EXTENSIONS OF REMARKS

EARTH WEEK, 1972

HON. RICHARD S. SCHWEIKER

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 25, 1972

Mr. SCHWEIKER. Mr. President, last week I released a statement concerning the importance of Earth Week, 1972. I ask unanimous consent that the statement be reprinted at this point in the RECORD for the benefit of Members of Congress and other interested citizens.

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

STATEMENT BY SENATOR SCHWEIKER

We pause once again this year to review the progress we have made in fighting the battle against environmental pollution. The week of April 17th–23rd has been designated as Earth Week.

Earth Week symbolizes a new awareness of our conservation needs. This year, as last conservation groups across the nation will participate in a national effort to review our priorities in fighting pollution.

A great deal remains to be done. I think it is important, however, to exercise a bit of hindsight, and take a look at what we have done in the last couple of years. First, in 1970 Congress passed the Clean Air Act, which established stiff new controls over air pollution. The Environmental Protection Agency is required to establish national air quality standards, and individual states must set emission standards for existing sources of air pollution in order to achieve the national standards.

In late 1971, the Senate passed the 1971 Amendments to the Federal Water Pollution Control Act. This legislation passed the Senate November 2nd by a unanimous vote of 86 to 0, with my strong support. The general policy of the legislation is to end the discharge of pollutants into our waterways by 1985. Significantly, the bill includes a major change in philosophy, moving from the previous reliance on water quality standards to a new system of effluent limits. In other words, instead of relying on water quality standards under which pollution is permitted until it is excessive, we have moved to new effluent limits which put a tight reign on discharges at the source.

The House of Representatives has passed similar legislation, and I am certainly hopeful that a strong, forward-looking law will result after the differences have been ironed out.

In the area of radiation protection and nuclear power plants, the United States Supreme Court recently decided a case involving a nuclear power plant in Minnesota. The Supreme Court said that the state cannot set pollution standards on nuclear power plants located in the respective state which are more strict than the federal standards. Last June, I introduced a bill, S. 2050, which would permit individual states to set their own pollution standards on nuclear power plants, as long as the state's standards are more strict than the federal standards. I believe it is appropriate to permit states to make strict determinations as to how to best protect the health and safety of its citizens. The Minnesota case graphically points out the need for my bill. It seems to me that this legislation is now needed more than ever, and I am very hopeful that the Senate will act on it soon.

There is still much to be done. We need federal legislation to control the use of pesticides, to regulate noise pollution, to control toxic substances, and to regulate nationally the environmental effects of strip mining. Congress has made a great deal of progress with the Clean Air Act and the Water Pollution Control Act. Now we must turn our attention to environmental havoc caused by the proliferation of pesticides, noise, toxic substances and irresponsible strip mining.

I am proud to say that my State of Pennsylvania has been a national leader in developing effective legislation to control pollution. The Pennsylvania Clean Streams Law, Strip Mine Law, and new All-Surface Mining Law are examples of the leadership consistently given by conservationists in the Commonwealth.

In summary, we are beginning in many ways to meet the goal of a cleaner environment. We must, however, realize that it is vital for all elements in our society to unite if we are to improve our environment. Congress has established a national policy for air pollution, and soon we will have new water pollution legislation. We are working on other areas. However, it is clear that the passage of laws is not enough to do the job. It is the duty and responsibility of every citizen to join with us in achieving the goal of a clean environment. Earth Week symbolizes that goal.

THE PROBLEMS OF SOLID WASTE DISPOSAL

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. FRENZEL. Mr. Speaker, in the New York Times of Saturday, April 22, an article by Mr. John E. Carroll, president of American Hoist & Derrick Co. of St. Paul, called the country's, and the Congress', attention to the problems of solid waste disposal.

Mr. Carroll presented in the article a seven-point legislative program for congressional consideration. Some of us may not agree with the program in total. Some of us may have alternate solutions. Nevertheless, Mr. Carroll has done us all a service by pointing out the problems of solid waste disposal and presenting for consideration a thoughtful series of programs that will, in his opinion, begin to bring solid waste under control.

I commend Mr. Carroll's article, which follows, to my colleagues:

DOWN IN THE DUMPS

(By John E. Carroll)

ST. PAUL, MINN.—We rapidly approaching the point where our cities are running out of dump space. New York, for example, will have exhausted its dumps by 1975, it is estimated.

So, all too often, we are told we must cut the present average of five pounds of waste per person per day. But even if we could—unlikely in a nation of planned obsolescence and convenience products—it would only dent the more than a third of a billion tons of the annual garbage output. We are told recycling will help us dispose of the waste and make a profit, too. But the advanced recycling technology required is a long way off. Or not yet economically feasible.

Today's real solid-waste problem is the logistics of disposal. What to do with our garbage is the heart of the concern—particularly at this time, Earth Week, 1972.

Not so long ago no one thought much about where to put man's discards. Unlimited space seemed at hand. As dump space grew scarcer, we learned to process garbage, either by incineration to reduce volume before dumping, or by compaction at the landfill to cram in as much as possible.

Volume reduction's importance grew with the need for economical transport to areas further away from our urbanized society.

The 1970 Census reveals that three of every four of today's 230 million Americans live in one hundred urban centers. Ten of these centers are considered "super cities"—metropolitan areas with 25 per cent of the country's population.

For example, New York City's population is officially pegged at approximately eight million. But the "super city" houses more than sixteen million. The result is an unequal population distribution. Seventy per cent of us live on just 3 per cent of the land.

While America averages only 57.4 people per square mile, it's like drowning in a pool averaging a foot of water. Montanans average less than five people per square mile, while New York State averaged 380.3 people.

While these facts pinpoint the reason for the waste problem, they also hint at its solution, if we discard the blinders of provincialism. Why not take garbage from where there are many people and little land and railhaul it—the least expensive transportation—to where there is much land and few people?

It's easy. Just compress the garbage to its smallest possible volume and make it not only easy to handle but unobjectionable in terms of odors, vermin, or flammability. The technology is available.

Technologically, then, the logistics problem is resolvable. But that is only the first step in solving our disposal problem. Far more difficult is the recognition that solid waste disposal is a national, not a local, problem.

New York City, again, is an example of this. Although the "super city" has the nation's largest waste disposal problem, a plan to organize a three-state disposal authority—involving New Jersey and Connecticut—was all but abandoned recently. The only thing agreed upon: no one wanted someone elses' garbage.

I advocate that Congress and the Administration recognize the need for national action, and implement it with a seven-point legislative program:

1. To build public awareness of the problem's national scope.

2. To offer inducements for construction and operation of nonpolluting processing plants. Local governments could receive Federal subsidies, private contractors tax credits.

3. To empower the Environmental Protection Agency to identify appropriate waste depositories nationally and to supersede restrictive state laws as are found in Delaware, Maine and Rhode Island. Despoiled lands under Federal control should be the initial such landfills, while necessary legislation concerning state and private lands is created.

4. To pay such areas under state and private control a tonnage fee, based on location and distance from the waste source.

5. To accelerate beautification of America with such landfills through tax credits and subsidies, reclaiming them for parks and recreation sites.

6. To give, by executive order through the

Interstate Commerce Commission, rate relief to long-distance rail haulage of property processed wastes.

7. To accelerate recycling research by infusion of greater funds into selected, realistic programs.

At first blush, some may object to the seemingly high cost of such a national program. But the present $4.5-billion annual price tag to handle America's 365 million tons of waste is not cheap; we can expect to be spending $8 billion or more by 1980.

Inevitably the Federal Government will become involved in solid waste disposal. Why not now, when vigorous leadership and actions can meet current challenges and guarantee that future waste will not create far greater national problems?

TIMBER PRACTICES IN MONTANA

HON. LEE METCALF

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 25, 1972

Mr. METCALF. Mr. President, conservation, forestry and natural resource management have been among my major preoccupations all of the years of my service in Congress. My deepening concern for our land management practices, particularly timber harvesting, led to my request for several studies, including the report by the University of Montana on the Bitter Root National Forest.

Last year, I introduced S. 1734, the Forest Lands Restoration and Protection Act, at the request of the Sierra Club, which aimed the bill at providing for comprehensive management of the Nation's forest lands through the application of sound forest practices. Senator HATFIELD introduced S. 350, the American Forestry Act.

The Subcommittee on Public Lands held field hearings on these bills in Atlanta, Portland, and Syracuse. In addition, the subcommittee conducted hearings to review clear-cutting practices on national timberlands to determine if guidelines on harvesting practices are needed. Testimony in all of these hearings disclosed many complex problems of long standing that embrace both the technical and social aspects of forestry and the environment. During this time, I have conferred with many leaders in the resource field to seek advice on how best to change some of the most questionable practices in a way that would enhance the harvest of our renewable natural resources with every regard for our environment.

I have concluded that the best approach to solve our problems is not through S. 1734 as written, but through modification based upon testimony by public and agency witnesses and its evaluation by members of the appropriate committees. As part of that effort Senator HATFIELD's staff and mine are considering new language reflecting our common concerns, and actions to be taken to increase funds available for forestry this year. This massive task confronting us all must be a cooperative effort that will draw on the talents of national, State, and private interests.

Most of our efforts to identify problems have been focused on the national forests. However, this does not mean that problems do not exist elsewhere. Recently, I have been very pleased with Forest Service decisions that will restore multiple-use management and quality management practices in national forests. Region 1, including the States of Montana, Idaho, and parts of Washington, has undertaken massive replanning designed to restore multiple-use management to the forests. This effort is being undertaken with full public participation. Time is needed to develop common understanding and purposes.

I have been asked many questions concerning timber practices in Montana. Recently, John Lee of the Intermountain Network, interviewed me about these practices and the related economic concerns. I ask unanimous consent to have a transcript of the interview printed in the RECORD.

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

TIMBER PRACTICES IN MONTANA

This is John Lee in Helena. The problem with timber production in Montana has gotten to the critical point not only in Montana, but in the northwest as a whole. Environmentalists, ecologists, timber workers, politicans, lumber dealers, builders all have had an opinion on the subject.

Fear of losing jobs, concern with what will happen to the forests today without proper controls, procedures for the cutting of timber—it's all broken to the critical stage in the past few years and is getting more so with the passage of time.

Montana Senator Lee Metcalf last year introduced a bill, hopefully to solve some of these problems. I recently interviewed Senator Metcalf regarding the northwest Montana timber problems so that the problem might be more easily understood.

Q. Senator, the Forest Service is decreasing the allowable cut in the forests and this of course will mean fewer jobs, now that being the case, why the decrease?

Senator METCALF. Well, more timber was being cut than was being grown. The forest products industry has to operate on a sustained yield basis, into the next century and beyond, in order to provide the sustained employment we want in western Montana.

Q. How much were they actually overcutting?

Senator METCALF. The Forest Service tells me that in Region One, which includes Montana and parts of Idaho and Washington, the cut was reduced to 1.6 billion board feet, instead of the 2.1 billion board feet it estimated earlier. That's a reduction of allowable cut of ½ billion board feet. They think that the cut may still be too high.

Q. How about in other states, Oregon, Washington, Idaho, etc?

Senator METCALF. The Utah Forest Service Research Laboratory reviewed six national forests in western states and last fall reported that the land base used to calculate the allowable cut should be reduced by an average of 22 per cent. In addition, that agency recommended that another 13 per cent should not be cut until new methods of logging are developed or until it becomes economically feasible to harvest. So Region One is about the same as the rest of the six national forests.

Q. Well now, won't people be losing jobs as a result of this cutback?

Senator METCALF. Yes, perhaps some people will. But more will remain in the forests, and the forests will remain for future development and exploitation. I am committed to legislation to provide other types of jobs for people who are displaced. Further, I am attempting to develop what new employment can be established in the natural resource field in Montana.

Now if we intensify forest management on good timber growing sites we can increase our cuts later on. If we don't practice sustained yield, we will have jobs now but none later. This is what happened in the Great Lakes states and in the South in the late 1800's and early 1900's. The timber supply was depleted and the areas lost their forest industry. This must not happen in Montana.

I am committed to a program of forestry development and forestry operations forever. Men who are in the forests now and their sons who want to work in the forests in the future will have an opportunity to do so if we have the proper kind of forest management today.

Q. Senator, I know there is much timber that is ready to cut but it hasn't been put up for sale as yet now why hasn't it?

Senator METCALF. That is correct. I am glad you talk about this problem because this is a most important and significant one. The Forest Service is not permitted to hire enough of the people needed to prepare sales. President Nixon ordered the Forest Service to reduce the number of its employees by more than one thousand by June. That means less Forest Service employees who could prepare the sales and do the ecological surveys that are necessary. In these days it's just not good enough to go and put some blue paint or red flags on trees. It's necessary to find out what kind of damage will result and you need scientists to do it. When President Nixon cut the budget and reduced Forest Service programs by 5 per cent it meant that a lot of Forest Service sales that could be put up are not even going to be prepared. Of course another reason is that we have to have all of these people in the protection of soils, water, wildlife, recreation and asthetics. We could have more sales today if we had sufficient money and manpower to make the necessary surveys.

Q. I read that you put in a bill to put a stop to the practice of clearcutting. What are your thoughts on clearcutting?

Senator METCALF. I did not put in a bill to stop clearcutting. I read that editorial too. It was an out-of-state paper that said I sponsored a bill imposing a moratorium on clearcutting. Actually, another Senator had introduced that legislation.

I do not oppose clearcutting. There are situations—depending on the species, of course, and the terrain—where clearcutting is good, solid forestry management. Good forestry has not always been practiced in many parts of the West including as you know my own native Bitter Root country. A Subcommittee of the Interior Committee headed by Chairman Frank Church has just reported on the subject of clearcutting. Of course anyone who would like to read that report can obtain it from my office in Washington.

Q. Senator are you trying to lock up the forests by putting them into the wilderness system?

Senator METCALF. I don't remember how many years ago, but a long time ago, the wilderness bill was passed which blanketed all the primitive areas into the wilderness system.

I sponsored a bill, in addition to the act creating the wilderness system, that would designate the Lincoln Back Country in Montana as a wilderness. It has already been approved by the Senate and the Forest Service. Timber from the Lincoln Back Country is not marketable; the soil is very fragile and the area is easily accessible for recreation. It belongs in the wilderness system, according to the great majority of Montanans who have talked and written to me about it.

Now, this is the only addition to the wilderness system I have proposed in Montana. Its passage (and I hope it will pass this session of Congress) would not have any impact on the allowable cut in Region One.

Q. How about the Absaroka-Beartooth primitive area?

Senator METCALF. I took a helicopter trip over some of the area that has been reviewed by the Forest Service which, along with local citizens groups, suggested it be included in the wilderness system. This area is now being studied for wilderness, but there is no bill pending.

Hearings have been scheduled by the Forest Service to hear from the people in Montana as to their sentiment for the classification of the area. I hope that anyone who is interested either in the creation of an Absaroka-Beartooth wilderness, or who is opposed to it, whether from the point of view of minerals or timber, will participate in these hearings.

Q. What about the roadless areas that are proposed for wilderness?

Senator METCALF. Again, I understand that the Forest Service is conducting some public hearings on roadless areas in Montana. In this case, as in the Absaroka-Beartooth, I will be guided by the wishes of the majority of the people of Montana.

Q. Senator, the bill you introduced, the Forest Lands Restoration and Protection Act of 1971, is being opposed by the forestry industry. Are you committed to the bill without change?

Senator METCALF. No, as a lawyer, I feel that a bill as introduced is rather like a pleading. It gets you before the Committee and then there are hearings and so forth. No, I am not committed to any bill without change. When I opened the field hearings, I suggested that any legislative proposal is subject to extensive review and alteration before it becomes a law. That's what hearings are for. So I told the people in Atlanta that "we're here today to listen to your views of these bills and your suggestions as to how they may be improved." The people in Atlanta, especially in the Southern pines area, presented many objections that I feel were valid and probably warrant some change in Senator Hatfield's legislation and my own bill.

I introduced S. 1734 on behalf of the Sierra Club because I felt the Sierra Club's point of view merited and warranted public attention and because I wanted to focus public debate on those issues. I am not committed to any particular provision. There are many things in any piece of legislation that are brought up (and that's what hearings are for) to help people say this is how it affects me. Certainly, S. 1734 which I introduced by request will be changed and modified if it has any adverse effects on the people of Montana.

Q. One of the most talked about provisions of S. 1734 is the regulation of the small timberland owner. Senator, what is your stand on this?

Senator METCALF. Yes, that provision was put in the bill to regulate private timberlands. It wasn't for small timberland operators, but for large industrial timberland owners, especially in the eastern part of the United States. Do you know that in the State of Maine, for example, six large corporations such as Georgia Pacific, and Weyerhauser own a greater percentage of the state than the national forests own in Montana? Private timber ownership has the same impact on that state as the national forests have in Montana. Something has to be done to regulate and control their cutting of timber and their management policies. But nobody anticipated that this bill would be interpreted to say that somebody in Montana that had a timber plot or 160 acres of timber would come under the management program. Since that question has been raised, of course, we'll change these provisions of the bill so that it will be clear that they will not affect small operators, such as a man who has a wood lot on his ranch.

Q. Senator Metcalf, our time is up. I thank you very much for taking time out of your busy schedule to talk about your views regarding the Northwest-Montana timber problem.

MARIHUANA RESEARCH AT BATTELLE-NORTHWEST

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. McCORMACK. Mr. Speaker, within the past decade serious questions and problems, both legal and social, have been raised by conflicting reports on the effects of smoking marihuana. This confusion over the true and long-term effects has become a source of considerable concern to both the medical profession and the general public.

