legislation, the same objections were made to the Federal land bank legislation, the same objections were made to the Farm Home Administration and, in fact, I have no doubt the same objections were made to the Federal Deposit Insurance Corporation. Yet all of these agencies have been vital to the development not only of the rural areas but also of the developments of entire communities.

We are not talking about something for the farmer. We are talking about something for the United States. We are talking about a way to encourage people to stay in rural areas and create economic opportunities and create opportunities for a better life in areas that have been described as poor credit risks.

Mr. President, if we were to treat everyone who could borrow money in the bank as a poor credit risk and unworthy of the concern of our Government, we would be in bad shape in this country.

Mr. President, I can prove that a dollar spent in this fashion in Alma, Ga., is more economically spent, man for man, woman for woman, and child for child, than any dollar spent in Atlanta, Chicago, New York, or in any other large metropolitan community in the country.

It is a boon to the self-help that the people in the rural areas are willing to give themselves. It is an investment and not an expense. It is an investment in an area of our country that is most vital, most productive, and most economical and has the most potential of any of our great areas of our country.

Mr. President, I support and intend to vote for title I and for the pending bill.

I thank the Senator for yielding to me to make these remarks.

Mr. TALMADGE. Mr. President, I thank my distinguished colleague from Georgia.

Mr. President, I yield myself such time as I may use.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. TALMADGE. Mr. President, I have the highest personal regard for the senior Senator from Louisiana. I have served in the committee under his chairmanship for 13 years. I know of his devotion to rural America and the great contributions he has made to our country. I dislike to find myself on opposite sides from him. However, under these conditions I have no other choice.

Mr. President, it is imperative that the Senate reject the pending amendment, an amendment to delete title I of S. 3462.

This amendment would eliminate the most important part of the comprehensive system of credit which would be established by the pending legislation. By eliminating the rural development banking system, the advocates of this amendment would insure that most applicants for loans in rural areas will fare no better than they do under the present system.

This is the case because the rural development banking system which would be established under S. 3462 would be needed to provide the bulk of the financing for rural development.

The sponsors of the pending amendment maintain that the Farmers Home Administration can do the job. However, if they would take a quick look at the past record and present activities of the Farmers Home Administration, they would realize that this could not, that this will not be the case.

Presently the Farmers Home Administration is one of the most overworked agencies in all the Federal Government, the Farmers Home Administration has taken on a great many added responsibilities in recent years, but little added personnel.

The Farmers Home Administration is unable to do an adequate job of processing loan applications it receives from applicants for farm loans, housing loans, and community facility loans. Currently, the Farmers Home Administration is attempting to find relief from its burgeoning administrative caseload in the rural housing program by arranging to pay fees to private construction inspectors and appraisers and by making fee arrangements with private lending institutions to pay for loan servicing. Presently these tasks are performed by the Farmers Home Administration personnel.

Mr. President, the advocates of the pending amendment have charged that they are opposed to the rural development credit banking system because they are opposed to setting up a huge new Federal bureaucracy. However, they have ignored the fact that the credit banking system to be established by title I would be a borrower and investor-owned banking system. It would be a banking system that would depend on existing financial institutions—the local rural banks. The new employees that would be required would be employees of the borrower-owned credit system rather than Federal employees. The Farm Credit Administration which made over $13.66 billion of loans in fiscal year 1971 has only slightly more than 200 Federal employees. The rural development credit banking system is modeled after the farm credit system. It, too, would be borrower owned. It, too, would have a minimum of Federal employees.

On the other hand, the Farmers Home Administration, which made $2.4 billion

of loans in 1971, had over 8,000 Federal employees. As I stated earlier, these employees are overworked and unable to handle the present workload. Any increase in responsibility can mean only one of three things:

First, that the Farmers Home Administration will provide poorer service to its present borrowers—especially its farmers and its rural housing applicants; or

Second, that the Farmers Home Administration will not utilize the authority of this act to make additional rural development loans; or

Third, that the Farmers Home Administration will require thousands of new employees.

Mr. President, none of these alternatives is acceptable to me.

It was never the thought of the authors of title I of the pending bill that the Farmers Home Administration could be utilized to provide the bulk of the credit for rural development purposes. At the time this bill was written, I realized that to place such a responsibility on the Farmers Home Administration would mean an army of new Federal employees. I immediately rejected this approach for I have always felt that the Federal bureaucracy is becoming too large and too unwieldy. I would never be an advocate of adding thousands of additional employees to the Federal payroll. For this reason, I joined in introducing legislation which would meet the credit needs of rural America through a system to be owned, controlled, and staffed by the people whom the system would serve.

Mr. President, the opponents of title I have attempted to defeat it by saying that it is overlapping and duplicative of title II. Nothing could be further from the truth. The rural development credit bank would be no more overlapping with the Farmers Home Administration under the pending bill than would the Farm Credit Administration overlap the Farmers Home Administration under present law.

On the contrary, the Farmers Home Administration would be used to complement the lending activities of the rural development credit banking system in much the same way that the Farmers Home Administration complements the Farm Credit Administration today. In other words, borrowers who were unable to qualify for the hard credit under the rural development credit banking system would go to the Farmers Home Administration as a creditor as last resort.

Mr. President, the opponents of title I have used the shotgun approach in speculating and articulating their opposition. They have said that the rural development credit banking system would be expensive to operate, that it would make a larger than normal number of mistakes during its early years, and that it would take too long to establish. Each of these arguments is fallacious and invalid.

The credit banking system would not be expensive to operate, for most of the operating costs would be paid by borrowers in interest payments. In fact, it would be less expensive to operate than the Farm Credit Administration because of the larger than average size of loans.

The argument that the new lending agency would have little or no experience and that it would make a larger than normal number of mistakes is particularly misleading. It is misleading because the Rural Development Credit Banking System would depend for its success on the institutions which have a great deal of experience in lending operations—the local rural banks in the areas to be served.

In addition, the pending bill provides for numerous safeguards to insure sound financial management. The rural development credit system would be subject to the supervision of the Farm Credit Administration with respect to all procedures relating to financial examinations, including audits. A report of each annual audit of the rural development credit system would be made to the President and to the Congress. Also each institution of the rural development credit system would be subject to audit by the General Accounting Office at such times and to such extent as the Comptroller General would determine.

For those who contend that a rural development credit banking system would take too long to establish, I would say only that this is all the more reason for immediate passage and implementation of the pending bill. The establishment of the credit banking system need take no longer than President Nixon wants it to take. If he desires to put the full force of the executive branch behind the implementation of this program, results can be achieved in the immediate future. However, intentional foot dragging and stalling by the executive branch could cause serious delays.

The Rural Development Bank to be established under title I was bipartisan in origin just as it would be bi-partisan in operation. The bank was recommended by a very distinguished panel, the President's task force on rural development. In the task force report, "A New Life for the Country," it is stated on page 26:

> The Task Force recommends a new credit institution to provide rural areas with greater access to private capital. This institution—to be named the Rural Development Bank—should be structured in law as a wholly new title in an amendment to the Farm Credit Act.

That is exactly what our committee did, except that we did not put it in the farm credit system because the Farm Credit Administration did not desire it there. But it is patterned after that system, and it is largely identical in structure, purpose, and powers. That agency has been successful. It loaned almost $14 billion last year. The Federal Treasury does not have one dime in it. It has been completely repaid to the Government in full with interest. That is what we are trying to do in title I.

The distinguished Senator from Kansas (Mr. PEARSON), introduced the first rural development bank bill during this Congress, S. 742. The committee has made good use of Senator PEARSON's suggestions, as well as the recommendations of the President's task force.

I would point out that there is not one single dissent in the recommendations of the President's task force; it was unanimous. Two of these men who made this report are in the Department of Agriculture today. They did not dissent at that time. They have changed their minds since that time. They are now on the Federal payroll, and they are under the Secretary of Agriculture. Of course, they have the right to change their minds once they get on the Federal payroll.

Mr. President, there has been too much talk and too little action on rural development for some years now. All of us like to talk about the virtues of rural living, the joys of the wide open spaces, the superior quality of life which can be enjoyed in the crime-free, pollution-free environment of rural America. We all deplore the continued population pressures that rural outmigration puts on our overcrowded metropolitan areas.

Now we have a chance to do something about it. We have a choice between two courses of action:

First, either we can put a few patches on our present inadequate system of rural development incentives; or

Second, we can enact a comprehensive program which will provide the credit, the financing, and the incentives that are needed to rebuild rural America.

The passage of the pending amendment would cut the heart of the rural development bill. It would eliminate the promise of this bill and reduce it to an inadequate patchwork of amendments.

Mr. President, the question on the pending amendment is whether we are going to give rural Americans continued lipservice or whether we are going to give them the tools necessary to rebuild our countryside. We have had too much rhetoric for too many years.

Mr. President, what the committee is trying to do in title I is to do for the vast areas of this country that have been losing job opportunities, that have been losing skills for more than 50 years, what our Government has been doing on a worldwide basis since the conclusion of World War II. Let me give a few facts.

We are asking that there be created a redevelopment bank for rural America. We have at least seven different international organizations to do things throughout the length and breadth of the world but I would be laughed off the Senate floor if I seriously proposed them for my State of Georgia. What is the first one? The International Bank for Reconstruction and Development. Do you know how much our Government put into it?—$6.350 billion. All we are asking you to do is to put up $200 million in a rural development bank for Americans.

What is the next item? The International Finance Corporation.

We have put into that organization $35.168 million.

What is the next one? The next one is the International Development Association. We have put into that international bank $952 million-plus.

What is the next one? The Inter-American Development Bank. We have put into that organization $2.974 billion.

We have created an Asian Bank; we have created an African Bank.

In those six banks I have mentioned, we have put in to date $10,510,979,000 to do overseas what our committee is asking you to do in the United States of America

That is not all. In addition to that we have created the Export-Import Bank. We have put over $12 billion in that bank. When you add the total we have put over $22 billion since the conclusion of World War II in international banks to try to do things overseas—in Africa, in Asia, and throughout the world—that we are trying to do in rural Missouri, rural Nebraska, rural Oklahoma, rural Iowa, rural Louisiana, rural Alabama, and rural Georgia.

Most of the rural counties of this Nation have been losing population? What happened? There has been no job opportunity. People pull up stakes; they move to Kansas City, they move to St. Louis, they move to New Orleans, they move to Philadelphia, they move to Chicago. When they get there many of them do not have the skills or the educational ability to live in metropolitan life and many of them wind up on relief or welfare. Three generations of them in many instances have never known any way of life except welfare.

They migrate from rural America to our seething urban areas. We have an urban crisis. Mr. President, do you know how much money we have spent on the urban crisis? We have spent $160 billion. The urban crisis is worse today than it was before we spent the first dollar. Many areas of our country are great urban centers which have become unlivable and ungovernable because they are teeming with masses of people that do not pursue productive lives and who live on welfare.

Many of them have drifted off into crime and narcotics. They have created problems in pollution, housing, and congestion. You name it—they have it. Why is that? Because over 70 percent of the people in the United States of America live on less than 2 percent of our land, and nature has rebelled against it.

I found out as a farmer that you could have too many plants on an acre of land. I found out you could have too many trees on an acre of land. I found out you could have too many animals on an acre of land. Somehow, nature rebels against it. Yet we have in our great metropolitan areas today public housing, with sometimes 20,000 people living in one building, and all of them on welfare. Go in there and what do you find? You find a jungle that is ungovernable and unlivable.

If we want that to continue, all we have to do is sit down and do nothing. Strike title I. Continue to send rural Americans to the teeming cities. Continue to crowd our cities. Continue to add to our urban crisis. If all that continues and our problems continue to be compounded in the next 20 years as they have in the last 20 years, I have grave doubts that our republican form of government can survive.

We are already 50 years late in getting started. We have not done what we should. England and the Scandinavian countries have done a much better job than we have done. Israel, particularly, has done a better job than we have. When Israel got its independence 23 years ago, it had a population of 600,000. Today the population is 2.8 million. The population has increased almost 500 percent in 23 years' time. Most of that population went there by migration. Many of them were well educated. Many were well trained. Many of them were highly motivated. But that was not true of all of them. Some of them came from some of the most backward areas in the world—Yemen, Africa, and some Asian countries. Some of them could not even read or write their names. As soon as they got there they were put into what we call vocational or technical schools and they were taught to do something useful. They were supported until they could do something useful. Then when they learned something useful, they were sent to some of their new cities and communities and farms, and today they are useful citizens.

If our country had grown as fast as Israel has over the past 23 years, we would have a population of over 1 billion at the present time.

The time has come for us to act, and not to continue just with lip service. We have a bill here that is comprehensive. It has eight titles. All of them are interrelated. Every one of them is trying to improve the quality of life in the whole United States—not just rural America, not just urban America, but all America. What affects New York City affects south Georgia. What affects south Georgia also affects New York City.

If we do not stabilize the population of this country, obtain some sort of balance in the population of this country, some sort of balance in job opportunities in every area of this country, we will continue to have this mass migration, with teeming millions in the congested cities, many or all of them on welfare, many drifting into crime, adding to pollution, congestion, welfare, creating more and more problems for metropolitan America.

What we are trying to do here is not dam up the stream at the end of the line. We are trying to dam up the stream where it originated. The urban crisis did not originate in New York or Philadelphia or Chicago. That crisis originated in Nevada, Oklahoma, Louisiana, Missouri, Alabama, Georgia, and Iowa, where those people originally lived; and when the job opportunities were not there, they had to move.

I am asking the Senate to help us solve this great crisis.

I yield now to the Senator from Alabama (Mr. ALLEN) such time as he may desire.

Mr. ALLEN. Mr. President, I thank the distinguished Senator from Georgia for yielding to me, and I commend him on the outstanding speech that he has made and the outstanding leadership that he has exerted in the committee, in the field, and on the floor of the Senate, in bringing the bill to the point where we are about ready to act on the very heart of the bill.

Mr. President, the bill (S. 3462) is an original bill coming from the Committee on Agriculture and Forestry. It is based on S. 2223, which contained titles I and II as now appearing in S. 3462. Fifty-one Senators were cosponsors of S. 2223.

I ask unanimous consent that a list of the cosponsors of S. 2223 be inserted at this point in the RECORD.

There being no objection, the list of cosponsors of S. 2223 was ordered to be printed in the Record, as follows:

LIST OF COSPONSORS

Mr. Humphrey and Messrs. Talmadge, Aiken, Allen, Anderson, Bayh, Bellmon, Bentsen, Bible, Burdick, Byrd of West Virginia, Cannon, Church, Cooper, Cranston, Eastland, Ervin, Fulbright, Gambrell, Gravel, Harris, Hartke, Hollings, Hughes, Jackson, Jordan of North Carolina, Jordan of Idaho, Kennedy, Magnuson, Mansfield, McClellan, McGee, McGovern, McIntyre, Metcalf, Mondale, Moss, Muskie Nelson, Pearson, Pell, Randolph, Ribicoff, Sparkman, Spong, Stennis, Stevens, Stevenson, Tunney, Williams, and Young.

Mr. ALLEN. Mr. President, I rise in opposition to the amendment proposed by the distinguished Senator from Louisiana (Mr. ELLENDER) to strike title I from this bill.

If this amendment is accepted we will have cut the heart out of this bill and have turned our backs on thousands of communities and millions of people in rural America. All of the work in developing this legislation over the past year and all of the fine speeches that have been made in these chambers and elsewhere about how we want to help renew the promise and potential of rural America, will all have been for naught if this title is deleted from the bill.

Dropping this title from the bill would amount to writing off rural America as some kind of "basket case" to be helped only through periodic intravenous feedings of Federal dollars through Federal agencies by Federal bureaucrats. Of course, the problem with that approach is when the Federal doctor gets the least bit ill himself or gets busy with other things, he may be forced to "pinch off" that feeding, which may not only increase the patient's discomfort, but may eventually kill him altogether.

Surely, we do not want to turn rural America into that kind of patient. We have already been guilty of subjecting this part of our Nation to an attrition process which has drained it of most of its people and its promise. Let us finally begin the job of doing some "institution building" in rural America that will permit it to stand on its own feet and be able to begin rebuilding itself.

The Farmers Home Administration over the years has done a commendable job in helping meet some of the needs of rural America—especially in the fields of farm and housing credit, and more recently in loans and grants for small community water and waste disposal systems. But let us remember that the financial help and credit being supplied by FHA for these purposes has been in the nature of "last resort" assistance. Furthermore, when matched up against "need," it has been a mere "drop in the bucket." And finally, it has been too narrowly oriented. Rural America's requirements are enormous, both in scope and amount. And if we want to launch a program which will begin to supply those needs in a much more massive scale, and

to do it within the kind of planning and development context that is essential to sound development, then title I of this bill must be retained.

Today Federal agencies, including Farmers Home Administration, go about their activities in such a way as to almost completely ignore local planning and development requirements. While some of the language in titles III and VIII of this bill will help improve that situation, the credit and financial system provided in title I is designed to operate and function as an integral part of such local planning and development efforts.

What rural America needs is venture equity capital, and lots of it. The problem with credit in rural America is that there is simply not enough of it. These regions of our Nation not only have difficulty in attracting venture capital and investment funds from large urban banking and financial centers but even in tapping the capital and investment funds available from their own rural residents. Why? Because lacking any effective mechanism to pull such funds together, rural people like others send them to Wall Street for investment. The system provided in title I of this bill will help bring those moneys and others back into rural America to begin the job of rebuilding and revitalizing its communities and in the creation of jobs and business opportunities for its citizens.

As most of us will recall, S. 2223, introduced last year by the chairman of the Senate Committee on Agriculture and Forestry (Mr. TALMADGE) and by the chairman of Rural Development Subcommittee (Mr. HUMPHREY), is now embodied in S. 3462 as titles I and II. Over 50 Senators cosponsored that legislation, and their names were inserted in the RECORD a moment ago.

I understand others have since indicated their support. Almost a hundred witnesses appeared before the Rural Development Subcommittee on this legislation, the vast majority of whom strongly supported it. With the probable exception of one major farm organization, all of our Nation's leading farm and commodity organizations have indicated their support for this legislation. The National Rural Electric Cooperative Association is vigorously supporting this bill—as is the National Telephone Cooperative Association. The newly established Coalition for Rural America has indicated its support for this legislation—all titles of it.

The National Council of Farmer Cooperatives, the Cooperative League of the U.S.A., the National Association of State Land Grant Colleges, the National Service to Regional Councils, the National Catholic Rural Life Conference, and numerous other national, regional, State, and local organizations from throughout this country have indicated their support for this legislation, especially titles I and II.

RURAL AMERICA SUPPORTS THIS LEGISLATION

The new system of credit and financial assistance that title I would establish would:

First, eventually become a wholly independent borrower-owned and operated and managed system.

As we know, the entire present Federal credit system is farmer-owned, and the Rural Development Bank, it would appear, could itself become owned by those residing in rural America, the borrowers of these funds.

Second. It would secure its funds out of the central money markets of our Nation by selling its own securities and obligations.

Third. It would structure similar—but entirely separate from—the time-tested and highly successful Farm Credit Administration system—which has completely repaid all of the Federal capital it received initially to get itself established.

Fourth. It would require only a minimum of Federal employees because most of the people that would be involved in operating the system would be employees of local private banks or borrower-owned agencies, or related institutions of the system itself.

Fifth. It would provide the venture equity capital for rural development that is required and not available through existing lending institutions or agencies.

Sixth. It would become an integral part of the planning and development efforts of local government, thereby assuring that financial or other assistance provided through it would be going for purposes not inconsistent with those planning and development efforts.

Seventh. It would supply "hard credit" both to communities and to private businessmen for developmental and industrial purposes, and

Eighth. Its purposes are entirely consistent and in accordance with the congressional policy commitments made in 1970 to work toward a more balanced national growth and development pattern in the United States.

Mr. President, I wish to be recorded as voting in opposition to this amendment which would delete title I of the bill. Dropping title I of the bill would not only be cutting the heart out of this legislation, but would be cutting the heart out of any hope for a viable national development program in this country.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. YOUNG. Mr. President, acting for the Senator from Louisiana (Mr. ELLENDER), I yield such time as he may require to the Senator from Missouri.

A WISE AMENDMENT

Mr. SYMINGTON. Mr. President, during my years in the Senate I have been gravely concerned with, and consistently supported, programs designed to meet the economic and social problems of our rural areas, including those in my own State, which has its share of economically depressed areas.

All of us recognize that the problems of rural America are inseparable from those of urban America. We must continue to take action in support of the countryside as well as our cities. If we do not act now to restore an urban-rural balance in this Nation, within 30 years many if not most of our small towns will have become ghost towns. Rural America could become a vast empty land, populated by a handful of agribusiness technicians cultivating gigantic tracts with computers and drone tractors.

The gravity of this developing situation is equalled by the necessity to come up with the right solution, for we may not have another chance. Before us now is the Rural Development Act of 1972, and the question—is this measure that proper solution? Will it stem the flow of outmigration and renew and revitalize our farm areas?

There is no question that conditions have deteriorated. A glance at rural Missouri is convincing. But recognizing the fact that action is needed does not mean we should act unwisely. Spending money for the sake of spending never solves any problem and generally creates many.

It is with those premises that I question some provisions of this bill.

Let me respectfully urge the Senate to consider carefully the reasoned views of the distinguished senior Senator from Louisiana as contained in his dissent from the favorable committee report, in which he points out the problems as well as the cost contained in the concept of title I.

Do we need to create a wholly new system for providing loans and credit when we already have many Federal agencies engaged in the same services, and to some extent actually overlapping themselves? As the Senator points out, various sections of the Department of Commerce, the Department of Agriculture, the Department of Health, Education, and Welfare, and the Department of Housing and Urban Development are already active in this area.

I also have reservations concerning the basic philosophy and formula for the revenue sharing proposal of title III. In a year when the administration now admits a Federal budget deficit of $38.8 billion—some say it will be much higher—and has already forecast a $25.5 billion deficit for next year, under the above conditions I do not believe it wise for the Congress to set up a new $500 million a year grant program. This title would make the Congress levy and collect the taxes, with authority for distribution of said taxes being handed over to the State and local governments. That in my opinion is an unwise separation of taxing authority from responsibility for spending.

I am also disturbed by the discretion which title III gives to the Secretary of Agriculture in authorizing the holder of that position such wide latitude in choosing the allocation formula. As but one example, under the bill as it now reads, I am told the Secretary could allocate either $9 million or $17.1 million to Missouri.

If we must have some form of revenue sharing, surely care should be taken to devise a truly equitable and precise method of allocating our increasingly scarce financial resources.

There can be no doubt that continued Federal action is needed to improve our rural areas. But wrong action now can only decrease the chance of reaching a successful solution to the current crisis characteristic of rural America.

Therefore, although I support the broad purposes of this bill, I would urge

the Senate to consider its provisions carefully.

For these reasons I shall vote for the amendment of the senior Senator from Louisiana to delete title I from the bill.

The PRESIDING OFFICER. Who yields time?

Mr. YOUNG. Mr. President, I yield 10 minutes to the Senator from Nebraska.

Mr. CURTIS. I thank the distinguished Senator from North Dakota.

Mr. President, credit is important in rural development, but we must not let this debate indicate that it is the only thing.

I should like to inject at this point that one of the means of financing job producing activities that has worked well—very well—without any Government agency at all has been the tax free industrial development bonds. Some 7 or 8 years ago, by executive action, those were abolished, for all practical purposes. Congress reinstated the tax-free industrial development bonds but limited their use to only a million dollars. You cannot build much of a factory with a million dollars. Later on, we got that up to $5 million. We urgently need to have that raised. That is not in this bill. I doubt that it is germane. It belongs before another committee.

On at least two occasions, the Senate has passed a proposal to raise that limit on tax-free industrial development bonds to $10 million per project. The House has resisted this. I hope that all those in the House of Representatives who are interested in rural development—and there are many—will realize that if they can get the House to take action on that matter, that probably will finance more real job producing activities in rural America than the things we are now debating.

The question before the Senate today is, Should we set up another lending agency? I do not think so. I shall support the Ellender amendment.

The Committee on Rural Development held hearings throughout the country. We had some very good hearings at Lincoln, Nebr. Mr. Robert W. Shively, industrial development manager of the Nebraska Public Power District at Columbus, Nebr., made a fine statement. That gentleman has had a great deal to do with helping many communities get some small industry. This is what he said:

> Many Federal programs already exist to help communities solve these problems, but they are inadequately funded. The first thing the Federal Government should do is adequately fund present programs available to rural America for the development of public works projects, medical facilities, educational opportunities, housing, etc. It should not launch new grant programs. . . .

While that is not right on the point, it does have some bearing on what the people back home are thinking.

Mr. President, following the discussion yesterday between the Senator from Vermont and the chairman of the Committee on Agriculture and Forestry with regard to the "Financial Action" subchapter of the President's Task Force on Rural Development, I took the liberty of contacting a constituent of mine who happened to be Chairman of the President's Task Force on Rural Development. The Chairman of this task force was Mrs. Haven Smith, of Chappell, Nebr. She is the wife of a wheat farmer. She is well known in this country and abroad. She has spoken under many auspices in this country and several foreign countries. She is an outstanding leader, not only in farm circles but in all other circles as well. If she signs a report, she knows what is in the report.

I had a telephone conversation with her this morning. She told me that it was not the intention of this task force to recommend a new banking agency, not a new Federal agency that would be set up to provide credit for rural development.

Mr. TALMADGE. Mr. President, will the Senator yield at that point?

Mr. CURTIS. I am about to read what the chairman has read.

The chairman read this language from the task force report:

> The Task Force recommends a new credit institution to provide rural areas with greater access to private capital. This institution—to be named the Rural Development Credit Bank—should be structured in law as a wholly new title in an amendment to the Farm Credit Act.

That has been cited. But I want to read a little further:

> The Farm Credit Act, passed more than 50 years ago, established the Farm Credit System, whereby the System sells its bonds and debentures (not guaranteed by the Federal Government) in the private money markets to raise capital for loans to farmers. The System was started with a modest amount of government "seed money" which has been repaid and the System is now completely owned by the users.
>
> We suggest a similar self-liquidating arrangement, within the Farm Credit System, but completely apart from farm loans, to provide private capital for such uses as rural housing, water and sewer systems, water resource projects, rural industries, recreational facilities, and rural utilities including rural electric and telephone systems. Loans should be made to private individuals, cooperatives, corporations, municipalities or other appropriate public authorities established under State law.

I think it is quite clear that they were talking about an addition to the Farm Credit Administration. What has been done in the subsequent titles of the bill is that they have enlarged the functions of the Farm Home Administration—it was not the Farm Credit Administration. But it is not a true picture to contend that the task force, in their recommendations, had in mind an institution as would be provided for in title I.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. TALMADGE. Title I was drafted in accordance with this recommendation of the President's task force, with one and only one exception. We decided to do it just as it was recommended, to make it a part of the existing farm credit system. We took it up with those people. They objected to it, for this reason: They have paid off every dollar of Federal money, and it is now 100-percent farmer owned, as the Senator knows. They would have had to go back to the Treasury annually and get part of their money Having gotten out of debt, they wanted to remain out of debt, which is a laudable and desirable objective.

I can understand fully what motivated the officers of the Farm Credit Administration. Acting in reliance on their desire to stay out of debt, we decided to pattern title I exactly in accordance with the Farm Credit Administration, which has been so successful and has paid off every dollar. It is true that it would create a new agency, but it would create a new agency modeled after one that has been so successful that it has paid every dime on every dollar and last year loaned almost $14 billion, with approximately 200 Federal employees. We thought that was a good pattern of policy.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. TALMADGE. I yield the Senator 2 minutes.

Mr. CURTIS. I think that is a fair statement, because I am sure that that is the intention of my distinguished chairman, as well as all of us.

The fact remains, are the interested people going to have to go to the Farm Credit Administration or the Small Business Administration, which already exist, or are they going to set up an entirely new Federal agency? That is what we do not need. I repeat, that is what we do not need, because whatever credit is needed can be provided under existing agencies.