As the drug has been examined in its various natural and synthetic forms, it has become obvious that these perplexing questions, which seemed simple at first, are highly complex in that marihuana is not a single, simple substance of uniform type. It is composed of varying mixtures of different parts of the plant, Cannabis sativa, with psychoactive properties ranging from virtually nonexistent to decidedly hallucinogenic in its stronger forms and at higher doses. Unfortunately, much of the public discussion ignores this very basic and important fact. Most of our American experience has been limited to the widespread, relatively infrequent use of a sometimes weak form of marihuana. Early research dealing with this drug has been inevitably faulted by the fact that it is difficult to be certain just how potent the material is and how potent it is at certain dose levels. Although the principal active agent in the plant is thought to be Delta-9-tetrahydrocannabinol, much remains to be learned about the chemistry of marihuana and its related substances.

The form in which the drug is consumed may also make a difference in the consequences of use. It is conceivable that when smoked, marihuana affects the body differently than when the drug is orally consumed. Whether the drug is absorbed through the lungs or through the digestive tract may also make a significant difference in its eventual effects.

While much is known about the acute and obvious effects of marihuana use, much less is known about the implications of long-term chronic use. Marihuana has been administered to humans for extended periods in only a few experimental studies. At most, the periods of administration have been limited to a few weeks. In addition, early studies of both acute and chronic use have provided no information on the exact quality, potency, and amounts of marihuana involved, and so it is difficult to compare earlier findings with those of late.

The President's National Commission on Marihuana and Drug Abuse recently reported, after extensive research, hearings, and fact-finding missions, that marihuana is not physically or psychologically addictive. However, these conclusions may be open to challenge, especially since one medical study has also presented evidence that marihuana may cause brain damage.

In an attempt to resolve many of these still pending questions and problems that I have just summarized, the National Institute of Mental Health has recently awarded to Battelle-Northwest Laboratories of Richland, Wash., the funding for an initial 2 years of a proposed 5-year study on the long-term effects of marihuana use.

As I mentioned, such studies have been complicated in the past by the lack of a controlled quality of marihuana or its purified constituents, and by the uncertainties inherent in long-term studies with humans using illicit drugs.

This reliability has been changed by the recent synthesis of purified constituents of marihuana and the standardization of the marihuana made available to the researchers by the National Institute of Mental Health. The marihuana is a standardized, U.S. Government-grown leaf produced by the Government on a plantation in Mississippi.

In the Battelle-Northwest study, beagle dogs will be exposed to smoking levels of marihuana that will simulate conditions for humans that are heavy smokers, moderate smokers, or sporadic social users of the drug. Under the direction of Dr. Maurice Sullivan, assisted by Dr. Don Kalkwarf, Mr. Don Willard, and Mr. Earl Martin, this study will consist of a team effort using skills in pharmacology, psychology, chemistry, physics, and veterinary medicine.

As Dr. Sullivan has stated:

> These first years of the program will be used to establish that dogs will smoke marihunana under careful controlled dietary and living conditions. Once that capability is demonstrated, a larger study can be expected to follow that will determine if marihuana can cause changes in behavior or performance. It will also be used to determine tissue or organ changes that are indicative of harmful effects.

The second phase will also try to determine the effects of "active principles" that have only recently been identified in marihuana smoke.

Dr. Sullivan said:

> Although marihuana has been used by man for almost 5000 years, few drugs with such usage are still so poorly understood. According to 1971 report to Congress by the Secretary of the Department of Health, Education, and Welfare, little marihuana research met high standards of scientific reliability before 1967.

Dr. Sullivan and his associates hope to use the purified principal ingredients in experiments that will demonstrate their effects after extended use as well as to show the effects that occur when these substances are burned and inhaled by smoking.

The dogs being used in the experiments are a specilal parasite-free strain of beagles that have been developed over several generations by Battelle-Northwest. The colony is kept in air conditioned and heated isolation quarters, and they are given regular physicals.

Their average life span in the colony is 13 years.

Even though there are inherent difficulties in translating testing results from animals to humans, beagle dogs were selected because more is known about their physiology than most animals. Beagles have been used as standard laboratory animals in the United States for years.

The need to know precisely how and to what degree the human body is affected by marihuana has never been greater than it is today, when the controversy is raging from the churches to the Halls of Congress. May I say that I am particularly proud to have been a research scientist at Battelle-Northwest Laboratories during the years prior to my election to Congress. The research capabilities at the Pacific-Northwest laboratory are outstanding. In the first few months of this study, a large degree of success has already been achieved, enough so as to receive a commendation by the National Commission on Marihuana and Drug Abuse. I feel confident that the continuation of this study will contribute significantly toward resolving the serious questions and problems that surround marihuana.

THE AMERICAN YOUTH SYMPHONY AND CHORUS

HON. RICHARD S. SCHWEIKER

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 25, 1972

Mr. SCHWEIKER. Mr. President, when it comes to acting as good will ambassadors for the United States, the American Youth Symphony and Chorus is second to none. Under the able leadership of Dr. Donald W. McCathren, of Pittsburgh, this group of fine young musicians has toured Europe for the past 7 years and has furthered "peace and understanding—through the performance of music."

As one who believes that America's youth is one of our most important resources, I am proud of the American Youth Symphony and Chorus and of its contributions to international understanding. I am sure this pride is shared by all Americans.

So that we might all better appreciate the background and outstanding accomplishments of the AYSC, I ask unanimous consent that a summary of the American Youth Symphony and Chorus be printed in the RECORD.

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

ABOUT THE AMERICAN YOUTH SYMPHONY AND CHORUS

The American Youth Symphony was founded in 1964 as the School Orchestra of America. The orchestra was completely reorganized by Dr. Donald E. McCathren in 1967 and received its present name at that time. Prof. James Paterson became Associate Conductor of the American Youth Symphony & Chorus in 1967. The American Youth Symphony Chorus made its first tour with the orchestra in 1969.

The American Youth Symphony & Chorus is dedicated to the development of American youth and the furtherance of peace and understanding throughout the world through the performance of music. A nonprofit organization incorporated under the laws of Pennsylvania, the orchestra and chorus have received the highest praise for their musical achievements. for their contributions to peace in the world, for their accomplishments in motivating young people to a serious high purpose in life, and for their portrayal of a realistic picture of America and the American way of life.

In order to better accomplish the goals of the American Youth Symphony & Chorus, several other musical organizations have been founded and are under the sponsorship of the American Youth Symphony & Chorus. Among these are the American Youth Symphony of Winds & Chorus and the American Youth Symphonic Band & Chorus. These organizations have toured Europe and the Mediterranean countries. A "Music Camp at Sea" cruise to the Grand Bahama Islands each summer features the talents of younger students as members of the Junior American Youth Symphonic Band, Orchestra & Chorus. The American Youth Studio Band will be making its third appearance during the Mediterranean-Black Sea good will concert tour this summer. An outstanding picture of America and American youth is portrayed each summer by all of these organizations.

The American Youth Symphony & Chorus has received much recognition both at home and abroad. Among the most recent honors received are three George Washington Medals of Honor by the Freedoms Foundation at Valley Forge for outstanding accomplishments in helping to achieve a better understanding of the American Way of Life. Numerous gold medals have been received in Europe for excellence in musical performance. Various patriotic organizations throughout America have paid tribute to the accomplishments of the American Youth Symphony & Chorus and its conductor, Dr. Donald E. McCathren, with a wide variety of awards and citations.

Many businesses, foundations, school systems, fraternal organizations, clubs, civic groups, churches, and individuals have made contributions to assist deserving students to have the experience of representing our nation as members of the American Youth Symphony & Chorus, or one of the related organizations. It is the hope of the AYSC officials that financial assistance can be obtained to further expand this program and to permit every qualified student, regardless of his financial means, to be able to have the experience of participating in this great adventure in world peace through music.

H.R. 14583—TO HALT THE ILLEGAL ENTRY OF DRUGS INTO THE UNITED STATES

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. ANDERSON of California. Mr. Speaker, the Bureau of Customs has the responsibility to inspect all international traffic and combat the smuggling of narcotics into the United States.

In order to halt the flow of illegal drugs into this country, the Bureau of Customs must be adequately staffed and equipped to meet the challenge of the resourceful, versatile, and often well-equipped smuggler.

Overall, the effectiveness of the Bureau in curbing the smugglers has increased. For instance, during 1971, Customs made 10,687 narcotic drug seizures, worth about $328 million when sold on the streets. These seizures included 1,109 pounds of heroin, as compared with 347 pounds during 1970.

While the number of narcotic seizures has increased, their effectiveness has been hampered by manpower restrictions. According to Edwin Rains, Acting Commissioner of Customs:

Customs currently has the capability to inspect thoroughly less than 2 percent of the vehicles entering the United States at our border ports.

For example, Mr. Speaker, at the border station of San Ysidro, Calif., an average of well over 18,000 vehicles enter California each day. With their current manpower level, each Customs official with the responsibility for the detection of the entry of illegal drugs into the United States, must inspect 24 vehicles per hour.

In effect, each man inspects each entering vehicle for 2½ minutes.

It is little wonder that less than 2 percent of the vehicles entering the United States are thoroughly inspected.

Mr. Speaker, every facet of the narcotic problem must be attacked. We must halt the flow of drugs from the poppy fields to the pusher on the street.

In order to effectively curb the importation of drugs in our country, we must increase the manpower of the customs officials at our ports of entry.

Today, I am introducing a bill which would increase the Bureau of Customs personnel from 12,063 to 15,079. Thus, personnel at each port of entry would be increased by 25 percent.

While the administration has recommended the elimination of 139 positions in the customs services, I feel that the opposite course should be followed as recommended by Commissioner Rains.

Mr. Speaker, at this point, I include in the RECORD, first, Commissioner Rains' recommendations to halt the drug traffic; and, second, data regarding the entry of vessels, aircraft and automobiles into the United States, and the customs personnel at each port of entry on the west coast:

THE DEPARTMENT OF THE TREASURY,
BUREAU OF CUSTOMS,
Washington, D.C., April 18, 1972.

Hon. GLENN M. ANDERSON,
House of Representatives,
Washington, D.C.

DEAR MR. ANDERSON: We are pleased to give you the information which you requested in your letter of February 16, 1972.

The number of vessels, aircraft and vehicles entering the United States at various West Coast ports of entry during 1970 and 1971 are shown in pages 1–4 of the attachment lists the Customs staffing at each of these ports of entry during 1970 and 1971.

We are also pleased to offer our recommendations for halting the flow of illegal drugs into the United States. The effective interdiction of narcotics and dangerous drugs being smuggled into this country requires a modern and sophisticated Customs Service which is adequately staffed and equipped to cope with the resourceful, versatile and often well-equipped smuggler. We have seen much progress toward these goals in the past two years. Our inspectional and

investigative manpower have been increased substantially and our equipment has been modernized. The resulting increase in our enforcement effectiveness has been gratifying. During calender year 1971, Customs made 10,687 narcotic drug seizures, worth about $328 million on the streets. These seizures included 1,109 pounds of heroin, as compared with 347 pounds during 1970.

New programs being developed and implemented by the Bureau of Customs include:

(1) The switch to a modified screening/inspection system, which was tested at various airports and found to be more effective than previous methods.

(2) A planned increase in our fleet of aircraft and boats for patrolling and surveillance of borders. Our research and development personnel are working to significantly increase the effectiveness of these aircraft and boats by equipping them with special sensor or detection systems for air-to-air radar or night surveillance of suspect aircraft and vessels which operate in total darkness.

(3) Increased use of dogs to detect narcotics. Use of dogs for this purpose has developed into an integral part of our enforcement activities, especially the screening of mail and cargo.

(4) Increased use of X-ray machines and development of additional equipment to examine mail for contraband.

(5) Increased mutual assistance and cooperation with other countries. This includes training and advisory programs to increase the capabilities of foreign Customs organizations to suppress illicit drug traffic which may be transiting their countries en route to the United States.

New programs planned, but not yet ready for implementation because of manpower restrictions include:

(1) A proposed mobile blitz force would carry out intensive secondary examination of all arriving traffic for a limited time, and then it would move to another port. Similar blitzes were tried on a limited scale and proved to have strong deterrent potential.

(2) An increase in the normal percentage of secondary examinations on both the Mexican and Canadian borders. Manpower restrictions have forced Customs officers to pass many suspects without giving them a secondary examination. Customs currently has the capability to inspect thoroughly less than 2 percent of the vehicles entering the United States at our border ports. We seek to increase our secondary inspection capability to 5 percent.

(3) An increase in the force of trained Customs patrol officers for seaports, airports, and land borders.

The narcotics problem is complex. A continual attack must be made at every link in the supply chain from the poppy fields to our borders and to the pushers in our streets. We believe that the development and implementation of these programs will provide Customs with the trained manpower, scientific equipment and expertise to enable us to carry out our mission to deter smuggling without decreasing our revenue collecting capability.

Thank you for your interest in this vital matter.

Sincerely yours,

EDWIN F. RAINS,
Acting Commissioner of Customs.

VESSELS ENTERING DIRECT BY PORT—WEST COAST

	Fiscal year— 1970	1971 [1]
California:		
San Diego	908	969
Los Angeles	1,645	1,585
Port San Luis		1
Long Beach	989	1,070
El Segundo	19	28
Ventura	1	
Port Hueneme	32	24
Eureka	81	76
Monterey		3
San Francisco	425	331
Stockton	56	42
Oakland	255	244
Richmond	109	90
Alameda	96	75
Crockett	6	2
Sacramento	49	66
Martinez	37	31
Redwood City	16	27
Selby	6	1
San Joaquin River	43	39
San Pablo Bay	24	32
Carquinez Strait	41	84
Suisun Bay	1	13
Oregon:		
Astoria	210	208
Newport	2	
Coos Bay	209	236
Portland	333	495
Washington:		
Longview	230	284
Vancouver	91	78
Kalama	10	18
Seattle	2,498	2,667
Tacoma	569	702
Aberdeen	169	149
Blaine	7	16
Bellingham	506	526
Everett	322	540
Port Angeles	301	359
Port Townsend	257	417
Anacortes	123	86
Friday Harbor	322	518
South-Bend-Raymond	26	23
Olympia	60	43
Neah Bay	20	2

AIRCRAFT ARRIVING IN CALIFORNIA

	Fiscal year 1970	Fiscal year 1971
Los Angeles International Airport	11,811	12,419
Los Angeles, other	98	32
Norton AFB	1,627	1,642
San Francisco Airport	10,350	9,603
Oakland Airport	730	537
Travis AFB	7,691	6,021
San Diego	4,060	4,286
Calexico	5,863	6,513

VEHICLES ARRIVING IN CALIFORNIA

	Fiscal year 1970	Fiscal year 1971
Andrade	204,393	209,123
Calexico	2,811,298	3,003,345
San Ysidro	6,166,178	6,794,186
Tecate	295,586	279,423

PORT—PERSONNEL

San Diego	27 (6)	52 (19)
San Ysidro	173 (146)	146 (130)
Andrade	5 (5)	8 (8)
Calexico	72 (63)	71 (61)
Tecate	11 (10)	10 (9)
Los Angeles	487 (259)	565 (254)
San Francisco	509 (248)	572 (276)
Eureka	3 (3)	5 (5)
Portland	62 (28)	76 (31)
Astoria	1 (1)	1 (1)
Coos Bay	1 (1)	2 (2)
Longview	10 (8)	9 (7)
Newport	1 (1)	1 (1)
Seattle	169 (107)	175 (102)
Aberdeen	1 (1)	1 (1)
Anacortes	3 (3)	3 (3)
Bellingham	2 (2)	2 (2)
Blaine	56 (37)	60 (40)
Everett	1 (1)	1 (1)
Friday Harbor	5 (5)	5 (5)
Port Angeles	6 (6)	6 (6)
Port Townsend	1 (1)	2 (2)
Tacoma	15 (8)	13 (8)

[1] Fiscal year 1971 includes sky marshals in total.

Note: Numbers in parentheses are inspectors, agents, etc., who are responsible for the detection of the entry of illegal drugs into the United States.

HUBERT F. LEE, DECATUR, GA., NAMES MAN OF THE SOUTH

HON. HERMAN E. TALMADGE

OF GEORGIA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 25, 1972

Mr. TALMADGE. Mr. President, each year, Dixie Business magazine edited and published by Hubert F. Lee of Decatur, Ga., names a "Man of the South." The award for 1971 went to Robert Jemison, Jr., an outstanding Birmingham, Ala., businessman, real estate developer, and civic leader.

I join Mr. Jemison's many friends and associates throughout the South and the Nation in congratulating him on this high honor.

I ask unanimous consent that the article from Dixie Business magazines about the award and a profile of Mr. Jemison's splendid career be printed in the Extension of Remarks.

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

ROBERT JEMISON, JR., MAN OF THE SOUTH FOR 1971

(By Hubert F. Lee)

Robert Jemison, Jr., who helped build much of Birmingham during its first hundred years, was honored March 8 at the Birmingham Rotary Club as the 26th "Man of the South."

He was six years old, in 1884, when his father moved from Tuscaloosa to Birmingham, in beautiful Jones Valley.

Birmingham was a village of 4,000 and Bob the first grade in Powell School—the only grade school there.

Birmingham was incorporated December 19, 1871.

It had been a corn and cotton field crossed by two newly built railroads.

Now, celebrating a year-long Centennial, Birmingham is the Youngest of World's Great Cities, thanks to men like Robert Jemison, Jr., and his father.

Mr. Jemison received a standing Ovation as he accepted the "Man of the South" award from Hubert F. Lee.

I was introduced by Roy H. Hickman, who will be installed as President of Rotary International at the Convention in Houston, June 11–15, 1972.

To my right sat Frank E. Spain, a past President of R.I. I was guest of Mr. Spain at Rotary the day after Dr. Frank P. Sanford received the 1958 Award as "Man of the South."

Mark Hodo, President of City Federal S&Loan Association and our Associate Editor, who nominted Mr. Jemison in 1950, was on the raised dais as was John S. Jemison, Jr., a nephew, President of Jemison Investment Company.

Mr. Jemison is the fifth member of the prestigious Birmingham Rotary Club to be named "Man of the South" since Thomas W. Martin was honored in 1946.