I might add, I hold in my hand a telegram from former Under Secretary of Agriculture True D. Morris, which reads as follows:

> As a member of the President's Task Force on Rural Development, I urge that efforts to set up an entirely different credit institution then recommended by the task force be opposed. Our recommendation was to use the existing and time-proven credit program with new title to Farm Credit Act.

Mr. President, there is nothing wrong with my reading. I believe something is wrong with the wording in the Western Union telegram. That sometimes happens.

Mr. President, I invite attention to one other point: In the first chapter of "A New Life for the Country"—the report of the President's Task Force on Rural Development, it states:

> Rural development is not:
>
> A new agency of government.
>
> A new appropriation to spend money in rural America.
>
> A new set of directives from the Federal Government.
>
> A program handed down and run from above.

Mr. President, that has some significance, to indicate the intent of the task force, that they felt the undertaking to improve conditions and employment in rural America did not necessarily rest on creating an additional new government agency.

Mr. TALMADGE. Mr. President, I yield 5 minutes to the distinguished Senator from Oklahoma (Mr. BELLMON).

The PRESIDING OFFICER (Mr. CHILES). The Senator from Oklahoma is recognized for 5 minutes.

Mr. BELLMON. Mr. President, first, I should like to compliment the distinguished chairman of the Committee on

Agriculture and Forestry for the eloquent and effective defense he has made of title I of the Rural Development Act. I believe that he has stated the case for the Rural Development Bank with clarity. Those who heard his arguments will believe, as I do, that this title is the heart of the bill and if we take it out of the bill we will have damaged the legislation irreparably.

The arguments today seem to center on two primary points. One is that we already have financial institutions in existence that can meet the needs of rural America. I submit that if that were the case, we would not have the rural urban crisis we have today, which has commanded the attention of Congress and which has brought about the creation of this legislation.

The fact is, the agencies we have, whether it be the EDA, the FHA, or the SBA, or any other agency, are falling short of meeting the credit needs of rural America. In addition, they even lack the concept that the committee had in mind when it added the Rural Development Bank as title I of the bill.

Mr. President, I had my staff checking this morning, and we find that EDA last year came more than $100 million short of being able to meet the credit needs of the qualified applicants that came to that agency for help.

The Farmers Home Administration was required to turn down more than $70 million for qualified applicants because of lack of funds.

The Small Business Administration apparently keeps no record of the number of loans it is forced to decline, but the total is substantial, I know from my own experience in Oklahoma that many qualified borrowers from the Small Business Administration are turned down or are required to wait until the next fiscal year because of lack of funds.

So, no matter what is said about existing agencies, the fact is that Congress has not given them adequate tools to deal with the credit needs of rural America. There is a tragic shortage of financing, which only the creation of a Rural Development Bank can solve.

Also, Mr. President, one of the other arguments is whether the President's Task Force on Rural Development really intended for Congress to create a Rural Development Bank.

To me, the language in the report is absolutely clear, that they did intend this bank to be created for the purpose the committee has set out in title I.

The only difference is whether it should be a part of the farm credit system or whether it should sit on its own bottom.

I feel very strongly that it would have been a great mistake to have put the Rural Development Credit Bank in the farm credit system because, as the chairman has said, that system is now totally free from Federal funding. It is totally controlled by those who use it. Knowing firsthand the attitudes of many individuals, I feel that they would not have had the concept the committee had in mind when the Rural Development Bank legislation proposal was created.

The farm credit system is run by farmers. It is primarily intended to loan money for farm operations. To get those individuals retrained and to create in their minds the concept of loaning money for the development of rural industry, I believe, would be a virtual impossibility.

I think that we are much wiser to start off with a new agency, not hampered by the concepts developed by the present board of directors and others who use the farm credit system.

The same argument can be made about the Farmers Home Administration. It is an existing agency. It has a long and illustrious history of having met the needs of farm borrowers. But, to take the same individuals and now retrain them and give them the concept of loaning for the development of rural industry, I believe, would be an almost impossible task.

In addition, it has been said here repeatedly that none of the agencies presently are adequately staffed. The Farmers Home Administration has been given vast new responsibilities, yet the size of its staff is smaller now than in the past. So, no matter if the Rural Farm Credit Bank was put in either the Farmers Home Administration or the farm credit system, the size of the staff would have to be increased.

To me, we are much wiser to do this in a new agency than to append it onto an existing agency and bring about the serious retraining problems that would be bound to follow.

The rural development credit bank concept has this to commend it to me, that it would be a system that would ultimately do the same thing the farm credit system has done; that is, it would finally become owned by those who use it. It would be free from appropriations by Congress. It would have the advantage of being locally managed. I can assure you, Mr. President, that those who would make up the management of this system would be as prudent as have the managers of the farm credit system been, and that the likelihood of the Federal Government's incurring any sizable debts as a result of the operations would be extremely small.

As has been stated here today, the farm credit system loaned over $4 billion in the past year, which has cost the Federal Government not one thin dime. I anticipate, as the Rural Development Credit Bank begins its operations, and as it gains expertise in this field, that it will also be able to operate on the same basis. and that the Congress would not be asked to appropriate funds to make up deficits due to bad loans.

I feel strong that, without the Rural Development Credit Bank, the legislation we have before us now will not accomplish the objectives the committee and Congress have in mind. I feel that those who oppose title I, while they perhaps intend to help the bill, are, in effect, cutting the heart out of this legislation.

Therefore, Mr. President, I strongly urge rejection of the pending amendment.

Mr. CHURCH. Mr. President, the legislation which is before the Senate today, the Rural Development Act of 1972, is a proposal which I have long supported. It is the result of long and hard work and I am pleased to say that it contains, in large measure, many of the proposals which I have urged as a cosponsor of S. 2333, which was introduced in the Senate on July 7, 1971. The legislation has also adopted the proposal I first advanced in the 91st Congress to increase the operating loan limit on Farmers Home Administration loans from $35,000 to $50,000.

Rural America has been described as the forgotten frontier. As Frederick Jackson Turner wrote of the closing of the western frontier in the late 19th century, we have watched, during this middle part of the 20th century, a large part of that frontier losing its population to the giant cities until, today, 70 percent of the Nation's population lives on 2 percent of its land. The rural frontier, once so well populated, is dying. Rural America contains one-half of the Nation's poverty, and 60 percent of the Nation's substandard housing. It suffers from shortages of doctors and other essential services and continues to lose population to urban areas. But today the Senate is awakening to the rediscovery of that abandoned frontier. Just as the Homestead Act brought Americans to the countryside, so, hopefully, the financial incentive provided by this legislation may help provide the financial base to attract many Americans back to the countryside.

My State is predominately rural. Its total farm employment has steadily declined from an average of 66,000 from 1961–65, to 46,000 in 1969, the latest year for which complete figures are available. I am pleased to say that when I originally announced my support for rural development legislation, the response was overwhelmingly favorable. A man who chooses to live in a small town deserves the same right to earn a living as a man residing in a city of millions. A farmer has a right to the availability of credit just as much as a large corporation. This legislation will help provide those opportunities.

When finally signed into law, this proposal will, among other things:

First. Create a new rural development credit system to provide new sources of capital to develop rural areas.

Second. Expand the lending authority of the Farmers Home Administration, providing for the division of that Department into two agencies with separate administrators, one dealing with farm development and the other with rural enterprise and community development.

Third. Increase the farm operating loan limitation from $35,000 to $50,000.

Fourth. Preserve currently existing categorical grant programs such as the Economic Development Administration, resource conservation and development program, cooperative Agricultural Extension Service, rural environmental assistance program, forestry assistance grants, and others.

Fifth. Provide authorization for an additional $500 million in rural revenue-sharing funds to be used by the State and local governments for new or existing rural development programs.

Sixth. Provide for a 3-year pilot program for fire protection in communities under 5,000 population.

Seventh. Establish a program under the Secretary of Agriculture for rural development and small farm research aimed at assisting the small farm and small farm operator.

These are major steps toward the necessary revitalization of rural America. The years of talk about helping rural America are drawing to a close. This is the kind of action which I, and many other of my colleagues from rural States, have urged for many years. This legislation may well be a turning point in setting new national priorities.

I urge the Senate to pass this bill. I hope that the House will give the proposal its early consideration, so that a final version of the bill can be signed into law by the President at the earliest possible time.

Mr. MONDALE. Mr. President, at the request of my colleague from Minnesota (Mr. HUMPHREY), I ask unanimous consent that a statement by him relative to the pending bill be printed in the RECORD.

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

STATEMENT BY SENATOR HUMPHREY

It is indeed with a great deal of pleasure and pride that I speak to discuss the merits and provisions of S. 3462, the Rural Development Act of 1972. This legislation clearly is among the most comprehensive ever to be considered by the Senate on behalf of Rural America. As I said following it's being reported by the Full Committee, It is a "Magna Carta" for Rural America.

As Chairman of the Rural Development Subcommittee of the Committee on Agriculture and Forestry, I would like to commend the Members of both the Subcommittee and the Full Committee—both Republican and Democrat—for their work and contributions in connection with the development of this legislation.

Almost immediately following the formulation of the Rural Development Subcommittee last April, we began to hold hearings, both here in Washington and in various parts of the nation. In all, we held 17 days of hearings—10 days here in Washington and 7 days in Rural America. Over 350 individual witnesses were heard—farmers, businessmen, migrant workers, home builders, doctors, college students, the elderly, Governors, Mayors, County Commissioners, poor people, university presidents, bankers, conservationists, planners, transportation experts, educators and Members of the President's Cabinet and Administration. Everyone who wanted to be heard or comment was given an opportunity to appear before our Subcommittee or submit a statement.

During these hearings the Subcommittee received many excellent suggestions and recommendations, many of which are now incorporated in S. 3462. The bill now before you. In holding our field hearings in various parts of the country we not only gave many citizens an opportunity to appear before us who otherwise could not travel to Washington, but we were able to help them tell their stories to the Nation—stories that needed telling if Rural citizens are to receive the attention and help from their Federal and State Governments that they deserve.

When we refer or address ourselves to "Rural America" in this bill, we are referring to that part of our Nation which contains almost 70 million Americans or 35 percent of our Nation's total population. These are the citizens residing in communities of less than 50,000 population.

In Minnesota, for instance, all towns, cities, and counties in the State, with the exception of the Minneapolis-St. Paul, Duluth-Superior, Moorhead and Rochester areas, would be eligible to participate under most titles of this new Rural Development bill.

Four out of five of the citizens residing in these non-metropolitan or rural areas are non-farmers, although many of them depend upon agriculture for employment in an indirect manner.

And what is the general social and economic condition of these non-metropolitan or rural areas of the Nation today? Do they share equitably in the allocation of Federal resources? To what extent do the people residing in these regions of our Nation enjoy the same services and amenities of life as people residing in our large metropolitan areas? To what extent do they share parity of opportunity and income with their big city cousins?

These are some of the questions we considered in developing the legislation now embodied in S. 3462. And lets review briefly some of our findings in this regard:

We found that while about half of all children between the ages of 6 and 17 living in poverty had their residence in rural counties, these counties, in 1970, received only 40 percent of the Federal outlays under Title I of the Elementary and Secondary Education Act—36% of Headstart Follow Through funds, 24% of the funding for aid to families with dependent children and only 20% of all Child Welfare Service funds;

With respect to community development programs—totalling $26 billion—rural counties again received much less than metro counties—$98 per person versus $136.

In the case of the largest community development program, namely housing, the rural-urban gap was even wider—$38 per person for rural counties versus $86 per person for urban counties. And it should be pointed out here that rural counties had roughly two-thirds of all substandard housing units in the late 1960's, yet they received only 16% of all Federal housing assistance in 1970.

And of all Federal programs, the outlays for Defense, the National Space Program and the Atomic Energy Commission far outshadowed the others. Expenditures for these purposes made up nearly half of all 1970 outlays examined—$64 billion. And $8 out of every $10 spent for these programs went to metropolitan counties.

In 1967 the National Advisory Commission on Rural Poverty issued its report. Last year I had a survey made to determine the extent to which the 150 recommendations of that Commission had been implemented. The results: very few had been implemented.

The facts today remain much as they were in 1967, namely while only one-third of our nation's total population resides in Rural America, half of the entire nation's poor people live there.

The Commission's report was aptly entitled, "The People Left Behind."

Rural citizens have been "left behind". They have been left behind in housing, education, health services, community services and income opportunities.

They have been left behind in sharing equitably in most government services and programs.

They have been left behind in seeing a decent price for their farm products.

They have been left behind in recreational and cultural opportunities.

They have been left behind in having access to adequate transportation.

They have been left behind in gaining access to adequate credit and financial assistance.

They have been left behind in being able to care and provide for their elderly.

They have been left behind in the availability and use of communications technology.

They have been left behind in developing and supplying needed electrical and other sources of energy for industry, farm and home use, and

They have been left behind in creation of jobs, employment, careers and business opportunities.

These are among the forces that have driven so many of our nation's rural citizens and young people off the farm and out of small communities into the overcrowded metropolitan regions of our country.

In the last three decades we have seen the greatest movement of people in the history of mankind. And this movement has occurred right here in the United States.

Almost 30 million have left our nation's farms and open countryside in the last 30 years and have migrated to our nation's cities. Although the rate at which this flow of outmigration from rural to urban America has declined to about 600,000 per year, when added to the natural increase in births occurring in metropolitan areas, big city problems can only be further compounded by such further additions to their population.

By the year 2000 it is expected that 85 percent of the nation's total population will be metropolitan.

In 1970, more than four out of every 10 Americans were living in metropolitan areas comprised of one million or more people.

By the year 2000, the projections indicate that more than six of every 10 persons are likely to be living in these large areas, that is, if we do nothing to prevent it.

In 1920, there were 10 urban regions in the United States with over one-third of the total population. By 1970, about three-fourths of the population of the United States lived in urban regions which already exist or are expected to develop by the end of this century.

By the year 2000, urban regions will likely occupy one-sixth of the continental United States land area, and contain five-sixths of our nation's people.

And, if our national population distributes itself according to these projections, 54 percent of all Americans will be living in just two of these huge urban regions. The metropolitan belt stretching along the Atlantic Seaboard and westward past Chicago would contain 41 percent of our total population. Another 13 percent would be in the California region lying between San Francisco and San Diego.

And, when we examine these future population distribution patterns we must keep in mind that we are talking about another 100 million Americans being added to our nation's population within the next 30 to 40 years.

In recognition of these major demographic and population distribution factors, Congress on two separate occasions in 1970 proclaimed its commitment to the development of a more sound balance between rural and urban America.

In Title IX of the Agricultural Act of 1970 Congress said "it considers this balance so essential to the peace, prosperity, and welfare of all our citizens that the highest priority must be given to the revitalization and development of rural areas."

In Title VII of the 1970 Housing and Urban Development Act, it states that it is the policy of Congress "to provide for the development of a national urban growth policy; to encourage the orderly development and redevelopment of states, metropolitan areas, cities, counties, towns, and communities in predominantly rural areas which have a special potential for accelerated growth. . . ."

And, I might add at this point, the people of this nation understand and support these actions by Congress.

In its work this past year, the Commission on Population and the American Future conducted a nationwide survey to determine people's views on this and other related subjects. Let me quote from the Commission's own report: "According to the Commission's survey 54 percent of Americans think that the distribution of population is a 'serious

problem'; half believe that, over the next 30 years, it will be at least as great a problem as population growth. This is in accordance with our belief that to reduce problems of population growth in no way absolves us of the responsibility to address the problems posed by the distribution of population."

Personally, I view the population distribution problem in this country as posing a much greater threat to our nation's welfare than population growth itself, at least over the next 30 years.

Why?

Because even though we have nearly reached a "zero population growth rate" in this country, a much larger than normal percentage of our total population today are young adults, born in the post war years of the 1940's and 50's.

This post war baby boom created an elementary and secondary education crisis for us in the 1950's, a higher education crisis for us in the 1960's and now will likely create a new population growth and distribution crisis for us in the 1970's and beyond.

The population commission reports that 35 million new workers will be seeking their first job in the decade of the 1970's. That is 7 million more than in the 1960's!

In addition to the added pressure these swelling numbers of job applicants will have on achieving full employment in this nation, their presence on the American scene will also create added pressure on the entire social and political infrastructure on our society!

Therefore, the real question now before the nation is not "whether" we are going to meet these needs, but "how" and "where" we are going to meet them!

Big city America already is faced with economic, environmental, and social problems of enormous dimension and scope. To expect these areas of our nation to carry the full burden of providing all the jobs, housing and other social and economic services that will be required on behalf of present and future generations is neither realistic nor possible.

We must turn at least some of our attention and resources to accelerating the growth of existing small and medium sized communities located in Rural America to meet these national needs.

As I indicated earlier, Congress already has committed itself to the pursuit of a more balanced growth pattern in the United States.

The question before us today is whether Congress is prepared to back up its words with implementing machinery and the money needed to accomplish these admirable goals.

S. 3462, the Rural Development Act of 1972, is a historic piece of legislation. If enacted and adequately funded, this legislation can have as dramatic an impact upon the future of Rural America as did the Homestead Act on the opening of our nation's early frontiers.

This legislation, as has already been indicated by our very able and distinguished Chairman, Senator Talmadge, represents a bipartisan, cooperative effort by the Committee. S. 3462 incorporates suggestions and amendments of many Members of the Committee, other members of the Senate, the President and many other individual Americans who participated in the Subcommittee's hearings.

Titles I and II of this bill incorporate the basic provisions of S. 2223, a bill which Chairman Talmadge and I introduced last summer to provide for a total system of credit and financial assistance for nonfarm rural development purposes. Forty-nine other Senators eventually joined us in co-sponsoring that bill.

S. 3462, the Committee bill now under consideration, contains, I'm told, legislative proposals which have been co-sponsored by a total of 88 members of the Senate. This is indeed encouraging news, not only to those of us who have worked so hard in developing this legislation, but to the millions of rural Americans who have been waiting so long for the comprehensive help this bill provides.

This bill would provide a comprehensive program for rural development investment credit and location incentives supported by a sound research, education, and community development extension effort. This bill also is designed to strengthen multi-state, state, and sub-state planning and development efforts. It will provide local people and governments with the resources and flexibility they require to improve the quality of life of their communities in accordance with their own wishes, and objectives.

All eight titles of this bill are important to rebuilding Rural America.

Titles I and II would provide for a complete system of non-farm rural development credit patterned after the existing and successful experiences in the farm credit field of the Farm Credit Administration and USDA's Farmers Home Administration.

In developing Title I of this bill, the Subcommittee on Rural Development consulted with literally hundreds of people and groups throughout the nation. The Independent Bankers' Association worked particularly close with us in the development of this proposed new credit system. And many other bankers and financial experts—both from government and from the private financial world—assisted us and offered many helpful and constructive ideas, and suggested amendments in drafting this particular proposal.

Having spent almost 20 years in Congress I think I can honestly say that few legislative proposals presented to this body have been reviewed beforehand so thoroughly by so many interested groups and individuals as this particular one.

Most of the Rural Development Subcommittee's time and effort this past year was concentrated upon developing and perfecting the proposal now embodied in Title I of this bill. Over a full week of 8-hour a day hearings were held on this proposal alone.

I would like to quote from the testimony of one of those many witnesses we heard on this proposal:

"A new credit institution created especially to provide financial support for rural development would be a dramatic indicator of the need to restore a balance to national economic growth. It would signal the intent of Congress and the nation to a redirection in values and goals. It would focus both urban and rural attention on the need for rural development and help get the commitment from the population in both areas.

"The Rural Development Credit Banks would increase the amount of capital funds available to rural commerce and industry. It would stimulate greater use of rural funds for rural businesses. It would stimulate and improve the performance of rural financial institutions and spur them to provide financial leadership and assume responsibility for local development. The Rural Banks would provide channels for a two-way flow of funds between urban and rural areas. It would be a major step toward equalizing the urban and rural financial systems.

"Two aspects of S. 2223 appear to be particularly important: The Section which provides technical and financial assistance to rural areas; and

"The section which adds a financial capability to the multicounty development agencies. The availability of technical and financial expertise will help assess and reduce the risks of rural business. The result will likely be to increase lender and invester confidence and increase the volume of capital funds flowing to rural businesses.

"The addition of financial ability to multicounty development agencies would help redirect their emphasis from a planning and political orientation to that of economic development. These agencies will not be given a full trial unless they are integrated into their regional economics. They cannot become effective by preparing district planning documents and acting as a tool of grantmanship. They must also participate in the job-creation process. Their ability to advise and finance rural businesses would make them development agencies in fact as well as in name, and give them the power and focus that they were originally intended to have.

"S. 2223, to create a Federal Rural Development Credit System, would be a major step in improving the quality of living in both rural and urban areas. It deserves the support of everyone concerned with the quality of life in this country."

This statement was made to the Rural Development Subcommittee by Mr. Jack Hopper, Manager of the Technical Economic Group of the Spindletop Research Center in Lexington, Kentucky. I believe it speaks for itself in making the case for the passage of this legislation.

Another witness' testimony I would like to quote in part is that of Mr. Richard T. O'Connell, Secretary of the National Council of Farmer Cooperatives, who also appeared before our Subcommittee in support of S. 2223, or what is now Title I and II of S. 3462:

"We believe the establishment of a rural development financing system, if properly administered, will help break the cycle of what is happening in rural America. The cycle, as we all know is: (1) The rural resources are strained to educate the youth of rural America who promptly take their talents elsewhere upon completion of their education, (2) the resulting outmigration, particularly of young people, diminishes a source of potential leadership and income and (3) the uncertainty and high risk of loans in many rural areas leads rural bankers to invest a significant portion of their loanable funds in government securities and much of the remainder in short-term consumer lending.

"One major source of nonagricultural funds in rural areas comes from the correspondent banking system. It is effective to some degree in providing rural investment funds. However, from a practical standpoint, the opportunities for greater return on capital are in the urban and suburban areas. This forces metropolitan correspondent banks to give a secondary priority to the amount of funds flowing into rural America.

"Without some system of breaking the cyclical patterns of migration and low investment flow, conditions in Rural America will either retain their status quo or deteriorate. Therefore, we believe a rural development bank system will be effective in injecting new funds into rural America.

"There may be some reluctance to establishing a new Federal agency, but we do not see any alternative. The Farm Credit System is an agency into which the rural development bank could be structured, but we believe it is unwise to mix a Federal lending program into an already existing program which, in fact, has reached the goal of retirement of Government capital and achieved a more independent status.

"We applaud the idea proposed in the measure which eliminates overlapping of lending functions by the proposed agency with other existing governmental lending institutions. We also believe it's beneficial that private lending institutions will have an opportunity to participate in this program so as to gain support and experience from the private banking system. We believe the establishment of a rural development bank will be a step forward in meeting some of the problems of this country and we urge its adoption by Congress."

I also believe it important to review an excerpt taken from the testimony of Mr. George W. Mitchell, Member of the Board of Governors of the Federal Reserve System re-

garding what has been revealed by the Federal Reserve System's own studies on the subject of rural banking and lending difficulties:

"I have mentioned the Federal Reserve interest in rural development. Our studies of regional and agricultural lending indicate that for many years after World War II most rural banks had funds in excess of local loan demands. Some years ago, however, this situation began to change. Banks in many rural areas, such as areas in which the livestock industry has been rapidly expanding, have exhausted accumulations of liquidity and still continue to face loan demands that are increasing faster than their local deposits. To participate better in meeting the credit demands of their communities, rural banks in this position need improved access to nonlocal sources of funds, through development of markets for their assets and liabilities, through banking structure change that would bring about the services of larger banks to rural areas, or through improved credit services via co-respondent banking, the Federal Intermediate Credit Banks, or the Federal Reserve discount mechanism. Federal Reserve staff work undertaken in the course of our reappraisal of the discount mechanism, and since published, noted in detail and at length the disadvantages faced by small rural banks in attempting to develop nonlocal sources of funds."

Other studies and witnesses have indicated much the same.

The establishment of this new permanent system of credit and financial assistance would substantially improve the availability of credit to meet the many and varied needs of Rural America. It would also provide a vehicle and process for generating the funds to supply this credit—not out of the U.S. treasury—but out of the central money markets of this nation.

By providing for this new system, Congress would be helping Rural America help itself, instead of forcing it to remain dependent upon yearly appropriations by Congress, which when provided, are often impounded by the Executive Branch.

The system would eventually become an independent borrower-owned, operated and managed system, not run by Federal bureaucrats from Washington, but by the borrowers themselves. It will encourage and depend upon the participation and involvement of local banks, thereby complementing, not competing with them.

In short, if we are really serious about rural development in this nation it is essential that we provide this new permanent system of credit and financial assistance.

Title II of S. 3462, indicated earlier, provides the "soft credit" or "Higher risk" loan funds required by many lenders.

Title II would provide this credit, along with grants, through a slightly reorganized farmers home administration to both rural communities and to commercial and industrial enterprises who could not obtain credit through the system provided in Title I of this bill or from other commercial sources.

Title II also makes some important changes and additions to the farm lending activities of the Farmers Home Administration. It changes the farm operating loan program from a direct lending program to an insured lending program in order to ease the pressure on the Federal Budget and to hopefully make more credit available to our nation's farmers. The operating loan limit on FHA loans also would be raised from $35,000 to $50,000 by this Title of the bill.

The Committee also took an important step in Title II of this bill by authorizing FHA loans to rural young people to enable them to operate farming enterprises in connection with their participation in 4–H, Future Farmers of America and similar training programs.

Mr. Paul M. Day, Minnesota State Supervisor of Agricultural Education, reported to me that there are 748 veterans of the Vietnam War enrolled in the Veterans Training Program in Agriculture in Minnesota. Of these, at least 75% need financial help in the form of available credit to further expand and bring their farming operations into an economic unit. 240 additional young farmers enrolled in Farm Business Management Programs in the State have the same needs for credit, credit which this Title of the bill will now provide.

Title III of this bill would authorize up to $500 million to be appropriated by Congress yearly to carry out a nationwide Federal Rural Revenue Sharing program with States, rural multi-jurisdictional planning and development districts and with local governments. This special rural revenue sharing program differs from that earlier introduced by the Administration in that it does not disturb the Federal character of the Appalachian Regional Commission, the Title V Commissions, the Economic Development Administration or the other eight Federal categorical programs embodied in the Administration's proposal. Nor does it turn the Federal funds for these programs over to the States. All the funds provided under this Title would be "new money," to be allocated to the States and to be shared with the planning and development districts within each state and with local government.

Title IV and V of this bill would provide for additional Federal cost sharing and technical assistance to rural communities to construct needed municipal and industrial water supplies and to control agricultural-related pollution, waste disposal and to provide water for adequate fire protection.

Title VI provides Federal cost-sharing and technical assistance to small rural communities to establish and improve their fire protection and fire fighting capabilities.

Title VII would establish a national program of research, training and extension education through the States, involving both public and private educational institutions, for rural development and small farmers.

Title VIII of the bill would expand the statutory mission of the U.S. Department of Agriculture with respect to the Rural Development activities of the Federal Government. It also would require that all assistance under the Act be designed and provided in such a way as to increase the national total number of jobs and income opportunities available, and not to assist in the movement of jobs from one place to another, or from one firm to another, this latter is known to many as the "antipiracy" provision of the bill, a provision which I endorse and encourage enforcement of by the Executive Branch if this bill is enacted.

As I have indicated already, this is a major and comprehensive bill. And like any bill this size and complexity there will be features that some people are opposed to or wish to change. While I respect the judgment and rights of those wishing to make changes in this bill, I would hope that such changes could be kept to a minimum and that they would strengthen—and not weaken—the overall bill.

The loss of any title to this bill would adversely effect the entire bill. The Titles I and II, as I have indicated, were designed as a total system of credit and investment incentives for rural development.

The loss of either of these Titles would cut the heart out of the entire rural development program embodied in this bill, especially Title I.

And, I might also add, that in view of the fact that we must take whatever is passed by the Senate into conference with the House, which already has passed a Rural Development bill, we will need to demonstrate as strong a Senate backing as possible if the Senate conferees are to protect and retain all Titles of the bill.