The five:

Thomas W. Martin, 1946.
Donald Comer, Sr., 1947.
Dr. Frank P. Samford, 1958.
J. Craig Smith, 1970.
Robert Jemison, Jr., 1971.

History and destiny have given them all something in common with Bob Jemison and his great father.

Mr. Jemison, Sr., became president of the East Lake Land Company in 1886 and he and his associates persuaded Trustees of Howard College to move from Marion to Birmingham.

Howard College was renamed Samford University in honor of Dr. Frank P. Samford.

Dr. Samford was voted the Greatest Birmingham Business leader in a poll conducted by Birmingham Magazine. The top ten list included Robert Jemison, Jr. and Frank E. Spain.

Mr. Jemison's father also in 1886 was elected President of the Birmingham Union Street Railway. He consolidated 9 street railways, three electric light companies and a gas company into the formidable Birmingham Railroad, Light and Power Company . . . which became the Birmingham Electric and later merged with the Alabama Power Company, headed by Thomas W. Martin, the first "Man of the South" in 1946.

The Alabama Power Company was founded in Gadsden in 1906 by Capt. Wm. P. Lay, his son Earl Lay, and his lawyer Col. O. H. Hood with a capital of $5,000.00.

Mr. Jemison, Jr. and Capt. Lay in March 1911 were two of the 100 speakers who addressed the Southern Commercial Congress . . . forerunner of the U.S. C. of C.

Bob Jemison had some of the speakers as his guest at the formal birthday of Fairfield, Alabama, on March 10, 1911.

Teddy Roosevelt addressed a crowd of 500 that day from a Model T Ford.

J. Craig Smith, the "Man of the South" for 1970, and Chairman of Avondale Mills, is a nephew of Donald Comer, "Man of the South" for 1947.

JEMISON BUILDS FAIRFIELD

In 1901, two years before Bob Jemison founded the Jemison Real Estate and Insurance Company, with Hugh Morrow and W. H. Kolb, with $5,000.00 capital, a big event took place on Wall Street that was destined to make Bob the greatest City Builder in modern times.

U.S. Steel Corporation was formed February 25, 1901 by Elbert H. Gary, Charles M. Schwab, Andrew Carnegie, J. P. Morgan.

The giant merger took in T.C.I. then headed by Col. Alfred M. Shook.

Judge Elbert H. Gary, in 1909, called in Robert Jemison, Jr., to talk about a model industrial town for TCI employes.

Bob's enthusiasm and vision matched that of Judge Gary and Geo. G. Crawford.

Holman Head, new Executive Vice President, attended Rotary when Mr. Jemison received the "Man of the South" Award.

The feature speaker was W. P. Gullander, dynamic President of the National Association of Manufacturers, who said I'm far less worried about students on the campus than I am about the Faculty, because the students become 30 years of age, and suddenly, as adults, they're worried about kids on campuses. The faculty are the revolutionaries.

Donald Comer, Jr. was there. Donald is a Vice President of NAM of the Southern Division. He was present also when I gave J. Craig Smith the Man of the South Award for 1970 in Sylacauga.

Frank Steinbruegge, of Atlanta, NAM Vice President and Division Manager, of course was there.

Gullander held an "On Stage Press Conference," a meet the press affair with veteran Business News Editor Irving Beiman, Birmingham News; Duard LeGrand, Jimmy Mill's successor as Editor of the Birmingham Post-Herald; Hugh M. Smith, VP–GM of WBMG, Davenport Smith, keen News Director, WBRC; Everett Holle, WAPI–TV and O. B. Copeland of the Progressive Farmer and the "Magazine of the Century" Southern Living, tossing the questions.

The Birmingham Chamber of Commerce's magazine, edited by Donald A. Brown, took a poll of readers to pick the 10 Greatest Men of Birmingham Business.

Out of 98 nominees 11 were picked by 503 official ballots.

The 11 were featured in Birmingham with brief sketches by Louis Harper.

Here is the sketch on Mr. Jemison:

ROBERT JEMISON, JR.

In 1903 Robert Jemison, Jr. left the hardware business he owned in Birmingham and dived valorously into the real estate field where he probably has developed more property, both residential and business, than anyone else in the South.

Jemison is a graduate of the University of Alabama and of the University of the South at Sewanee, Tennessee. He was born in Tuscaloosa of a family long prominent in the state, his father having been president of the Birmingham Railway Light and Power Company.

Robert Jemison Jr. developed Fairfield to accommodate people of Ensley and Fairfield Steel and Iron Works. The town was originally named Corey after the president of the company but was changed to Fairfield when a new man came in. Jemison built hotels, office buildings and residential areas.

When Jemison opened up the Mountain Terrace fine residence section of Birmingham, it was with much fanfare and speeches by Senator Oscar Underwood and General Rufus N. Rhodes, publisher of *The Birmingham News*. There was a band and refreshments with many stylish ladies present. Then began the building of the homes which, even now, are an intimate part of the South Highlands Landscape.

This was only a brief interlude in Jemison's career. His companies developed other entire residential communities such as Central Park, Bush Hills, Ensley Highlands, Forest Park, Glenwood and Mountain Brook Estates along with other of more recent vintage.

Commercial and multiple dwelling units such as Mountain Brook Village, Redmont Gardens Apartments, along with Elmwood Cemetery, were developed by Jemison. Altamont Road and Cherokee Road areas were sponsored by his company.

His companies either sponsored or participated in the acquiring of land and the construction of such projects as the Empire Building, Tutwiler Hotel, Stallings Building, Jemison-Seibels Building, Ridgley Apartments and others. Sites for the county courthouse, The Birmingham Country Club in Shades Valley, Ramsay High Schol, WAPI–TV, WBRC–TV and The Club on the crest of Red Mountain were negotiated by Jemison.

He is listed in Who's Who in America, was president of the Birmingham Chamber of Commerce in 1906 and president of the National Association of Real Estate Boards in 1926.

He married the former Virginia Earle Walker in 1901 and she died in 1953. Their children are Mrs. Virginia Goodall, William and Robert II. He is an active member of the Episcopal Church of the Advent.

JEMISONS LEADERS OF THE SOUTH

The Jemisons have always been leaders in Georgia and Alabama.

Two years after Alabama became a state, William Jemison in 1821 moved his family, slaves, cattle, mules and horses, etc. from Georgia to Pickens County, near Carrollton, Alabama, where his vast acreage became famous as the Garden Plantation. He was the first in Alabama to provide Brick Cabins for his Negro quarters.

Mr. Jemison's great uncle, Confederate Senator Robert Jemison, Jr., was in partnership with the founder of Birmingham, Colonel James L. Powell.

A hand bill in Mr. Jemison's office dated January, 1859 advertises Jemison, Picklin, Powell & Co.'s Post Coaches.

After a hot competition battle, the coach line owned by Mr. Ficklin and Senator Jemison merged.

When his Post Coaches gave way to the Iron Engines, Senator Jemison, Jr. served from 1863 to 1869 as President of the railroad serving the area between Chattanooga and Meridian, Miss.

William H. Jemison, Bob Jemison's grand father and a brother of Senator Jemison, graduated from Princeton in 1839, the year he married Elizabeth Patrick and raised nine children.

In 1861 he raised a company and became its captain.

After the war he resumed planting.

He was professor of agriculture at Auburn College for a year and for several years was quartermaster at the University of Alabama.

Robert Jemison, Sr., Bob's father was born at Tuscaloosa on Sept. 12, 1853.

He graduated from the first Law Class at the U. of Alabama in 1874.

He was in the hardware business for 19 years before moving to Birmingham in 1884.

He became president of the Birmingham Union Railway and the East Lake Land Company in 1886.

He merged nine street railways, three electric light companies and one gas company into the Birmingham Railway, Light and Power Company. He served as president until 1907 but continued as a director of its executive committee.

He was connected with the First National Bank from 1895.

He was an organizer of the Berney National Bank, which merged with the First National.

He was a director of the Woodward Iron Company and of the Southern Railway.

He married Miss Eugenia R. Sorsby, of Tuscaloosa in 1876.

They were the parents of nine children; Robert, Jr.; Annie, Mrs. H. A. Woodward; John S. Jemison; Elizabeth P., Mrs. Lewis Coleman Morris; Sorsby; Elbert Sevire; and Richard Wilmer.

William W. Jemison, Mr. Jemison's son, is Executive Vice President of the Jemison Realty Company who is able to carry on the business and the Jemison talent for business and civic leadership.

The United Daughters of the Confederacy has proposed Mr. Jemison's great-aunt, Mrs. Helen Jemison Plane for enshrinement in the Georgia Hall of Fame in the State Capitol as Mrs. Plane was the one who first proposed carving the Confederate Memorial on Stone Mountain.

Mrs. Plane was the first President of the Atlanta Chapter, UDC, July 18, 1895.

In the Spring 1956 issue of Dixie Business, I told in my Editor's Whirligig column about Mrs. Plane's dream for a memorial on Stone Mountain.

"Mrs. Helen Jemison Plane, grand aunt of Robert Jemison, Jr., on January 19, 1924 was carried amid cheers of thousands to the high rostrum on Stone Mountain where she gave the signal for the unveiling of the head of Lee, first of the carvings to be started by sculptor Gutzon Borglum.

"Mrs. Plane had said, 'When the idea of carving a memorial first presented itself to me, I was so excited I could not sleep at night.' She visited the Venables in 1914, who agreed with her plans.

"On March 20, 1916 Stone Mountain was dedicated as a memorial but World War I halted work, which was not resumed until 1923. Work stopped in 1925 when Borglum clashed with the directors. I talked with Borglum later and he felt he should have had the say so on his work and the directors should have confined their work to raising funds for him to use as he thought necessary."

JEMISON HISTORICAL LIBRARY

Mr. Jemison's office is a Library of History. On the walls are pictures of pioneer leaders of Birmingham and men who inspired him. There are books and brochures and old clip-

pings. There are medals and awards and citations.

I have thrilled for years on my visits to see Birmingham's history come alive from talks with the man who put the Magic in the Magic City.

Pictures of Judge Gary, J. Frank Rushton, George Gordon Crawford, a president of the University of the South, etc.

Pictures of his family over the years, of his old friends who in their day made local and national news.

I came to his Birmingham as a Boy Scout in 1918 on a 650-mile hike selling War Stamps so for years since each time Mr. Jemison showed me his treasure of history and talked about great men and events. I was an eager listener.

In 1953, I presented Mr. Jemison an award which read:

"Dixie Business Magazine Distinguished Service Award Presented to Robert Jemison, Jr., Developer, Realtor, Civil Leader, Dreamer who has given himself unselfishly during a Half Century to the Development of Birmingham."

Now he has another, "Man of the South."

"REALTOR OF THE CENTURY"

Robert Jemison, Jr. was presented an appreciation plaque as Dean of Real Estate "Realtor of the Century by the Birmingham Board of Realtors, January 14, 1972. Realtor John D. Chichester said ". . . privilege . . . to honor a past President of National Association of Real Estate Boards. A man who has contributed more to development of Birmingham District than anyone and a man held high in the esteem of fellow citizens, loved and respected by all . . ."

Wallace Boothby presented the plaque.

CHRONOLOGICAL DATES—ROBERT JEMISON, JR.

1878: February 28, in Tuscaloosa, Ala. in home built by his father.

1885: Moved to Birmingham, entered 1st grade Powell School.

1894: Entered School of Prof. Joel C. Dubose.

1895: Entered Sophomore Class, U. of Ala.

1897: Entered U. of the South (Sewanee). Class of 1899.

1899: Started in business with Prowell Hardwell Co., Birmingham, as clerk, $30.00 month. Jan. 1899 to January 1903.

1901: November 12th, Virginia Earle Walker. The most event in his life. (A happy life together, Nov. 12, 1901–July 16, 1953.)

1903: January 1st, organized Jemison Realty Company. $5,000 capital. First office, one room in Woodward Bldg. Robert Jemison, Jr., President; Hugh Morrow, Vice-President; W. H. Kolb, Sec'y & Treasurer.

1904: Appointed agent to sale of Ensley Highlands, by Robert Terrell, Owner.

1904: Appointed Agent for, and supervised development of, Earle placed for Judge Samuel Greene & Family.

1905: Organized Central Park Land Co. and developed 350 acre Central Park (then largest sub-division).

1905: Purchased 120 acres, of which Mt. Terrace is part—also residences of A. H. Woodward, John L. Kaul, etc.

1905: Organized, developed and served as President, Redmont Land Co. 150 acres.

Mountain Brook Estates (Mountain Brook Village-Old Mill-Tutwiler Home.) (200 acres.)

Mountain Brook Land Co. (Cherokee Rd.-27 miles Bridle Trails.) (2,000 acres.)

1906: Vice Chmn., Birmingham Parks Com.

1906: President, Chamber of Commerce.

1907: June 30, completion and opening of Mountain Terrace, with Senator Oscar W. Underwood; Rufas N. Rhodes and other speakers.

1907: President, Alumni Association, University of Alabama.

1909: Organized and developed industrial Town of Fairfield (formerly Corey) at request of Judge E. H. Gary, Chmn., U.S. Steel, and W. P. H. Harding, Pres., First Nat'l Bank of Birmingham and others

1909: Organized and became President, First Bank of Corey (Fairfield).

1910: Fairfield booming.

1910: Agent, developer of Bush Hills, for heirs of T. G. Bush.

1910: Purchased, with W. M. Leary, the Avondale Land Co. and made plans to develop Forest Park.

1910: Organized, developed, leased and managed Chamber of Commerce Bldg., ten stories, now Stallings Bldge.

1910: Organized, planned development, leasing and management of Empire Bldg. 16 stories.

1910: Director First National Bank of Birmingham (1910–1934).

1911: March 10, Theodore Roosevelt spoke from a Model T touring car to 500 in Fairfield as the guest of Robert Jemison, Jr.

1911: March 8, Robert Jemison, Jr., Teddy Roosevelt, Woodrow Wilson, President William H. Taft, W. P. Lay, Gadsden, Ala., (Founder, Alabama Power), John Temple Graves, Sr., George Westinghouse were among 100 leaders to address Southern Commercial Congress in Atlanta (3 days).

1912: Organized, promoted, developed and leased Tutwiler Hotel. Geo. Gordon Crawford, Pres. T. C. I., President, Robert Jemison, Jr., V. P. Chairman of Building Committee.

1912: Appointed by Maj. E. M. Tutwiler as Agent for planning, building, renting, managing Ridgely Apartments.

1912: Dec. 1 Contract let to Wells Bros. & Co. for building Tutwiler Hotel and Ridgely Apartments.

1914: June 15. Tutwiler Hotel opened United Hotels lessees.

1914: Sept. Ridgely Apartments opened.

1915: President, in charge development of Elmwood Cemetery Corporation.

1916: Appointed agent for leasing, managing Saks Bldg.—later Newberry Bldg., owned by heirs Wm. S. Mudd.

1916: First President, Birmingham Chapter, American Red Cross.

1916: President, Birmingham Country Club.

1917: Member, U.S. Chamber of Commerce. (Co-founder and first editor of Nation's Business was G. Gosvenor Dawe, former Secretary, Montgomery Commercial Club.)

1917: Became Asst. Manager, Housing Div., Emergency Fleet Corporation, U.S. Shipping Board, Washington.

1918: Sold Forest Park properties to Birmingham Realty Company.

1920: Organized, President, Jemison-Seibels Investment Co. owner office bldg. Third Ave. & 21st St., N.

1920: Organized & V.P. Jemison-Seibels, Inc. (Insurance).

1922: President of Father's Association—Hill School, Pottstown, Pa.

1924: Member Board of Trustees, and Bd. of Regents, U. of the South, Sewanee.

1925: Member Board Trustees, U. of the South, Sewanee (1925–1927).

1926: President, National Association of Real Estate Boards.

1926: Member, Board of Trustees, Alabama Hospitals (1926–1946). (The Third Robert Jemison on This Board).

1927: Chmm, United Appeal (Com. Chest.)

1927: President and builder of addition of Office Bldg, 3d Ave-21st. N.

1927: Member, Board of Regents, U. of the South—Sewanee (1927–1932).

1930: Agent in charge building Porter Bldg. 3rd Ave. & 20th St. N.

1930: Organized and served as Vice-President, and Chairman—Building Committee, Mountain Brook Country Club. (Geo. G. Crawford, Pres.)

1930: Fairfield Land Co. dissolved by Directors, after distribution of Dividends and adoption of Resolution by W. H. Kettig, commending Robert Jemison, Jr. as President for success of the Company thru difficulties and trials, and finally, payment of principal and interest to all who held stock.

1932: Member of President Hoover's Conference on City Planning, Wash. D.C.

1934: First Director of F.H.A. of Alabama (1934 to 1938) Federal Housing Administration.

1941: Elected Honorary Associate, Alabama Chapter, The American Institute of Architects.

1950: Elected Senior Warden Emeritus, Episcopal Church of the Advent.

1950: Named to the South's "Hall of Fame for the Living," the honor group limited to 200 Living Leaders from which the "Man of the South" is named each year.

1950: Dedication of Jemison Park. (Mountain Brook Parkway By City of Mountain Brook.)

On April 23, Mayor Chas. F. Zukoski, at dedication said Mr. Jemison's work in developing many of the residential sections of Jefferson County had made this area "one of the most beautiful in the nation."

1953: Distinguished Service Award by Dixie Business Magazine, for half Century developing Birmingham.

1956: Gold Plaque presented by the Birmingham Chamber of Commrce, commemorating election as President—50th anniversary.

1960: Award presented by Birmingham Real Estate Board in grateful recognition for interest in the Board and City of Birmingham.

1971: Dedication of Jemison Hall—Episcopal Church of the Advent.

1971: Named "Man of the South" by the Editors of Dixie Business.

1972: January 14, Presented appreciation plaque annual meeting of Birmingham Board of Realtors as "Dean of Real Estate" "and Realtor of the Century." Tribute by Realtor John D. Chichester. Plaque presented by Wallace Boothby.