Enactment of this bill by Congress will not only make for a better Rural America, but a better America. It will give renewed hope to millions of Americans living in both city and countryside in restoring a precious freedom that many of them have lost, namely, "freedom of residence".

By helping Rural America share equitably in the resources and job opportunities of this nation, we will provide the citizens of both our small and big cities with the opportunity to choose where they want to live based upon personal preferences and not upon economics or political considerations.

S. 3462 provides a major step forward in achieving these goals.

Therefore, I urge every Senator, whether he be Democrat or Republican, liberal or conservative, northern or southern, eastern or westerner, urban or rural oriented, to vote and support this entire bill.

Mr. BOGGS. Mr. President, I wish to express my general support for S. 3462, the Rural Development Act of 1972. This is legislation that will bring new vitality, new jobs, and new stature to our rural areas.

I was honored to be a cosponsor of S. 2981, one of the bills that was the basis for this new legislation.

While there are many worthy new concepts in this legislation designed to create a healthier economy and environment in rural America, I would like to highlight a couple of provisions that may not have received wide attention.

Title VI establishes an important program to improve fire protection in rural areas. It will provide $5 million a year in assistance in augmenting fire safety.

Title VII augments the research and education effort of the USDA. This is vital work, and I am particularly pleased that it will be focused through our State land-grant universities.

Section 1704 of the bill broadens the USDA authority under its rural environmental assistance program. It will allow cost-sharing payments to farmers for agriculture-related pollution prevention and abatement measures. Current law allows such payments only if the measure also conserves soil and water. This new authority is vital to help farmers improve our environment still further.

While I agree with most of this bill, I must express my opposition to its title I. This title would establish a rural development credit system, comprised of 10 regional rural development banks. I agree with the Department of Agriculture and many of the members of the Committee on Agriculture and Forestry that such a new credit mechanism is unnecessary.

I find that title I is particularly unnecessary in view of the improvements to the Farmers Home Administration contained in title II of this legislation. Title I, in reality, would only create a mammoth new and untried banking system that would compete with the Farmers Home Administration.

Title II provides the broad range of credit services necessary for full rural development.

Many of our colleagues pointed out these deficiencies in title I in their indi-

vidual and additional views submitted with this legislation. I would like to quote a portion of the perceptive views made by the distinguished Senator from Louisiana (Mr. ELLENDER) in his evaluation of title I:

There is a vast duplicity of effort introducing a high degree of competition to make funds available for rural development purposes. In this situation I can see substantial waste of Federal funds and a high degree of losses because of this competition.

I believe the existing procedures of the Farmers Home Administration, augmented by title II of this legislation, offer the full range of financial methods necessary for effective rural development.

Mr. President, I would like to compliment the distinguished Senator from Louisiana (Mr. ELLENDER) for his leadership in the effort to strike title I of this legislation. Further, I would like to compliment Senator MILLER, Senator AIKEN, Senator CURTIS, and Senator DOLE for their perceptive evaluations of title I in the additional views and individual views they submitted with the report on S. 3462.

Mr. McGOVERN. Mr. President, it has been my view for some time now that the best rural development legislation we could enact would be measures to insure a vital and healthy agricultural economy. However, years of neglect of the well-being of agriculture have persuaded me the Federal Government must take action to bring the services and credit in rural America up to par with those available in the rest of the Nation.

Only then will the millions of Americans who wish to return to rural America make that move. Only then will the highly educated young men and women and the skilled workers give up their headlong dash to the city and be in a position to pursue their careers in rural areas. However, before we can reverse the rural to urban migration, we must establish a credit base to provide for economic development.

Title I provides for just this credit base. It is based on the approach used years ago for the creation of the farm credit system which has served our Nation's farmers so well. This title would create a rural credit system which would provide low-risk loans where they are not available. This system, it should be noted, will eventually become borrower owned. In time, the entire Federal investment in the system would be repaid.

I do not subscribe to the view that the creation of this system would compete with existing credit institutions. If these same large banks had shown the same interest in providing rural America with its legitimate credit needs as they have in opposing this bill, the legislation would not be necessary. It is enough to observe that the Independent Bankers Association favors this bill. These bankers do business in rural America and know full well that the creation of this rural credit system will not compete with them, but will assist them in better serving our rural areas.

Mr. TOWER. Mr. President, I am pleased that the Senate is taking action today on a bill which will prove to be very beneficial to the rural areas of Texas and the Nation.

For many years we have seen a trend of people moving from the rural communities of America into the already congested areas of the cities; and a major cause of such movement is the lack of jobs available and the lack of adequate financing to promote new business interests.

Generally, population increases in the already large cities and decreases in the smaller towns. In Texas, with a population in excess of 11 million, there are only 27 cities with a population of 50,000 or more. Yet, according to the 1972–73 Texas Almanac, these cities account for 49.5 percent of the State's population. Our challenge today is to prevent the hundreds of smaller towns from becoming even smaller—to help them begin growing instead of decreasing in population each year. A large number of these smaller communities will be eligible for assistance under the proposed Rural Development Act of 1972, S. 3462.

A major necessity for growth in a small community is the development of new businesses and opportunities for business expansion, as well as improved financial assistance to the vital agricultural economy. This bill will offer that needed assistance by providing funds to all types of eligible businesses and agricultural enterprises. It provides for an increase in farm operating loan limits to individuals from the Farmers Home Administration from $35,000 to $50,000. The bill also provides for loans to cities for water improvements. Needless to say, good water is a very important factor in promoting new business and industry, and is one of the basic necessities of any city.

Environmental aspects of rural living will also be improved by providing funds for conservation efforts and pollution control practices. We will improve the environment by making funds available to those agricultural-related firms which are required to adopt pollution control procedures.

Rural areas are excellent places to live, work, and raise a family. They offer ideal conditions for industrial expansion as well as numerous attractions unavailable in the cities. Nevertheless, without proper facilities, this expansion is almost impossible. A bill of this type will make funds available for the needed improvements which are so important in promoting this growth potential. The revenue-sharing proposals of S. 3462 will make funds available for distribution to the States based on rural population, rural population loss, and rural per capita income. These funds could be used to fulfill any of the goals of the State rural development plan.

Mr. President, as good as this bill is, however, there is a portion of it that I feel I must oppose. The banking system proposed in title I is too broad and overlaps many other programs. There is considerable concern that this title will lead to direct competition with private lending institutions. I do not feel it is necessary to establish a completely new Federal agency; and further, I do not feel that the needs of rural development will be best served by title I. With this portion deleted, however, I feel this bill will be one of the most promising and progressive means of rural development that rural America has ever had.

Mr. President, one of the objections that I and some of my colleagues have raised to this bill is duplication or overlap of effort or competition of programs. Cited or implied, or possibly could be cited, first, the duplication between titles I and II which should be resolved by dropping title I, and second, the authorizations, first, in sections 912 and 914 for cost-sharing grants for pollution abatement and control projects; second, in section 1301(c) for entering into long-term agreements for carrying out conservation plans in specified planned watershed project areas; and third, in section 1703 for entering into long-term agreements, based on conservation plans approved by the local conservation district, for sharing the cost of conservation and pollution abatement practices throughout the country. Authorizations of all three types have merit and will help get environmental work done that urgently needs doing.

Some of these problems or possible problems of duplication or overlap, in case the programs are activated, can be resolved. For the successful use of any of these authorizations there must be sound technical planning. That is the role of the soil and water conservation districts and the Soil Conservation Service, in cooperation—where applicable—with the State's environmental control agencies, in each of these authorizations. The Secretary of Agriculture's appropriate assignment of the planning requirements of the act would insure the needed competence and coordination in the planning area.

Successful, efficient operation also requires coordination of contract administration where essentially the same kinds of program participants are involved under authorizations with essentially similar ends—in this case, conservation and pollution-abatement project or practice cost-sharing with landholders. There must be numerous administrative decisions as among and between the many claimants, where limited Federal funds and equitable treatment under program rules are involved. There must be coordination to see that the total benefits awarded are consistent with the needs being dealt with—and that there is not duplication of aid, or bidding one program against another. Frequently, relationships with other programs are involved; for example, the preservation or surrender of cropland, crop acreage, and allotment history, and the correlation of practice requirements and cost-share rates where funds under different authorizations are or may be involved.

I am confident here, too, that the Secretary of Agriculture will avoid overlap or program competition by assigning this administrative, resource allocating, and fund disbursing responsibility to the ASC committees, in dealing with participating landholders. The county ASC committees have been elected by their neighbors to make such decisions and to provide the associated services, and they have been successfully doing these things throughout the country for 34 years. Routinely, they have been dealing with

almost all agricultural producers, numerous vendors of conservation materials and services furnished to individuals, and various lending organizations—under annual program arrangements, under a variety of long-term contract programs, managing detailed land use records, utilizing Commodity Credit Corporation facilities and services in making program payments, providing payment data for reporting to the Internal Revenue Service, and so forth. The funds made available under different legislative authorizations for all such program participants could be budgeted direct to the administering agency or could be transferred to and disbursed by that agency for these particular purposes.

Certainly it would not be desirable—for it would, in fact, be duplicating—for other agencies with other basic functions to "tool up" in numerous field offices to perform these administrative functions. In fact, this matter is by strong inference, addressed in section 1702(c) of the bill, which directs the Secretary to utilize his field offices and personnel for the most efficient possible enhancement of rural development activities.

Mr. MOSS. Mr. President, I am immensely impressed by the dimensions and scope of the bill before us today. It is truly an instrument for breathing new life into the rural communities of the Nation. If financing can be provided for the wide-ranging spectrum of farm and nonfarm rural development included in this bill, our farm communities should become far more attractive and rewarding places to live, and hopefully the farm-to-cities tide of migration can be reversed.

I commend the chairman and the members of the committee for the gargantuan job they have done. This is a milestone measure.

I wish to speak here particularly about provisions of a bill which I introduced which have been adopted. My bill S. 1094—the third of a series of such bills I have been introducing since the 90th Congress—would authorize the Farmers Home Administration to make loans and grants to both existing and new cooperatives unable to secure financing anywhere else. I am delighted that S. 3462 not only authorizes the Farmers Home Administration to close this credit gap, but that adequate financing for cooperative ventures of all types is written into the entire new credit system which this bill would authorize. I am, of course, delighted.

There exists today throughout the State of Utah and the intermountain area a serious gap in credit available to cooperatives. Under title III of the Economic Opportunity Act, the Farmers Home Admnistration had until last year authority to make loans to rural groups of low-income people to organize and operate rural cooperatives. This was an outstanding program which resulted in the creation of many new cooperative associations. Unfortunately, in some cases, the terms of such loans required that these cooperatives show an almost-instant success. What clearly was needed was grant assistance to carry these new organizations through the first difficult—and often unprofitable—months of operation.

For various technical reasons, partly because of administrative interpretation, but mainly because the laws specifically provide otherwise, none of these established cooperatives is able to obtain financing through the Banks for Cooperatives, the Farmers Home Adminsitration or the Small Business Administration. As a matter of fact these are among the few business corporations in the State of Utah which do not have available on "umbrella of protection" in the form of Federal Government credit. Each pays high interest costs on any money which it is able to borrow and each is handicapped in developing business successfully, because of the lack of reasonable financing.

It is gratifying therefcre that S. 3462 makes a double-barreled effort to ease this tight credit situaticn. The district agency of the regional bank of the new credit machinery which the bill would establish can make assistance available to cooperative associations furnishing to farmers and rural residents services and facilities for harvesting, storing, processing—including preservation or preparation of edible products for markets—transporting or marketing agricultural commodities or products, consumer purchasing services, or processing or marketing of other products of farmers or rural residents, or other cooperatives or self-help enterprises who are or will become voting holders of presently nonvoting stock.

The Farmers Home Administration is authorized to "make, insure, or participate with other financial institutions" in making loans: to cooperatives that are unable to obtain credit from the banks for cooperatives to acquire and improve lands, to apply soil conservation practices, to provide marketing and other services to make shifts in land use, to conserve, develop and control water, to install, improve, equip or operate drainage, waste disposal or other rural community development projects, and recreational developments which are serving or providing employment to farmers, ranchers, farm tenants, farm laborers, or other rural residents, or to furnish financial aid in the planning projects for such purposes.

In short, the authority given firm credit agencies by this is broad enough to assure the financing of most projects of most cooperatives. This is a great step forward.

Mr. President, there are many other aspects of this bill which deserve discussion and commendation, but I will not take the Senate's time to discuss them here. I merely wanted to review the provisions for cooperatives to urge their retention in the bill, and to assure my assistance in keeping them in the House-Senate conference.

Mr. FULBRIGHT. Mr. President, I want to express my strong and active support for the Rural Development Act of 1972, S. 3462, which is now before the Senate. This bill contains most all of the provisions of S. 2223, of which I am a cosponsor, and I believe that the passage of this legislation will represent an increasing awareness by the Senate of the vital needs of rural America.

Mr. President, we owe a large measure of thanks to the Committee on Agriculture for the dedication, energy, and perseverance which the members of that committee have shown in bringing to the Senate one of the most comprehensive pieces of rural development legislation ever to be reported by a committee of the Congress. The committee chairman (Mr. TALMADGE) as well as the Rural Development Subcommittee chairman, (Mr. HUMPHREY) are to be particularly commended for the fine work and leadership they have demonstrated throughout the committee's consideration of the bill.

Earlier in this debate the chairman of the Committee on Agriculture gave a very fine summary and explanation of the eight titles contained in this bill. While I shall not at this time burden the record with repetition, I would like to comment on certain features of S. 3462 which I feel are worthy of emphasis.

Titles I and II would establish a comprehensive system of credit for the development of rural America by creating a borrower-owned and controlled rural development credit system modeled after the highly successful farm credit system. Notwithstanding some progress through the years, the availability of credit in rural areas remains a critical problem. These titles, additionally, would expand the loanmaking authority of the Farmers Home Administration so that the FHA could make rural development loans to borrowers unable to get credit elsewhere. In both cases, Mr. President, I am advised by the staff of the committee that the emphasis would be placed on cooperation with local banks, which could apply for and become qualified to act as participants in the rural development credit system.

Another commendable feature is the liberalization of the Farmers Home Administration lending authority for farm loans. The bill increases the limit on operating loan indebtedness for farmers from $35,000 to $50,000.

I am particularly pleased to note that the bill as reported authorizes $50 million for grants to the land-grant universities for the establishment of rural development extension programs, research, and training for rural development and for small farmers. As a former president of a State land-grant university, the University of Arkansas, I believe the committee is wise in using this approach, particularly since the administrative structure for cooperative research and extension programs is already established.

The committee bill also addresses the needs in rural areas for additional fire protection by authorizing funds for a new rural community fire protection program.

Titles IV and V provide Federal cost-sharing to improve the quality of the environment in rural areas, to control pollution, and to provide for water reservoirs for small town and industrial needs.

The keen interest in and support for this legislation in my State is eloquently expressed in a letter from Mr. Harry L.

Oswald, general manager of the Arkansas Electric Cooperatives, and I would ask, Mr. President, that it appear in the record at this time:

Our nation's rural communities, rural businesses, rural towns and small cities desperately need help. Certainly ours in Arkansas needs assistance to be able to provide an adequate and decent place for our people to live and to work rather than being forced by economic considerations, to continue to migrate to our glutted metropolitan and megalopolis areas.

Early action by the U.S. Senate on the Consolidated Farm and Rural Development Act (S. 2223) is of timely urgency. This act, cosponsored by you and Senator Hubert H. Humphrey, Minnesota, recognizes the basic stature which a line of credit plays in long-term and meaningful development projects. It recognizes the lack of sources of such credit for individuals, businesses and public bodies located in rural areas by the establishment of such a system on a national basis, similar to the very successful farm credit system and federal land banks. It is appropriate that the U.S. Senate take the lead in establishing this national development policy so vital to the future balanced growth of our nation.

Mr. President, the Agricultural Act of 1970 states:

The Congress commits itself to sound balance between rural and urban America. The Congress considers this balance so essential to the peace, prosperity, and welfare of all our citizens that the highest priority must be given to the revitalization and development of rural areas.

Hopefully, our action today will be a major step toward the fulfillment of that commitment.

Mr. TALMADGE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, I do not have too much to add to what I have already stated. All of the fine programs that have been mentioned by the distinguished Senator from Oklahoma (Mr. BELLMON) were supported by me because they directly help the farmers. As a matter of fact I helped to draft most of them, and I am proud to say that all of these programs were and are a success. However, as efficient as this new bank which would be created might be, it is not at all connected with the farmer. Almost any industry can be brought in under this, and under the definitions contained in title I, it is difficult for me to imagine any project that could not be funded.

As I stated previously, Mr. President, it strikes me that we have sufficient legislation on the statute books to take care of the situation. If need be, all we have to do is to beef up the organizations we now have on the statute books in aid of rural development and that will accomplish the task instead of creating a brand new bureaucracy.

I am in favor of virtually every other portion of the bill, especially those titles expanding our soil conservation and watershed programs, and making cost-sharing provisions available for pollution control. These sections of the bill are in line with what I have just said about the need to strengthen and expand existing programs.

But I repeat, Mr. President, this bill will actually work against our American farmers. It will be to their detriment, because of the funding involved.

On that point Mr. President, I would like to close my remarks by reading a short paragraph from a letter to me from the American Farm Bureau. The Farm Bureau has studied this bill; and states to me as follows:

The provisions of S. 3462 have been reviewed carefully in the context of the explanations set forth in the Committee Report.

Title I of this bill comprises the Rural Development Financial Resources Act of 1972. The report states "Title I is structured generally along lines of the legislative provisions for the Federal Land Banks, their local associations, and the Farm Credit Administration and will like them eventually be fully owned and controlled by participating local private banks and borrowers." The structure in Title I may be "generally" patterned after the successful structures of the Federal Land Bank. However, the solid structures of that system are hardly recognizable in the complex, multi-faceted structures proposed in the provisions under this title. It would create a complicated new bureaucracy; create new national, regional and local lending agencies with no lending experience in an area of lending that needs experienced judgment if a constructive program is to be developed.

We oppose Title I of this legislation and strongly recommend that this title be stricken from S. 3462.

Mr. President, I believe the judgment of this large farm organization should be heeded by the Senate.

Mr. TALMADGE. Mr. President, I yield back the remainder of my time.

Mr. ELLENDER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Louisiana. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Oklahoma (Mr. HARRIS), the Senator from Indiana (Mr. HARTKE), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Washington (Mr. JACKSON), the Senator from North Carolina (Mr. JORDAN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Wyoming (Mr. MCGEE), the Senator from Montana (Mr. METCALF), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PASTORE), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) and the Senator from New Mexico (Mr. MONTOYA) are absent on official business.

I also announce that the Senator from Connecticut (Mr. RIBICOFF) is absent because of death in the family.

I further announce that, if present and voting, the Senator from Oklahoma (Mr. HARRIS), the Senator from Indiana (Mr. HARTKE), the Senator from Washington (Mr. JACKSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Wyoming (Mr. MCGEE), the Senator from West Virginia (Mr. RANDOLPH) and the Senator from Connecticut (Mr. RIBICOFF) would each vote "nay."

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE) would vote "yea."

On this vote, the Senator from Colorado (Mr. ALLOTT) is paired with the Senator from Minnesota (Mr. HUMPHREY). If present and voting, the Senator from Colorado would vote "yea" and the Senator from Minnesota would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Colorado (Mr. ALLOTT), the Senator from Massachusetts (Mr. BROOKE) are necessarily absent.

The Senator from Oregon (Mr. HATFIELD) is absent because of a death in his family.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Pennsylvania (Mr. SCOTT) is absent by leave of the Senate on official business.

The Senator from Arizona (Mr. GOLDWATER) and the Senator from Alaska (Mr. STEVENS) are detained on official business.

On this vote, the Senator from Massachusetts (Mr. BROOKE) is paired with the Senator from Oregon (Mr. HATFIELD). If present and voting, the Senator from Massachusetts would vote "yea" and the Senator from Oregon would vote "nay."

On this vote, the Senator from Colorado (Mr. ALLOTT) is paired with the Senator from Minnesota (Mr. HUMPHREY). If present and voting, the Senator from Colorado would vote "yea" and the Senator from Minnesota would vote "nay."

The result was announced—yeas 44, nays 32, as follows:

[No. 152 Leg.]

YEAS—44

Aiken	Cranston	Packwood
Anderson	Curtis	Percy
Beall	Dole	Roth
Bennett	Dominick	Saxbe
Bible	Ellender	Schweiker
Boggs	Ervin	Smith
Brock	Fannin	Spong
Buckley	Fong	Stafford
Byrd, Harry F., Jr.	Griffin	Symington
Cannon	Gurney	Taft
Case	Hansen	Thurmond
Cook	Hruska	Tower
Cooper	Long	Tunney
Cotton	Mathias	Weicker
	Miller	Young

NAYS—32

Allen	Gambrell	Mondale
Baker	Gravel	Moss
Bayh	Hart	Nelson
Bellmon	Hollings	Pearson
Bentsen	Hughes	Pell
Burdick	Inouye	Proxmire
Byrd, Robert C.	Javits	Stennis
Chiles	Jordan, Idaho	Stevenson
Church	Magnuson	Talmadge
Eastland	McGovern	Williams
Fulbright	McIntyre	

NOT VOTING—24

Allott	Jackson	Mundt
Brooke	Jordan, N.C.	Muskie
Eagleton	Kennedy	Pastore
Goldwater	Mansfield	Randolph
Harris	McClellan	Ribicoff
Hartke	McGee	Scott
Hatfield	Metcalf	Sparkman
Humphrey	Montoya	Stevens

So Mr. ELLENDER's amendment was agreed to.

Mr. ELLENDER. Mr. President, I

move to reconsider the vote by which the amendment was agreed to.

Mr. CURTIS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. GRIFFIN. Mr. President, will the Senator from Illinois yield to me briefly so that I may take this opportunity while quite a few Senators are in the Chamber to ask the distinguished acting majority leader if he could tell us anything about the program for the rest of the day and into the future?

Mr. STEVENSON. I yield for that purpose.

Mr. ROBERT C. BYRD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. Who yields time?

Mr. ROBERT C. BYRD. Will the Senator from Georgia yield to me on the bill?

Mr. TALMADGE. I yield to the Senator from West Virginia such time as he may desire.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will complete action on the pending bill today. That being the case, and in consideration of the current status of the calendar, it was intended that the Senate go over until Monday. It had been the intention of the leadership to call up on Monday the USIA-State authorization bill, but I am now apprised of certain problems in connection with that bill which will prevent its being called up on Monday of next week. That being the case, I have gone over the calendar as carefully as I can and explored with the committees the possibility of having other legislation ready for consideration on Monday. I find that no measure is going to be ready for Floor consideration on Monday.

It is quite possible that by Tuesday there will be sufficient business on the calendar to warrant a session.

Therefore, in answer to the able minority whip's question, it will be my suggestion that when the Senate completes its business today on the pending measure, it go over until tomorrow for a pro forma session, no business to be conducted, no speeches to be made, and that when the Senate then adjourns, it adjourn until Tuesday next.

Mr. GRIFFIN. I thank the acting majority leader for that statement. I am sure he joins me in urging Senate committees to utilize this time to produce the legislation that the Senate must act on.

Mr. ROBERT C. BYRD. Yes. I am certainly glad that the distinguished assistant Republican leader mentioned this. I hope that all committees will take advantage of this opportunity to meet and conduct hearings. I note that certain committees are meeting daily. The various Subcommittees on Appropriations are going ahead with hearings on appropriation bills, even though such bills have not yet come over from the other body. The Finance Committee and the Judiciary Committee have been meeting daily, as have other committees. So, with the Senate out of session these 2 days, the committee hearings will not be interrupted.

So I hope that committees will take this opportunity, so that we may get major measures to the floor, and, hopefully, get most of them disposed of prior to the convention.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had passed the bill (S. 1736) to amend the Public Buildings Act of 1959, as amended, to provide for financing the acquisition, construction, alteration, maintenance, operation, and protection of public buildings, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills:

S. 1989. An act to amend title 39, United States Code, to provide for the renewal of certain star route contracts; and

S. 3153. An act to amend the Act of January 8, 1971 (Public Law 91-660; 84 Stat. 1967). An act to provide for the establishment of the Gulf Islands National Seashore, in the States of Florida and Mississippi, for the recognition of certain historic values at Fort San Carlos, Fort Redoubt, Fort Barrancas, and Fort Pickens in Florida, and Fort Massachusetts in Mississippi, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore.

RETURN OF SENATOR McINTYRE

Mr. COTTON. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. COTTON. Mr. President, I am sure Senators have noted with pleasure that my distinguished colleague, the Senator from New Hampshire (Mr. McINTYRE), is on the floor of the Senate, having fully recovered his health after corrective surgery.

It is a pleasure to me, as his colleague, to welcome him back and to express our gratification that he has been thoroughly restored to health. I think we should give him a hand in bidding him welcome.

[Applause, Senators rising.]

Mr. STENNIS. Mr. President, if the Senator will yield to me for one additional comment, I not only join in the sentiments expressed in the Senator's announcement, but wish to state that we had an Armed Services Committee meeting this morning, where we had a warm welcome there for the Senator from New Hampshire, where he was already in action and rendering fine service.

Mr. COTTON. Mr. President, I want it understood that my deep personal friendship and affection for the Senator from New Hampshire is in no wise a political endorsement. [Laughter.]

Mr. McINTYRE. Mr. President, I would just like to say in response to my distinguished senior colleague from New Hampshire and the distinguished chairman of the Armed Services Committee, the Senator from Mississippi, that I deeply appreciate their kind expressions here. I wish also to say to the many Members of the Senate who were so kind in sending me messages of encouragement during my stay of 2 or 3 weeks at Johns Hopkins and my recuperation at home that I appreciate it enormously.

I am pleased that I am back and fulfilling my duties in, I hope, as good a fashion as my colleague from New Hampshire and the Senator from Mississippi think I am.

Mr. ROBERT C. BYRD. Mr. President, I join the distinguished senior Senator from New Hampshire, Mr. COTTON, and the distinguished chairman of the Armed Services Committee, Mr. STENNIS, in expressing our satisfaction and pleasure in seeing the very distinguished junior Senator from New Hampshire, Mr. McINTYRE, back on the floor. I am delighted that he is looking so well. He is very, very diligent about his work not only as a member of the Armed Services Committee but also with respect to other committee assignments and his floor work as well. The Senate has missed him during his necessary absence. We are happy that he has returned to us and that he is ready now to take his place again on the floor of the Senate and on the committees.

Mr. GRIFFIN. Mr. President, since the Senator from Illinois first yielded to me, I want to thank him for his indulgence and tolerance, and now he can have the floor back.

RURAL DEVELOPMENT ACT OF 1972

The Senate continued with the consideration of the bill (S. 3462) to provide for the development of rural areas.

Mr. STEVENSON. Mr. President, I have an amendment at the desk, which I call up.

The PRESIDING OFFICER. The clerk will read the amendment.

The legislative clerk read the amendment, as follows:

Strike out all of Title III, from line 17 on p. 108 through line 23 on p. 129 and insert in lieu thereof:

"TITLE III—AMENDMENT TO CONSOLIDATED FARMERS HOME ADMINISTRATION ACT OF 1961

"SEC. 1001. Section 306(a)(2) of the Consolidated Farmers Home Administration Act of 1961 is amended by striking out '$100,000,000' and inserting in lieu thereof '$400,000,000'."

Mr. STEVENSON. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a question?

Mr. STEVENSON. I gladly yield.

Mr. ROBERT C. BYRD. Does the Senator feel that the full time of 2 hours

will be used on this amendment as far as he is concerned?

Mr. STEVENSON. Not as far as I am concerned. I do not think it will take me more than 10 or 15 minutes. I do not know how many other Members of the Senate want to address themselves to this amendment.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. STEVENSON. Mr. President, title 3 of S. 3462 authorizes the distribution of $500 million to States, one-third for their own use, one-third for distribution to counties, and one-third to planning districts in rural America. My amendment strikes title 3 and increases the present $100 million authorization for the Farmers Home Administration water and waste disposal program to $400 million, the amendment represents a budgetary saving of $200 million—the difference between the proposed $500 million authorization under title 3 of S. 3462 and the additional $300 million an amendment would provide for the FHA program.