1972: March 8, presented the "Man of the South" Award at the Birmingham Rotary Club by Hubert F. Lee, founder of the "Flowers for the Living," honor group.

JEMISON REALTY CO., INC.,
Birmingham, Ala., January 4, 1972.

Mr. HUBERT F. LEE,
Editor, Dixie Business Magazine,
Decatur, Ga.

DEAR HUBERT: I am naturally very much surprised, as well as grateful, for your tribute in naming me "Man of the South" for 1971. While it is an honor which I do not deserve, I, nevertheless, deeply appreciate your tribute and your friendship through many years. I find much satisfaction in sharing this honor with my best friend, for many years, Donald Comer, who you named as "Man of the South", for the year 1947.

At my ripe age of Ninety-four I, naturally, appreciate the honor which you conferred on me, although it is, perhaps, undeserved. I deeply appreciate your friendship through many years and I hope to again have the pleasure of a visit from you in Birmingham—the City that I love, having seen it grow from a Village of four thousand in '84 when my Father moved from Tuscaloosa to Birmingham.

At the age of six I entered the First Grade in the Powell School, then the only Public School in Birmingham. I am very proud of Birmingham—Youngest of the World's Great Cities. We have tried to live up to our famous quotation from Daniel Webster—

OUR CREED

"Let us develop the resources of our land Call forth its powers. build up its Institutions, promote all its great interests and see whether we also, in our day and generation, may not perform something worthy to be remembered."

Your surprise tribute is indeed a real inspiration to me and in my ripe old age of Ninety-four I am deeply grateful for your friendship.

Sincerely,

ROBERT JEMISON, Jr.

A SALUTE TO "BUCK" RAMSEY

HON. JAMES R. GROVER, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. GROVER. Mr. Speaker, it is with pride and pleasure that I submit for the RECORD, for my colleagues and all Americans, the biography of a fine man, a dedicated educator and talented athlete, but more important, an understanding and compassionate human who gives meaning to the words "my friend," my favorite teacher, "Buck" Ramsey:

WALTER M. RAMSEY

"Buck" Ramsey is a native of Winthrop, Massachusetts. He was graduated from Winthrop High School in June, 1924 During his four years at Winthrop High School he played on the varsity baseball team each spring and was captain of the team in his senior year.

He enrolled at the University of New Hampshire in the Fall of 1924. While attending college at New Hampshire he played on the varsity soccer and ice hockey teams. However, his first love and major emphasis was baseball. He was elected captain of the Freshman baseball team. The next three years he was a regular on the varsity baseball team. During "Buck's" three years on the varsity he played every inning of every game. He was elected captain in his Junior year. His batting average for his varsity career was .312 and he committed only 6 errors in 3 years at his position at shortstop.

"Buck" was accorded his highest honor for his efforts in baseball for New Hampshire in 1949. At that time, "Buck" Ramsey was named to the All New Hampshire Baseball Team.

"Buck" played with many other baseball teams during his youth. Among his proudest moments in baseball, were those spent as a regular for his home town team, The Winthrop Baseball Club.

As a result of his excellent play at New Hampshire and with The Winthrop Baseball Club, "Buck" tried out for and made it into organized professional baseball when he joined the Manchester Blue Sox.

His continued growth and prowess caught the attention of the Boston Braves. It was this period, the Spring of 1929, while striving to win a position with The Boston Braves that a serious problem developed in his throwing arm. The Boston manager, Rogers Hornsby, was impressed with "Buck's inventory of baseball skills, but, a young shortstop with a troubled throwing arm was not a sound investment. All hopes for a professional baseball career were ended.

Following this disappointment "Buck" went to Boston to register with Reed's Teacher's Agency, a prominent teacher's Agency, a prominent teacher's placement service in the East. The Headmaster of St. Paul's School for Boys in Garden City, New York was also visiting the agency that day in search of new faculty members for St. Paul's for the Fall, 1929 semester. The two men were introduced to each other and as a result of this chance meeting "Buck" acquired his first teaching position.

His career in teaching began that Fall of 1929. He taught physical education, but did not coach any athletic teams at St. Paul's.

While teaching at St. Paul's "Buck" learned of the opening of the H.P.E.R. Directorship at the Babylon Schools created by George Tiffany's move from Director at Babylon to his new position as Director of H.P.E.R. at the Northport Schools. Buck was successful in obtaining the position of Director of H.P.E.R. at the Babylon Schools. His work at Babylon began in the Fall of 1930. At Babylon, "Buck" taught all the boys' physical education classes, grades 3–12, was assistant varsity football coach, head coach in baseball and basketball, taught an algebra class and was assigned a senior home room. "Buck" worked in the Babylon Schools from 1930 to 1937. During that period he was a regular player with the Babylon White Sox, a prominent town baseball team of that era. "Buck" vividly recalls playing against many outstanding baseball players from the Islip Town Team, such as Jack Warhop, the ex-New York Yankee, Reverend "Doc" Daley, Eddy and Jimmy King and Bill Hunt.

In the Fall of 1937 "Buck" left the teaching profession to relocate near his home town, Winthrop, Massachusetts. For the next three years "Buck" worked as a field representative for Warner Brothers Films and as an insurance investigator with the Royal Indemnity Insurance Company in Boston. While working with the latter "Buck" was contacted by an old friend on Long Island, Burt Dorland.

Dorland informed "Buck" of the H.P.E.R. Directorship opening in the Islip Schools. This opening occurred when Islip's H.P.E.R. Director was recalled to active duty in the U.S. Army as a result of world tensions. The late Earl B. Robinson, Islip's Supervising Principal, hired "Buck".

During his career in the Islip Schools, "Buck" served as Director of H.P.E.R. and Atheltics for 27 years. Taught 4th, 5th and 6th grade boys and girls physical education as well as all boys physical education classes grades 7–12. In addition to his teaching assignments and responsibilities as Director of his department he also coached soccer, basketball, baseball, track and field and tennis. When time allowed between varsity seasons and sometimes during the seasons, he conducted intramurals and extra-curricular competition in volleyball, tennis and badminton with many local schools.

"Buck" has found it difficult to pin-point any particular phase of his career in Islip as the most significant. He has thoroughly enjoyed the entire experience. However, he has often confided that when gasoline rationing created the "Railroad League" during World War II, a certain camaraderie developed between competing players, coaches and fans that can only be understood and appreciated by those that actually participated in this very unique league which included teams from Patchogue to Amityville. The teams travelled exclusively on the Long Island Railroad. There were many long walks to and from railroad stations at both ends of the trip, and many of these walks were made more memorable as a result of rain and snow storms. In spite of the hardships, the competition was spirited and many of the standing room only events of that day are still fondly recalled by the those that attended.

During his career he has been a member and professional service award winner of the New York State Association of Health, Physical Education and Recreation (Suffolk Zone) as well as a member of the New York State Teachers Association, the Islip Teachers Association, the Islip Fire Department as member of the Hook and Ladder Company Number 1 for 17 years, ex-president of League B–1, Suffolk County Committee member of the Suffolk Track and Field Committee for several years and Soccer Chairman for Section 8 which included Nassau and Suffolk Counties.

DISCLOSURE AND CONTROL OF INDUSTRIAL CORPORATION STOCK

HON. LEE METCALF

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 25, 1972

Mr. METCALF. Mr. President, in February, I asked the Securities and Exchange Commission to identify the 30 top stockholders in each of the largest corporations in this country. The SEC responded that it did not have this information, except in the case of some transportation companies which are required by the Interstate Commerce Commission to report the top 30 stockholders, and provide the SEC a copy of that ICC form.

The SEC countered my suggestion that it obtain information from the companies with the proposal that I make the inquiries myself, which I did of the top nine.

Responses of all but one of the corporations to my March 11 letter have now arrived, and I wish to share these responses with the Senate.

Mobil, Chrysler, Ford, and General Electric supplied the requested information.

Standard Oil of New Jersey, Texaco, General Motors, and IBM did not.

The ninth company—ITT—has not responded. My letter to ITT may have been shredded. I will send another.

Mr. President, the responses I have received from the four companies can be summarized as follows:

The 30 top stockholders in Chrysler hold 41 percent of its common stock. Banks which are among Chrysler's 30 top stockholders and the New York Stock Exchange hold 39 percent of Chrysler's total stock.

I should point out here that the New York Stock Exchange is not usually identified as such in ownership reports. "Cede & Co.," listed in ownership reports, identifies the Stock Clearing Corporation, which is a wholly owned subsidiary of the New York Stock Exchange.

Ford's top 30 stockholders hold 35 percent of the total common stock, with banks and the New York Stock Exchange accounting for 33 percent of the total.

General Electric's top 30 stockholders hold 21 percent of the total stock, with banks and the New York Stock Exchange holding 19.6 percent of the total.

Mobil's top 30 stockholders hold 28 percent of the stock, with banks and the New York Stock Exchange holding 26 percent of the company's total common stock.

It is pertinent to point out here that, according to studies by the House Banking and Currency Committee, most of the stock held by banks is voted by the banks.

Various authorities have stated that effective control of a large corporation can be exercised through as little as 10 percent of its stock. Persons who wish to inform themselves on this matter will find of interest "Bank Stock Ownership and Control," dated December 29, 1966, and "Control of Commercial Banks and Interlocks Among Financial Institutions," dated July 31, 1967. They are both

staff reports for the Subcommittee on Domestic Finance of the House Committee on Banking and Currency, and have been printed as subcommittee prints.

Concentration of ownership is probably greater than the percentages above indicate. If one saw the names of additional stockholders, beyond the top 30, he would probably see that a bank among the top 30 holds additional stock, under different "street" names or "nominees."

Also, the "top 30" may actually be only the top 20 or so because of the use of various street names by the same bank. For example:

General Electric included among its top 30 stockholders Barnett & Co., Eddy & Co., and Salkeld & Co., all of which are street names for Bankers Trust.

Chrysler listed Kane & Co., Cudd & Co., and Egger & Co., all of which are street names for Chase Manhattan.

Ford listed Gerlach & Co., Stuart & Co., Thomas & Co., and King & Co., all of which are street name for First National City Bank.

Mobil listed Carson & Co., Kelly & Co., Reing & Co., and Shaw & Co., all of which are nominees—street names—for Morgan Guaranty Trust.

I would point out here that the Nominee List issued by the American Society of Corporate Secretaries—and published as Part II of the June 24, 1971, CONGRESSIONAL RECORD—is a most useful reference in determining the identities of stockholders who use "nominees" or "street names," those phantom creations of the corporate state which apparently have no offices, no officers, no telephone.

Mr. President, I want to extend my thanks and congratulations to the four companies which voluntarily disclosed their top stockholders.

I was somewhat surprised to learn of the sharply contrasting disclosure policies of major industrial corporations. The contrasting policies exist even within individual industrial categories, such as automobiles and oil. It seems to me that what is good for Ford and Chrysler ought to be good for General Motors; that what is good for Mobil ought to be good for Texaco and Standard Oil of New Jersey.

If stockholders, customers, and public officials are to work for change within the system they have to know who controls the votes. We know so much about the constituencies of New Hampshire, Florida, and Wisconsin. But we know so little about the constituencies of the corporate States whose decisions have much greater political, economic, environmental, and social consequence.

The data I have received so far shows an extraordinary concentration of power in the financial community. It extends horizontally as well as vertically. Sigler & Co., which is actually Manufacturers Hanover Trust, was listed as a principal stockholder by all four corporations which disclosed ownership.

The enforcement of law and order in the executive suite requires disclosure of the basic facts on ownership and control. I would remind members of the Senate Judiciary Committee that a vehicle for obtaining that information still awaits its attention. It is Senate Resolution 113, which would establish a Special Committee To Investigate Economic and Financial Concentration.

Mr. President, I ask unanimous consent to have printed in the RECORD my correspondence with the SEC, the named corporations, and a staff summary.

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

FEBRUARY 1, 1972.

Hon. WILLIAM J. CASEY,
Chairman, Securities and Exchange Commission, North Capitol Street, Washington, D.C.

DEAR MR. CHAIRMAN: I shall appreciate receiving copies of the reported thirty top stockholders, for the most recent year available, for each of the companies on the attached list.

Thank you.

Very truly yours,

LEE METCALF.

SECURITIES AND EXCHANGE COMMISSION,
Washington, D.C., March 1, 1972.

Hon. LEE METCALF,
U.S. Senate, Committee on Government Operations, Washington, D.C.

DEAR SENATOR METCALF: This is with reference to your letter of February 1, 1972. You will recall my assistant, Mr. Whitman, has talked with Mr. Reinemer, of your staff, about your request for information and has advised that the information you sought is not required to be filed with the Commission. In accordance with Mr. Reinemer's request, we enclose copies of the pertinent portions of annual reports filed with the Interstate Commerce Commission by Burlington Northern, Inc., The Greyhound Corporation, and Union Pacific Railroad Company which reports have also been filed with this Commission.

Please let me know if you have further questions with respect to this matter.

Sincerely

WILLIAM J. CASEY,
Chairman.

(NOTE.—The following letter sent to Chief Executives of the following corporations: General Motors Corporation; Standard Oil Company of New Jersey; Ford Motor Company; General Electric Company; International Business Machines Corporation; Mobil Oil Corporation; Chrysler Corporation; International Telephone & Telegraph Corporation; and Texaco Incorporated.)

MARCH 11, 1972.

DEAR SIR: I shall appreciate receiving a list of the 30 top stockholders in your company, and the amount of common stock each holds. In addition, I would like to know the total number of voting shares of common stock.

If your records do not conveniently identify the actual owner of the stock, the street name will suffice.

Very truly yours,

LEE METCALF,
U.S. Senator.

TEXACO, INC.,
New York, N.Y., March 28, 1972.

Hon. LEE METCALF,
U.S. Senate,
Committee on Government Operations,
Washington, D.C.

DEAR SENATOR METCALF: This refers to your letter of March 11, 1972 addressed to Mr. Augustus C. Long in which you request certain information regarding our Company's stockholders. For your information, Mr. Augustus C. Long is no longer Chief Executive Officer of our Company. He retired as such on December 31, 1971 and is now Chairman of the Executive Committee of the Board of Directors; Mr. Maurice F. Granville is Chairman of the Board of Directors and Chief Executive Officer.

We must advise that we consider our stockholders' names and stockholdings to be privileged and confidential information to be divulged only upon a showing of proper purpose in accordance with applicable provisions of the law. No such purpose is indicated by your letter, and we must therefore respectfully decline your request.

In case it may be of assistance to you, we can advise that as of February 1, 1972, our Company had outstanding 274,285,268 shares of common stock, which shares were held by 299,021 owners of record. No one stockholder owned as much as 1.5% of the outstanding shares.

Very sincerely yours,

WILFORD R. YOUNG,
Senior Vice President, and General Counsel.

INTERNATIONAL BUSINESS MACHINES CORPORATION,
Armonk, N.Y., March 23, 1972.

Hon. LEE METCALF,
U.S. Senate,
Committee on Government Operations,
Washington, D.C.

DEAR SENATOR METCALF: Thank you for your letter of March 11th requesting information concerning our company's stockholder records.

We can answer one of your requests—the total number of voting shares of our common stock is approximately 115,665,000.

In addition you asked for a list of the 30 top stockholders of our company. We consider information on individual stock holdings to be confidential, and that we have a fiduciary responsibility to our stockholders to protect this confidentiality. For example, the By-laws of our corporation restrict the availability of this type of information even to our own stockholders. One of the restrictions referred to in our By-laws and contained in the New York State statutes is that the stockholder must show a purpose in requesting such information which is in the interests of the business of the corporation.

In view of this, if you are willing to provide us with the purpose for which you are requesting this stockholder information, we will certainly give your request further consideration.

I hope you will understand the position I feel we must take on this matter.

Sincerely yours,

J. H. GRADY,
Secretary.

GENERAL MOTORS CORP.,
Detroit, Mich., April 12, 1972.

Hon. LEE METCALF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR METCALF: Mr. Gerstenberg, who currently is out of the country on a business trip, has asked me to thank you for your letter of March 11 requesting information about the common stock and stockholders of General Motors Corporation.

As of December 31, 1971, the corporation had issued 287,604,280 shares of common stock. Since there were 1,379,100 shares in our treasury, the number of shares outstanding on that date was 286,225,180. This information appears on pages 30 and 31 of the attached 1971 annual report for General Motors Corporation.

You also requested a list of the top 30 stockholders in the corporation along with the amount of common stock held by each. It is our policy not to disclose specific information concerning individual stockholders, as such individuals or organizations may regard their holdings as a matter that is private to them. However, some generalized data regarding the owners of the corporation appears on page 26 of the annual report. This may be helpful to you. I am sure you will find much other useful information in the annual report.

Also attached is a copy of a booklet, General Motors Policies and Progress, which I believe will be of interest to you.

Thank you for your interest in General Motors.

Sincerely,

ROBERT F. MAGILL,
Vice President.

STANDARD OIL CO.
OF NEW JERSEY,
New York, N.Y., March 30, 1972.

Senator LEE METCALF,
U.S. Senate,
Committee on Government Operations,
Washington, D.C.

DEAR SENATOR METCALF: In replying to your letter of March 11th, I must tell you that it has been the long standing practice of our management not to disclose holdings of individual shareholders to persons outside the Company, for reasons which I hope you will understand. We regard the relationship between the Company and the shareholder as a private one, somewhat like that between a bank and its depositors and, in the absence of some legal requirement, would not wish to be guilty of disclosing a shareholder's private affairs for the purposes of third parties. Normally, of course, third party inquiries arise out of marital difficulties, creditors' claims, or just plain curiosity of say a relative or a newspaper columnist. I fully appreciate that your inquiry must have a substantial purpose in the public interest. Unfortunately, we have been unable to establish any satisfactory dividing line between "good" inquiries and "bad" inquiries and this has forced us to decline to make any voluntary disclosure.

I can tell you that the 30 largest shareholders of this corporation all happen to be intermediary holders, for the most part the nominees of banks who, as you know, hold in their custody shares for a variety of investors—individuals, estates, mutual funds, etc.—and for purposes of convenience frequently lump such holdings into one or more nominee accounts. Thus, the nominee accounts has title to, but not beneficial ownership of, the shares and the real owners are not disclosed to the Company.

Our largest shareholder account happens to be the Trustee of our Thrift Fund, holding shares beneficially owned by many thousands of employees of this Company and its affiliates. This account currently holds 6.3 million shares, or something less than 3% of the 224,227,367 shares outstanding as of December 31, 1971. The range among the 30 largest shareholders is from this largest account down to a nominee which holds slightly over one-half million shares, or less than 2/10 of 1%. To reiterate, there is no account among the 30 largest, with the exception of the Trustee, which appears to us to be anything other than an intermediary nominee holder for a bank or broker.

I regret that the problems touched upon prevent me from giving you all of the exact information you requested. I trust that the information which I have provided will be of use to you.

Sincerely yours,

M. M. BRISCO,
President.

GENERAL ELECTRIC CO.,
New York, N.Y., April 3, 1972.

Senator LEE METCALF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR METCALF: In answer to your request of March 11 to Mr. Borch, we enclose a listing of the thirty largest share owners of record. You will appreciate that most of these are nominee accounts for banks, funds and other institutions.

As you know, the American Society of Corporate Secretaries prints a nominee list which shows some of the institutions for which the nominees hold shares. We would have no information as to who the beneficial owners are of the shares held in nominee accounts.

Very truly yours,

GREGORY M. SHEEHAN,
Manager, Investor Relations.

GENERAL ELECTRIC CO. SHAREOWNER ACCOUNTS

Number of shares at December 18, 1971

Tepe & Co.[1]	4,993,507
Kane & Co	3,727,580
Cede & Co.[2]	2,822,602
Cudd & Co	2,752,552
Atwell & Co	2,309,912
Sigler & Co	2,101,643
King & Co	1,416,402
Barnett & Co	1,321,360
Merrill Lynch	1,026,041
Anderson & Co	970,813
Stuart & Co	950,186
Don & Co	930,065
Eddy & Co	848,035
Bird & Co	819,074
Don & Co	801,200
Bost & Co	792,979
Emp & Co	759,210
Mac & Co	750,162
Saxon & Co	738,904
Steere & Co	673,155
How & Co	672,526
Brown Brothers Harriman	662,174
Hare & Co	650,109
Salkeld & Co	643,970
Trussal & Co	642,533
Perc & Co	642,000
Way & Co	629,116
Cuyler & Co	621,100
A. A. Welsh & Co	616,289
Olen & Co	606,980
Credit Suisse	602,553

[1] 4,815,394 shares held for account of the Trustees of General Electric Savings and Security Trust.

[2] Deposits in Central Certificate Service by participating institutions. As reported by Stock Clearing Corporation, this represents holdings of 188 participants.

MOBIL OIL CORP.,
New York, N.Y., March 17, 1972.

Hon. LEE METCALF,
United States Senate,
Washington, D.C.

DEAR SENATOR METCALF: In response to your letter of March 11, 1972 addressed to Rawleigh Warner, Jr., Chief Executive Officer, Mobil Oil Corporation, I'm pleased to enclose a list of the 30 largest stockholders of Mobil Oil Corporation. This is the list as of February 7, 1972, the most recent date for which that information is now available. The first name listed in each case is the record owner. In those cases where the record owner is known to us to be a "nominee", we have also listed immediately under the record owner's name the name of the principal or fiduciary.

In response to the other question in your letter, the number of voting securities of the Corporation outstanding was 101,567,404 shares as of February 11, 1972, all of one class and each having one vote.

Very truly yours,

GEORGE A. BIRRELL,
General Counsel & Secretary.

Thirty largest stockholders as of February 7, 1972

Registration:	Number of shares
Pitt & Co., Bankers Trust Co., New York, N.Y.	5,281,301
Kane and Co., Chase Manhattan Bank, N.A., New York, N.Y.	2,661,000
Cudd & Co., Chase Manhattan Bank, N.A., New York, N.Y.	2,607,491
Cede and Co., Stock Clearing Corp. New York, N.Y.	2,348,306
Mobil Oil Corporation, New York, N.Y.	1,480,077
Carson & Co., Morgan Guaranty Trust Co., New York, N.Y.	1,183,497
Nabank and Co., National Bank of Tulsa, Tulsa, Okla.	1,034,098
Trussal & Co., National Bank of Detroit, Detroit, Mich.	914,465
Pace & Co., Mellon Natl. Bk. & Tr. Co., Pittsburgh, Pa.	877,544
Sigler & Co., Manufacturers Hanover Trust Co., New York, N.Y.	827,311
Brad & Co., First Natl. City Bank, New York, N.Y.	798,683
Northern Natural Gas Co., c/o J. C. Plourde, 2223 Dodge Street, Omaha, Nebraska	733,000
Kelly and Co., Morgan Guaranty Tr. Co. of N.Y., New York, N.Y.	673,399
Anderson and Co., The Fidelity Bank, Philadelphia, Pa.	662,259
Reing and Co., Morgan Guaranty Trust Co. of N.Y., New York, N.Y.	633,606
Cross & Co., First Pennsylvania Banking & Tr. Co., Philadelphia, Pa.	625,312
Steere & Co., Girard Trust Bank, Philadelphia, Pa.	619,487
Batrus & Co., Bankers Trust Co., New York, N.Y.	520,592
Emp & Co., Harris Trust & Sav. Bank, Chicago, Ill.	507,525
Atwell & Co., United States Tr. Co. of N.Y., New York, N.Y.	473,189
Shaw & Co., Morgan Guaranty Tr. Co. of N.Y., New York, N.Y.	464,044
King and Co., First Nat. City Bank, New York, N.Y.	434,624
Dean & Davis, Wilmington Tr. Co., Wilmington, Delaware	433,400
Saxon & Co., Provident Nat'l. Bank, Philadelphia, Pa.	424,763
The Sealy & Smith Foundation for the John Sealy Hospital, 200 University Blvd., Galveston, Texas	400,000
Jenkins & Co., Chemical Bank, New York, N.Y.	393,591
The Equitable Life Assurance Society of the U.S., 1285 Avenue of the Americas, New York, N.Y.	377,100
Barnett & Co., Bankers Trust Co., New York, N.Y.	372,720
Heil & Co., United States Tr. Co. of N.Y., New York, N.Y.	359,859
Perc & Co., Northwestern Natl. Bk. of Minneapolis, Minneapolis, Minn.	344,300

FORD MOTOR CO.,
Dearborn, Mich, March 28, 1972.

Hon. LEE METCALF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR METCALF: Mr. Ford has asked me to reply to your letter of March 11 requesting a list of the top 30 holders of Common Stock of the Company and the number of shares held by each.

For reasons that I am sure you will understand, it is our policy to keep information about our stockholders confidential, except as public disclosure may be required by law or regulation. Under Delaware law, the list of stockholders is available for inspection by a stockholder, but only subject to the protective provisions of the statute. In this instance, however, in view of your request, we have prepared and are enclosing the list you sought.

January 31, 1972, the record date for our first quarter dividend, was the date used to compile the data. On that date there were 75,101,218 shares of Ford Motor Company Common Stock outstanding.

Very truly yours,

SIDNEY KELLY, *Secretary.*

30 TOP SHAREHOLDERS—COMMON STOCK

Shares Held as of Jan. 31, 1972

Orth & Co.,[1] P.O. Box. 1319, Detroit, Michigan	9,142,166
Cudd & Co., % The Chase Manhattan Bank, P.O. Box 1508 Church Street Station, New York, New York	1,944,002
Cede & Co.,[2] % Stock Clearing Corp., Box 20 Bowling Green Station, New York, New York	1,236,656
William & Co., % The Bank of New York, Bank Window Church Street Station, New York, New York	1,194,749
Merrill Lynch Pierce Fenner & Smith, Inc., 70 Pine Street, New York, New York	928,863
Emp & Co., % Trust Dept. Harris Trust & Savings Bank, 115 West Monroe Street, Chicago, Illinois	805,615
Bark & Co., % State Street Bank & Trust Co., P.O. Box 5006, Boston, Massachusetts	802,200
Barnett & Co., % Bankers Trust Co., Box 704, Church Street Station, New York, New York	740,300
Kane & Co., c/o The Chase Manhattan Bank, P. O. Box 1508 Church Street Station, New York, New York	701,454
Gerlach & Co., c/o First National City Bank, 20 Exchange Place, New York, New York	673,726
Stuart & Co., c/o First National City Bank, 20 Exchange Place, New York, New York	670,220
Carson & Co., c/o Morgan Guaranty Trust Co. P. O. Box 491 Church Street Station, New York, New York	654,586
Reing & Co., c/o Morgan Guaranty Trust Co., P. O. Box 491 Church Street Station, New York, New York	630,320
Pace & Co., c/o Mellon National Bank and Trust Co., P. O. Box 926, Pittsburgh, Pennsylvania	579,791
Touchstone & Co., c/o State Street Bank & Trust Co., Investment Co. Dept., P. O. Box 351, Boston, Massachusetts	557,500
Perc & Co., c/o Trust Dept. Safekeeping Div., Northwestern National Bank of Minneapolis, Minneapolis, Minnesota	551,200
Thomas & Co., c/o First National City Bank, 20 Exchange Place, New York, New York	482,500
Trude & Co., c/o Continental Bank, Trust Securities Div. Lock Box 835, Chicago, Illinois	452,640
Ford Motor Company[3]	443,789
Carothers & Clark, % Bank of Delaware, Box 1910, Wilmington, Delaware	402,100
Sigler & Co., % Manufacturers Hanover Trust Co., New York, New York	386,956
Finat & Co., % First National Bank of Chicago, 38 S. Dearborn Street, Chicago, Illinois	378,967
R. J. Thomas & Company, % Republic National Bank of Dallas, P.O. Box 2716, Dallas, Texas	354,806
King & Co., % First National City Bank, 20 Exchange Place, New York, New York	334,242
Var & Co., % 1st National Bank, Att Trust Dept., Minneapolis, Minnesota	320,000
Harvard & Co., % The New England Trust Co. of Boston, Boston, Massachusetts	297,188
The Aetna Casualty and Surety Company, % Securities Section Cashier's Dept., 151 Farmington Ave., Hartford, Connecticut	294,500
Myers & Co., % Custodian Services Dept., State Street Bank & Trust Co., P.O. Box 5006, Boston, Massachusetts	294,400
Dean & Davis, % Wilmington Trust Co., Wilmington, Delaware	285,300
Olen & Co., % Trust Dept. First National Bank of Chicago, Chicago, Illinois	283,520

[1] This is the nominee for the Company's Savings and Stock Investment Plan for Salaried Employees. All these shares are held in trust for the benefit of participating employees.

[2] This is a stock clearing corporation established by the New York Stock Exchange.

[3] Treasury shares; cannot be voted.

CHRYSLER CORP.,
April 5, 1972.

Hon. LEE METCALF,
U.S. Senate, Committee on Government Operations, Washington, D.C.

DEAR SENATOR METCALF: Per your request to our President, Mr. John J. Riccardo, I enclose a list showing the thirty top stockholders of Chrysler Corporation as of February 25, 1972, the record date for our Annual Meeting, and the number of shares of common stock each holds. As of that date, there were outstanding a total of 51,128,876 shares of Chrysler Corporation common stock.

Yours very truly,

PAUL A. HEINEN,
Associate General Counsel and Secretary.

LIST OF STOCKHOLDERS AND NUMBER OF SHARES HELD

Cede & Co., Box 20 Bowling Green Station, New York, New York	6,179,144
National Bank of Detroit as Trustee exg. w/Chrysler Corp. dtd 5/18/56 Trust Dept. Natl. Bank Detroit, P. O. Box 222 Detroit, Michigan	5,044,884
Kane & Co., c/o Chase Manhattan Bank, P. O. Box 1508, New York, New York	1,269,433
Merrill Lynch Pierce Fenner & Smith, 70 Pine Street, New York, New York	1,120,927
Pitt & Co., c/o Bankers Trust Co., Box 2444 Chruch St. Station, New York, New York	808,016
Harwood & Co., c/o State St. Bank & Trust Co., P. O. Box 5006, Boston, Massachusetts	679,300
Cudd & Co., c/o The Chase Manhattan Bank, P. O. Box 1508, New York, New York	509,543
Perc & Co., c/o Northwestern National Bank of Minneapolis, 7th & Marquette Ave., Minneapolis, Minnesota	500,000
Chine & Co., c/o State St. Bank & Trust Co., P. O. Box 351 G.P.O., Boston, Massachusetts	363,900
Gerlach & Co., c/o First National City Bank, 20 Exchange Place, New York, New York	337,663
Credit Suisse, 8 Paradeplatz, Zurich, Switzerland	318,443
Loeb Rhodes & Co., 42 Wall Street, New York, New York	312,888
The Comptroller of the State of New York ITF the Common Retirement Fund, Atten.: Dir. of Retirement Accts., Gov. Alfred E. Smith Ofc. Bldg., Albany, New York	265,000
Societe de Banque Suisse Basle, Switzerland	258,782
Egger & Co., c/o The Chase Manhattan Bank, P.O. Box 1508, New York, New York	257,976
Hare & Co., c/o Bank of New York a/c 32803, P.O. Box 1364, New York, New York	250,174
Sigler & Co., c/o Manufacturers Hanover Trust Co., 350 Park Ave., New York, New York	217,162
Brown Bros. Harriman & Co., 59 Wall St., New York, New York	216,159
Montreal Trust Co., Trustee of the Thrift-Stock Ownership Savings, Program for Salaried Employees, of Chrysler Corporation Ltd., 15 King Street, West, Toronto Ontario, Canada	205,910
Gunther & Co., 15 Nassau Steet, New York, New York	204,517
Chetco, 35 Congress St., Boston, Massachusetts	
Don & Co., P.O. Box 248, Kansas City, Missouri	200,000
Douglass & Co., P.O. Box 2010 Church St. Station, New York, New York	200,000
Weston & Co., c/o First National Bank of Boston, Boston, Massachusetts	200,000
Union Bank of Switzerland, Zurich, Switzerland	178,303
Bansco & Co., 44 Kings Street, West, Toronto Ontario, Canada	168,274
Hurley & Co., c/o First National City Bank, 20 Exchange Pl., New York, New York	167,533
Hemfar & Co., c/o Bankers Trust Co., P.O. Box 2444 Church St. Station, New York, New York	152,300
O'Neill & Co., Mutual Funds Dept. A., P.O. Box 11028, New York, New York	150,000
First National Bank of Denver as ttee u-agr-o-tr wf founders, P.O. Box 5828 attn: Trust Dept	147,773

COMMON STOCK HOLDINGS BY BANKS AND NEW YORK STOCK EXCHANGE IN CHRYSLER, FORD, MOBIL AND GENERAL ELECTRIC

TOTAL NUMBER OF SHARES OF COMMON STOCK

Chrysler	51,128,876
Ford	75,101,218
Mobil	101,567,404
General Electric	182,122,815

NUMBER OF SHARES HELD BY TOP 30 STOCKHOLDERS

With percentage of total

Chrysler (41%)	21,084,004
Ford (35%)	26,824,256
Mobil (28%)	29,466,543
General Electric (21%)	38,494,732

NUMBER OF SHARES HELD BY BANKS INCLUDED AMONG TOP 30 AND NEW YORK STOCK EXCHANGE

With percentage of total

Chrysler (39%)	19,943,059
Ford (33%)	25,157,084
Mobil (26%)	26,486,366
General Electric (19.6%)	35,936,452

NUMBER OF SHARES HELD BY THE NEW YORK STOCK EXCHANGE THROUGH ITS WHOLLY OWNED SUBSIDIARY, STOCK CLEARING CORPORATION, WHICH USES THE NOMINEE "CEDE & CO."

Chrysler	6,179,144
Ford	1,236,656
Mobil	2,348,306
General Electric	2,882,602

NUMBER OF SHARES HELD BY BANKS LISTED IN TOP 30 (NOMINEE OR STREET NAMES USED BY BANKS ARE LISTED AS THEY APPEAR ON EACH COMPANY REPORT):

Chase Manhattan

Chrysler:	
Kane & Co	1,269,433
Cudd & Co	509,543
Egger & Co	257,976
Total	2,036,952
Ford:	
Cudd & Co	1,944,002
Kane & Co	701,454
Total	2,645,456

Mobil:
Kane & Co ---------- 2,661,000
Cudd & Co ---------- 2,607,491
Total ---------- 5,268,491
General Electric:
Kane & Co ---------- 3,727,580
Cudd & Co ---------- 2,752,552
Total ---------- 6,480,132

Bankers Trust

Chrysler:
Pitt & Co ---------- 808,016
Hemfar & Co ---------- 156,300
Total ---------- 960,316
Ford: Barnett & Co ---------- 740,300
Mobil:
Pitt & Co ---------- 5,281,301
Batrus & Co ---------- 520,592
Barnett & Co ---------- 372,720
Total ---------- 6,174,613
General Electric:
Barnett & Co ---------- 1,321,360
Eddy & Co ---------- 848,035
Salkeld & Co ---------- 643,970
Total ---------- 2,813,365

First National City Bank

Chrysler:
Gerlach & Co ---------- 337,663
Hurley & Co ---------- 167,533
Total ---------- 1,279,225
Ford:
Gerlach & Co ---------- 673,726
Stuart & Co ---------- 670,220
Thomas & Co ---------- 482,500
King & Co ---------- 334,242
Total ---------- 2,160,688
Mobil:
Brad & Co ---------- 798,683
King & Co ---------- 434,624
Total ---------- 1,233,307
General Electric:
King & Co ---------- 1,416,402
Stuart & Co ---------- 950,186
Total ---------- 2,366,588

Manufacturers Hanover Trust

Chrysler: Sigler & Co ---------- 217,162
Ford: Sigler & Co ---------- 386,956
Mobil: Sigler & Co ---------- 827,311
General Electric:
Sigler & Co ---------- 2,101,643
Bird & Co ---------- 819,074
Total ---------- 2,920,717

Bank of New York

Chrysler:
Hare & Co ---------- 250,174
O'Neill & Co ---------- 150,000
Total ---------- 400,174
Ford: Williams & Co ---------- 1,194,729
General Electric:
Hare & Co ---------- 650,109
Way & Co ---------- 629,116
Total ---------- 1,279,225

Morgan Guaranty Trust Co.