Mr. President, I have no objections to the whole notion of distributing Federal funds to other units of government so long as those units have a need for the funds and as long as they are distributed in a rational and fair way and with appropriate safeguards.

Title 3 does not do that. It distributes funds for the States, counties, and planning districts among the States on a formula which, among other things, allocates 40 percent of the funds according to the degree to which the rural population in each State has declined. Each State receives a portion of this 40 percent equal to that State's decline in rural population divided by the total national decline in rural population.

Title III does not say how or over what period of time the decline in rural population is to be determined, but it assumes, for some reason, that those communities which have lost the most rural population should get the most money.

The results of the formula have been distributed to Senators and should be on their desks. This fact sheet on the allocation of the funds under title III show that 39 States would receive a smaller percent of rural revenue sharing funds than their percent of the rural population. Eleven States would receive more. In fact, these 11 States, with 19 percent of the rural population in America, would receive more than 50 percent of the rural revenue sharing funds.

I ask unanimous consent to have printed at this point in the RECORD the fact sheet on the distribution of rural revenue sharing funds.

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

STEVENSON AMENDMENT FACT SHEET—ADDENDUM

Thirty-nine states would receive a smaller percent of rural revenue sharing funds than their percent of the rural population. Eleven states receive more. These 11 states, with 19% of the rural population in America, receive more than 50% of the rural revenue sharing funds.

STATES WHOSE PERCENT OF RURAL REVENUE SHARING IS LESS THAN THEIR PERCENT OF TOTAL RURAL POPULATION IN AMERICA

State	Percent of rural population	Percent of rural revenue sharing
Alabama	2.8	2.04
Alaska	.4	.1
Arizona	.7	.41
California	2.9	1.32
Colorado	.9	.55
Connecticut	.6	.31
Delaware	.2	.11
Florida	3.3	1.95
Georgia	3.3	2.43
Idaho	.9	.48
Illinois	3.3	1.63
Indiana	3.2	1.54
Iowa	2.6	2.15
Louisiana	2.6	1.81
Maine	1.0	.57
Maryland	.9	.38
Massachusetts	.2	.1
Michigan	3.1	1.73
Minnesota	2.5	1.62
Montana	.8	.38
Nevada	.1	.05
New Hampshire	.7	.39
New Jersey	2.4	1.16
New Mexico	1.0	.62
New York	3.8	1.85
North Carolina	4.8	3.19
Ohio	3.7	1.99
Oregon	1.5	.75
Pennsylvania	3.7	2.10
Rhode Island	.3	.11
South Carolina	2.5	1.68
Tennessee	2.9	2.10
Texas	5.4	3.26
Utah	.3	.21
Vermont	.5	.26
Virginia	2.9	1.88
Washington	1.7	.74
Wisconsin	3.3	1.75
Wyoming	.5	.22

Mr. STEVENSON. Also, the funds are distributed without regard to the purpose for which they will be used. It is an arbitrary distribution by an arbitrary formula which takes no account either of the need for the funds or the purpose for which the funds are to be used.

I, as a former State official, have a lot of sympathy for State officials. I can well understand how State and local officials would welcome the opportunty to spend some of the Federal Government's money. I have no doubt that the need is great in many, if not all, of the States, counties, and planning districts that would receive this money.

I have no doubt, either, that most State and local officials would use it wisely, though not all. Some of this money would be wasted.

But those are not, Mr. President, the principal reasons for striking title III. The primary reason is that the Federal Government simply cannot at this time afford it. As has already been mentioned by the distinguished Senator from Missouri, the Federal Government faces this year a budgetary deficit of some $38 billion. We have an estimated budgetary deficit of about $26 billion for next year.

This amendment, if adopted, would mean a budgetary saving of $200 million. The fact that the Federal Government cannot afford to support $500 million for title III and at the same time continue existing programs at reasonable levels would mean that one or the other would suffer, and I do not think there is much doubt but that the administration, given a choice of spending funds for rural revenue sharing under title III or existing categorical aid programs, would fund the former and starve the latter. That has been its position, and it has made no bones about it. The administration's revenue-sharing program proposed the elimination of 11 categorical programs: The rural water and waste disposal grants, for which I propose, by this amendment, an increase in the authorization from $100 million to $400 million; the rural environmental assistance program; the Cooperative Agricultural Extension Service; the Economic Development Administration; the Appalachian Regional Commission; the resource conservation and development program; the title V Regional Commission; forestry assistance grants; the Great Plains agricultural conservation program; the water bank program; and the tree planting grants programs.

All these programs would, in all probability, be either eliminated or cut back in order to provide the $500 million authorized for rural revenue sharing. Far from being cut back, many or even all of them should have their funding increased, perhaps especially the Farmers Home Administration water and waste disposal program.

The authorization is now for only $100 million. The backlog in applications for water and sewer grants currently before the Farmers Home Administration is $195.6 million, and it is growing. That backlog will increase dramatically if this bill is passed, because the bill extends the eligibility of communities for these grants from communities of less than 5,500 to all communities in rural areas of less than 50,000 people.

It was estimated in 1969 that the need of communities served by the Farmers Home Administration for water systems amounted to about $4,161,000,000, and for sewer systems about $7,121,000,000, for a total of over $11 billion. This amendment would not go far toward meeting that need, but it would help. It would increase the authorization from the meager $100 million at which it now stands to $400 million.

One real need in rural America is for sewer and water facilities. This amendment offers the Senate a chance to help meet that need. It offers the Senate a chance to preserve and continue established and successful programs.

There are other programs either on the books or in the works which can help provide local communities with funds and with flexibility and the authority with which to determine their own local priorities and meet them. Money available through the Economic Development Administration can be made available. It was not long ago that the Senate passed a Comprehensive Housing Act, which included a community developments title and earmarked 25 percent of all funds under that title for communities of less than 50,000 in rural areas. That and other programs can make funds available to communities for their local needs and priorities without revenue sharing. Rural revenue sharing would simply add another program to a long list of existing programs, many of which are successful and need to be increased and improved, not, as this legislation would do, cut back.

Mr. ALLEN. Mr. President, will the Senator yield for a question with regard to his amendment?

Mr. STEVENSON. I gladly yield to the Senator from Alabama for a question.

Mr. ALLEN. As I understand the Senator's amendment, he would eliminate the authorization of $500 million a year for rural revenue sharing, and take $300 million of that authorization and put it over into one single program, the water and sewer assistance grant program; is that correct?

Mr. STEVENSON. The Senator is correct, except I should point out that that one single program provides grants for water systems, sewer systems, solid waste disposal systems, and community facilities and services in rural America.

Mr. ALLEN. What is the present appropriation for the current fiscal year for this program? It is $100 million, is it not?

Mr. STEVENSON. The Senator is correct. It is $100 million. The apropriation is all the way up to the authorization level of $100 million.

Mr. ALLEN. Under the Senator's amendment, the revenue sharing for rural areas would be eliminated and the authorization for water and sewer systems be increased from $100 million to $400 million?

Mr. STEVENSON. The Senator is correct.

Mr. ALLEN. The Senator realizes, does he not, that only $42 million of the current fiscal year's appropriation has been released by the administration?

Mr. STEVENSON. The Senator is correct, and that is one of the reasons for my concern about revenue sharing. I am very much concerned, as I indicated before, that if the administration has the opportunity to spend $500 million for revenue sharing, these other programs, including those for water and sewers, would get cut back even further.

Mr. ALLEN. Why does the Senator feel that by increasing the authorization more money would be released, when they have released only $42 million out of the current $100 million authorization?

Mr. STEVENSON. Well, I am an optimist. I would hope that the administration would respond to the very real, pressing needs of people all across this country in rural America, and to the entreaties of their representatives in Congress; and I might also say to the Senator from Alabama that there could be a different administration soon.

Mr. ALLEN. Yes; I suppose that could conceivably be the case. But I just wonder why the Senator would feel that all the eggs should be placed into one basket and the hands of the local authorities tied down to one particular program rather than have available many rural revenue programs.

Mr. STEVENSON. The Senator is making my point for me, and he is doing it on my time, I believe.

But the point is that I want to continue the variety of programs. Among that great variety of programs, including the water and the sewer program which covers grants for community facilities, water systems, sewer systems, and solid waste programs, are economic development, title 4 of the EDA, which does provide funds for general purposes, and the community development legislation which I mentioned a moment ago, already passed, if I recall correctly, almost unanimously by the Senate, which earmarks some 25 percent of all the funds authorized under that legislation for block grants to communities in rural America.

The trouble with title III is that it does put the eggs in one basket—one great, big revenue-sharing basket—and there is no telling what will happen to those eggs or all the other programs we depend upon if revenue sharing is approved.

Mr. ALLEN. But the Senator is eliminating all the other programs and putting all the emphasis on one very desirable program which has not had released to it the amount of money already appropriated by Congress.

Mr. STEVENSON. I am not eliminating any programs. I am trying to save programs. We are transferring additional money to one program that is particularly starved for funds. As the distinguished Senator from Alabama pointed out, the appropriations are already up to the $100 million authorization level.

As I tried to point out earlier, the unmet need for water and sewer systems alone in rural America was estimated in 1969—it is probably higher than that now—to be more than $11 billion.

Mr. ALLEN. There would be nothing to prevent the local authorities, under the bill as reported by the committee, from using these funds for water and sewer purposes, would there?

Mr. STEVENSON. There is nothing to prevent them, under this bill, from using these funds for any purpose. There is absolutely no telling. We are simply making it possible, under title 3, for State and local officials to spend the Federal Government's money.

As a former State official, I can sympathize with them. That is an enviable position to be in—to be able to spend the money without having to raise it. But that does not make me sympathetic to the proposed legislation. It seems to me that we have a responsibility, having collected the taxes from the people, to exercise some responsibility for the expenditure of those funds.

Mr. ALLEN. I gather that the Senator does not subscribe to the concept of general revenue sharing. Is that correct?

Mr. STEVENSON. I have doubts about the wisdom of giving away money. I will say to the Senator that if there is anything I firmly do believe, it is that money alone will not solve all our problems. Something more than money is needed—new ideas, new initiatives, reform. General revenue sharing, like title 3, only offers money.

Mr. ALLEN. I thank the distinguished Senator from Illinois.

Mr. President, I yield myself such time as I may require.

I rise in opposition to the proposed amendment to strike out title III, the Rural Community Development Revenue Sharing Act.

The rural revenue sharing as now generally provided in title III, was considered in executive session of the Rural Development Subcommittee of the Committee on Agriculture and Forestry and amended there. It was then considered in full committee and amended there.

Federal revenue sharing for rural community development is neither a novel nor a new concept to the Senate. As far as this body is concerned, it is not a new idea that came along just recently. I have studied the history of this concept in the Senate.

In truth, the Senate has been engaged in rural development revenue sharing for its entire history.

For many years we had the support of the entire Nation.

Federally assisted rural development helped build our Nation and, until the farm depression following World War I, our country had a long-standing policy of geographically balanced national growth, characterized by the long series of enactments for internal improvements and by the Homestead Act.

Some time in the twenties, the Nation abandoned the balanced growth policy.

We lost our way.

It became fashionable to equate the trek of people from the land with national progress and growth of civilization. How wrong we were.

During the three decades that followed, the Nation became preoccupied with the depression and with wars, hot and cold, and their consequences.

Considerations of growth policy centered on nationwide aggregates—full employment and increased gross national product—with little or no thought to any concerted or consistent idea or concept of how that growth was to be distributed over our Nation.

We were hung up on something called progress—whatever that is.

The result of this drifting was the greatest migration of people in so short a time in the history of the world. We emptied out our rural areas and jammed many of the unfortunates into central city ghettos.

National growth policy began to take a turn for the better with the enactment of the Food and Agriculture Act of 1961 of which the Consolidated Farmers Home Administration Act of 1961 was a part.

More than 10 years ago, under the leadership of the former distinguished chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana (Mr. ELLENDER), the Senate took the first major step toward modern rural area development when he sponsored and brought to enactment the Consolidated Farmers Home Administration Act of 1961 as part of the Food and Agriculture Act of 1961.

Another major step was taken when Senator ELLENDER introduced, in 1966 and again in 1967, and the Senate passed twice, the rural community development districts bill.

While that particular bill failed to pass in the House, its major provisions were adopted in a watered down version in the Housing and Urban Development Act of 1968, which for the first time provided planning grants for areawide rural multijurisdictional districts.

In a real sense, the legislation pioneered by the Senator from Louisiana, now the distinguished President pro tempore, was the original special rural community development revenue sharing proposal.

Senator ELLENDER'S leadership during the middle 1960's provided the base upon which we now build.

The present chairman of the Committee on Agriculture and Forestry (Mr. TALMADGE) working in a cooperative bipartisan manner with the distinguished chairman of the Republican National Committee, the Senator from Kansas, (Mr. DOLE), built on that base last year to fashion and bring to enactment title IX of the Agricultural Act of 1970.

That legislation, along with title VII of the Housing and Urban Development Act of 1970, reestablishes at long last, a national policy of geographically balanced growth, giving highest priority to rural development.

Now again we have before us another major step to reestablish a geographically balanced national growth policy—the special rural community development revenue sharing proposal embodied in title III, which the amendment would strike out.

I hope and trust that we can handle it in the same spirit and manner of constructive bipartisan cooperation.

As members of the Senate know, I have maintained an open mind about the revenue sharing and bloc grants proposals and their various alternatives.

I am still open to persuasion on the subject of general revenue sharing.

I am well aware of the severe strains on municipal budgets and tax bases.

I was privileged this year to read of the annual meeting of the National Association of Counties. There they discussed county problems frankly and in stark outline.

I have watched the fledgling areawide planning and development districts in my State of Alabama strive to get underway with inadequate Federal and State appropriations. These districts lack financial support for the kind of expenditures they must make to become the needed leading force in orderly, locally controlled rural development.

I am fully aware that demands on State governments have been mounting at a rapid rate. At the same time matching requirements of many worthwhile Federal programs have put an added strain on State revenues and a warping pressure on State budget planning.

Mr. President, the Rural Development Subcommittee, of which I am privileged to be a member, has held extensive field hearings in connection with the bill now before us.

We had 10 days of hearings in Washington. Our subcommittee staff has obtained extensive studies from many sources.

Mr. President, the testimony we have heard and the evidence we have seen indicate a vast need for funds for community facilities in rural America. Considerable improvements are called for in education and technical training; for health care; and for incentives for more rapid rural industrialization.

Moreover, I am concerned that local governments and areawide planning and development districts in low-income rural areas have less effective opportunity than affluent suburban jurisdictions to benefit from Federal categorical grants that require local matching.

Forcing low-income districts to pay all their own costs of orderly planning and development without any Federal funds at all would be even more unfair, and even more regressive, in a national sense. Even if local revenues were raised by a progressive piggy-back addition to the Federal income tax or a special Federal tax rebate, areas with a small tax base would remain at a disadvantage.

These are all hard realistic reasons why we should initiate now a new system of noncategorical Federal grants for rural development activities of States, districts, and local governments as the President has proposed.

At the same time, no one has been more fully aware than I that some of the forms and procedures of local government and restrictions on them by State laws or constitutions have become outmoded.

I realize that cost-effectiveness program planning, budgeting, analysis, and evaluation have not been fully adopted on a widespread basis by counties and municipalities. We may not even be getting our dollars worth in expediture of local revenue in some jurisdictions. Farmers and others may be called upon to bear an undue share of the burden of property taxes. Certainly improvement in local government is something we all should encourage.

I have been equally concerned that the governmental unit that spends the money should have responsibility for raising it; and the governmental unit that collects the revenue has a grave duty to exercise responsibility for its expenditure to attain national as well as local and State concerns. In any event, Federal moneys spent by other units of government should contribute to the attainment of high-priority national goals.

In addition, Mr. President, the revenue resources of the Federal Government are no more unlimited than those of State and local governments.

These are hard realistic reasons why we must proceed cautiously in turning over Federal funds to other units of government to spend on their own local needs.

These are compelling concerns, Mr. President. Some would move us one way, some another, on rural development revenue sharing.

These and other considerations, Mr. President, I continue to weigh as I study the several general and special revenue sharing proposals.

They bear strongly on the decision we should make concerning the amendment to strike out title III.

They, and still others, have bearing on the decisions we should make on the general revenue sharing proposal. But we should not confuse the two proposals—argument against general revenue sharing do not apply to the rural development block grants in title III.

Last year Congress passed, and the President signed, title IX of the Agricultural Act of 1970 and title VII of the Housing and Urban Development Act of 1970. Both establish a high national policy of balanced growth. Both require that a top priority be given to actions to speed up rural development within the context of balanced national growth.

The objectives of title III move in that direction. They are consistent with these firm congressional and Presidential statements establishing more rapid rural development as a high national policy.

None of the witnesses before the Rural Development Subcommittee of the Committee on Agriculture and Forestry testified in opposition to these aims. Not one witness urged even so much as a simple language change in the proposed rural development purposes.

Not one witness—I repeat—not a single witness—objected to providing unmatched grants for State and local governments to initiate and carry out rural development projects.

Not one witness objected to the emphasis given by the proposal to nationwide rural development planning through local and State governments and areawide sub-State multijurisdictional districts, aided by multi-State regional planning and development.

Mr. President, there appears to be a national consensus on these matters.

I share that consensus.

However, Mr. President, many witnesses who appeared before our subcommittee expressed deep concern that the same proposal which brought forth such a groundswell of support for its rural development objectives should run the risk of sounding the death knell of many rural programs adopted over past years by this Congress.

Not one scintilla of criticism, and no opinions or convictions, were expressed to evidence that any of these programs have lost their usefulness.

Not one witness singled out any program that he urged be given transitional treatment to possible elimination. No one presented evidence or proof that any of these programs is not helping to attain the objectives of rural development in the context of balanced national growth.

Not one witness presented evidence that the cost effectiveness of funds spent for the Appalachian regional program, the Economic Development Administration program, the rural environmental assistance program, or the new water bank program would not match up to a high standard.

Mr. President, even the witnesses who appeared in full support of the entire rural revenue sharing proposal, including its transitional provisions, upon questioning by members of the Rural Development Subcommittee, filled the record with highly favorable accounts of the good that is being done by the forest fire fighting appropriation, the tree planting appropriation, and the Great Plains conservation and resource conversation and development programs and others listed that could be phased out under the proposal as it now stands.

Many witnesses expressed concern that large numbers of rural communities may

be forced to the wall if water and sewer grant programs are not expanded.

Yet water and sewer grants are placed on the expendable list in the transitional title of the original rural revenue sharing proposal of the administration. These communities are faced with the need to meet high standards for water, air, and environmental quality. We all support those. But, at the same time, we must provide the funds by which these little communities can meet these standards.

We must expand rather than phase out the fine programs that the distinguished Senator from Vermont (Mr. AIKEN) worked so hard and so effectively to put on the books in the 1960's.

Mr. President, I do favor title III that will add a rural development revenue sharing program to complement the successful programs we already have.

I am pleased that this kind of accommodation of aims for which I have searched has been included as title III of S. 3462.

I am happy to have joined in introducing the proposed amendment, in the nature of a substitute, to the special rural community development revenue sharing bill, that has now been included as title III of S. 3462.

Title III authorizes new money of up to $500 million annually. It makes the revenue-sharing funds available to area-wide multijurisdictional planning and development districts and to counties, parishes, municipalities, burroughs, towns, and other units of local general government as well as to States.

The formulas for distribution or allocation of the funds give weight to the rate of rural outmigration and to the relative extent of rural poverty, both of which characterize rural areas of the greatest need and smallest tax base. The result of this change would be to increase the relative proportions of the total funds going to States, districts, counties, and municipalities with heavy rates of outmigration and with relatively low rural per capita incomes—those that need it most in the context of a policy of balanced national growth.

Title III requires that a State would have to have a State rural development plan to qualify for revenue-sharing funds. Title III requires a rural development plan rather than just a development plan. The members of the State rural development advisory committee would have to be chosen from rural areas within the planning districts, rather than just selected at large.

Title III allocates 33⅓ percent of the annual amount of the shared revenue to counties, municipalities, and other local governments and 33⅓ percent to multijurisdictional areawide planning and development districts; and 33⅓ percent to States.

The original proposal left the size of the annual amount of shared rural revenue funds entirely to the annual appropriation process while title III sets an authorized annual appropriation not to exceed a maximum of $500 million annually.

Title III requires the State, district, and local governments receiving shared revenues to comply with the provisions of section 901(a) and section 901(b) of title IX of the Agricultural Act of 1970—Public Law 91–524. Title IX of Public Law 91–524 would thus be given muscle and implement with funds to make a reality of the earlier policy statement adopted by this body.

The "Congressional finding and policy" and "rural development purposes" sections of title III are the same as the original proposal.

Title III establishes the same standards of accountability in identical language as the original administration proposal.

Title III requires the same State and multijurisdictional planning districts to establish organizational structures and annual plans.

Mr. President, I hope the Senate will reject the amendment to kill title III because I feel it best meets the needs of a policy of balanced national growth and preserves for the governmental unit that collects the revenue the responsibility to spend this revenue through a thoroughly flexible program responsible to local initiative.

Now, Mr. President, the provisions of title III provide for an authorization of $500 million a year to be appropriated for rural revenue sharing. The President has proposed general rural revenue sharing. The method by which the revenue was going to be shared was to stop some 13 existing rural programs and use that money, with some slight additions, as the money for rural revenue sharing; so that the existing rural programs the President's rural sharing plan would have withdrawn appropriations from are these:

The extension service.

Rural environmental assistance program.

The rural water and waste disposal grants. I invite the attention of the distinguished Senator from Illinois to that.

Forest Service grants for forestry assistance.

Great Plains conservation program.

Water bank program.

Resource conservation and development grants.

Tree planting assistance.

Regional development programs.

Economic development assistance.

Appalachian Regional Commission.

All of these rural programs for 1972—the fiscal year that we are now in—amount to $1.58 billion.

It was the administration's plan to authorize the appropriation of $1.1 billion in lieu of all the tried and true programs, which would have provided only $42 million for rural revenue sharing throughout the entire United States.

Now the purpose of title III is to leave all of the existing programs for rural development and rural service as they now are. Not one single word of testimony in opposition to continuing these programs came before the Committee on Agriculture and Forestry or any of its subcommittees.

Why should it be the policy of the administration, in providing rural revenue sharing funds, just to use the money now being used by tried and true programs that the people approve of, and then divide that money harum-scarum throughout the country?

So the purpose of title III is to leave those programs intact. Every single one of the items that I have just read off would be left alone. The money would not be withdrawn from those programs.

In addition to that, Mr. President, the sum of $500 million would be authorized and, it is only an authorization. Congress would have to appropriate the money. There would be no duty upon the Congress to appropriate anything. It would not be mandatory to appropriate anything. It is an authorization, to be weighed by Congress and implemented by appropriation if, in its wisdom, it sees fit so to do. That money would be divided throughout the United States for rural development programs.

Mr. President, I might say that it would be the very first piece of legislation involving revenue sharing as such that has been passed by the Congress since the President made his recommendations for revenue sharing. I would like to see one piece of legislation involving revenue sharing as such passed by Congress. And I know of no better place to start than in a revenue-sharing measure for rural America.

What would the amendment offered by the distinguished Senator from Illinois do? It would wipe out entirely this authorization and deprive Congress of the opportunity to provide revenue sharing in this fashion, and instead it would transfer that authorization over to one single worthwhile program. But why concentrate on only one program? Why not have available all worthwhile programs for the development of rural America? Why say that we are going to use this for only one purpose? That is what the amendment of the distinguished Senator from Illinois would do, Mr. President. It would deprive the local government of any freedom of action in deciding where that money would go. It would have to go into this one program.

Is more money needed in that program? I daresay that it is, but not the $300 million which could well be divided over half a dozen or a dozen different types of programs.

Let us see what would happen if the authorization were transferred from general revenue sharing for all of rural America over to one program for water and sewer disposal system grants with no flexibility and no right to use the money for other worthwhile programs, but just to be in this one program.

What has been the experience up to the present time in implementing this program? There is currently a $100 million appropriation for making water and sewer system grants. However, only $42 million has been released by the executive department. Why the distinguished Senator from Illinois would feel that more would be released if the authorization were $400 million or $500 million or any other figure is a mystery to the junior Senator from Alabama. All that the administration has been willing to release is $42 million, when they could have gone up as high as $100 million because that was the amount appropriated.

Why was it felt they would go to a higher figure with a $400 million authorization?

I feel that the amendment is unwise. It would not be translated, in the judgment of the junior Senator from Alabama, into additional water and sewer system grants because we have not used even half of what has already been appropriated for that purpose.

Mr. President, I hope that the Senate will reject the amendment. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENSON. Mr. President, I yield 5 minutes to the distinguished Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 5 minutes.

Mr. AIKEN. Mr. President, first, I point out that I appreciate the effort which the Senator from Alabama has been putting into trying to create a solution for the problem of revenue sharing. Let me say that I am in favor of revenue sharing. However, I have yet to see any method of providing it which meets with my approval. I think there is some way to do it. I do not think we have provided it in this bill as far as revenue sharing is concerned.

Mr. President, I have asked to have this particular piece of legislation which is now in the bill analyzed. And I have received some comments on it, and particularly on the provision in the bill providing revenue sharing of funds to State and local officials on what amounts to a no-strings-attached basis with no guarantee that they will be used in an effective manner. In this connection it should be noted that the Federal Government would have no approval authority over the State rural development funds required by the amendment.

Distribution of revenue shared funds under the Allen amendment would be based on a rigid formula taking into account rural population, rural per capita income, and rural outmigration. This formula cannot be changed without changing the legislation. These three factors may or may not have any relationship to particular rural development problems.

The Allen amendment would impose still another set of special districts on State and local governments—multijurisdictional planning districts. This can result in greatly increased administrative costs and create an administrative nightmare. Direct funding to these districts can result in duplication of effort and conflict with existing State organization, and subsidies from other Federal agencies like HUD, EDA, and EPA.

Mr. President, I might say that we are overwhelmed with planning commissions at the present time which have overlapping jurisdiction and overlapping authority. The States have them, and even the Federal Government has them. I would like to see some better way of handling the situation because they all compete with each other and work against each other in some places in order to get the credit for doing the job and getting the most Federal money.

The Federal Government already has a substantial number of proven rural development programs. While the Allen amendment would not replace any of those programs, it would intensify the competition for funds within the Federal budget to the detriment of those programs.

Mr. President, several other reasons are given why this special proposed program in the bill would not be very workable. I do not doubt that it would result in much greater benefits to certain areas that perhaps do not have a need than it would to some of the other areas that do have a need.

I say again that I want to give the Senator from Alabama and the Senator from Georgia full credit for trying to work out something they think would be good for rural development. However, in the case of this proposal for revenue sharing, I would rather wait another year and see if we could work out something which would do a better job.

Instead of multiplying the jurisdictional commissions we should seek to do something toward bringing them into line.

Other than that, I believe the Federal Govenment cannot completely give up all the requirements for approval of some of the projects, many of which will cross State lines, and there might be one State doing something, which would react against a State which adjoins it.

I shall vote for the amendment proposed by the Senator from Illinois. I am not satisfied with the situation now and I realize some kind of revenue sharing is important because local taxation is discouraging a lot of people, but I have serious doubts that the provision now included in the bill would prove to be a satisfactory solution.

Mr. TALMADGE. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. TALMADGE. Mr. President, the President made a recommendation for rural revenue sharing. It was sent to our committee. We moved expeditiously and promptly to consider the President's recommendations. Our committee held the first hearings on the President's recommendations and our committee was the first committee to report on the matter.

The distinguished Senator from Vermont, along with other Senators sponsored a bill, and I was happy to cosponsor it, providing for water in our rural areas. It is one of the most needed things we have. I am delighted to have joined in that cosponsorship. It worked well but it was too limited and we had too little money. In addition, there are no guidelines to guide the Executive authority of the Government. They want to spend all the money they can in Vermont or in Georgia, or in Illinois. It was the considered opinion of the Committee on Agriculture and Forestry that there should be some guidelines by which this revenue-sharing money would be utilized.