Chrysler:
Douglass & Co ---------- 200,000
Ford:
Carson & Co ---------- 654,586
Reing & Co ---------- 630,320
Total ---------- 1,284,906
Mobil:
Carson & Co ---------- 1,183,497
Kelly & Co ---------- 673,399
Reing & Co ---------- 633,606
Shaw & Co ---------- 464,044
Total ---------- 2,954,546

General Electric:
Tepe & Co ---------- 4,993,507

United States Trust Co. of New York

Mobil:
Atwell & Co ---------- 473,189
359,859
Total ---------- 833,048
General Electric:
Atwell & Co ---------- 2,309,912

Chemical Bank

Mobil:
Jenkins & Co ---------- 393,591

Northwestern National Bank of Minneapolis

Chrysler:
Perc & Co ---------- 500,000
Ford:
Perc & Co ---------- 551,200
Mobil:
Perc & Co ---------- 344,300
General Electric:
Perc & Co ---------- 642,000
Total ---------- 2,217,497

First National Bank (Minneapolis)

Ford:
Var & Co ---------- 320,000

State Street Bank & Trust

Chrysler:
Harwood & Co ---------- 675,300
Chine & Co ---------- 363,900
Total ---------- 1,043,200
Ford:
Bark & Co ---------- 802,200
Touchstone & Co ---------- 557,500
Myers & Co ---------- 294,400
Total ---------- 1,654,100

First National Bank of Boston

Chrysler:
Don & Co ---------- 200,000
Weston & Co ---------- 200,000
Total ---------- 400,000
General Electric:
Don & Co ---------- 801,200

Boston Safe Deposit and Trust Co.

General Electric:
Boston & Co ---------- 792,979

New England Trust of Boston

Ford:
Harvard & Co ---------- 297,188

National Shawmut Bank of Boston

Chrysler:
Chetco ---------- 200,000

Mellon National Bank & Trust

Ford:
Pace & Co ---------- 579,791
Mobil:
Pace & Co ---------- 887,544
General Electric:
Mac & Co ---------- 750,162
Total ---------- 1,937,500

Girard Trust Bank (Philadelphia)

Mobil:
Steere & Co ---------- 619,487
General Electric:
Steere & Co ---------- 673,155

The Fidelity Bank (Philadelphia)

Mobil:
Anderson & Co ---------- 662,259
General Electric:
Anderson & Co ---------- 970,813

Provident National Bank (Philadelphia)

Mobil:
Saxon & Co ---------- 424,763
General Electric:
Saxon & Co ---------- 738,904

American Bank & Trust of Pennsylvania

General Electric:
Cuyler & Co ---------- 621,100

First Pennsylvania Banking & Trust Co.

Mobil:
Cross & Co ---------- 625,312

Harris Trust and Savings Bank (Chicago)

Ford:
Emp & Co ---------- 805,615
Mobil:
Emp & Co ---------- 507,525
General Electric:
Emp & Co ---------- 759,210

First National Bank of Chicago

Ford:
Finat & Co ---------- 378,967
Olen & Co ---------- 283,520
Total ---------- 662,487
General Electric:
Olen & Co ---------- 606,980

Northern Trust Co. (Chicago)

General Electric:
How & Co ---------- 672,526

Continental Bank (Chicago)

Ford:
Trude & Co ---------- 452,640

Wilmington Trust

Mobil:
Dean & Davis ---------- 433,400
Ford:
Dean & Davis ---------- 285,300

Bank of Delaware

Ford:
Carothers & Clark ---------- 402,100

National Bank of Detroit

Chrysler ---------- 5,044,884
Mobil:
Trussal & Co. ---------- 914,465
General Electric:
Trussel & Co. ---------- 642,533

Manufacturers Bank of Detroit

Ford:
Orth & Co. ---------- 9,142,166

Cleveland Trust

General Electric:
A. A. Welsh & Co. ---------- 616,289

National Bank of Tulsa

Mobil:
Nabank & Co. ---------- 1,034,098

Republic National Bank of Dallas

Ford:
R. J. Thomas & Co. ---------- 354,806

First National Bank of Denver

Chrysler ---------- 147,773

Credit Suisse

Chrysler ---------- 318,443
General Electric ---------- 602,553

Societe de Banque Suisse

Chrysler ---------- 258,782

Union Bank of Switzerland

Chrysler ---------- 178,303

Swiss Bank Corporation

Chrysler:
Gunther & Co. ---------- 204,517

Montreal Trust Co.

Chrysler ---------- 205,910

Bank of Nova Scotia

Chrysler:
Bansco & Co. ---------- 168,274

SENIOR CITIZENS AND MEDICARE

HON. RICHARD G. SHOUP

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. SHOUP. Mr. Speaker, certainly the medicare program which was enacted by the Congress in 1966, by Public Law 89–97, has been one of the most beneficial programs to the people of this Nation, and I might say that for a program which covers most of our senior citizens, individuals over 65, and affects every form

of health care provided through professional physicians and our Nation's hospitals, it has been quite successful.

However, it has not been without real and serious problems, many of which are still of great concern to the elderly of this Nation.

For one thing, the system as designed has resulted in very poor communication between the aged person, the doctors, the hospitals, and the Social Security Administration. It is difficult for our senior citizens to understand the myriad of regulations which they are required to comply with in seeking and securing medical attention, especially admission to health facilities. The system provides for deductibles which are required to be paid before the program takes over, both for treatment by physicians and for inpatient hospital care. As an example, the current deductible for inpatient hospital care is $60. Thus, when a person is admitted tc the hospital, the hospital must ascertain whether the patient has previously paid for care in that amount and, if not, require payment or arrangement for payment on behalf of the patient.

The plain fact is that more than half of the patients covered by social security have been admitted, treated, and discharged before it is possible to establish the status of the deductible. This is not only a difficult problem to explain to the aged, but it involves a highly expensive administrative operation to determine whether such deductible has been paid.

Certainly, some better system must be worked out. It has been suggested that changing the system to provide for a deductible for each admission to the hospital, plus possibly a small copayment for each day of hospitalization or a complete system of coinsurance would much better serve both the Government and the medicare patient. The patient would know exactly what his obligation is and similarly the hospital would be able to handle the admissions without the serious time-consuming efforts of checking out the deductibles with the intermediary and/or with the Social Security Administration. In addition, I am informed that such a change would save millions of dollars in administrative costs.

Another area of serious concern to our senior citizens is the so-called supplemental medical program or "Part B" benefits. This covers medical expenses outside of a health facility. Here again deductibles are required and must be ascertained in almost every instance before the benefits can be determined. Further, for this program, the aged people of the Nation are required to pay a monthly premium, which will reach $5.80 on July 1. This is very confusing to the medicare patients and seems completely unwarranted.

There is no good reason why this benefit should not be covered under the basic medicare program so that it could be prepaid during the working years of the individual to the same extent as the "Part A" or hospital benefits. The combining of "Parts A and B" of the medicare program would be a great benefit to all of the elderly and would eliminate the tremendous administrative problems that now exist in the Part B segment of the program. It would also eliminate the payment of a separate premium which is a real burden on our elderly. At the present time, medicare covers less than 45 percent of the average senior citizens health bill. It may be of course that some contribution to the social security fund from general revenues would be justified to provide this benefit.

I hear constantly too of the difficulties in the current program in attempting to secure care subsequent to acute care in a hospital. The medicare program provides for admissions to extended care facilities, for rehabilitation services, and for home health services. However, the regulations apparently are so limiting in their application as to deny these benefits in a great number of cases. It is my understanding that many hospitals who were enthusiastic about the extended care facilities designed to provide an ambulatory type care, and thus reduce substantially the cost of institutional care have become so discouraged with the substantial retroactive denial of payments for patients moved into those facilities, that they are converting such beds to acute care, thus eliminating the possibility of very substantial savings to the program. While it is realized that care must be taken to assure that patients moved into the extended care facility still require institutional care and are not retained in such facilities when they could be at home, still the records are full of cases of denial of payment where it would seem highly improbable that the patients could be cared for at home. And the doctors, recognizing their duty to the patient, consequently must keep the patient in the acute care facility in many such instances to assure complete recovery. Frankly, I think this whole area of extended care needs revising. I am convinced that this mode of care presents a real possibility of providing the type of care needed at great savings to the program. I further feel that the program could be advanced and extended by eliminating the 3-day requirement of inpatient hospital care now required to be eligible for care an in extended care facility or for home health care.

I am also concerned that the medicare program is not available to many of our elderly and I would think that we have reached the time when the act should be extended to all persons over 65 irrespective of whether they have earned eligibility under the Social Security Administration. I would also feel that the program should be extended to cover prescription drugs at least on a limited basis. It is my understanding that in many cases of the chronically ill senior citizens their prescription drug costs will run as high as $500 or $1,000 per year. Such costs place too great a burden on the limited income of so many of our aged.

Mr. Speaker, H.R. 1, the Social Security Amendments Act of 1971, which has passed the House and is now pending with the Senate Finance Committee would accomplish some of my suggestions. I would hope that the Senate committee will consider further amendments along the lines which I have suggested and that, if they do, that such amendments would be accepted by the House in conference on the bill.

Included in H.R. 1, is a provision, section 232, which would allow the States to set a lower level of reimbursement for services provided poor citizens than the level of reimbursement provided under the medicare formula. This provision if allowed to pass could not help but set up a double standard of medical care and result in a reduction in the care to the poor. I understand the Senate Finance Committee has voted to delete this provision. Let us all hope that the Senate will uphold the committee in that decision and that the House will agree in conference to delete this undesirable and backward provision.

There is a much needed investigation of the procedure we used for approval of payments of medicare claims under the medicare program. Qualified doctors and hospitals are certifying the necessity of treatment administered, only to have some unknown person with unknown qualifications in the field of health care arbitrarily deny partial or full payment. Doctors and hospitals have extended desperately needed health care in good faith and in compliance with published medicare standards. Irresponsible action on the part of the bureaucracy approaches the criminal when denying payment of many claims. It is the elderly ill who are penalized to destitution in many cases.

I am including 14 specific cases of quite apparent travesties against the elderly ill. Names, dates, and places have been omitted for obvious reasons:

EXAMPLES OF RETROACTIVE DENIAL OF PAYMENTS UNDER MEDICARE PROGRAM

1. Medicare eligible hospitalized 130 days with diagnosis of brain syndrome and dehydration. Intermediary disallowed 107 days as being of supportive nature.

2. Medicare eligible hospitalized 38 days for senile depression. Intermediary disallowed 25 days as being of supportive nature.

3. 71 year old female Medicare beneficiary admitted with refractured hip. Two surgical procedures were performed and patient was hospitalized 52 days. Intermediary disallowed 22 days on ground that services could have been performed with reasonable safety in a setting other than a hospital. Amount of disallowance: $1553.60.

4. 70 year old Medicare eligible hospitalized 35 days for treatment of peptic ulcer. Intermediary disallowed 18 days as excessive for the reported diagnosis.

5. Medicare beneficiary hospitalized 27 days for treatment of fracture of left humerus and chronic uremia. Intermediary disallowed 15 days on grounds that service could have been performed with reasonable safety in a setting other than a hospital. Amount disallowed: $982.50.

6. 72 year old Medicare eligible hospitalized 153 days for treatment of cerebral hemorrhage with right hemiplegia. Intermediary disallowed 75 days as being supportive in nature and patient who lived alone was discharged to self care.

7. Medicare eligible hospitalized for more than 60 days for treatment of cerebral hemorrhage. Intermediary disallowed care after 23 days for following reason: With no intention of minimizing the beneficiary's condition, the patient's records do not substantiate the fact that the patient received covered care after the date shown. The type of care this patient received is that which provides for safety, maintains a good level of

personal hygiene and nutrition, guarantees adherence to a schedule or prescribed medications, and provides assistance with walking when this is within the patient's capability. It also includes care of indwelling catheters, protective observation, preparation of special diets and carrying out of routine local applications, treatments, and procedures which the doctor may order.

8. 73 year old Medicare eligible hospitalized 40 days for treatment of brain concussion. Intermediary allowed Medicare coverage for only the first 17 days on ground that services provided during remainder of stay could have been performed with reasonable safety in a setting other than a hospital.

9. 79 year old Medicare eligible hospitalized 11 days for treatment of congestive heart failure *after attempt to treat patient at home failed*. Patient had further illness and died four months later. Intermediary disallowed claim entirely on ground that the services provided could have been performed with reasonable safety in a setting other than a hospital. Amount $763.25. Son of deceased patient is appealing the disallowance.

10. 73 year old Medicare eligible hospitalized 51 days for repair ventral hernia and treatment of cervical disc disease, pernicious anemia and arthritis of right shoulder. Intermediary disallowed 22 days of the care as "supportive and of non-covered nature."

11. 67 year old Medicare eligible hospitalized 18 days following a stroke. Intermediary disallowed 12 days of care on ground that services could have been performed with reasonable safety in a setting other than a hospital.

12. 65 year old Medicare eligible hospitalized for removal of a plate, screws and pin from right hip. Total stay in hospital was 25 days. Intermediary disallowed 10 days as "supportive services not covered."

13. 80 year old Medicare eligible hospitalized for total of 53 days for open reduction and internal fixation of fracture of left emur and for treatment of arteriosclerotic cardiovascular and cerebrovascular disease. Intermediary disallowed 17 days of care on grounds that services could have been performed with reasonable safety in a setting other than a hospital.

14. 73 year old Medicare eligible with carcinoma of prostate was admitted with hematuria and treated for 30 days. Entire stay was disallowed by intermediary as not covered on grounds that services could have been performed with reasonable safety in a setting other than a hospital. Amount $2319.02.

SENATOR MUSKIE'S PROPOSALS TO IMPROVE AMERICAN LIFE AND GOVERNMENT

HON. THOMAS F. EAGLETON

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Tuesday, April 25, 1972

Mr. EAGLETON. Mr. President, during the last year the Senator from Maine (Mr. MUSKIE) has offered a series of specific, detailed proposals to improve American life and government. These proposals cover a broad range of public interests, but emphasize major reform in the Federal approach to job security, economic stability, tax fairness, health care, education, undue concentration of corporate power, and Government secrecy.

I ask unanimous consent that an outline of these proposals and a summary of Senator MUSKIE's activities during the first session of the 92d Congress be printed in the RECORD.

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

OUTLINE OF MUSKIE PROPOSALS

A PLAN FOR PEACE

Muskie has repeatedly urged an end to the Vietnam War and criticized Vietnamization and resumption of American bombing of the North. He has a straightforward plan for peace.

First, we must set a date when every soldier, sailor and airman will be withdrawn from Vietnam, and stop all bombing and other American military activity, dependent only on an agreement for the return of our prisoners and the safety of our troops as they leave.

Second, we must urge the government in Saigon to move toward a political accommodation with all the elements of their society. Without such an accommodation, the war will not end.

MUSKIE ON ECONOMIC ISSUES

Senator Muskie understands how inflation and unemployment have hurt the average family. He has also spoken out against structural problems in our economic system: the unfairness of our tax laws, the concentrated economic power of huge corporations, the burdensome local property tax system. He has proposed major new programs in each of these areas.

A five-point job security program. First, the federal government should assure every eligible unemployed worker full access to a training program with a job at the end of training. Second, we must make certain that jobs will be available by stepping up public service expenditures. Third, the federal government should establish special aid programs for areas of chronic high unemployment. Fourth, the federal government should develop incentives to bring new industry into depressed areas. Fifth, the federal government should act as an employer of last resort, not only in times of crisis, but during prosperity as well.

A National Fair Share Tax Reform Program. The goal of this comprehensive tax reform program is to provide greater equity in the distribution of the tax burden. It will close $14 billion in federal income, estate and gift tax loopholes. Specifically:

1. Income tax laws would be amended to: eliminate the alternative tax on first $50,000 of capital gains; reduce mineral depletion allowances by 20%; repeal of ANR; repeal of DISC and other special treatment of foreign items; repeal the investment credit; restrict the use of certain deductions.

2. Estate and gift taxes would be unified in a single structure, and the exemption for a unified transfer tax be lowered to $25,000. Gains in property transferred at death should be realized. Generation-skipping transfers should be taxed.

Comprehensive Anti-Trust Program. As part of the attack on the increasing concentration of power in a few hands, Senator Muskie proposed legislation which would curtail the expansion of corporations with sales in excess of $250 million. These companies would be prohibited from acquiring any other corporation without first spinning off assets that are substantially equivalent in value to those which are being acquired.

Local Property Tax Reform. The Muskie proposal would require states: to collect and publish data comparing property assessment and market value; to establish a fair and easy procedure for taxpayers to appeal their property tax bills; to bring the market value assessment ratio within a taxing jurisdiction within a 10 percent range of the average 5-year ratio.

Military Spending Economics. Senator Muskie has proposed an immediate saving of over $11.5 billion in the proposed FY 1973 defense budget by making the following cuts: $445 million for the B–1 bomber; $1.5 billion for ABM; $500 million for land-based MIRV; $229 million for a new nuclear carrier; $400 million for a new air warning system; $900 million for the F–15; $734 million for the F–14; $800 million to begin procuring ULMS; $2 billion for the six redundant military commands (CINCPAC, CINCEUR, etc.); and $4 billion for the war in Vietnam.