We knew also that in not every community would water be the most desperate need. So we thought they should have some flexibility to utilize the funds for what the local people thought was the greatest need.

The President's recommendation provided for the abolition of 11 of the most popular programs we have relating to agriculture in this Nation. One recommendation was to abolish the Extension Service. Not a single Senator in this Chamber would cast his vote to abolish the Extension Service. By far the most popular program with which the Department is related is the Extension Service. It is in every school, in every 4–H Club, in every courthouse of America, where they are teaching farmers to utilize better methods.

It was recommended that other programs of a similar nature be abolished. The committee decided not to abolish these programs but to make a reasonable authorization in compliance with the President's desire for rural revenue sharing.

We tried to allocate the money, first, where the rural population is, second, where there is rural poverty, and third, where there is rural migration, where people have been moving because job opportunities were not there. So the committee devised a formula that this $500 milion authorized annually would be divided 40 percent on the basis of rural population, 40 percent on the basis of rural outmigration, and 20 percent on the basis of rural poverty.

When the money reached the States it would require they could keep one-third for local purposes, and local governments could keep one-third for local government purposes, and one-third must be utilized by the appropriate planning commission in every State of the Union to try to utilize the money to better themselves and create job opportunities in that area. That was our purpose rather than to have a grab bag with some Federal administrator, at his whim, caprice, and desire, only to give it over here or over there, or utilize it in any way he wanted, if he had a congressional race, a senatorial race, or a gubernatorial race. He could use the money for that purpose. But under the formula the committee devised, each area will get its share of the funds in accordance with the formula.

Since the Committee on Agriculture and Forestry acted, the Ways and Means Committee of the House reported a bill for revenue sharing that is in excess of $5 billion a year for a period of 5 years; so, Mr. President, you are talking about $25 billion involved in that program. I presume the majority of that money is going to the cities, and the cities are desperately in need of funds. But I remind the Senate today that over 50 percent of the poverty in America is in rural areas, over 60 percent of substandard housing is in rural areas, and that is where the problem arose before it became an urban crisis.

I hope the Senate will reject the amendment of the Senator from Illinois and stand by the Committee on Agriculture and Forestry, which gave this matter intense consideration after deliberate hearings and thorough examination.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENSON. Mr. President, it has been said this is the first revenue-sharing program to reach the floor of the Senate. I would remind the junior Senator from Alabama that the senior Senator from Alabama (Mr. SPARKMAN) worked very hard and diligently for a long time in the Committee on Banking, Housing and Urban Affairs, and with others, including the junior Senator from Illinois, to resolve the difference between the administration community development revenue-sharing program and existing categorical programs, to fashion a new block grant program for community development in America. That bill which is a form of revenue sharing, a workable form of revenue sharing, has been passed by the Senate. It authorizes $2.7 billion the first year, of which $675 million is earmarked for rural America. That is revenue sharing for rural America that has already passed the Senate.

The basic problem is that we cannot afford another rural revenue-sharing program, as well as to continue support for all of the existing, proven, successful categorical programs. The distinguished Senator from Alabama and the distinguished chairman of the Committee on Agriculture and Forestry have expressed their support for the rural water and waste disposal treatment programs, the economic development program, the Extension Service, and the others mentioned.

If we pass rural revenue sharing, those programs will be cut back because we cannot afford to support them at adequate levels and community development programs and other revenue-sharing programs.

We know very well by now that given the choice of funding water and sewers, the agricultural extension program and the others, and funding revenue sharing, the administration will fund revenue sharing and starve those other programs.

I will say one final word, and then I shall be prepared to yield back the remainder of my time, and that is to simply agree with the Senator from Georgia and the Senator from Alabama that we do need to give far more support to people in rural America; but the revenue-sharing proposal in title III does not do that, or at least does not do it rationally. It allocates funds to the least populated areas of rural America.

These are funds that are supposed to be for the benefit of the rural population, but they are not distributed in proportion to the rural population. For example, the State of Alabama has 2.8 percent of the rural population of America, but it receives only 2.04 percent of the rural revenue-sharing funds. Take the State of Georgia. It has 3.3 percent of the rural population of the United States, but it receives 2.43 percent of the rural revenue-sharing funds. My own State of Illinois has 3.3 percent of the rural population in America and yet would receive only 1.63 percent of rural revenue sharing funds provided by title III of this bill. It simply is not a rational basis for getting funds into rural communities, into those parts of America that have the rural population.

With that, Mr. President, if the manager of the bill is prepared to yield back his time, I am prepared to yield back my time.

Does the Senator from Alabama yield back the remainder of his time?

Mr. ALLEN. Yes; I will yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back. The question is on agreeing to the amendment of the Senator from Illinois. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Oklahoma (Mr. HARRIS), the Senator from Minnesota (Mr. HUMPHREY), the Senator from North Carolina (Mr. JORDAN), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Montana (Mr. METCALF), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PASTORE), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) and the Senator from New Mexico (Mr. MONTOYA) are absent on official business.

I also announce that the Senator from Connecticut (Mr. RIBICOFF) is absent because of death in the family.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Connecticut (Mr. RIBICOFF) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Colorado (Mr. ALLOTT), the Senator from Massachusetts (Mr. BROOKE), and the Senator from Wyoming (Mr. HANSEN) are necessarily absent.

The Senator from Oregon (Mr. HATFIELD) is absent because of death in his family.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Pennsylvania (Mr. SCOTT) is absent by leave of the Senate on official business.

If present and voting, the Senator from Massachusetts (Mr. BROOKE) and the Senator from Oregon (Mr. HATFIELD) would each vote "yea."

The result was announced—yeas 32, nays 50, as follows:

[No. 153 Leg.]

YEAS—32

Aiken	Hart	Schweiker
Bayh	Hartke	Smith
Brock	Hruska	Stafford
Buckley	Javits	Stevens
Case	Kennedy	Stevenson
Church	McGee	Symington
Cook	Nelson	Taft
Cooper	Pearson	Tunney
Cranston	Pell	Williams
Curtis	Roth	Young
Eagleton	Saxbe	

NAYS—50

Allen	Burdick	Eastland
Anderson	Byrd, Harry F., Jr.	Ellender
Baker	Byrd, Robert C.	Ervin
Beall	Cannon	Fannin
Bellmon	Chiles	Fong
Bennett	Cotton	Fulbright
Bentsen	Dole	Gambrell
Bible	Dominick	Goldwater
Boggs	Griffin	Gravel
Gurney	Magnuson	Percy
Hollings	Mathias	Proxmire
Hughes	McGovern	Spong
Inouye	McIntyre	Stennis
Jackson	Miller	Talmadge
Jordan, Idaho	Mondale	Thurmond
Long	Moss	Tower
	Packwood	Weicker

NOT VOTING—18

Allott	Jordan, N.C.	Muskie
Brooke	Mansfield	Pastore
Hansen	McClellan	Randolph
Harris	Metcalf	Ribicoff
Hatfield	Montoya	Scott
Humphrey	Mundt	Sparkman

So Mr. STEVENSON's amendment was rejected.

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MILLER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the House had agreed to the concurrent resolution (S. Con. Res. 78) paying tribute to President Harry S. Truman on the occasion of his 88th birthday.

ENROLLED BILLS PRESENTED

The Assistant Secretary of the Senate reported that on today, April 20, 1972, he presented to the President of the United States the following enrolled bills:

S. 1989. An act to amend title 39, United States Code, to provide for the renewal of certain star route contracts; and

S. 3153. An act to amend the Act of January 8, 1971 (Public Law 91-660; 84 Stat. 1967), an Act to provide for the establishment of the Gulf Islands National Seashore, in the States of Florida and Mississippi, for the recognition of certain historic values at Fort Carlos, Fort Redoubt, Fort Barrancas, and Fort Pickens in Florida, and Fort Massachusetts in Mississippi, and for other purposes.

RURAL DEVELOPMENT ACT OF 1972

The Senate continued with the consideration of the bill (S. 3462) to provide for the development of rural areas.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BELLMON. Mr. President, I call up an amendment which I have at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 130, line 14, insert the following: after "land" insert ", and particularly reclamation revegetation of land that has been mined, strip-mined or abandoned by its owners,".

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Mr. President, one of the factors that holds back the development of many rural areas is the fact that large sections of rural America have been strip mined or otherwise devastated by mining operations that have made the

land unproductive and which in many cases have left the land in such condition that the reclamation and revegetation of these areas costs more than the land is worth once the operations have been completed. This language would simply make it possible for some of the moneys in this bill to be used for these purposes when the local interests felt that it was a good investment.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. BELLMON. I yield.

Mr. TALMADGE. Mr. President, I have examined the amendment of the distinguished Senator, and I have discussed it with the ranking minority member of the committee, and we are in accord. It is an excellent amendment and improves the bill.

We think that the Soil Conservation Service should be interested in improving the land that has been strip-mined or abandoned by its owners, and I hope that the Senate will accept the amendment.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. BELLMON. I yield.

Mr. COOPER. I ask the Senator this question: Suppose land has been strip-mined and it is not abandoned and it has an owner. Would this public money be used to reclaim the land where the owners are in possession of it and are able to reclaim it? Are we going to pay the costs to reclaim land for coal companies or individuals who have mined it profitably and have gone away and left it in the public domain?

Mr. BELLMON. Mr. President, most States, including the State of Kentucky, which has one of the best mining laws of any State, now require that when permits for mining are issued, bonds be posted by the mining companies to make certain that the land will be restored to productive condition once the mining operation has been completed.

The problem is that there are many "orphan" lands that have been mined in past years, when our mining laws were lax, and these mines now are in a totally unproductive state, and there is no apparent method of getting reclamation and revegetation practices put into effect.

It is the intention of this amendment that under the terms of the watershed protection and flood prevention program, moneys of that program could be used for the reclamation and revegetation of strip mines or abandoned mines in case the local agency, the Soil Conservation Service, felt that this was a good investment.

Mr. COOPER. I appreciate the Senator's purpose. I may say that I had the opportunity to go with him and Senator Moss, Senator COOK, and Senator BAKER to look over the lands in Tennessee and Kentucky.

I know that in certain areas it would be important to take measures to protect the rivers and streams and lakes from being ruined and despoiled by uncontrolled strip mining. But is there any provision here to assure that the States shall have such regulations that owners or the mine operators will also be required to assume the costs of reclaiming this land after it has been mined? This bill would not in any way take the burden of responsibility for reclamation away from the mine operators, would it?

Mr. BELLMON. It is not the intention of this amendment in any way to diminish the responsibilities of the mine operators or the landowners. Most of the soil conservation practices presently supported under the watershed protection and flood prevention program require participation by private land owners. In many cases there is a cost-sharing arrangement with the Federal agency, and the same arrangement can be carried out in this respect.

Mr. COOPER. I hope that in conference, the conferees will show in the report what the effect of this amendment might be as it would apply to corporate or individual owners.

The problem in Kentucky now is that some mining companies have already despoiled the country. For example, strip mining to supply coal for the Tennessee Valley Authority has practically despoiled western Kentucky. The mining that has been done there has ruined water tables and ruined the country side. I know the example I cite is an extreme example. I know the Senator's purpose.

We will want to help reclaim these devastated and despoiled areas. We should not, however, do something to let the Government agencies and big operators escape their duty.

I want to make a correction. The Tennessee Valley Authority did not mine this land. It entered into contracts with big coal companies of the United States who initially mined it, but the TVA did not withhold sufficient funds to insure that they reclaimed the land. I believe that should be their responsibility.

Mr. BELLMON. Mr. President, I might say that the problem we are trying to get at is the problem that exists because of lax laws in the past. We recognize that particularly the TVA has strip-mining provisions in its contracts, to make certain that mining companies do not destroy the surface and leave the land in an unproductive condition. In the past, in Kentucky and in many other States, including my own State, strip-mining operators have left the land in unproductive condition, and we must take steps to correct this situation.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BELLMON. I yield.

Mr. AIKEN. Assuming that the big coal companies have stripped the coal and have made their fortunes on the coal but leave the land in a virtually worthless condition—they still have the title to the land—would the Senator's proposal authorize that the land be restored to a highly valuable condition for another purpose, so that they might pick up another fortune, for example, in land development, recreation, and so forth? I can see that it would be desirable to have the land reclaimed, but it goes against the grain to give another handout to the people who already have been responsible for despoiling it. How would that be handled?

Mr. BELLMON. Mr. President, that problem and that decision largely would be handled by the local boards of directors of the Soil Conservation Service. They would require cost sharing participation by any owner, whether it is a private individual or a company. I am of the opinion that they are not going to use the funds in such a way as to make a windfall profit for a large corporation.

Mr. AIKEN. I realize the desirability of restoring the land to valuable condition. It just makes me uneasy.

Mr. MILLER. Mr. President, will the Senator yield for a question?

Mr. BELLMON. I yield.

Mr. MILLER. Do I correctly understand that in the colloquy with the Senator from Kentucky (Mr. COOPER), the Senator from Oklahoma indicated that the intention is that money used under this authority, as set forth in his amendment, would not be used, in effect, to get a company or an individual off the hook, so to speak, with respect to their responsibilities under a State law to take care of the damage done in strip mining operations?

Mr. BELLMON. That is correct.

Mr. MILLER. May I say to my colleagues that this matter will be in conference. I believe that, with this legislative history, we should be able to make sure that there is no question about that in the minds of the conferees or in the report of the conference.

Mr. BELLMON. I appreciate the contribution of the distinguished ranking minority member. What he says is right as to my intent in bringing up this amendment.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. WEICKER). All time has now been yielded back.

The question is on agreeing to the amendment of the Senator from Oklahoma (Mr. BELLMON).

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DOLE. Mr. President, I send an amendment to the desk and ask that it be stated.

Mr. President, I ask unanimous consent that my colleague from Kansas (Mr. PEARSON) be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered; and the clerk will state the amendment.

The legislative clerk read as follows:

On page 94, line 2, add the following: after the period: "Provided, that at least 60 per centum of the total financial assistance extended under sections 304(b), 306(a), 310A, and 312 (b), (c) and (d) shall be in counties not having an incorporated city with a population of more than 25,000 inhabitants according to the last decennial census."

Mr. DOLE. Mr. President, title II defines rural areas as all areas outside cities of greater than 50,000 population and their urbanized and urbanizing areas, and makes these rural areas eligible for loans and grants under this title.

My amendment would merely require that at least 60 percent of the Farmers Home Administration and nonfarm rural

development loan and grant funds go to counties which have no incorporated city of more than 25,000 population.

It has been my experience that counties having a city of more than 25,000 population are generally viable communities and are not as badly in need of the type of assistance provided in title II as are counties with no city in the 25,000 population category.

Mr. TALMADGE. Mr. President, I have examined the amendment, as has the distinguished ranking minority member, and the staff, and I see no objection to it. I believe it might improve the present language in the bill. I hope that the Senate will agree to the amendment.

Mr. President, I yield back the remainder of my time.

Mr. DOLE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. WEICKER). All time on the amendment has now been yielded back.

The question is on agreeing to the amendment of the Senator from Kansas.

The amendment was agreed to.

The bill is open to further amendment.

Mr. JAVITS. Mr. President, I send an amendment to the desk and ask that it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read the amendment as follows:

On page 116, line 25, insert the following: strike "40 per centum" and insert "50 per centum".

On page 117, line 7 strike out "20 per centum" and insert "25 per centum".

On page 117, line 20, strike out "40 per centum" and insert "25 per centum".

Mr. JAVITS. Mr. President, as one looks at the tables prepared by the committee, in order to see how the revenue-sharing operation will tentatively be apportioned—and this is a kind of template of what will probably be the future of revenue sharing—we find a heavy emphasis on areas which have lost rural populations heavily, that is where there has been a decrease in rural population.

If Senators will look at the proposed charts and tables, they will find that out of the 50 States only 10 States get anything whatever out of this particular form of revenue sharing as is provided for in section 1102(a)(C). The reason is that the formula is such as to take in few States.

It is often not known that my State of New York has a true rural population. Other industrial States have major rural populations as well. My State has some major rural areas where there are real problems, where they may be in great need, although statistically that population may show an increase due to the number of families which have moved out from a metropolitan district. If that growth is large enough to the point of altering the census in the area, the total population will show an increase even though the "rural" population showed decrease.

The local level loss of population and resultant abandonment of the farms and the margins of farming areas is not necessarily undesirable. Such margins may arise because the soil, climate, and topography no longer are suitable for local agriculture, and such areas may be a poor choice for the investment of Federal funds. On the other hand, investments in rural areas with increasing populations which result from a spilling over from metropolitan areas might yield a greater result in terms of saving farms from urban encroachment and attracting some industries to provide rural employment.

So, Mr. President, I think that the formula seems to be, if we look at the results, too heavily weighted in the direction favoring "decreasing population," and not heavily enough weighted in the propositions concerning populations and per capita income.

For those reasons, it commends itself to us that we go back to the percentage distribution formula proposed by the administration. That is all I am proposing—the administration proposal originally in the bill sponsored by the Senator from Iowa (Mr. MILLER), S. 1612; the applicable percentage proportions were 50, 25, and 25. That is exactly what I am suggesting we should restore them to.

Before I complete my argument, I ask unanimous consent that the amendment at the desk may be considered en bloc.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York? The Chair hears none, and it is so ordered.

Mr. TALMADGE. Mr. President, I have examined the Senator's amendment and the reason for his offering it, as has the distinguished Senator from Alabama who is the principal author of title III. The Senator from Alabama thinks that it will improve the bill. I am perfectly agreeable to it under those conditions. I cannot speak for the ranking minority member of the committee. He will have to speak for himself.

Mr. MILLER. Mr. President, I will say that if the Senator from Alabama, who is the author of the amendment the way it appears in the bill, feels that this is an improvement, I do not wish to dispute that. I think it will require a little more research. As long as this bill will be going to conference, we will rewrite a lot of the bill in conference, so that I have no objection to the Senator's amendment.

Mr. BELLMON. Mr. President, I should like to point out that the reason the committee changed the formula was there was a mass exodus of rural people taking place during the 1930's and the 1940's which largely depopulated States such as Oklahoma and other major sections of rural America.

The committee's thought was that we should take into account the fact that at some time we would witness the return of a large population to rural America. There was the feeling that we should take into account the fact that the areas could again accommodate larger populations if the necessary services were provided. So that the formula agreed on by the committee was to help the communities prepare themselves for larger populations than presently reside there.

I feel that the formula the committee came up with properly takes account of basic population out-migration. I feel that it is a better arrangement than the proposal of the Senator from New York. But, in light of the fact that both the chairman and the ranking minority member agreeable to accepting the amendment, I will not oppose it.

Mr. JAVITS. Mr. President, I yield back the remainder of my time.

Mr. TALMADGE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendments of the Senator from New York.

The amendments were agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MILLER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JAVITS. Mr. President, I thank the Senator from Alabama (Mr. ALLEN), the Senator from Georgia (Mr. TALMADGE), and the Senator from Iowa (Mr. MILLER) very much for their cooperation.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DOLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk proceeded to state the amendment.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendment will be printed in the RECORD.

The amendment reads as follows:

At the end of the bill add a new section as follows:

SEC. 1705(a) Section 407 of the Rural Electrification Act of 1936, as amended, is amended by inserting "(a)" immediately preceding the first sentence thereof and adding at the end thereof the following:

"(b) The telephone bank is also authorized to issue telephone debentures to the Secretary of the Treasury, and the Secretary of the Treasury may in his discretion purchase any such debentures, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act as now or hereafter in force are extended to include such purchases. Each purchase of telephone debentures by the Secretary of the Treasury under this subsection shall be upon such terms and conditions as to yield a return at a rate not less than a rate determined by the Secretary of the Treasury, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturity. The Secretary of the Treasury may sell, upon such terms and conditions and at such price or prices as he shall determine, any of the telephone debentures acquired by him under this subsection. All purchases and sales by the Secretary of the Treasury of such debentures under this subsection shall be treated as public debt transactions of the United States."

(b) The right to repeal, alter, or amend this section is expressly reserved.

Mr. DOLE. Mr. President, the purpose of the amendment is to enhance the

ability of the Rural Telephone Bank to obtain funds with which to finance rural telephone service.

Mr. President, the amendment has been discussed with the chairman of the committee, the Senator from Georgia (Mr. TALMADGE), and the ranking minority member of the committee, the Senator from Iowa (Mr. MILLER), has been made aware of the amendment. The amendment was considered at the time the telephone bank bill was passed in 1971. This amendment was not agreed to at that time.

The Rural Telephone Bank bill was passed last year after several years of consideration. I was fortunate to have worked for passage of the legislation in the House of Representatives before coming to the Senate, and can assure my colleagues that the expansion of communications this bank will facilitate will be a major contribution to rural development. Since the bill was signed into law May 1, 1971, it has become apparent that new legislation action is needed. Presently, borrowing authority is restricted to the private market; however, other Federal enterprises, after which this bank was patterned, have authority to borrow from the Secretary of the Treasury. Secretary of Agriculture Earl L. Butz, in a letter to SPIRO T. AGNEW, President of the Senate, said:

The backlog of applications for telephone loans is currently about five times the amount made available by annual appropriations for loans under section 201 of the Rural Electrification Act. The act requires that loans be made with telephone bank funds instead of REA (2% loans) funds if the borrower has an average subscriber density of more than three per mile, is eligible for a bank loan, and bank funds are available therefor.

The recommended legislation would facilitate the bank's ability to obtain funds required for such loans on favorable terms and conditions. The interest rate on the bank's borrowings from the Treasury would be based on the current average yield on outstanding marketable obligations of the United States with maturities comparable to the bank's borrowings.

Mr. President, I ask unanimous consent to have the letter from Secretary Butz to the President of the Senate printed in the RECORD at this point.

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

DEPARTMENT OF AGRICULTURE,
Washington, D.C., April 14, 1972.

HON. SPIRO T. AGNEW,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith, for consideration of the Congress, is a draft bill "To amend the Rural Electrification Act of 1936, as amended, to enhance the ability of the Rural Telephone Bank to obtain funds for the supplementary financing program on favorable terms and conditions."

The Department recommends enactment of the draft bill.

After more than 5 years of legislative efforts supported by all segments of the telephone industry, a bill to establish a Rural Telephone Bank was approved by the Congress of the United States and signed by President Nixon on May 7, 1971, as Public Law 92–12. The objective of this legislation was to meet the growing capital needs of rural telephone systems by providing assured and viable sources of financing supplemental to the existing telephone loan program administered since 1949 by the Rural Electrification Administration, an agency in this Department.

The law authorizes the Government to purchase up to $30,000,000 annually of the Telephone Bank's Class A stock until $300,000,000 has been invested in such stock. It also authorizes the Telephone Bank to have outstanding bonds, debentures, notes and other evidences of indebtedness not in excess of eight times its paid-in capital and retained earnings. The terms and conditions of the Telephone Bank's securities offered to the public are subject to the approval of the Secretary of the Treasury.

A review of the Telephone Bank's financing plans by the Treasury Department and the Office of Management and Budget revealed the need for the legislation now being proposed to correct a defect in the Telephone Bank's borrowing authority. It was pointed out that the Telephone Bank may borrow only from the private market. Other Federal enterprises which have authority for private market borrowing also have authority to borrow from the Secretary of the Treasury, e.g., U.S. Postal Service, Federal National Mortgage Association, and Federal Home Loan Bank. Without this authority, it appears that the Telephone Bank will have to pay more for its borrowings than other Federal agencies. This will have a pronounced effect on the proportion of the telephone loan backlog which can be financed by the Telephone Bank for borrowers able to pay more than the two percent statutory interest rate established for REA loans.

The lack of this authority denies to the Rural Telephone Bank the possibility of direct loans from the Treasury which can be obtained at lower costs than private market borrowing, even by Federal agencies which have their loans backed by the full faith and credit of the United States. These direct loans would have no adverse budgetary effect since the Telephone Bank's receipts and expenditures are already included in the Federal budget, irrespective of the source of its borrowings.

The proposed amendment would permit the Rural Telephone Bank to issue its obligations to the Secretary of the Treasury and authorize the Secretary of the Treasury to purchase such obligations in his discretion. The Office of Management and Budget and the Treasury Department support such legislation because it would shift debt management problems from the Rural Telephone Bank to the Treasury Department. This would eliminate the need for the Rural Telephone Bank to have its own Fiscal Agency and permit it to minimize borrowing costs and avoid cash flow problems which could disrupt its lending program. Interest costs of the various federally sponsored agencies normally exceed Treasury borrowing costs by substantial amounts and the cost of money to such agencies is futher increased by the higher underwriting costs of relatively small issues. The Treasury already has the necessary expertise, flexibility, volume, and marketing power to minimize financing costs and assure an effective flow of credit for the supplementary financing program established by the Congress.

Early enactment of this legislation is recommended to facilitate the operations of the Rural Telephone Bank. The backlog of applications for telephone loans is currently about five times the amount made available by annual appropriations for loans under section 201 of the Rural Electrification Act. The Act requires that loans be made with Telephone Bank funds instead of REA funds if the borrower has an average subscriber density of more than three per mile, is eligible for a Bank loan, and Bank funds are available therefor. The recommended legislation would facilitate the Bank's ability to obtain the funds required for such loans on favorable terms and conditions. The interest rate on the Bank's borrowings from the Treasury would be based on the current average yield on outstanding marketable obligations of the United States with maturities comparable to the Bank's borrowings.

The Office of Management and Budget advises that there is no objection to the presentation of this proposed legislation from the standpoint of the Administration's program.

A similar letter is being sent to the Speaker of the House of Representatives.

Sincerely,

EARL L. BUTZ,
Secretary.

Mr. DOLE. Mr. President, the Office of Budget and Management finds there is no objection to the presentation of the proposed legislation. This would eliminate the need for the rural telephone bank to have its own fiscal agency and permit it to minimize borrowing costs and avoid cash flow problems which would disrupt its lending program. Interest costs of the various federally sponsored agencies normally exceed Treasury borowing costs by substantial amounts and the cost of money to such agencies is further increased by the higher underwriting costs of relatively small issues. The Treasury already has the necessary expertise, flexibility, volume, and the marketing power to minimize financing costs and assure an effective flow of credit for the supplementary financing program established by Congress.

Mr. President, I have discussed this amendment as I have said. In fact, I believe the distinguished chairman of the committee has introduced a bill today that would accomplish the same purpose. I have also discussed the proposed amendment with various Members interested in rural telephone legislation and those who dealt directly with the telephone bank bill enacted and signed into law by President Nixon on last May 1. There is a general feeling that this is needed.

I urge my colleagues to support this important rural development measure to insure the continued expansion of our rural telephone communications system.

Mr. TALMADGE. Mr. President, if the Senator from Kansas would yield, I introduced a bill this morning for the Department by request that would accomplish the identical thing that the distinguished Senator from Kansas seeks to accomplish by his amendment.

We have examined the Department recommendations. They will save the Government money. Our staff has examined the recommendations. The ranking minority member of the committee has also examined it. We all agree to it. I hope that the Senate will approve the amendment.

Mr. DOLE. Mr. President, I yield back the remainder of my time.

Mr. TALMADGE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Kansas.

The amendment was agreed to.

Mr. TALMADGE. Mr. President, I understand that the distinguished Senator from West Virginia has some amendments that are noncontroversial. After we obtain third reading of the bill it is

my understanding that the distinguished Senator from Illinois (Mr. PERCY) was to speak for about 5 minutes. I have had no other requests for time. I think we can have final passage of the bill within the next 45 minutes. I sincerely hope that we can do so.

Mr. ROBERT C. BYRD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk proceeded to state the amendment.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment reads as follows:

On page 141, after the period in line 11, add the following:

"In addition, there is also authorized to be appropriated for each such fiscal year to carry out the purposes of this title the sum of $2,000,000 for use in those States where the per capita income in rural areas as defined in section 102(b) of this Act is below the national average per capita income of the population of rural areas and where the Chief of the Forest Service determines that the timber reserves within the area concerned are of such importance to the national timber reserve to warrant special consideration. Such funds shall be utilized by each such State for added assistance in those multijurisdictional planning districts as defined in section 1002(h) of this Act where the rural per capita income is below the national average."