OTHER IMPORTANT ISSUES

Housing Security System. This program provides one billion Federal dollars in housing assistance payments to citizens over 65 with limited means. This one billion dollars would be divided among the states in proportion to the number of people over 65 years old living in that state.

Quality Education Guarantee Program. By providing $7.2 billion in additional federal funds to state and local governments on a per pupil formula, the pressure for high property taxes will be relieved.

Family Farm Protection. To curb the spreading control of the nation's farms by major corporations and other absentee interests, Senator Muskie proposed a moratorium on new farm purchases by big business as an initial step. It would last throughout a full-scale investigation by the Federal Trade Commission of the corporate takeover in agriculture. For the second step, he proposed legislation to prevent corporations from using their farm investments as tax shelters.

Ninety Day Food Price Freeze. As part of his program to fight inflation, Senator Muskie proposed a ninety-day freeze on food price increases by grocery chains and middlemen. He also has proposed an investigation of the cause of rising prices should be conducted and a long-range policy to maintain reasonable food prices instituted.

Medical Bill of Rights. Senator Muskie has developed a five-point program to implement the goal that all Americans are entitled to care within their means; care within their reach; care within their needs. Specifically:

1. National Health Insurance. This system will provide quality health care to every American.

2. Health Maintenance Organizations. With federal support, HMO's should be developed as the basic unit of health delivery. The Muskie plan provides incentives for location and health teams in areas which are now underserved.

3. Health Manpower Legislation. Increased funds are provided for the construction of schools to train medical professionals, provide training grants, and channel medical professionals into areas of practice where there is a present shortage.

4. Health Care for the Elderly. Among the health goals Muskie seeks for the elderly are elimination of the Nixon Administration's cutbacks in Medicare and Medicaid, elimination of the Part B premium under Medicare, and the inclusion under Medicare of the costs of eyeglasses, dentures, hearing aids, and all perscription drugs. Muskie is also concerned with developing alternatives to institutional care for the elderly in need of medical care.

5. Plan to Cut Prescription Drug Prices. The present 17-year patent monopoly which pharmaceutical companies have on basic prescription drugs should be reduced to three years. After that period, any other qualified company could obtain a license in exchange for a reasonable royalty.

Open Government. This Muskie program calls for five initial reforms within regulatory agencies: (1) No regulatory official should meet with interested parties or their agents unless the meeting is public and a public record is issued; (2) Communications

to regulatory agencies should be available to the public; (3) Phone calls to regulatory officials from anyone outside the agency should be noted and described on the public record; (4) Every regulatory agency should issue a monthly digest and index of all public records; (5) closed files should be reviewed every three to six months to remove and reveal data which does not warrant continued confidentiality.

MUSKIE ACTIVITIES DURING THE FIRST SESSION OF THE 92D CONGRESS

OMNIBUS WATER POLLUTION BILL

As chairman of the Senate Subcommittee on Air and Water Pollution of the Senate Public Works Committee, Senator Muskie on October 26 reported to the Senate the strongest and most comprehensive water pollution control bill in America's history. On November 2, 1971, this bill, S. 2770, passed the Senate by a unanimous vote of 86 to 0. It authorizes that $20 billion be expended for the national water pollution control effort and sets as a policy objective the complete elimination of discharges of pollutants into the nation's waters by 1985. The bill fundamentally changes the enforcement mechanism of the federal water pollution control program from standards controlling the quality of water to limits on what can be discharged into the nation's waterways. Under the bill, enforcement of discharge or effluent limits is used to maintain water quality standards. The purpose of the Muskie bill is to restore and to maintain the natural chemical, physical, and biological purity of the nation's waters. It represents the logical culmination of Muskie's efforts to control water pollution during the past eight years.

During the past two years Senator Muskie's Subcommittee held 33 days of public hearings, heard 171 witnesses, and received 470 statements on this bill. In all, there were 6,400 pages of testimony. During a five month period, Senator Muskie's Subcommittee and the Public Works Committee held 45 executive sessions to draft the bill.

This is the bill which the Administration has suddenly attacked as being too expensive and far-reaching. It is now pending in the House. Legislation which is in many ways similar to the Muskie bill has been ordered reported by the House Committee on Public Works.

REVENUE SHARING LEGISLATION

On May 5, 1971, Senator Muskie introduced a general revenue sharing bill, S. 1770, which would provide $6 billion in general financial assistance to hard-pressed cities and States. Muskie's bill apportions financial assistance to States, cities and counties in relation to their needs, a unique feature, as well as on the basis of population and tax effort. Muskie's bill would lessen the burden of crushing local property taxes.

Muskie's Subcommittee on Intergovernmental Relations of the Senate Government Operations Committee held hearings for three days in June and one day in August on this bill. Thirty-five witnesses testified and 24 written statements were received. The witnesses included the mayors of 10 of our largest cities and four governors.

Muskie also testified on behalf of his bill before the House Ways and Means Committee and its chairman, Representative Wilbur Mills, on June 9th, 1971. Muskie argued that prompt enactment of general revenue sharing was essential to keep our cities afloat and to restore some balance in the distribution of federal revenue.

In 1969, Muskie had introduced one of the first revenue sharing bills. Developed in conjunction with the Advisory Commission on Intergovernmental Relations, it distributed funds on the basis of tax efforts and population. The 1971 Muskie revenue sharing bill modified the first by basing the distribution of funds upon local need as well as tax effect and population. This "need factor" would channel funds into poor rural and urban areas. The Muskie bill also contained two other innovations. One was a provision allowing the Federal government to collect state income tax as a service to the States. The other provision provided a financial incentive for States to use a state income tax rather than a sales or property tax. All these new features were incorporated in the revenue sharing proposal announced by Chairman Mills on November 30, 1971.

ARMS CONTROL HEARINGS

As a member of the Foreign Relation Committee, Senator Muskie at the opening of the 92 Congress was named Chairman of the Arms Control, International Law and Organization Subcommittee. His Subcommittee has held hearings during 1971 on the arms control implication of the current defense budget and on the prospects for a comprehensive nuclear test ban treaty.

In announcing the hearings on arms control on June 15, 1971, Muskie stated that the purpose of the hearings which were held on June 16, 17 and July 13 and 14 was to "try to add another perspective to the debate over the defense budget: whether a particular weapons system, because of its effects on the arms race and prospects for future arms control agreements, will increase or decrease our security." Muskie argued that "buying more arms does not necessarily lead to more security, and that the control of arms can provide us with a more stable peace and more security than the best weapons money can buy."

The hearings on arms control budget implications were focused on the need for continuing and modernizing the American nuclear triad of bombers, land-based missiles and sea-based missiles as well as the strategic and cost impact of the ABM and MIRV weapons systems. Fourteen experts testified, including, Admiral Moorer, Chairman of the Joint Chiefs, Dr. Carl Kayson, Director of the Institute for Advanced Study at Princeton University, Dr. John Foster, Jr., Director of Defense Research and Engineering of the Department of Defense, Paul Warnke, former Assistant Secretary of Defense, and Dr. Herbert York, former Science Adviser to President Eisenhower.

The hearings on a comprehensive nuclear test ban were held on July 22 and 23. At the opening of these hearings Muskie said: "Among all the difficult problems that face our civilization, none has the urgency of the nuclear dilemma—for the consequences of a failure to control the arms race, to prevent the spread of nuclear weapons, to prevent a nuclear war—are too painful even to contemplate." Muskie's Subcommittee heard from such experts as Philip Farley, Acting Director of the Arms Control and Disarmament Agency, and Carl Walske, Assistant to the Secretary of Defense for Atomic Energy. At the direction of Muskie, a staff Subcommittee report was issued on November 1, 1971 analysing the barriers to negotiating a Comprehensive Test Ban. At that time, Muskie called upon the President to reevaluate his position on the onsite inspection question and to move for immediate negotiations of a Comprehensive Test Ban.

FOREIGN AID

On Friday, October 29, 1971, the Senate voted to defeat the Foreign Aid authorization for Fiscal Year 1972. During the next week the Senate Foreign Relations Committee met to consider ways to reshape the aid program. On November 3 in a major speech, Senator Muskie outlined an interim proposal to provide essential foreign assistance until a new program could be devised. He recommended that economic development assistance and humanitarian relief be continued as proposed, but that military assistance be authorized only on a country-by-country basis. On a long-term basis, Muskie urged a separation of the military and economic assistance programs and a channelling of aid through multilateral institutions.

NATO TROOPS WITHDRAWALS

In May of this year Senator Mansfield offered an amendment to the draft bill that would unilaterally withdraw 150,000 men from NATO's forces. In a detailed Senate speech on May 18, 1971, Muskie expressed his opposition to the amendment. While strongly endorsing phased withdrawal of American troops after adequate consultation with our allies, the Senator objected to such a large, unilateral withdrawal which would undermine the negotiations for mutual withdrawals of Soviet and Allied troops, the West German effort to achieve rapprochement with Eastern Europe, and the effectiveness of NATO. However, Muskie urged the Administration to increase the pressure for negotiated troop withdrawals.

SERVICEMEN'S BENEFITS

On October 26, 1971, Senator Muskie introduced a bill creating a Charter of Economic Opportunity for Vietnam era servicemen and women which would entitle them to receive, at government expense during duty hours, a high school diploma, refresher courses for college, training for a civilian job, and coordinated assistance in securing a job after discharge.

In his introductory statement, Muskie noted that only 26% of all Vietnam-era veterans eligible for educational benefits are taking advantage of the opportunity, and that the unemployment rate for Vietnam veterans is 80% higher than the intolerably high national unemployment rate. To overcome the shortcomings of present veterans' programs which provided assistance too late to be helpful, Muskie's bill provides government assistance for servicemen *from the day* active duty begins. This is an entirely new approach for providing servicemen's benefits. The bill also totally reorganizes job training for servicemen.

LEGISLATION TO COMBAT DRUG ABUSE

Senator Muskie was a coauthor, of the comprehensive drug abuse legislation that passed the Senate unanimously, 92–0 on December 2, 1971.

This legislation, which was reported unanimously by the Committee on Government Operations and the Committee on Labor and Public Welfare, embodied the principal provisions of S. 2217, a bill introduced on June 30 by Senator Muskie with Senators Hughes, Javits and Williams. On May 25 Senator Muskie had introduced the first Senate bill to create a White House level office to coordinate the entire Federal anti-drug effort. Three weeks after the Muskie bill was introduced, the President also offered a bill to create a White House drug abuse office.

In July, Senator Muskie and Senator Ribicoff co-chaired joint hearings of Muskie's Subcommittee on Intergovernmental Relations and Ribicoff's Subcommittee on Executive Reorganization and Government Research on the various drug bills.

After those hearings, Muskie, Ribicoff, Hughes, Javits, Percy and Gurney coauthored the legislation that passed the Senate. The compromise bill incorporated the most significant features of the Hughes-Muskie-Javits bill, including:

A provision requiring the development of a national strategy to combat drug abuse, consisting of a complete analysis of the present drug abuse problem, a detailed comprehensive Federal plan for combating it, and an evaluation of programs carried out to date.

A provision giving the White House Office on Drug Abuse significant authority for the policy for all Federal drug abuse law enforcement and international control programs.

A provision creating a National Institute

of Drug Abuse within the Department of Health, Education and Welfare to administer major drug treatment and preventions programs.

A provision creating two new grant programs for drug treatment, providing $1.5 billion for drug abuse treatment programs over the next five years.

A provision requiring the Veterans Administration to furnish treatment and rehabilitation services for drug abuse without regard to the type of discharge a veteran has received.

None of these provisions were included in the bill sent to Congress by the President.

In addition, Senator Muskie introduced on May 25, 1971, the International Drug Control Act, S. 1945, a Bill to set up a two-pronged attack on international drug trafficking. First, the bill would provide support for a greater international police effort against illegal narcotics. Second, the bill would provide a broad economic development program of crop substitution to bring illicit opium production under control.

SOCIAL SECURITY TAX REFORM

On October 5, 1971, Senator Muskie introduced a bill that would make the Social Security Payroll tax progressive. If enacted, it would reduce payroll taxes for 63 million American families and be one of the most significant tax reform measures of the century.

The goal of the bill is to provide greater equity in the payroll tax system, which presently is the second greatest source of federal revenue and which has eliminated most of the income tax reductions provided low and middle income Americans in 1964 and 1969. In his introductory statement, Senator Muskie said:

The effective rate of the payroll tax declines as a worker's earnings rise above the ceiling on the wage base. The school teacher earning $7,000 a year pays 5.2 per cent of her earnings in payroll tax. The engineer earning $25,000 pays about 1.6 per cent of his entire earnings, and the business executive earning $100,000 pays about .4 of one per cent. While each of those workers becomes eligible for the same social security benefits, they simply cannot afford to pay the same amount for those benefits.

The bill would eliminate the present $7,800 ceiling on wages subject to the payroll tax and provide for exemptions for dependents and a low income allowance as is presently allowed for income tax purposes. The bill would also allow the reduction of planned increases in the payroll tax rate.

These changes would bring major and fundamental improvements to the payroll tax. Persons at or below the poverty level would be sheltered from payroll taxes altogether. And the relief would extend well into the middle- and upper middle-income ranges. Every family of four with earnings of $14,500 or less would pay less taxes. Every married couple with earnings of $12,250 or less would pay less taxes. At every income level up to $25,000, more people would save on their taxes than would pay increased taxes.

Within the area to which it is addressed, the bill would accomplish broad-scale improvement of the payroll tax. It would shift the burden of that tax from the low-income and the middle-income worker to those with greater ability to pay. It would make today's payroll tax fairer and sounder. And it would facilitate future increases in social security benefits by making it possible to increase payroll taxes without imposing unacceptable burdens upon low- and middle-income families. No longer would a decent income for the elderly depend on an indecent increase in the tax burden of the working man.

PUBLIC DISCLOSURE ACT

To open the government more to the people, Muskie introduced on December 6 the Truth-In-Government Act of 1971. This bill, S. 2965, would create an independent, seven-member Disclosure Board to supervise the government's classification system and to determine what executive documents can be released to Congress, the press, and the public. The Board would investigate cases of misclassification and declassify documents when classification is no longer necessary.

A major responsibility of the Board will be to provide Congress the documents it needs. As Senator Muskie stated in his introductory statement, Congress needs such documents "to make reasoned choices about appropriations, new legislation, and required oversight. Without this information, our system of checks and balances breaks down."

The decisions of the Board can be modified by the President if he invokes executive privilege, but both the Board's and the President's decisions can be appealed to the Courts.

Muskie first recommended an independent review board of this type on June 20 in response to the Nixon Administration of the tempts to prevent the publication of the Pentagon Papers.

Muskie's bill also liberalizes the provisions of the Freedom of Information Act, granting the public easier access to government information. It would:

Provide attorney's fees for those who successfully force an agency to release improperly withheld documents.

Allow courts to judge the reasonableness of a claimed exemption by an agency under the Freedom of Information Act.

HEALTH CARE

On June 4, 1971 Muskie introduced major health manpower legislation. This legislation, accepted as amendments to the Health Manpower Act of 1971 in the Senate, increased funds for building new medical schools and for training of interns and residents. It will increase the number of doctors in medical fields where there are now shortages.

Muskie is Chairman of the Subcommittee on the Health of the Elderly of the Senate Committee on Aging. This year, the Subcommittee held hearings in three cities, including Los Angeles, California. The hearings revealed the hardship many aged people suffer because of federal cut backs in Medicare and state cut backs in Medicaid.

The Subcommittee documented for the first time the substantial financial barriers elderly Americans face in trying to obtain adequate health care. As Muskie revealed at the Los Angeles hearings on May 10, 1971:

Our elderly require greater health care than any other age group. Americans over 65 are twice as likely to have one or more chronic conditions than younger persons. They are in hospitals more frequently for longer stays caused by more serious illnesses. In 1970, the average stay in a hospital for an older American was 13 days.

Those who suffer most from illness—our elderly—can least afford to pay for health care. Persons 65 and over comprise about 10 percent of our population, but they account for nearly 20 percent of all persons in poverty. Over half of all persons 65 and older who live alone have annual incomes below $2,000.

And yet, the cost of health care for the elderly—despite Medicare and Medicaid—is rising:

In fiscal year 1970, the average health bill for a person 65 or older was $791, six times that of a youth, and three times that of people between 19 and 64 years old.

Medicare covers 43 percent of the total health care cost of the aged, leaving uncovered an amount larger than the total health bill for the average younger person.

Despite the valuable protection that Medicare and Medicaid affords, the older person must still pay annually $226 out-of-pocket for health care. This is more than double the out-of-pocket payments for those under 65.

Thus the elderly—with less than half the income of those under 65—themselves, pay twice as much for health services.

The Subcommittee also explored proposals to bring health care to the elderly, such as home health care teams, new rehabilitation centers, special clinics for the elderly, and transportation for those presently unable to reach a doctor.

AID TO INNER CITIES

An amendment offered by Senator Muskie to the Disaster Relief Act of 1971, which will provide massive federal assistance to areas of chronic unemployment such as ghettoes, was accepted by the Senate Public Works Committee and incorporated into the final bill which passed the Senate on August 5.

Muskie's amendment also changed the bill so that aid to economic disaster areas is not limited only to "major labor areas." This definition frequently masked ghetto unemployment due to the prosperity of the surrounding suburbs. The Muskie amendment allows "areas, communities, and neighborhoods" of high unemployment to become eligible for federal aid.

REHNQUIST OPPOSITION

Muskie voted against Nixon Supreme Court nominee William H. Rehnquist. He had also voted against Clement Haynsworth and G. Harrold Carswell. Speaking in the Senate, on December 3, 1971, Muskie said:

"I am not satisfied that as a Supreme Court Justice William Rehnquist would consider himself a guardian of the Bill of Rights, that he would be a bulwark against abuse or overreaching by the Executive and Legislative branches, or that he would resist encroachments on the liberties guaranteed to all of us by the Constitution."