Mr. ROBERT C. BYRD. Mr. President, first let me express appreciation to the distinguished manager of the bill for his forbearance in waiting until I could come to the floor from an executive meeting of the Judiciary Committee.

Mr. President, this amendment deals with title VI of the bill, which authorizes the Secretary of Agriculture to provide funds, technical and other assistance to appropriate State officials in cooperative efforts to organize, train, and equip local forces to fight wildfires in rural areas and rural communities of 5,500 or less. Existing provisions in S. 3462, as reported, limit this assistance to "not to exceed 50 percent or budgeted or actual expenditures", whichever is less.

This amendment does not alter or detract from existing provisions in title VI of the bill, but, rather, supplements them. My amendment would add $2,000,000 per year, for the same purposes, subject to the same matching provisions, to be distributed to States where the per capita income of rural areas is below the national average, and where the Director of the Forest Service determines that the timber reserves within the area concerned are of such importance to the national timber reserve to warrant special consideration. At the present time, there are 20 States containing areas which could potentially benefit from this amendment. They are not limited to any section of the country. Some of those included in the list are Minnesota, Louisiana, Alabama, Oklahoma, Georgia, and my own State of West Virginia. I ask unanimous consent to have included in the RECORD at this point, a table which shows the rural per capita income of all States, and the average for the United States.

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

Rural income per capita

United States average	$2,378
Alabama	1,866
Alaska	3,705
Arizona	2,233
Arkansas	1,956
California	2,916
Colorado	2,338
Connecticut	2,838
Delaware	2,848
Florida	2,368
Georgia	1,894
Hawaii	2,577
Idaho	2,530
Illinois	2,798
Indiana	2,801
Iowa	2,653
Kansas	2,796
Kentucky	1,954
Louisiana	1,963
Maine	2,523
Maryland	3,032
Massachusetts	3,044
Michigan	2,544
Minnesota	2,253
Mississippi	1,860
Missouri	2,145
Montana	2,753
Nebraska	2,755
Nevada	4,391
New Hampshire	2,660
New Jersey	2,781
New Mexico	2,320
New York	2,819
North Carolina	2,164
North Dakota	2,492
Ohio	2,597
Oklahoma	2,200
Oregon	2,701
Pennsylvania	2,501
Rhode Island	3,018
South Carolina	2,100
South Dakota	2,536
Tennessee	1,957
Texas	2,348
Utah	2,294
Vermont	2,694
Virginia	2,200
Washington	2,957
West Virginia	2,068
Wisconsin	2,619
Wyoming	2,870
American Samoa	473
Guam	1,688
Puerto Rico	1,077
Virgin Islands	1,527

Mr. ROBERT C. BYRD. Mr. President, this amendment would simply insure that there are additional amounts available to assist areas within States, which need it most.

Mr. President, may I say that I have discussed this amendment with the distinguished manager of the bill (Mr. TALMADGE) and with the distinguished Senator from Kansas (Mr. MILLER) and my amendment was modified to meet some of the suggestions and to conform with some of the suggestions made by Senator MILLER. I hope that the amendment will be agreed to.

Mr. TALMADGE. Mr. President, I have examined the amendment as has the staff and the ranking member of our committee. We think it is a good amendment. We hope that the Senate will agree to it.

Mr. President, I yield back the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from West Virginia.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk proceeded to state the amendment.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment reads as follows:

On page 147, between lines 6 and 7, insert the following:

"(c) In addition to the amounts authorized by subsection (a) there is also authorized to be appropriated for the fiscal year ending June 30, 1974, and for each fiscal year thereafter, for carrying out all the purposes of this title, the sum of $25,000,000 for allocation among those States where the per capita income of those living on small farms in rural areas (as defined in Section 102(b) of this Act) is below the national average per capita income of the population of rural areas. Such sum shall be allocated to such States on the basis of the number of persons in each such State who live on small farms in rural areas (as defined in section 102(b) of this Act) and whose income is below the poverty level, as determined by the Secretary of Agriculture as of the most recent date for which such determination is available."

On page 146, line 8, after "title" insert "pursuant to subsection (a)". Reletter succeeding subsections accordingly.

Mr. ROBERT C. BYRD. Mr. President, this amendment deals with title VII of S. 3462, which directs the Secretary of Agriculture to establish a program for rural development and small farm research, utilizing the land grant institutions and the extension programs. Hopefully, this type of research will assist in developing the means to make small farms profitable, and thus encourage small farm operators to remain on their land, instead of migrating to the already overcrowded urban areas to seek employment.

The land grant university in each State will be the focal point of this research and the Extension Service will act as the conduit to transmit the results of this program back to the people in the rural areas.

Mr. President, my amendment does not reduce or detract from any of the existing provisions of title VII. It does, however, authorize an additional $25,000,000 for the same purposes, to be apportioned to those States having a high percentage of rural residents, living on small farms, with below-poverty incomes. Title VII, as reported by the Senate Agriculture Committee authorizes $50,000,000 for fiscal year 1974; $85,000,000 for fiscal year 1975; and $135,000,000 for fiscal year 1976 and subsequent years. My amendment would authorize an additional $25,000,000 per year, to be distributed to the States in proportion to

the number of persons residing on small farms in rural areas, with incomes below the poverty level, as determined by the Secretary of Agriculture as of the most recent date for which such determination is available.

Therefore, under my amendment, the areas in this Nation which need this type of assistance the most, would receive special attention, to assist them in catching up with the rest of the Nation.

Mr. President, I have discussed this matter with the able manager of the bill, the Senator from Georgia (Mr. TALMADGE), and with the distinguished ranking minority member of the committee, the Senator from Iowa (Mr. MILLER). The amendment has been modified to conform to certain suggestions made by the ranking minority member (Mr. MILLER).

Mr. President, I hope that the amendment will be agreed to.

Mr. TALMADGE. Mr. President, I have examined the amendment, as has the staff, and as has the ranking minority member. We think it is a good amendment. I hope the Senate agrees to it.

Mr. ROBERT C. BYRD. I thank the distinguished manager of the bill for what he said. I have also cleared the matter with the distinguished Senator from Nebraska (Mr. CURTIS).

Mr. MILLER. Mr. President, I join my colleague, the distinguished manager of the bill (Mr. TALMADGE) in supporting the amendment. I believe it is a good amendment. I am not sure that the formula we have provided in that amendment is everything that we believe it should be but this is going to conference, and I have assured the distinguished Senator from West Virginia that in the interim we could get statistics which should be able to confirm what we think is right, and if they do not bear out we would be pleased to work with him in trying to come up with an allocation formula that will fit the purposes of the amendment.

Mr. ROBERT C. BYRD. I thank the able Senator, and I thank the distinguished manager of the bill.

Mr. President, I yield back the remainder of my time.

Mr. TALMADGE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from West Virginia.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HARTKE. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The amendment will be stated.

Mr. HARTKE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with and that the amendment be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment, ordered to be printed in the RECORD, is as follows:

On page 153, line 8 add the following new subsection:

"(c) No financial or other assistance shall be extended under any provision of this Act unless the Secretary of Labor certifies that the provisions of this section have been complied with. The Secretary of Labor shall, in cooperation with the Secretary of Agriculture, develop a system of certification which will insure the expeditious processing of requests for assistance under this Act."

Mr. HARTKE. Mr. President, I offer this amendment on behalf of the Senator from Minnesota (Mr. HUMPHREY) and myself.

Under my amendment the Secretary of Labor would have to certify that the financial and other assistance provided under this proposed act is being provided in compliance with the act's antipiracy provisions. My amendment also would require the Secretary of Labor, in cooperation with the Secretary of Agriculture, to develop a certification system which would insure quick handling and processing of requests for assistance under this act.

I believe it most important that this amendment be incorporated into the bill. I know of no existing Federal law or program containing similar antipiracy provisions which place enforcement of those provisions with anyone other than the Secretary of Labor. The Secretary of Labor is in the best position to enforce such provision. His Department has most of the figures and data required to make such judgments and as I have already indicated, the Secretary already has similar responsibility under several other laws. To vest that responsibility under this act to anyone other than to him would be sloppy legislating, and in this case, would unnecessarily add to the administrative burdens of the Secretary of Agriculture.

Mr. President, I have discussed this matter with the manager of the bill.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. HARTKE. I am pleased to yield to the Senator from Georgia.

Mr. TALMADGE. Mr. President, the Committee on Agriculture and Forestry approved what it thought was a very strong antipiracy provision. It is not our purpose to take jobs from one section and create them in another section. We thought the provisions of the bill quite stringent. However, we have discussed the provisions of the amendment offered by the Senator from Indiana. The staff has studied it, and the distinguished ranking minority member of the committee (Mr. MILLER) has studied it.

I see no objection. It would merely authorize the Secretary of Labor to certify it would not transfer jobs from one section to another.

I urge that the Senate agree to the amendment.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. HARTKE. I yield back my time.

Mr. TALMADGE. I yield back my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from Indiana.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. TALMADGE. Mr. President, I know of no further amendments at this time. The Senator from Illinois has been most patient in waiting to make his remarks. If he will permit me to do so I would like to suggest the absence of a quorum to get a sufficient number of Senators in the Chamber to request the yeas and nays on final passage.

The PRESIDING OFFICER. Does the Senator from Georgia have any objection to the clerk proceeding to third reading of the bill?

Mr. TALMADGE. No.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. TALMADGE. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, and that the time be equally divided.

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

Mr. TALMADGE. Mr. President, I suggest the absence of a quorum. I request attachés to let Senators know we desire Senators in the Chamber to ask for the yeas and nays.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. TALMADGE. Mr. President, I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

Mr. TALMADGE. Mr. President, I yield 5 minutes to the distinguished Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. PERCY. Mr. President, the Senator from Arkansas (Mr. MCCLELLAN) has introduced S. 10, a bill on rural development, that is backed by an overwhelming number of Senators. The Committee on Government Operations, under his chairmanship, has given very serious consideration to the organization of our rural development programs and how we can stimulate and implement those programs.

On January 24 and 25 of this year I was the chairman of field hearings of the Committee on Government Operations specifically directed to problems of economic development in 34 county areas in southern Illinois. We heard 19 expert witnesses. I learned a great deal as a result of that experience.

I commend our distinguished chairman, who has presented today a bill that is aimed in the direction of assisting and aiding rural America. I know that the Senator from Arkansas (Mr. MCCLELLAN), were it possible for him to be in the Chamber today, would be speaking in strong support of this general concept,

an area in which he has done a great deal of creative and pioneering work throughout the years.

In the President's Rural Development Message on February 1, he called for special attention to rural development and made proposals for strengthening the Federal Government's rural development programs. But he made clear that these programs could be better implemented in the context of a new Department of Community Development.

Comprehensive reorganization would mean that every Federal dollar spent on rural development could have a far greater impact. I again call on the Congress to establish this new Department [of Community Development], which would be uniquely capable of launching a well-developed, well-coordinated campaign to achieve the nation's community development goals.

I cannot emphasize too strongly my support of this concept based on my own experience.

In the Government Operations Committee we have had—to date—8 days of hearings on the President's executive reorganization program and the Department of Community Development—2 days in May, 1 in June, 3 in December 1971, 2 last week.

We have had a wide range of excellent, bipartisan witnesses, thoroughly familiar with issues of Government structure, goals, and functions: Charles Schultze, Joe Califano, Ben Heineman, Roy Ash, John Gardner, George Schultz, Arnold Weber, Secretary John Connally, Mayor Lugar of Indianapolis, urban planners and economic planners, and the Government officials most concerned with urban and rural development, transportation and community facilities. All have supported executive reorganization, and DCD.

In addition, on January 24 and 25 I chaired Government Operations Committee field hearings specifically directed to problems of economic development in the 34-county area of southern Illinois. We have 19 expert witnesses.

I learned from these experiences that the present method of organizing Government programs to deal with community problems has failed. The main problem facing most of our communities, no matter where they are, in urban Indianapolis, suburban St. Louis, or rural Illinois, is the fragmentation of Federal Government delivery systems. Different Federal programs, all directed in some way at community development, typically require different types of grant applications, operate according to different standards and requirements, and different administrative jurisdictions.

This fragmentation makes it almost impossible for a mayor, whether of a village or city, to learn how to deal with the massive Federal Government in a short 2- or 4-year term. By the time he has learned it he is out of office. A League of Cities/Council of Mayors survey showed that of 1,856 cities responding: 242 mayors had terms of 1 year; 747 had terms of 2 years; and 803 had terms of 4 years.

The result, as the President said in his special message on February 1, is that—

One of the most significant barriers to effective planning and coordination in rural areas has been the fragmentation of Federal efforts. Too many programs which should be closely related are operating as very separate entities. As a result, State and community leaders must often run a complex obstacle course in order to obtain development assistance. Frequently there is poor coordination and wasteful duplication and in some cases the action of one Federal agency actually conflicts with that of another.

The principal reason for this fragmentation has been the failure of the Government to recognize the interrelationship among rural, suburban and urban problems and the need to strengthen the essential social and economic partnership between rural America and our great metropolitan centers.

I believe the proper solution to this problem is to gather the principal Federal programs which support community development within a single new Department of Community Development.

Creating a new Department of Community Development with all the necessary community-development programs would strengthen, not weaken, the Agriculture Department.

The Agriculture Department has a massive responsibility: assuring adequate, inexpensive food and fiber needs for the United States and much of the world.

It is unrealistic to expect the Secretary of Agriculture to be two separate Secretaries: one for agricultural production and one for community development. These are separate jobs.

Rural community development will be strengthened, not weakened, by being linked with the Department whose main concern is national community development. The new DCD will have a very strong rural development mission.

The DCD would put an end to the senseless, artificial division between "rural" and "urban" communities. Where does an urban community end and a rural community begin? What is distinctly different about an urban or suburban community as opposed to a primarily "rural" one? One of the biggest problems of smaller towns has been that they have been treated as something outside the mainstream of our national development. The DCD would make them inclusive units.

I realize that, because the Department of Community Development has not been enacted, it is impossible to refer the new rural community development programs being created in this bill to the new Department. But the prospects for the bill are good. The House Government Operations Committee is beginning its markup of the bill. We intend to proceed in the Senate, with the support of Senator RIBICOFF and the help of Senator CHILES who has been authorized by Senator MCCLELLAN and Senator RIBICOFF to chair hearings in their unavoidable absence.

The Senate Government Operations Committee will certainly want to include in the new bill all of the programs necessary to structure a viable, strong Department of Community Development with a strong mission to promote rural development.

In conclusion, therefore, I am sure that the Senate will, when presented with the work of its Government Operations Committee, agree with the theory and structure of the new Department, and agree that it should contain the rural development programs now being lodged in the Agriculture Department.

Mr. President, I yield back the remainder of my time.

Mr. CHILES. Mr. President I would like to express my support for the Rural Development Act of 1972. Thirty million Americans have left the farms and the small towns, since the beginning of World War II, for the promise of city living, draining the countryside of its promise. The Department of Agriculture predicted that by 1980 the United States would have only 2.6 million farmers remaining on the land. In 1972 there are only 2.9 million left. At present 70 percent of the people in the United States live on 2 percent of the land. The rural people left the countryside for the amenities the city promised. And suddenly both the residents of the urban areas and the rural people are beginning to realize that something is wrong. As the committee report pointed out—nobody planned it that way, and maybe that's the trouble. Well, this piece of legislation is a plan. It is a plan for a total approach to rural development. We know that rural America is both separate and unequal; that rural America has about half of the Nation's poverty; 60 percent of the substandard housing; that hundreds of towns are without adequate water and sewer systems and that there is a lack of credit for housing, venture capital, and even public facilities. Hopefully, this bill will bring some planning and sanity to national growth patterns and give Americans a choice of where they want to live—a real choice, which is something they do not presently have.

Title VIII of this legislation contains a section I am particularly interested in. On April 19, 1971, Senator PACKWOOD introduced, and I, along with others cosponsored, S. 1560. I offered and, the committee accepted the language of S. 1560 as an amendment to the rural development bill. Section 1704 of title VIII would amend the Soil Conservation and Domestic Allotment Act to permit sharing the cost of agriculture-related pollution prevention and abatement measures. Under current provision of the act there is Federal money available for converting to a pollution-abatement practice if the practice will also conserve soil and water.

In several States, Florida for example, smudge pots are one of the principle methods of protecting fruit and vegetable crops from frost damage. Growers burn a variety of materials such as old tires and cross ties to create the necessary heat—and along with that heat a severe air pollution problem is also created. Section 1704 authorizes cost-sharing so growers can convert to smokeless grove-heaters.

This section also assists in cost sharing to eliminate burning of slash and other wastes, crop residues, and water, air or land pollution from farm livestock, poultry barns, and feedlots.

Clean air and water can no longer be taken for granted in rural America. Section 1704 will help initiate new air, water and land antipollution measures and

help solve the serious problem of pollution from agricultural sources.

Mr. President I believe the Senate, if it passes this legislation, will be expressing its commitment to rural development. I believe this legislation intensifies our effort to provide a true climate of opportunity in rural America.

Mr. PEARSON. Mr. President, the Rural Development Act of 1972 is in many respects a historic piece of legislation.

Its enactment will not solve all the problems that plague rural America, nor will it in or of itself bring about the balanced national growth that is so important to the ecoonmic health and social well-being of our future generations, but it represents a good beginning.

It demonstrates in hard, concrete terms the determination of the Congress to address itself to the goal of rural development and balanced national growth.

It reflects the growing conviction that a continuation of present population and economic growth trends will only serve to generate future economic inefficiencies and magnify our social ills.

It constitutes a rejection of the old notion that growth patterns are somehow dictated by immutable natural laws of economics.

It is a recognition that in comparison to metropolitan areas, our rural communities are often shortchanged in Federal assistance programs for health, education, housing, and welfare.

It is a reaction to an expressed public opinion which clearly indicates that Americans want a more meaningful opportunity to earn a decent living and raise their families in communities of their choice.

Those of us who have urged a national policy of rural development and balanced national growth, take a great deal of satisfaction in this legislation. When a few of us first began to propose rural development initiatives several years ago there was little interest, but now there is a visible and growing national commitment to this cause.

Mr. President, the Senate Agriculture Committee, particularly the Subcommittee on Rural Development is to be commended for their own commitment to this cause and for the enormous work that has been done in preparing and reporting this piece of legislation to the floor.

Mr. President, it has long been recognized that the lack of credit is one of the major barriers to a successful long-range rural community development effort. Smalltown banks often do not have adequate resources to finance industrial and other economic development projects. Beyond the problem of shortage of loan funds, smalltown banks are often not properly staffed to service development loans.

Under present conditions there is a very considerable flow of capital out of the rural area. We need a system that will serve to retain capital in rural areas and will serve to increase the flow of capital into our smaller communities.

This was recognized by President Nixon's Task Force on Rural Development which in 1970 recommended the creation of an institution patterned after the Farm Credit Administration aimed at increasing availability of credit in rural areas for economic development purposes. Following the recommendation of the President's task force I proposed the establishment of the Rural Community Development Bank in March of 1970. That proposal was again introduced in the 92d Congress in February of 1971.

The original title I of the Rural Development Act would have created an independent rural development credit system with regional and district offices. I regret that this title was eliminated. I believe that it was needed. However, the size of the vote in support of title I gives hope that after study and hearings the Congress will vote, at some future date, to create a rural community development bank of some type.

The Rural Development Act contains language to greatly strengthen the capacity of the Farmers Home Administration to serve the cause of rural development. The Farmers Home Administration is authorized to make business and development loans as well as to continue its traditional service to farmers and to very small towns. It seems to me that this broadening and strengthening of the Farmers Home Administration is most desirable. This title is especially important in view of the elimination of the development bank's proposals.

A general rural revenue sharing program authorizing $500 million annually is provided by the bill. This will serve to considerably strengthen the capacity of the State and local governments to carry out rural development programs of their own.

Other titles will serve to strengthen water and soil conservation programs and particularly to provide special assistance which will help to better link conservation efforts to rural community development programs.

Another title will establish a 3-year pilot program for fire protection in small rural towns and certainly this is a fully justified and needed program.

The bill also directs the Secretary of Agriculture to establish a program in rural development and small town research through the Land Grant College and University system. I think this is an extremely important feature of this bill. It is absolutely essential that our universities do more to assist small communities in their planning and development efforts. This particular title of the bill will strengthen the hands of the universities in meeting this obligation.

Finally, the bill requires the Secretary of Agriculture to coordinate rural development activities, authorizes the rural environmental assistance programs to enter into long-term conservation contracts, and provides for a cost sharing for agricultural pollution abatement practices.

Mr. President, this is a good bill. Its final passage will contribute greatly to the cause of rural development and balanced national growth. It leaves much undone, but its adoption will move us an important step forward.

Mr. MONDALE. Mr. President, I rise to join the distinguished Senior Senator from Georgia and many of my colleagues in support of S. 3462, the Rural Development Act of 1972. I cannot overemphasize the importance of this measure to the future of rural America to our entire Nation. I believe that this is the most comprehensive and most vital rural development measure since the Homestead Act. It will help to form the foundations upon which improved quality of life for all Americans can be built.

In rural America today, we face a situation similar to that faced by our forefathers over a century ago, when most of the population was crowded along the east coast. The answer then was to open up the frontiers, to grant homesteads to anyone willing to work the land, to give land to the railroads and land to communities for schools. Those actions by national leaders gave impetus to the building of towns and villages of rural America.

But now rural America is threatened with a slow death. During the past two or three decades we have seen increasing migration from the rural areas to the cities. Farm income has diminished and that has forced many farmers off the land. With less farmers and the ones that are left having less money to spend, smalltown businesses and banks suffer. Entire rural communities suffer.

Because of the social problems it causes in the cities, this exodus from rural areas would be a cause for concern even if people moved by choice. The real tragedy is that most people living in rural areas today would like to stay there but they cannot afford to.

In northern Minnesota, several farms were abandoned during the great depression. Now, a drive through the countryside of our agriculturally more productive southern Minnesota counties is starting to show the same thing—farmsteads deserted, smalltown businesses boarded up.

Earlier this year I attended a conference called "Crisis in the Cornbelt," at Worthington, Minn. The conference was organized by concerned residents of several prosperous communities in southwestern Minnesota and northwestern Iowa. Although their own towns are not dying, these people are concerned that they may be next. They are concerned because of the figures from the 1970 census which showed a severe drop in population for their area. And they are concerned by the information in a comprehensive study completed last fall. It showed that 18 counties of southwestern Minnesota are facing grave population and economic problems. The study was done by Gerald Heil, then a researcher for Southwest Planning, a project of the Minnesota State Governor's Office of Economic Opportunity.

The Southwest Minnesota Population Study also showed that one in four families in that area live in poverty. This is appalling when one realizes that the area is one of the most productive farming areas in the corn belt.

That study pointed out the fact that population of the area reached its peak in 1950.

The State of Minnesota has grown steadily in the last three decades. But rural areas have declined in population.

The southwest area where the population study was done, had 11.3 percent of the State's population in 1940. In 1970, only 7.8 percent of the population lived there. Even greater cause for concern is the fact that 96.5 percent of the decline took place between 1960 and 1970.

Rural Americans do not demonstrate or carry signs to protest the death of their communities. They keep on with their work seriously and silently. Some have to leave or get off-farm jobs. Others manage to stay. But more and more of their children leave rural America early in adulthood, never to live there again. The rural population is top heavy with older citizens. Yet every poll I have seen shows that 50 to 60 percent of the people living in the cities want to live in the country. But they cannot afford to live out there.

A farmer out in Minnesota told me recently about a comment some movie star made in a television interview. The actor had just returned from filming in the country and was commenting on the beauty and wide-open space. He thought people from the crowded cities should move out to those wide-open spaces.

The emcee candidly asked:

But what would they do for a living, grow radishes?

The farmer had been impressed by that interviewers question. He further pointed out:

We would love to have our kids stay in the home town area. And a lot of them would like to stay. But what would they do here? There's less and less chance in farming. Small businessmen have all they can do to make a living for themselves so they can't pay much. Smart kids go on to school. They'd like to come back to their own community or some other small community. But there aren't enough good jobs there. Out of 110 kids that graduated from high school with my boy six years ago, only seven stayed here. Four others are in other small communities. The rest all went to the big city—quite a few left the state for even bigger cities.

During the 1960's the population in my home State of Minnesota increased by 11 percent—roughly the same as the Nation as a whole. But 95 percent of that growth occurred in metropolitan St. Paul, Minneapolis and the surrounding area. Meanwhile, rural Minnesota lost people. While the State grew, over half the counties continued to decline in population.

Growth is fine, but we do not need more and more people jammed into already crowded and unmanageable cities. We need balanced growth across my home State and across the Nation. And the way we get that kind of balance is by providing good foundations for business and employment and living in rural America.

Rural communities and the people who live in them need jobs. Employment opportunities must be expanded in rural America so more young people can stay there where they have family and friends—where they have a community spirit. And by allowing these people a chance to stay in their communities, we also would put more life into rural communities.

And if more people could stay in rural communities, earn incomes there, and spend their money there, new vitality would come to the rural economy. This would become self-intensifying and self-sustaining.

Along with expanded economic activity, rural America desperately needs better community services. Nearly half of our small towns do not have adequate water and sewer systems. Medical care is often far away. Housing is inadequate and there is little hope for improving it with the inadequate financing available.

Communication and transportation services to rural areas are inadequate in many cases. No wonder people leave and businesses do not want to locate there.

But rural residents know they have something worth building on. They have fine communities, fresh air, beautiful scenery. These fine communities can be used to build foundations for balanced national growth.

By the year 2000 we will have 75 million more people in the United States. We have room for these people but we will have some terrible problems if we do not get going with the revitalization of rural America.

The Minnesota Department of Health recently projected population trends for the rest of this century. If nothing happens to change the current situation, rural areas will lose a third to a half of their population. We cannot let movement from rural areas continue while an expanding population is forced to crowd into and around the already crowded cities.

That is what this measure we have before us now seeks to change. In rural America there are wonderful people, fine communities, and valuable natural resources. We must provide the means, the foundations, to build on these basics an improved quality of life to accommodate the growing population and increased demands of the Nation.

Passage of this comprehensive bill could be the beginning of a new era in expanding the quality of life throughout America. I strongly support it and I urge other Senators to join in supporting the bill in its entirety.

Mr. FONG. Mr. President, as a cosponsor of the pending Rural Development Act of 1972 (S. 3462), I support passage of this measure.

At this time, I wish to direct some comments to the provisions of this bill which broaden the authority for the Watershed program and the Resource Conservation and Development program. Having cosponsored S. 2981 offered by the distingusihed senior Senator from Vermont (Mr. AIKEN), which would broaden this authority, I am pleased that the pending rural development bill takes care of this matter. The wider authorities provided in S. 3462 will be beneficial to my constituents in Hawaii in the years ahead.

In the State of Hawaii, watershed construction activities have provided about 365 man years of employment since 1960. The Watershed program of the Soil Conservation Service is making substantial contribution to rural development in Hawaii and throughout the Nation.

Since Hawaii became a State in 1959, ten applications for assistance under the Watershed Protection and Flood Prevention Act have been submitted from communities throughout Hawaii. Of the ten, two—Naalehu and Puukapu—have been completed; three are under construction—Kona, Waianae Iki, Waianae Nui—one—Kahaluu is approved for construction but not yet under way; two are now being planned—Honolulu and Wailuku-Alenaio—and two have not yet been authorized for planning.

When heavy rainstorms hit parts of the islands of Oahu and Hawaii in January this year, the Waianae and Naalehu projects functioned successfully. Flooding was prevented. Especially welcome also was the news that the recently completed Kainaliu diversions in the Kona Watershed project on Hawaii are functioning well. Since completion of the Kainaliu facilities last September, the Kainaliu rain gage has registered 21.5 inches of rain; yet there was no flooding in the town.

In the Soil Conservation Service program in Hawaii, we have one Resource Conservation and Development Project. The Tri-Isle R.C. & D. project plan was completed about a year ago by the sponsors of the project, five Soil and Water Conservation Districts in Maui County and the county of Maui, with technical help from Federal and State agencies. In May 1971, the Secretary of Agriculture authorized operations.

The Soil Conservation Service assisted the Maui County Board of Water Supply in developing the Tri-Isle's first project measure work plan. The plan consists of a series of feeder pipelines to improve distribution of agricultural and domestic water in Maui's Kula area. Construction is scheduled to begin this spring.

The program of action under the Tri-Isle work plan lists 105 projects aimed at sound resource development and preservation of a quality environment. Project measures includes developments related to social, economic, and natural resource aspects of the project area.

Preliminary planning is taking place for stabilizing over 2,000 acres of critically eroding areas and distributing water for irrigation to seed corn and grain growing areas on the Island of Molokai.

With land in Hawaii so limited in area and with Hawaii so dependent upon its agriculture industry, watershed, flood control and conservation projects are critically important to my State.

I see great benefits for the future for Hawaii from the broadened authorities in the Watershed program and the Resource Conservation and Development program. I, therefore, urge the enactment of the Rural Development Act of 1972.

Mr. STEVENSON. Mr. President, Main Street America and the family farm together epitomize the heritage of hard work and individualism that built America. It is our rural areas that supply America with its food and basic resources. And it is the rural ethos of Jeffersonian democracy which characterizes the best in American political life.

But too many Americans have come to think of our rural areas as a dying relic. It is this pernicious and pessimistic

attitude which more than anything else has prevented this country from showing the same concern for the needs of rural citizens that it professes for residents of our great cities. For if our rural areas are dying it is because the Government has chosen to allow them to die—there is nothing inevitable about the process.

Rural development must be more than an empty slogan. Rural areas need credit; they need funds for development and for public facilities. Their citizens need the full range of social, economic, and education services we now make available to urban residents.

There can be no greater folly than to pit the needs of rural and urban America against one another. For if America is to be a great country, it must provide opportunities for all its citizens regardless of residence.

The Rural Development Act of 1972 is not perfect legislation, but I strongly hope it marks the first step in a long overdue national effort to meet the needs of rural America. For that reason, I support the legislation and intend to vote for it.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement on the pending bill by the distinguished Senator from New Mexico.

The PRESIDING OFFICER. Without objection it is so ordered.

STATEMENT BY SENATOR MONTOYA

I rise in support of S. 3462, a bill to provide for the revitaliation of rural areas by establishing a rural development credit system and investment location incentives.

I would like to congratulate my colleagues of the Committee on Agriculture and Forestry for their outstanding job in preparing this piece of legislation for Senate consideration. The Committee has worked long and hard on this bill, and I want them to know that I appreciate their efforts.

The passage of S. 3462 will represent a significant step forward in the revitalization of rural America. The major socio-economic problems of rural America—unemployment, outmigration, substandard housing, lack of water and sewer systems, and the lack of public facilities and venture capital—cannot be attacked on a piecemeal basis. Comprehensive measures like S. 3462 are needed to redress the grievous imbalance in the quality of life in rural versus urban areas and to reverse the continuing stream of rural Americans to our overcrowded cities.

I would especially like to thank my colleagues on the Agriculture and Forestry Committee for incorporating a rural fire protection program in S. 3462. Title VI of this bill establishes a system of grants-in-aid to enable rural communities to establish and maintain an adequate fire protection and fire fighting capacity. Certainly, we cannot expect business and industry to locate in rural areas until adequate fire protection is afforded their plants and facilities. Nor can we expect to raise the quality of life in rural America until every individual feels reasonably secure that his property and home are protected from wildfire.

Since the 90th Congress, I have attempted to have the Senate pass a rural fire protection bill. I am deeply gratified that such a program will finally be voted on. Approximately 420 million acres of crop land, forests, pasture, and related improvements are currently unprotected against the ravages of wildfire. An estimated 8.5 million acres of rural lands are burned annually. In 1968, farm property losses from fire were estimated at $227 million. Approximately 1,000 lives are lost annually in rural fires.

Given this shameful waste of lives and property, I urge my colleagues to support Title VI of S. 3462 along with the other provisions of the bill. Title VI incorporates three rural fire protection bills introduced in the 92nd Congress. My bill, S. 963, has 28 cosponsors, which clearly indicates the recognized need for a rural fire protection program on the part of many Senate colleagues.

Title VI authorizes the appropriation of $5 million for fiscal years 1973, 1974, and 1975, to enable the Secretary of Agriculture to provide financial, technical, and other assistance to state officials in a cooperative effort to organize, train and equip local forces, including those of Indian tribes on Federal and State reservations, to prevent, control and suppress wildfires in rural areas and communities of 5,500 or less. Federal assistance to the states is not to exceed 50% of budgeted or actual expenditures, whichever is less. Title VI encourages local initiative and involvement. Participating communities will provide volunteer labor and facilities for fire program activities. The program will be closely coordinated with existing efforts of the Forest Service to prevent fires in rural areas. Two years after the enactment of this title, the Secretary of Agriculture shall submit a written report detailing the contribution of rural fire protection programs toward achieving the purposes of this title.

Mr. President, I believe the benefits of Title VI are truly great in relation to the relatively small cost of the program. Lives will be saved and property losses diminshed. Fire insurance premiums for rural residents will be reduced or made available for the first time. Tax revenues which are lost because of property destruction by fire will be saved. Industries and businesses will no longer be afraid to relocate in rural areas because of inadequate fire protection.

Furthermore, we have every indication that the programs to be established by Title VI will be extremely successful. During the period 1964–1966, the Forest Service conducted five experimental rural fire defense training projects in cooperation with the Office of Civil Defense. These projects were similar in scope and nature to the programs established by Title VI. I have been informed by the Department of Agriculture that local cooperation and acceptance of these projects was excellent. Nearly 7,000 individuals from 613 organized groups volunteered their own time to receive 50,000 man-hours of training. Many of these groups were organized as a direct result of the program. Reports of fire protection successes continue to be received from the pilot areas, as do local requests for other projects in new areas. All of this activity was set in motion by a mere $384,500 in Federal funds.

Given these facts, and in view of the widespread bi-partisan support my original fire protection bill has received, I am certain that the Senate will vote to make fire prevention and protection programs a reality for rural America.

Once again, Mr. President, I would like to express my appreciation to my colleagues of the Committee of Agriculture and Forestry for the fine work they have done on S. 3462. I fully support the basic purposes of this bill and urge my colleagues to do likewise.

Thank you, Mr. President.

Mr. TALMADGE. Mr. President, I ask unanimous consent to have a statement by the distinguished Senator from West Virginia printed in the RECORD.

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

STATEMENT BY SENATOR RANDOLPH

It is a privilege to express my support for the Rural Development Act of 1972. This measure, which contains many proposals which I have cosponsored and advocated, will provide urgently needed programs for the development of rural areas and smaller communities throughout America. This is an effort which is long-overdue.

The pending measure truly recognizes:

That it is essential to the national interest to stimulate the economic and social development of the rural areas, including farm communities and the smaller towns and cities of our Country;

That a more effective use of the resources of the rural areas of America will contribute to a stronger and more stable national economy;

That successful rural development efforts will help to slow the migration from rural areas and thereby help to reduce the increasing complex pressures on urban centers;

That a greater exchange of information and communication among the various public and private agencies whose activities are related in one way or another to rural development and welfare is essential; and

That a comprehensive continuing research and information exchange program designed to analyze the problems of rural areas and the interrelationship between rural and urban America—and to stimulate the economic and social development of rural areas—should be operated and maintained.

We know that enough has not been done to increase the effective use of the human and natural resources of rural America.

Nor has enough been done, nor is there sufficient effort today to slow the migration from rural areas due to lack of economic opportunity in the rural areas.

Consequently, there is no real national policy and practice to reduce population pressures in urban centers resulting from forced migration from rural areas.

For my part, I believe there has been—through both national policy and practice—an over-concentration on solving urban and suburban problems by over-expanding both the defense and the space and science exploration programs. Conversely, we have under-concentrated on development of the less populated areas of our Nation.

The pending measure is not perfect, but it is a basis for a viable development program for rural America.

It is a measure not only for the American Farmers but for America's small town, villages and growing communities that can be and ought to be centers of growth.

It constitutes a determined effort to promote balanced rural-urban growth in our Nation at a time when we are experiencing one of the greatest continuing mass migrations to our cities.

And urban governments are near fiscal collapse as they try vainly to cope with the relentless pressures of population.

As we focus on the massive problems of urban America, we too often forget that rural poverty remains disproportionately high. Only part of the reason is the depressed farm economy. The highest levels of rural poverty are among those people who are not in farming.

The rural-urban migration has produced these alarming statistics:

73 percent of population lives on just 2 percent of the land.

Within 30 years, if the trend should continue, more than half of our people will be living in three huge metropolitan regions—one in the upper Atlantic Seaboard—Washington, D.C. to Boston; one in the Great Lakes Region; and the third along the Southern California Coastline.

This migration is compounding both our rural and urban area problems.

It has placed enormous pressures on our cities. Local urban governments are unable to keep pace with demands for quality services for their rapidly growing populations.

Yes, the migration from rural areas to urban and suburban areas is so over-loading the cities and suburbs that their housing is

grossly inadequate, slum areas grow in size and the problems they create keep multiplying. City crime grows. The drug problem gets worse. Education suffers. Pollution and waste problems reach near—intolerable proportions. Fuels and energy conditions grow more and more complex and the power crisis becomes more acute.

So, the rural-urban migration is creating gigantic metropolitan disruptions and is creating economic and social decay conditions in the rural and small town areas.

Most tragic of all, the migration to the cities is robbing small communities of their most precious resource—people—needed to rebuild and revitalize their communities.

Our Nation must have programs designed to provide the necessary financing to revitalize our rural areas—for business and industrial development—for new payrolls and new jobs—for better schools—for medical centers and hospitals closer to the people—for improved transport systems—and for desperately needed housing. And we need go beyond these and see that our rural areas have industrial parks, water and sewer systems, water disposal plants, rural slum clearance, streets, police and fire protection, and libraries.

We must revitalize rural America.

We must rebuild rural opportunity.

Mr. President, I believe that the Rural Development Act of 1972 with its extensive provisions for financing of public facilities; investment of needed capital in the farm and non-farm business enterprises; orderly planning, research and technical assistance; and flexible revenue sharing with States and local governments will be a significant forward step in the development of our Nation. In the final analysis, all citizens—rural and urban—will benefit.

I congratulate the Committee on Agriculture and Forestry for bringing this vital measure to the Senate.

Mr. ROBERT C. BYRD. Mr. President, I wish to express my support for S. 3462, the Rural Development Act of 1972, and to urge its passage by the Senate.

One of the most serious plights facing rural America today is the outmigration of residents from our rural areas to the already overcrowded urban cities. In order to reverse this trend, rural America must be developed, and jobs and income must be brought to the individuals who still remain there. I believe S. 3462 will help to achieve this goal of bringing jobs and income to these areas through the expanded loan and grant authorities which are designed to meet the credit needs of rural individuals and communities, who are unable to qualify for financial assistance from other Federal or private sources. These new and expanded loan and grant programs will channel needed funds to communities, businesses, and individuals, and assist them in their efforts to create and bring new jobs and income to these areas of rural America.

This bill also contains a revenue-sharing proposal, which authorizes an annual appropriation of $500,000,000, which will be apportioned to States according to rural population, rural per capita income, and rural outmigration. While all funds will go directly to the States, one-third would be earmarked for multicounty planning and development districts, and one-third would be earmarked for other local units of government. West Virginia is one of those States which have suffered a large outmigration from rural areas, and this revenue-sharing proposal contained in S. 3462 should prove to be very beneficial to my State if it is enacted into law.

Titles IV and V of this bill are essentially the same as S. 2981, which was introduced by Senator AIKEN last December, and of which I am a cosponsor. Title IV broadens the authority of the Watershed Protection and Flood Prevention Act, and title V broadens the authority for resource conservation and development projects. Both of these programs, as enlarged by the committee, will greatly assist many of the rural communities of West Virginia. These titles also authorize Federal cost-sharing for improving water quality, for developing municipal, industrial, and rural community water supplies, and for fire protection.

Title VI of this bill authorizes $5 million per year to enable the Secretary of Agriculture to provide financial, technical, and other assistance to appropriate State officials in cooperative efforts to organize, train, and equip local forces to fight wildfires in rural areas and rural communities of 5,500 or less.

My amendment to title VI, which was adopted, will provide an additional $2 million per year for additional assistance to rural areas in which the per capita income is below the national average and in which are contained timber reserves sufficiently important to the national timber reserve to warrant this special assistance. We have many small communities located near the National Forests in West Virginia, and I believe this assistance will prove very helpful to them.

Title VII directs the Secretary of Agriculture to establish a program for rural development and small farm research, utilizing the land grant institutions and the extension programs. My amendment to this title, which was adopted, authorizes an additional $25 million for these same purposes to be apportioned to those States having a high percentage of rural residents, living on farms, with below-poverty incomes. I believe this additional $25 million will focus special attention upon the most needy areas of this Nation, and assist them in meeting their problems.

The Rural Development Act of 1972 is one of the most comprehensive, far-reaching proposals targeted toward the improvement of rural America and the enhancement of rural life which have been considered since I have been in the Congress. I want to congratulate the chairman and the other members of the committee for their diligence, their thorough consideration of this entire problem, and for reporting such an excellent bill.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the Committee on Agriculture and Forestry be discharged from further consideration of H.R. 12931.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 12931.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read the bill (H.R. 12931) by title, as follows:

A bill (H.R. 12931) to provide for improving the economy and living conditions in rural America

The PRESIDING OFFICER. Is there obection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. TALMADGE. Mr. President, I ask unanimous consent that H.R. 12931 be amended by striking out all after the enacting clause and inserting in lieu thereof the language of S. 3462, as amended.

The PRESIDING OFFICER. Without objection, the bill is thus amended.

Mr. TALMADGE. Mr. President, I know of no Senator desiring to speak at this time, and I think all has been said that could reasonably be said that could affect any issue regarding the bill, but I do at this time wish to commend our staff, which has worked so hard, so loyally, and with such devotion for a period of well more than a year on this bill. I refer to Mr. Harker T. Stanton, who is staff director and general counsel; his assistant, Mr. Michael R. McLeod, who is also an attorney for the staff; our statistician and economist, Mr. Henry J. Casso; and Mr. Forest W. Reece; Mr. James W. Giltmier; Mr. James E. Thornton; and Mr. John A. Baker.

Each and every one of those gentlemen have been extremely and heavily involved in this bill and has worked beyond the call of duty. They have performed in an exemplary way, and I want at this time, as chairman of the committee—and I feel I speak for every member of the committee, and I am delighted to see my distinguished friend from Vermont (Mr. AIKEN) on his feet—to commend the staff, because I know every member of our committee, both majority and minority, hold the staff in extremely high esteem.

I would like to say also that our staff works on a nonpartisan basis. As far as our committee is concerned, we have no Republican staff members and we have no Democratic staff members. They are staff members of the Committee on Agriculture and Forestry and they are available for any service at any time that any Senator wants them to perform.

I yield the floor.

Mr. AIKEN. Mr. President, I want to take this opportunity to extend my appreciation to the chairman of the committee, the ranking Republican member, the Senator from Alabama (Mr. ALLEN), the Senator from Louisiana (Mr. ELLENDER), the Senator from North Dakota (Mr. YOUNG), the Senator from Nebraska (Mr. CURTIS), the Senator from Oklahoma (Mr. BELLMON), and all other members of the committee who have worked on this bill. We have had areas of disagreement, and that is good, because without disagreement we do not make much progress.

I think we have this bill in such a shape that when and if it goes into conference we will come out with something that will be generally acceptable and very helpful indeed to the program of rural development and a better agriculture.

Mr. TALMADGE. I thank my distinguished colleague from Vermont and concur and endorse everything he has said. The committee and staff members have worked hard, all with equal zeal, all with equal devotion, all with equal dedication.

Mr. AIKEN. I include them, too.

Mr. TALMADGE. They all have the same objective.

We have had some slight disagreements, but that is normal in any legislative body.

I yield to the distinguished Senator from West Virginia such time as he may require.

Mr. ROBERT C. BYRD. Mr. President, I merely want to state that the distinguished manager of the bill is recognized by all of us as a man of tremendous ability, a man who works diligently at his duties, and a man who is most effective, in the legislative process, on behalf of the people of his State of Georgia and the people of the Nation.

I think that his work on the bill today is certainly consistent with that customary diligence, effectiveness, and knowledgeability which he always brings to bear on every matter which may come before his committee and the Senate for decision.

I want to congratulate him, and I also congratulate the ranking minority member, and also the distinguished Senator from Vermont (Mr. AIKEN), and all other members of the committee, for the good work they have done on the bill.

Mr. President, the yeas and nays were ordered on the Senate bill. While I would ordinarily object to asking by unanimous consent for the yeas and nays on any bill, the Senate is about to vote on the House bill, the language of the Senate bill having been inserted therein in lieu of the House language. It is the House bill instead of the Senate bill, on which the yeas and nays were previously ordered.

I, therefore, ask unanimous consent that the yeas and nays previously ordered on the passage of the Senate bill be transferred to the House bill.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, I yield back my time.

Mr. AIKEN. Mr. President, I yield back my time.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Oklahoma (Mr. HARRIS), the Senator from Minnesota (Mr. HUMPHREY), the Senator from North Carolina (Mr. JORDAN), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Montana (Mr. METCALF), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PASTORE), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) and the Senator from New Mexico (Mr. MONTOYA) are absent on official business.

I also announce that the Senator from Connecticut (Mr. RIBICOFF) is absent because of death in the family.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY), the Senator from New Mexico (Mr. MONTOYA), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Rhode Island (Mr. PASTORE), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Oklahoma (Mr. HARRIS), and the Senator from North Carolina (Mr. JORDAN) would each vote "yea."

Mrs. SMITH. I announce that the Senator from Colorado (Mr. ALLOTT), the Senator from Massachusetts (Mr. BROOKE), the Senator from New York (Mr. BUCKLEY), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), and the Senator from Wyoming (Mr. HANSEN) are necessarily absent.

The Senator from Oregon (Mr. HATFIELD) is absent because of a death in his family.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Pennsylvania (Mr. SCOTT) is absent by leave of the Senate on official business.

The Senator from New Hampshire (Mr. COTTON) is detained on official business.

If present and voting, the Senator from Colorado (Mr. ALLOTT), the Senator from Massachusetts (Mr. BROOKE), and the Senator from Oregon (Mr. HATFIELD) would each vote "yea."

The result was announced—yeas 78, nays 0, as follows:

[No. 154 Leg.]

YEAS—78

Aiken	Eastland	Moss
Allen	Ellender	Nelson
Anderson	Ervin	Packwood
Baker	Fannin	Pearson
Bayh	Fong	Pell
Beall	Fulbright	Percy
Bellmon	Gambrell	Proxmire
Bennett	Gravel	Roth
Bentsen	Gurney	Saxbe
Bible	Hart	Schweiker
Boggs	Hartke	Smith
Brock	Hollings	Spong
Burdick	Hruska	Stafford
Byrd, Harry F., Jr.	Hughes	Stennis
Byrd, Robert C.	Inouye	Stevens
Cannon	Jackson	Stevenson
Case	Javits	Symington
Chiles	Jordan, Idaho	Taft
Church	Kennedy	Talmadge
Cook	Long	Thurmond
Cooper	Magnuson	Tower
Cranston	Mathias	Tunney
Curtis	McGee	Weicker
Dole	McGovern	Williams
Dominick	McIntyre	Young
Eagleton	Miller	
	Mondale	

NAYS—0

NOT VOTING—22

Allott	Hatfield	Muskie
Brooke	Humphrey	Pastore
Buckley	Jordan, N.C.	Randolph
Cotton	Mansfield	Ribicoff
Goldwater	McClellan	Scott
Griffin	Metcalf	Sparkman
Hansen	Montoya	
Harris	Mundt	

So the bill (H.R. 12931) was passed.

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendment to H.R. 12931 and that the bill be printed as it passed the Senate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. TALMADGE. Mr. President, I move that the Senate insist on its amendment, request a conference with the House, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Chair appointed Mr. TALMADGE, Mr. ALLEN, Mr. HUMPHREY, Mr. CHILES, Mr. MILLER, Mr. AIKEN, and Mr. CURTIS conferees on the part of the Senate.

Mr. TALMADGE. Mr. President, I ask unanimous consent that S. 3462 be indefinitely postponed.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

PRODUCT SAFETY

Mr. MAGNUSON. Mr. President, a useful new Washington newsletter is now being published on a weekly basis dealing solely with product safety. Editor and publisher David Swit refers to his new publication as the Product Safety Letter. As a thorough and complete synthesis of the developments in the product safety area, this weekly publication should be a valuable tool to those of us concerned with consumer safety.

In its first two issues, the Product Safety Letter has dealt with such topics as limits being sought for range surface temperatures, new test methods for eye injuries, the hazards of pop-top cans for automobile additives, warning symbols in ads for hazardous consumer products and sleepwear flammability standards. In addition, the letter has compiled a concise, useful summary of S. 3419, our legislation to establish a new Independent Consumer Safety Agency and to protect consumers against unreasonable risk of injury from hazardous products. I ask unanimous consent that the analysis from the first two issues be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Legislative outlook for Sen. Magnuson's product safety bill hinges largely on the

structure proposed for an independent Consumer Safety Agency with power to set safety standards for hundreds of previously unregulated products. The far-reaching measure (S. 3419) approved by the Senate Commerce Committee would create a three-part Agency having separate commissioners controlling general consumer products, foods and nutrition, and drugs. Among items in the consumer products category are appliances, TVs, housewares, furnishings, clothes, toys, nursery equipment, household cleaners and sports equipment.

Rep. Moss' (D-Calif.) House Commerce Subcommittee is expected to approve, about early May, a bill (HR 8157) with a different structural approach. While similar in regulatory thrust to the Senate version, the Moss proposal would give a new agency jurisdiction *only over general consumer products* leaving foods and drugs to the present FDA.

The full House committee is likely to stick to Moss' structure if it okays the measure. But its chances in the full committee depend on obtaining enough Republican support, and overcoming the concerns of Health Subcommittee Chairman Rogers (D–Fla.) about potential effect on FDA, which his panel oversees. If these problems are solved, the bill might get full committee approval by late June.

Industry's only chance to impact the House bill will be at the subcommittee and committee level, for once the measure reaches the floor it will be hard to vote against "safety" or oppose the appeal of consumerism, especially in an election year. This was pointed up by balloting in the Senate committee, where seven Republicans joined 10 Democrats in approving Chairman Magnuson's (D–Wash.) pet project 17-to-1. The only dissenter was Sen. Cotton (R–N.H.).

Magnuson's bill will be studied by Senate committees on Government Operations and Labor & Public Welfare until May 25, but neither appears to be a major hurdle. The measure could pass the full Senate before the July recess for the Democratic convention. Magnuson then might compromise with the House on structure in order to gain his long-sought goal of product safety regulation.

A possible solution could be accepting the House approach, which follows closely the 1970 recommendations of the National Commission on Product Safety, created largely at Magnuson's urging. If a congressional compromise is reached, it almost certainly will ignore the President's proposal to keep product safety regulation in HEW, under a strengthened FDA. Despite this head-on conflict with the Administration's position, a veto would be improbable if the President must take a stand before Election Day.

A product safety bill—propelled by consumerist demands—has at least a 50–50 chance of becoming law this year. Even if these pressures do not prevail in 1972, the issue will be far from dead, and passage of major product safety legislation appears to be in the near future.

Key Senate bill provision authorizes Government to set standards for the safety of a consumer product, or class of products, when it finds this necessary to "eliminate unreasonable risk of injury or death." The "consumer product" definition excludes tobacco, and products covered by U.S. motor vehicle, aircraft, boat, gas pipeline, atomic energy, insecticide, occupational safety, and food, drug & cosmetic laws. The Magnuson bill sets up a separate control system for foods, drugs and medical devices, and switches cosmetics from their historical food & drug coverage to the consumer product regulatory group.

The bill repeals—and supersedes with product safety controls—the hazardous substances, flammable fabrics, radiation control, poison prevention, and refrigerator safety laws. Existing or pending regulations or permits under those laws stay in effect unless modified under product safety procedures.

The procedure for promulgating a safety standard starts with a Federal Register announcement of the government's intentions. This "notice of proceeding" must describe the products involved, risks intended to be controlled, and information on which the Product Safety Commissioner based his judgment that a standard is needed. Within 30 days, any person may challenge the need for the standard, propose an existing standard to accomplish the government's aims, or offer to develop a standard under government-prescribed procedures.

Consumers or other persons may petition for issuance of product safety standards. Such petitions must be published in the Register with opportunity for comment. If the Commissioner decides against issuing a standard requested in this manner, he is required to publish his reasons for the denial.

The next step under the Magnuson bill presumes that the Commissioner determines, after evaluating information presented by industry and others, that a standard is needed. He then may formally propose: (1) using an existing federal standard or one published by any other "qualified agency, organization, or institution"; (2) accepting one or more "technically competent" offerors' proposals to develop a standard with one year; or (3) having the Agency develop a standard itself.

Within 180 days after publishing the "notice of proceeding," the Commissioner—unless he formally grants himself more time—must either withdraw the notice, propose to promulgate a safety standard, or move to ban the product as hazardous. To ban a product, the Commissioner must first conclude that no safety standard will adequately protect the public. If a standard or ban is proposed, time must be allowed for public comment. The Commissioner *may* hold a hearing to resolve any "issue of material fact" raised in such comments.

The final move must be made within 60 days after the standard is promulgated or a ban is initiated. Unless the Commissioner decides to drop—with a public explanation of his reasons—the entire proceeding, he is required to order the standard or ban into effect. If the effective date is more than six months after publication of his order, the Commissioner must desclose his reasons for the extended period. Standards or bans are subject to court review, which can be initiated by "any interested person," including consumers who consider a government action too weak.

Safety standards are required to meet several criteria under the Magnuson bill. The standards generally must cover a product's safety performance, including its packaging, and specify workable test procedures. However, a standard's scope may include the design, construction, composition or finish of a product—or any of its components—if the Commissioner decides that the public cannot be protected by a standard restricted to safety performance.

Manufacturers may be ordered to put on any product, or a component, markings or tags giving clear warnings or instructions to consumers. This may impose on distributors the responsibility for making sure the warnings are on the product when it is delivered to the buyer, and could be interpreted as requiring retailers to alert the consumer to the warnings and make sure he understands them.

Retailers would bear a special burden for repurchasing banned products or those which fail to comply with government standards. Any banned product sold after the Commissioner proposes the ban must be bought back by a retailer from the purchaser or a subsequent owner. The retailer is required to refund the purchase price—less an allowance for use if the product was sold more than a year earlier—and pay transportation costs involved in the return. The bill provides that manufacturers and wholesalers reimburse succeeding trade levels for products returned to them.

Similar requirements are imposed on retailers, wholesalers, importers or manufacturers if safety defects are found in products marketed under government standards. All these trade levels can be ordered to give public warning via TV and radio, mail notices to purchasers, and either correct the defect or replace the product or repurchase it. All sellers also can be required to keep records of purchasers' names and addresses.

An "emergency action" section in the Magnuson bill permits the government to ask a U.S. district court to act against any "imminently hazardous consumer product" or firms that manufacture, import or sell it. This step can be taken even if a safety standard exists or is pending. If the court finds an imminent hazard it may order: notification of first purchasers, public notice, recall or seizure of the offending item, or its repurchase, replacement or repair.

The bill does not mention appeals court review of such orders, but this is permitted by existing laws. If an imminent hazard is declared, the Commissioner must move to promulgate a safety standard for the product or to initiate a ban.

Hearings on Sen. Magnuson's product safety bill, planned by Sen. Ribicoff's (D-Conn.) Government Operations Subcommittee for about late April, are expected to run four to five days maximum, and produce no obstacle to Senate passage of the measure. The hearings will concentrate on the Magnuson bill (S. 3419) provisions that would shift existing regulatory programs, especially FDA's control over foods and drugs, to a new Consumer Safety Agency (CSA) which would be independent of HEW, the present parent department.

Government Operations will give only passing attention to the bill's central theme—granting CSA authority to set standards for the safety of hundreds of previously unregulated products. Ribicoff, HEW secretary in 1961 and 1962, has been a frequent critic of FDA, and shares Magnuson's desire for product safety regulation. In this climate, Ribicoff's hearings are likely to provide a legislative "plus" for the Magnuson proposal.

Opponents of the move to dismantle FDA have been quietly but strenuously presenting their case to Ribicoff's staff. At a recent luncheon, a "save FDA" plea was made by former General Counsel William Goodrich, now president of the Institute of Shortening & Edible Oils. Among others at the private luncheon was ex-Commissioner Herbert Ley.

Hearings also will be held by Sen. Kennedy's Health Subcommittee, probably before early May. These sessions are not expected to provide any stumbling block for the Magnuson bill, which won 17-to-1 bipartisan approval from his Commerce Committee.

Editor's Note: The Magnuson bill is the most important Senate measure from the standpoint of industries covered by existing government regulations or subject to new controls. *Product Safety Letter* will provide frequent reports of the vital congressional developments in the weeks ahead, and continues below its analysis—begun in the April 3 issue—of key provisions in the Magnuson bill.

Criminal penalties specified in the Magnuson bill—covering manufacturers, wholesalers, retailers and importers—would apply to a corporation and any director or officer who knowingly and willfully causes the firm to violate the product safety law. Conviction could bring fines of up to $10,000, prison terms of not more than one year, or both. Civil penalties for knowing violations can be as high as $10,000 for each illegal act.

Private suits to enforce a product safety standard or order can be brought by anyone "who may be exposed to reasonable risk of injury or death" from a consumer product.

CSA and the prospective defendant would have to be notified of planned suits 30 days before they were begun, and such suits could not be brought if government action were pending for the same alleged violation.

Anyone injured due to violation of a standard or regulation could sue in Federal court if the damages amounted to $10,000. Successful plaintiffs would be permitted to recover the cost of the suit in addition to damages sustained.

Stockpiling by manufacturers & importers would be illegal between the time CSA issues a final order establishing a product safety standard and the order's effective date. The Magnuson bill pronibits producing or importing a product in "significantly greater" quantities than those in a base period set by the Product Safety Commissioner.

Imports would be subject to strict controls under product safety regulation, and the Customs Bureau would be a key part of the government's mechanism. Customs would require bonding before releasing a shipment to which a safety standard applies and could demand redelivery to the Bureau if a product released under bond failed to meet a safety standard, or was banned or declared immanently hazardous.

The Magnuson bill sets up a procedure for attempting to bring offending imports into compliance with product safety standards. If a product is ordered destroyed the owner or consignee would have to pay the government's costs—including travel, expenses and salaries—related to the destruction. *Products manufactured for export from the U.S.* would be exempt from safety standards if they are marked to indicate that they are to be sold outside the country.

Manufacturers' quality control procedures would be subject to government review under the Magnuson bill. If the Commissioner "has good cause to believe" a regulated product is being made "with a significant incidence of non-compliance" with a safety standard, he may require the firm to submit a description of the quality control methods it uses.

Should the Commissioner conclude that non-compliance is due to inadequate procedures, he may—after giving the manufacturer opportunity for a hearing—order the firm to revise the procedures "to the extent necessary to remedy such inadequacy."

Regulated products would be tested by Government to make sure they comply with safety standards. Manufacturers or importers must furnish free samples, drawn from regular production runs, to the Commissioner upon request.

Manufacturers, importers and wholesalers of products covered by safety standards would be required to supply distributors and retailers with certification that the product conforms to all standards applicable at the time of delivery.

Inspections of factories, warehouses, retail stores, and trucks can be made by CSA employees who present written notice when they arrive, not in advance. The inspections can extend to equipment, materials, containers and labeling.

Records must be kept by all producers and sellers of regulated products, providing whatever information CSA regulations require concerning the products' safety. These and other relevant records would be subject to government inspection.

CSA would set up a "national injury information clearinghouse" and a nationwide network of reporting centers to monitor injuries and identify their causes. Manufacturers, importers, processors, distributors, retailers and assemblers can be ordered to submit data about injuries resulting from the use of their products.

Insurers also are covered by this provision, and the bill's drafters anticipate a gold-mine of information in insurance company files. CSA regulations would have to provide that persons supplying information are not compromised in pending litigation.

Trade secrets would be protected by several big "ifs" exist in the Magnuson bill's provisions on this key question. Trade secret data obtained by the Clearinghouse may be disclosed (1) to other Federal agencies for official use, (2) to congressional committees, (3) in judicial proceedings under court orders designed to preserve confidentiality, (4) in proceedings under the proposed Consumer Safety Act, and (5) to the public "in order to protect their health and safety." However, trade secrets exempted from disclosure under the Freedom of Information Act could not be released by CSA.

Before making disclosures to the public, CSA must notify manufacturers and give them 15 days for written comment or discussion in closed session with the Agency. This provision can be ignored if the delay would be "detrimental to the public health and safety."

Public access to all communications and information received at or sent by CSA is guaranteed—through the Agency's Office of Consumer Information & Representation—in a special section of the bill. It reiterates the trade secret protections, with the same five exemptions.

Consumer Information Office's main functions are to answer the public's written inquiries about product safety, conduct education programs, and insure public access to information. The Office is empowered to name a lawyer to represent "the consumer interest" in CSA rule-making and other proceedings. This provision is expected to be deleted from the Magnuson bill if the Senate approves a House-passed measure creating a Consumer Protection Agency (not to be confused with CSA) which would speak for the consumer before all Federal agencies.

CONSUMER PROTECTION

Mr. MAGNUSON. Mr. President, I am a sponsor of consumer safety legislation soon to come before the Senate. It is with some pride that I make that claim, but an article published in the Seattle Times of April 10, 1972, leaves me something less than proud of the consumer protection efforts of the U.S. Government.

In order that others may share the knowledge of the pain, the horror, and the sorrow of one incident—resulting from an apparent policy of official neglect, I as unanimous consent that the Seattle Times article, by John Hinterberger, and editorials in the Times and the Seattle Post-Intelligencer be printed at this point in the RECORD.

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

[From the Seattle Times, Apr. 10, 1972]

FIERY GOWN: LITTLE COULD BE DONE TO SAVE BURNED GIRL

(By John Hinterberger)

Tammy Brown died at 10:25 p.m. yesterday.

There was little question that the burns which seared 90 per cent of her body Saturday would kill her. The only question was when.

She didn't know that when she was sitting on the big circular bed in Children's Orthopedic Hospital Saturday while the nurse in the mask gently slid medicated creams over her 11-year-old, trim, light-brown body.

Her mother, Mrs. Bertis Stell Coven, "mother of 13; 10 still living with me," didn't know it either . . . didn't know that her girl trapped in a suddenly flaring nightgown after standing, warming her back and legs in front of the fireplace was going to die of what seemed like such superficial burns.

"What I'm trying to tell you," Dr. Abe Bergman told newsmen Saturday, "is that—simply—she is going to die. And it's particularly rough on the people here. The staff, the nurses.

"Because one minute you have a child, a running, bouncing, energetic human being, and a minute later, you have someone who has stopped."

"But the family doesn't know it yet; neither does the little girl."

He stood outside the treatment room, a large portable screen blocked the entry. A sign warned that this was a burn-treatment area. Nothing goes in unless it has been boiled, steamed, autoclaved, wrapped in sterile coverings.

But in a way it was pointless. An exercise in professionalism.

"She's not in any great pain," the doctor said. "Third-degree burns mean that the full thickness of the skin has been burned. And so the nerve endings are destroyed. She can't feel anything. See," he said pointing through the glass, "she's talking to the nurse."

Mrs. Coven, under sedation, came out of a room where she had been resting. She had been shopping at the Pike Place Public Market Saturday morning when the accident occurred in the home at 3406 35th Ave. S.

"I'm on welfare," she said, "so I have to shop there."

She was asked where she had purchased the nightgown, what kind of material it was made of.

"The Salvation Army," the woman said in a flat, distant voice. "It had flowers on it and lace around the bottom."

With the rest of her family, she resumed her waiting, perhaps beginning to know what was coming.

"This is the third nightgown burning we have had in a month," Dr. Bergman said, "And the worst."

The two other little girls would survive.

Why little girls? Why nightgowns? Was there some exotic kind of material responsible? Some new, explosive synthetic?

No, he said. The new synthetics melted and shriveled instead of burning. But cotton . . .

Cotton . . . thousands of years old . . . burns. And it burns best, worst, easiest, when there is a surface of air on both sides of the garment. Like a little girl's nightgown.

The flames catch at the bottom and flare up. And the child runs. Tammy's brother, Timothy, 12, ran after her with a blanket and caught her. He put the fire out.

The mother explained about the fireplace.

"The furnace was busted," she said.

[From the Seattle Times, Apr. 12, 1972]

INEXCUSABLE STALLING KILLED TAMMY

The tragic sory of Tammy Brown, the 11-year-old Seattle girl who died as a result of severe burns caused when her nightgown caught fire, is the heart-rending result of procrastination on a national scale.

Her death is only one of many caused by children's wear that is not flame-resistant, clothing that flares into flames through too close proximity to fire or high heat.

Nor will children's nightwear be required to be flame resistant under federal regulations until after July, 1973. That despite the fact that Congress passed the Flammable Fabrics Act four and a half years ago to impose mandatory treatment of children's nightwear to retard flames.

Tammy's death is testimony to the callous procrastination of the Commerce Department, which is responsible for setting and enforcing standards under the act, and to

foot-dragging in the textile industry, which has sought throughout the four and a half years to delay and weaken imposition of the regulations.

A sad aspect of it all is that two years ago some flame-resistant children's nightwear was available at some stores. It was taken off the shelves when unknowing parents declined to buy because it was more expensive.

The Commerce Department must not be dissuaded from imposing tough standards beginning no later than its announced 1973 date.

[From the Seattle Post-Intelligencer, Apr. 14, 1972]

INFLAMMABLE CLOTHING

(A P-I View: The federal government and some segments of the industry are fiddling while children burn.)

Although the federal Flammable Fabrics Act was passed more than four and a half years ago, virtually no positive effects of the act have been noticed and the number of burn cases with victims wearing non-fire-retardant apparel continues to grow.

Sunday night 11-year-old Tammy Brown of Seattle died at Children's Orthopedic Hospital after receiving burns over 90 per cent of her body. Her flannel nightgown had caught on fire the day before.

Dr. Abraham B. Bergman, director of the hospital's out-patient services, said the young girl was the third youngster admitted to the hospital during the past month with serious burns attributable to ignition of flannel nightgowns.

According to the February Consumers Reports, last July the Secretary of Commerce promulgated a new flammability standard for children's sleepwear. This stringent regulation will require flameproofing of children's nightwear for youngsters up to the age of five, stopping at size 6X. This standard will be effective in July, 1973.

It has been estimated that some 4,000 deaths and about 175,000 burns occur annually due to flammable garments. Consumer Reports, in a test of 76 models of children's sleepwear in sizes up to 6X, found that 75 of the samples failed to pass when suspended specimen swatches were exposed to a controlled flame for three seconds.

The reaction of industry spokesmen to the Secretary of Commerce's standard was negative. They claimed they could not meet the July, 1973, deadline. They referred to the difficulties in obtaining satisfactory test results and the need for additional time to develop flame-retardant sleepwear.

We believe too much time already has passed in bringing clothing within safe standards. By the time the new regulation takes effect next summer, more than five years will have passed since the initial federal legislation was enacted. And then, only children through age five, hopefully, will be protected. What about everyone else?

A one-year grace period begins this July and during this time manufacturers will be allowed to sell flammable garments provided they are so labeled. This may be of limited assistance to safety conscious parents.

We would hope the entire industry will follow the example of the American Apparel Manufacturers Association which moved forward the date for full compliance with the act to April, 1973. Until this time comes, everyone would be well advised to use extreme care in selecting non-flammable garments for purchase.

The slowness in implementing this law is no credit to the federal government. The reluctance of the clothing industry to comply with the basic act over the past five years is equally reprehensible.

Mr. MAGNUSON. Mr. President, I have also received a telegram from Dr. Abraham B. Bergman, director of outpatient services at Seattle's Children's Orthopedic Hospital and Medical Center, and a member of the National Advisory Committee for the Flammable Fabrics Act, and a letter from Ralph Maughan, a paramedic with the Seattle Fire Department. I ask unanimous consent that these, too, be printed at this point in the RECORD.

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

[Telegram]

APRIL 10, 1972.

Hon. PETER G. PETERSON,
Secretary of Commerce,
Washington, D.C.

DEAR MR. SECRETARY: Tammy Brown, an eleven year old Seattle girl, died last night at Children's Orthopedic Hospital and Medical Center. She was burned the day before when her flannel robe caught on fire as she was standing with her back to the fireplace to get warm. There was no other source of heat in the house; the furnace was broken. Tammy was the third youngster admitted to our hospital in the past month with serious burns resulting from ignition of a flannel nightgown.

It is now four and a half years since the Flammable Fabrics Act was passed by Congress and signed by the President. To date, not one childhood burn injury has been prevented or ameliorated as a result of the law. You, sir, are charged with administering the Flammable Fabrics Act passed by Congress. Had the law been implemented according to the intent of Congress, Tammy and scores of children like her would be alive today. How many more Tammys will have to be sacrificed before you are moved to take appropriate action?

The National Advisory Committee for the Flammable Fabrics Act, of which I am a member, has met several times a year in a conference room at the Department of Commerce building in Washington, D.C. Might I respectfully suggest that the next meeting of the committee be held on a burn unit of a children's hospital with yourself in attendance. I feel that the pace of our deliberations might take on a quicker tempo were the officials responsible for making decisions to take a closer look at the stakes involved.

Sincerely,

ABRAHAM B. BERGMAN, M.D.,
Member, National Advisory Committee for the Flammable Fabrics Act.

SEATTLE, WASH.,
April 10, 1972.

WARREN G. MAGNUSON,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MAGNUSON: First I would like to introduce myself. My name is Ralph Maughan, and I am a paramedic with the Seattle Fire Department's "Medic One" emergency aid unit.

On April 8, at 11:00 A.M., I responded with my partner to an emergency call in the south end of Seattle. Upon our arrival we found an eleven year old sitting on the edge of a couch with her skin hanging from her arms, legs and face. One hundred percent of her body was burned. Tears were flowing from her eyes and she asked me quietly, "Please don't let me die, please don't let me die." Her nightgown of plain unpolished cotton had caught fire while she was standing next to an open fireplace.

Today she is in Children's Orthopedic Hospital with a less than 20% chance to live. If she does live she will spend the several years of her life in hospitals with doctors attempting to restore her body to something which others will view as a hideous, badly scared human being.

Senator, I know that you have done a great deal to make children's clothing safe, and have been extremely successful in passing laws requiring clothes to be nonflammable. I am extremely grateful for your efforts and wish you continued success in your efforts.

I have not written this letter to belittle the work you have done, but only to make you aware of one incident and the continued need for your efforts in law making bodies of our government. I do hope that letters such as this can be useful tools for you to use in your efforts to further the safety of our nations' children.

A little girl has asked me "Please don't let me die," because her nightgown with pictures of kittens on it had burned her flesh, so that it hangs from her face and arms in folds of searing dead skin. She asked me because I came to help. But really she is asking the people who made her nightgown, to make it safe.

Respectfully,

RALPH MAUGHAN.

Mr. MAGNUSON. I think most Senators know of my involvement and that of some of my fellow members of the Commerce Committee in the field of flammable fabrics.

First came the Flammable Fabrics Act. Then, when we saw implementation of that act dragging, we passed the Flammable Fabrics Act Amendments of 1967.

The Department of Commerce, we believed, would then get busy—especially in the field of children's clothing—and set standards that would help to end the horror and suffering and death, to the thousands of American children who are each year burned, scarred and charred by these grotesque and bizarre mishaps.

But laws and congressional pressure have not yet saved a single life. The industry has used every procedural barrier to delay the imposition of standards. And the Department of Commerce has wavered and delayed under pressure.

I, for one, have had enough. The product safety bill will come to the floor at the end of May. If by that time the Department of Commerce has not promulgated an adequate flammability standard for children's nightwear, I will offer such a standard as an amendment to the bill.

NATIONAL COASTAL ZONE MANAGEMENT ACT OF 1972

Mr. ROBERT C. BYRD. Mr. President, for the purpose of making it the pending business for consideration on Tuesday next, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 721, S. 3507.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 3507) to establish a national policy and develop a national program for the management, beneficial use, protection, and development of the land and water resources of the Nation's coastal zones, and for other purposes.

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

There being no objection, the Senate proceeded to consider the bill.

ORDER FOR THE SENATE TO PROCEED TO CONSIDERATION OF UNFINISHED BUSINESS AT THE CONCLUSION OF ROUTINE MORNING BUSINESS ON TUESDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Tuesday next, at the conclusion of the routine morning business, the Senate proceed to the consideration of the unfinished business.

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

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of business today, the Senate stand in adjournment until 10 a.m. tomorrow, Friday, April 21, 1972, for a pro forma session, with no debate and no business to be transacted.

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

ORDER FOR ADJOURNMENT FROM FRIDAY, APRIL 21, 1972, TO APRIL 25, 1972, AT 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate adjourns on tomorrow, April 21, 1972, it stand adjourned until Tuesday next, April 25, 1972, at 10 a.m.

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

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for he quorum call be rescinded.

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

AUTHORIZATION FOR COMMITTEE ON COMMERCE AND COMMITTEE ON VETERANS' AFFAIRS TO HAVE UNTIL 6 P.M. TOMORROW, APRIL 21, 1972, TO FILE CERTAIN COMMITTEE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Commerce and the Committee on Veterans' Affairs have until 6 p.m. tomorrow to file certain committee reports.

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

AUTHORIZATION FOR SECRETARY OF THE SENATE TO RECEIVE MESSAGES FROM THE HOUSE OF REPRESENTATIVES DURING THE ADJOURNMENT OF THE SENATE UNTIL TUESDAY NEXT, APRIL 25, 1972

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to receive messages from the House of Representatives during the adjournment of the Senate over until Tuesday next, April 25, 1972.

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

AUTHORIZATION FOR THE PRESIDENT PRO TEMPORE AND THE ACTING PRESIDENT PRO TEMPORE TO SIGN DULY ENROLLED BILLS AND JOINT RESOLUTIONS DURING THE ADJOURNMENT OF THE SENATE OVER UNTIL TUESDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President pro tempore and the Acting President pro tempore of the Senate be authorized to sign duly enrolled bills and joint resolutions during the adjournment of the Senate over until Tuesday next, April 25, 1972.

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

SENATE RESOLUTION 295, RELATING TO A SUBPENA DUCES TECUM DIRECTED TO THE FINANCIAL CLERK OR HIS AGENT

Mr. ROBERT C. BYRD. Mr. President, I send a resolution to the desk and ask unanimous consent for its immediate consideration, having cleared it with the leadership on the other side of the aisle.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered; and the clerk will state the resolution by title.

The second assistant legislative clerk read as follows:

A resolution relating to a subpoena duces tecum directed to the financial clerk or his agent.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. ROBERT C. BYRD. Mr. President, the financial clerk of the Senate or his designee has been subpenaed by the Criminal Branch of the Superior Court of the District of Columbia, to appear and testify as a witness for the U.S. Government—United States—*District of Columbia* v. *Willie Arrington*, Docket No. 7916–72—on April 27, 1972. The subpena also requires the production of "all records of financial payments to Maureen E. Walter on December 20, 1971."

This resolution is being submitted in conformity with the custom of the Senate. The Senate has maintained inviolate the rule that no documents of the Senate can be removed from its possession except by its permission. The U.S. Attorney has determined that this testimony is necessary in the conduct of the trial.

The resolution will permit the financial clerk or his designee to appear and testify on behalf of the Government. It does not permit the removal of any original documents. However, it does permit the financial clerk, if the court so determines, that certain documents are material and relevant to the case, to furnish certified copies of the documents involved to the court.

Mr. President, I ask unanimous consent that a copy of the subpena be printed in the RECORD.

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

[Form C–30 Criminal Subpoena Superior Court of the District of Columbia]

UNITED STATES DISTRICT OF COLUMBIA VS. WILLIE ARRINGTON, DOCKET NO. 7916–72

To: Financial Clerk, or His Agent, Senate Disbursing Office, S–233, U.S. Capitol Building.

You are hereby commanded to appear before the Criminal Branch of the Superior Court of the District of Columbia at 9:00 o'clock a.m., on the 27th day of April 1972 as a witness for United States of America and bring with you all records of financial payments to Maureen E. Walter on December 20, 1971, and not depart the Court without leave thereof.

Witness, the Honorable Chief Judge of the Superior Court of the District of Columbia, and the seal of said Court this 13th day of April, A.D., 1972.

The PRESIDING OFFICER. Without objection, the resolution is agreed to.

The preamble was agreed to.

The resolution (S. Res. 295) with its preamble reads as follows:

S. RES. 295

Whereas a subpoena duces tecum issued on application of the United States of America addressed to the Financial Clerk or his agent, United States Senate, and served upon the Financial Clerk, directs him to appear in the city of the District of Columbia, before the Criminal Branch of the Superior Court of the District of Columbia on the twenty-seventh day of April, 1972, at 9:00 o'clock antemeridian, and to bring with him certain records in the possession and under the control of the Senate: Now, therefore, be it

Resolved, That by the privileges of the Senate no evidence of a documentary character under the control and in the possession of the Senate can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession but by its permission; be it further

Resolved, That when it appears by the order of the court or of the judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that documentary evidence in the possession and under the control of the Senate is needed for use in any court of justice, before any judge, legal officer, or grand jury, for the promotion of justice, the Senate will take such order thereon as will promote the ends of justice consistently with the privileges and rights of the Senate; be it further

Resolved, That William A. Ridgely, Financial Clerk of the Senate, or his designee, be authorized to appear at the place and before the court named in the subpoena duces tecum before mentioned, but shall not take with him any papers or documents on file in his office or under his control or in the pos-

session of the Financial Clerk of the Senate; be it further

Resolved, That when said court determines upon the materiality and the relevancy of the records called for in the subpoena duces tecum to the proceeding before the court, the said court, through any of its officers or agents, shall have full permission to attend with all proper parties to the proceeding at a place under the orders and control of the Senate, to take at such place copies of such records in possession or control of said Financial Clerk as the court has found to be material and relevant, and to take at such place such evidence of witnesses in respect to such records as the court or other proper officer thereof shall desire, except that (1) the possession of such records by the said Financial Clerk shall not be disturbed and such records shall not be removed from their file or custody under said Financial Clerk, and (2) no minutes or transcripts of any executive session or any evidence of witnesses with respect thereto may be disclosed or copied; be it further

Resolved, That subject to the limitations hereinbefore stated, said Financial Clerk is authorized to supply certified copies of such records as the court has found to be material and relevant to the proceeding before the court; and be it further

Resolved, That a copy of these resolutions be transmitted to the said court as a respectful answer to the subpoena aforementioned.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

ORDER FOR RECOGNITION OF SENATOR GRAVEL ON TUESDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Tuesday next, immediately following the remarks of the two assistant leaders under the standing order, the distinguished Senator from Alaska (Mr. GRAVEL) be recognized for not to exceed 15 minutes.

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

ORDER FOR TRANSACTIONS OF ROUTINE MORNING BUSINESS ON TUESDAY, APRIL 25, 1972

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Tuesday next, following the recognition of Senator GRAVEL, there be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 3 minutes.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, there is no calendar business ready for floor action tomorrow. Consequently, there will only be a pro forma session at 10 a.m. tomorrow, with no speeches.

Moreover, the state of cleared bills on the calendar is such that nothing can be ready for floor action until Tuesday of next week. Consequently, the Senate will go over from the pro forma meeting on tomorrow until 10 a.m. Tuesday, April 25.

On Tuesday the Senate will convene at 10 a.m. Following the recognition of the two assistant leaders under the standing order, the able Senator from Alaska (Mr. GRAVEL) will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business for not to exceed 30 minutes with statements therein limited to 3 minutes, at the conclusion of which the Chair will lay before the Senate the unfinished business, S. 3507, a bill to establish a national policy and develop a national program for the management, beneficial use, protection, and development of the land and water resources of the Nation's coastal and estuarine zones and for other purposes.

At least one rollcall vote will occur on that bill. Following action on the coastal zone bill, the Senate will proceed to the consideration of the Amtrak bill and/or—and not necessarily in that order—the veterans health bill. Other measures may also be cleared for action by Tuesday.

The leadership on both sides of the aisle urges committees to take advantage of the opportunity to meet during Friday and Monday in the hope that most of the Senate's major business can be reported to the floor and, disposed of prior to the conventions.

ADJOURNMENT TO 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in adjournment until 10 a.m. Friday.

The motion was agreed to; and at 4:18 p.m., the Senate adjourned until tomorrow, Friday, April 21, 1972, at 10 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 20, 1972:

UPPER MISSOURI RIVER REGIONAL COMMISSION

Robert L. McCaughey, of South Dakota, to be Federal Cochairman of the Upper Missouri River Regional Commission.

DISTRICT OF COLUMBIA COUNCIL

John A. Nevius, of the District of Columbia, to be Chairman of the District of Columbia for the term expiring February 1, 1975.

Sterling Tucker, of the District of Columbia, to be Vice Chairman of the District of Columbia Council for the term expiring February 1, 1975.

DISTRICT OF COLUMBIA REDEVELOPMENT LAND AGENCY

Willie L. Leftwich, Esq., for appointment as a member of the Board of Directors of the District of Columbia Redevelopment Land Agency for the unexpired portion of the 5-year term ending March 3, 1976, effective upon the date of his appointment, pursuant to the provisions of section 4(a) of Public Law 592, 79th Congress, approved August 2, 1946, as amended.

EXTENSIONS OF REMARKS

CONSTITUENTS HONOR LES ARENDS

HON. WILLIAM L. SPRINGER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 19, 1972

Mr. SPRINGER. Mr. Speaker, on Saturday, April 15, several hundred of LES AREND's friends gathered in Danville, Ill., to honor him for the great service that he has rendered to the 17th Congressional District of Illinois.

LES has been representing Vermilion County, of which Danville is the county seat, for the past 20 years.

It is indeed unfortunate that LES will not be representing Vermilion County under the new reapportionment of Illinois congressional districts. The redistricting plan worked out by a panel of three Federal judges put Vermilion County in the 22d District.

LES made an outstanding speech on this occasion. He has never hesitated to speak his mind in the service of his country. We are fortunate that he has been a member of the Armed Services Committee for more than 30 years. During that time he has stood for a strong America and a bipartisan foreign policy to be sure that the intentions of this country are not misunderstood by our enemies. I know that all of my colleagues are delighted that LES ARENDS' constituents have honored him for his long outstanding service in the Congress of the United States.

The following is a report on this great tribute to LES by Randy Kirk in the April 16, 1972, issue of the Danville Commercial-News:

ARENDS SHOWS AUDIENCE SPARK THAT KEPT HIM IN U.S. HOUSE

(By Randy Kirk)

Rep. Leslie C. Arends thanked his hosts for an appreciation dinner Saturday night and then gave off some of the sparks that have kept him in the U.S. House of Representatives for 38 years as he attacked enemy actions in Vietnam.

More than 325 persons, including Secretary of State John W. Lewis, State Sen. Tom Merritt and State Reps. Bill Cox and Charles "Chuck" Campbell, attended the dinner.

THE 17TH DISTRICT

Last year's reapportionment of legislative districts takes Vermilion County out of the 17th District, which Arends, a Melvin Republican, has represented for the past 22 years, effective the end of this year.

The appreciation dinner, sponsored by a group of interested citizens, was to honor Arends for his work in representing the county.

"What is happening in Vietnam?" Arends,