Muskie told the Senate that he felt a Senator had a responsibility to vote against a nominee when he believed that the "shift in the direction and the thrust of the Court's opinions" represented by the President's nomination "would not be in the best interests of the country." This was a major address reflecting Muskie's views on the role of the Supreme Court in America.

SENATOR GRIFFIN ARGUES FOR A CANADIAN PIPELINE

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. ASPIN. Mr. Speaker, a Canadian oil and gas pipeline route, from the North Slope of Alaska to Chicago is gaining support rapidly. Today, I would like to include in the RECORD an excellent letter written by the Senate assistant minority leader, Senator ROBERT GRIFFIN, of Michigan.

The Senator, in his letter to Interior Secretary Rogers Morton, argues forcefully for new hearings on the trans-Alaska pipeline and its alternatives. Senator GRIFFIN also points out that a trans-Canadian pipeline route would have both environmental and economic advantages over a trans-Alaska pipeline.

Senator GRIFFIN's excellent letter follows:

U.S. SENATE,
Washington, D.C., April 20, 1972.

Hon. ROGERS C. B. MORTON,
Secretary, Department of the Interior, Interior Building, Washington, D.C.

DEAR MR. SECRETARY: Important environmental and economic factors have been brought to light which raise some serious questions about the proposed Alaska pipe-

line project. There are indications that an alternate proposal, a trans-Canada pipeline to the American Midwest, would avoid some of the environmental hazards of the Alaskan route—and it could help to maximize the economic benefits of the Prudhoe Bay oil discovery.

As you know, Michigan and other parts of the Midwest suffer from a severe natural gas shortage. In addition, oil prices in the Midwest are higher—and oil shortages are more serious—than on the West Coast. The trans-Canada pipeline could assure that more natural gas, as well as oil, would be available to alleviate serious shortages in the Midwest.

From six environmental viewpoints, cited in the Department's March 20 Environmental Impact Statement, it appears that a trans-Canada pipeline may be preferable to the Alaskan pipeline-tanker route. Only two of the environmental points cited in the report favor the Alaskan route.

The environmental stakes are high. The proposed Alaskan route would transverse an extremely active earthquake zone, and, as the report notes, a "perfect no-spill performance would be unlikely during the life of the pipeline."

Earthquake risks of the trans-Canada route are much lower. In addition, a trans-Canada pipeline would avoid the recurring problem of oil spills at sea and continuous, routine discharge by tankers.

There are other important factors to be taken into account. One consideration, as the report indicates, is that an "Alaska-Canada *gas* pipeline system is almost certain to be established if the Prudhoe Bay oil is extracted and transported." Obviously, the report adds, "less environmental cost would result from a single transport corridor than from two separate corridors."

If a trans-Canada *gas* pipeline is almost certain, I believe it would make sense for both economic and environmental reasons to use the same right-of-way for a dual pipeline system. Obviously, such a joint U.S.-Canadian venture could be of mutual benefit to both countries.

The only public hearings to date on the proposed pipeline were held by the Department over a year ago. They are clearly inadequate. Since then the Canadian alternative has become more attractive, several changes have been proposed in the Alaska pipeline, and some detailed data have been presented for the first time on the environmental impact of the pipeline.

During a recent Senate committee hearing, you indicated that if "substantially new elements" were introduced, additional public hearings could be required. The factors outlined above are indeed new and and important elements, and they merit detailed public examination and comment.

I strongly urge that public hearings on the proposed pipeline project be reopened as soon as possible so that these factors may be given thorough consideration.

With best wishes, I am

Sincerely,

ROBERT P. GRIFFIN,
U.S. Senator.

FRANK STROUD WINS GRATITUDE AND ADMIRATION OF HIS COMMUNITY

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. MIZELL. Mr. Speaker, I rise at this time to acquaint my colleagues with Mr. Frank Stroud, of Mocksville, N.C.

Mr. Stroud is well-known already in his hometown as a man with a strong desire to serve others and with a great talent to perform that service. Most of that service is channeled through his activities in the Mocksville Lions Club, one of the most active chapters in the Nation.

It is generally agreed that a major reason for this high level of activity is the driving force of Frank Stroud, whose tireless efforts in various charitable fundraising campaigns have won him the admiration and the gratitude of thousands of people in his community.

An article listing many of Mr. Stroud's services recently appeared in the Davie County, N.C., Enterprise, and I believe my colleagues would be interested in reading about this gentleman who has done so much for his fellow man and who could serve as an inspiration to us all.

The article follows:

MOCKSVILLE LIONS CLUB HONORS C. FRANK STROUD, JR.

Lion C. Frank Stroud, Jr., was honored at the Ladies Night banquet of the Mocksville Lions Club Thursday, February 3, at the Rotary Hut.

Lion Stroud presented a check for $800 to Lion President Bill Merrell as his personal solicitation part of the $1,427.45 raised by the local club for the White Cane Drive. This brought his personal solicitation total to $4,101. He has also raised $221 for the club in calendar sales. Lion Pete Dwiggins, chairman of the White Cane Drive for the local club, presented Stroud with an engraved plaque, on behalf of his fellow members.

Dwiggins read the following from the District Governor's newsletter: "If you want to see a great Lions club in action, visit the Mocksville Lions Club some time. As the man said, 'there just ain't many things in Lionism that this club is not tops in and breaking records quicker than you can whistle Dixie.' One of the many reasons that this club is a 'Fireball' is naturally the Lion everyone immediately thinks of when someone mentions Mocksville Lions. This great Lion is Frank Stroud. This 'young man' has set out again this year to be tops in the state in collecting funds for White Cane. Sometime when you have had about 35 hours solid sleep, arise and try to follow this Lion around while he works for White Cane. This Lion has turned in $800 by his lonesome so far this year for White Cane. However, this is just another of banner years for this Lion in work for White Cane. So, if you get the chance, congratulate this Lion, but be prepared to learn a thing-or-two if you don't know how to work for White Cane. Lion Frank, we are quite confident that you will be the top Lion in the State in White Cane this year. Carry on, Lion Frank."

Dwiggins also said: "Now I want to tell you a few more things about Lion Frank. He joined the Mocksville Lions Club on charter night, December 10, 1954. Since that time he has missed only 3 meetings. He made up these meetings for a perfect attendance record of 17 years, 1 month, 3 days. During these years, he has attended 11 Zone and Cabinet meetings, 7 Mid-Winter conferences and 10 State conventions. Since the beginning of our annual Broom Sale he has sold 63 dozen brooms. Since 1954 he has secured 91 Eye Wills. Since 1960, the year began keeping accurate records, he has raised $4,101 for White Cane. Truly a remarkable record for one Lion. On behalf of hundreds of people you have helped through White Cane and on behalf of the Mocksville Lions Club, I present you this plaque as a visible token of appreciation of your fellow Lions."

Henry Howell had charge of the program and presented Rev. Austin Hamilton who gave an interesting after-dinner speech on a humorous vein.

Door prizes were won by Mrs. Dale Brown, Mrs. Gilmer Hartley, Mrs. Robert Hendricks, Mrs. Jim Andrews, Mrs. Bill Shoaf, Mrs. Bob Lund, Mrs. J. A. Foster, Mrs. Carl Eaton, Mrs. Austin Hamilton and Mrs. Clyde Hendricks.

WHITE HOUSE PROPAGANDA ON RED CHINA'S DRUG TRAFFICKING

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. ASHBROOK. Mr. Speaker, most Americans agree that the drug problem is one of the most urgent and difficult challenges to face us in this era. Domestically, the administration has announced that it will make it a number one priority item on its agenda. We have a right to ask if everything is being done that is within the power of the administration to fight this problem, particularly the hard drug, heroin, aspects of the dilemma. I think not. In fact, I believe there is a conscious effort to cover up Red China's nefarious part in the international illicit drug traffic. The Nixon administration is engaging in managed news to cover up the Communists' complicity in hard drug traffic.

One of the unfortunate aspects of governmental policy is that sometimes the policy is so politically important that the facts are altered to fit the program. This is often done in announcing economic policies, poverty programs, or defense commitments. It is clear that the Nixon administration wants to work for peace. It makes peace more palatable if you downplay the actual intentions of an enemy or diminish its actual military threat to us. This fits peace policies better. If you want to cozy up to Red China, there is more public receptivity if you say that Red China has stopped its old ways. It no longer exterminates 20 or 30 million people and it no longer traffics in hard drugs. The facts show otherwise, particularly in the latter category.

The involvement of Yunnan Province in Red China's illicit drug traffic comes as no surprise to anyone familiar with the work of Harry Anslinger, former Commissioner of the Bureau of Narcotics—renamed Bureau of Narcotics and Dangerous Drugs—BNDD—in 1968. Extensive statements by Mr. Anslinger on this issue were inserted in the CONGRESSIONAL RECORD by my distinguished colleague, Representative JOHN SCHMITZ, on August 4, 1971, beginning on page E8886 of part 2 of the RECORD.

As the U.S. representative to the United Nation's Commission on Narcotic Drugs, Mr. Anslinger had many occasions to warn the free nations of Red China's illicit narcotics trade. Here are several excerpts from his remarks before the U.N. Commission, in April 1955, concerning the now familiar Yunnan Province:

"At the end of 1953 a group of smugglers, including an official of the Bank of Canton,

smuggled 23 pounds of heroin and morphine from Yunnan to Chiengrai to Bangkok and thence to another transhipment point. . . .

"Despite the efforts of the Burmese Government to control the illicit traffic in narcotics, hundreds of tons of cleaned and packaged opium in 1-kilogram units are brought into Burma each year from Yunnan Province. . . .

"The hub of the traffic on the Yunnan side of the border is Tengyueh. Along the border are found trucks, military vehicles, carts, mules and pack trains used for the transporting of opium. . . ."

Mr. Speaker, the White House circulated a memo to House Republicans which was an obvious effort to play down the Red drug traffic. The memo gives four basic points:

1. The government of the People's Republic of China (PRC) has for years officially forbidden the private production, consumption, and distribution of opium or its derivatives. There is no reliable evidence that the PRC has either engaged in or sanctioned the illicit export of opium or its derivatives to the Free World nor are there any indications of PRC control over the opium trade of Southeast Asia and adjacent markets.

2. In the latter connection, British authorities in Hong Kong have consistently denied the existence of illicit drug traffic from Mainland China. They have, however, identified other sources in Southeast Asia for opium and its derivatives which have entered Hong Kong by sea.

3. Stringent controls over opium poppy production and use were adopted at the 21st session of the State Administrative Council of the PRC on February 24, 1950. Basically the statute prohibited the private importation, processing, and sale of opium and other narcotics. However, government-controlled production continues and is reflected in the small quantities of raw opium and poppy husks which are legally exported from time to time. The tight political control exercised by the government over its citizens has probably made the enforcement of these laws quite effective in most areas of the country.

4. Though control over production and trade in the southern border areas of the PRC, particularly Yunnan Province, has been more difficult, there is no confirmed evidence that the PRC is illicitly exporting opium or its derivatives across its borders. Despite occasional reports indicating cross-border movement of opiates between China and Southeast Asia the relatively rigid governmental controls in effect in Mainland China would seem to preclude any significant illicit cross-border movements.

Mr. Speaker, this is nothing short of sheer propaganda. From time to time, I will place in the RECORD information which refutes this whitewash of the Red Chinese participation in the drug problem.

A VIETNAM PERSPECTIVE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. KEMP. Mr. Speaker, these are difficult times for all of us who have the responsibility of making decisions that affect not only the lives of current generations of Americans but, indeed, affect the lives of Americans for generations to come.

To the end that more citizens may have an understanding of the issues with which we are wrestling and in the recognition that debate will enhance the process by which these decisions are made, I want to suggest to my colleagues and to others concerned about the recent invasion of South Vietnam that they consider the outstanding article by the very able writer, Nick Thimmesch, for the Los Angeles Times:

U.S. NAVAL, AIR POWER NEEDED TO BEAT NORTH VIETS

(By Nick Thimmesch)

This was the week to cry alarm or "I-told-you-so" for the people who either oppose or don't want President Nixon's Vietnamization plan to work. They stung the President's men. Beyond that, however, the key people involved in Vietnamization are trying to subdue anger with what they consider North Vietnamese recklessness and Soviet irresponsibility.

The Nixon Administration feels it has rationally handled the Viet Nam impasse with its troop-withdrawal program, wind-down of the ground war and continued, extensive aerial protection. The Administration is dismayed by the Soviet-backed assault.

When 30,000 North Vietnamese rolled over the DMZ in Soviet tanks and trucks, trailing heavy artillery, and with sophisticated SAM-2 missile launchers in support, it wasn't quite a "blitz," as some described it, but it was naked invasion.

The sad sight of thousands of South Vietnamese civilians fleeing their homes in Quang Tri Province was reminiscent of World War II evacuations, but the "blitz" comparison must end there. Nazi Generals Erwin Rommel and Karl von Rundstedt's huge armies sprinted hundreds of miles in the week it took the North Vietnamese to make 20 miles.

By the time the doomsavers have their day, American sea and air power and South Vietnamese reinforcements will have stopped the Communist invasion force. Twoscore American airmen will have been killed or lost; thousands of South Vietnamese soldiers and civilians will have been killed and even more North Vietnamese, who have lost 700,000 soldiers in the war and seem willing to offer even more cannon fodder.

If the Soviets, by beefing up North Vietnamese firepower with more weaponry, feel they are punishing Mr. Nixon for his trip to Peking, what a cold, cynical action that is. If the North Vietnamese think they can intimidate the Administration into a complete rejection of South Viet Nam's President Thieu by pulling off a battlefield spectacular, they had better pause for a second thought.

The Administration is resolute. Defense Secretary Melvin Laird slept one night at the Pentagon, but told associates the early reports on the invasion would make it sound worse than it was. President Nixon and Dr. Henry Kissinger were concerned but kept cool. Meanwhile, the Soviet Union's top Washington correspondent wrote from here that our city is "in a state of fever."

This is rubbish, and so is the incredible Viet Cong statement from Paris that there are no North Vietnamese troops in this fight. The notion that the invasion is a dramatic bid for the "hearts and minds" of the South Vietnamese is even more rubbish. "First come the Communists and then come the bombs," an old Vietnamese woman said, as she fled her home.

The reaction of the President's opponents is fascinating. Sen. George McGovern creates a straw man by saying the American people aren't prepared to put "1.5 million or two million fresh American troops into this war at this time with no indication that that will do any more than temporarily check this invasion." The fact is, Mr. Nixon never suggested any such thing and, indeed, the several thousand combat-ready U.S. troops in the northern part of South Viet Nam have not fired a shot.

In his strong criticism, New York *Times* columnist Tom Wicker writes about "the Americans" and "their vast air power" as though he isn't one of us. Whatever we do, right or wrong, in Viet Nam, it is "our" show, and we are Americans.

The Washington *Post* righteously editorializes on the subject without mentioning the huge Soviet role or even admitting that it is an "invasion," and foolishly wonders whether Mr. Nixon's "options" include "reintroduction of a half-million troops or a nuclear strike on Hanoi."

The most that can be said at this point is that American air and sea power are needed to make Vietnamization work; the North Vietnamese will swap blood baths for temporary propaganda gains every time; the Soviets didn't mind this modest confrontation with American power; no responsible presidential aspirant can say he wouldn't provide military support for the South Vietnamese as long as we are there, and the Communist invasion will likely be repulsed in a few weeks. In terms of military onslaughts, it is small. The Battle of the Bulge in World War II was at least 20 times as big and was over in six weeks.

FAITH PRIOR'S STATEMENT ON THE TRUTH IN SAVINGS ACT

HON. WILLIAM R. ROY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. ROY. Mr. Speaker, on May 12, 1971, I introduced H.R. 8365, the Truth in Savings Act. It could perhaps be more appropriately termed the Consumer Savings Act. This legislation now has 27 cosponsors in the House of Representatives.

Dr. Richard L. D. Morse, of Kansas State University, was of invaluable assistance in developing the Truth in Savings Act which would provide savers with clear information to guide them in their investment decisions.

We are not alone in our efforts. The following remarks were made by Mrs. Faith Prior, extension family economist at the University of Vermont, in testimony before the Senate Banking Committee of the Vermont Legislature. Mrs. Prior is quite knowledgeable about the concept of full disclosure and has worked with the proposed legislation in her capacity as chairman of the American Bankers Association Consumer Advisory Council.

Mrs. Prior has also worked with Dr. Morse in refining the concept of a full disclosure bill for savers in her State. Her statement is an excellent endorsement of consumer savings legislation, and I recommend it to this House:

STATEMENT OF FAITH PRIOR

As chairman of the American Bankers Association Consumer Advisory Council, I have been privileged to see the development of this legislation from the beginning, and to work with the industry in clarifying the bill popularly tagged "Truth in Savings." I might say right at the beginning that perhaps the major industry objection was to that title, which derived, of course, from the parallel "Truth in Lending" Act; however, no one who was involved with the legislation was wedded to calling it "Truth in Savings", and it was readily agreed that the title "Consumer Savings Act" was perfectly acceptable to every

one. As ABA's marketing chief said, "It's not very sexy, but perhaps it is less accusative."

I feel free to report to you that the industry, the Federal Reserve Board, the FDIC all support the concept that full enough information should be supplied to every depositor so that he can 1) make an informed choice among institutions competing for his savings, and 2) verify his earnings in interest. I cannot conceive of any disagreement on this point.

Which brings us to the questions of which information should be supplied, and by what means.

The original developer of this full disclosure bill for savers is Dr. Richard Morse, a Family Economist at Kansas State University; Dr. Morse is a member of the ABA Consumer Advisory Council, was intimately involved in working out the details of the federal Truth in Lending Act, and is recognized as one of the leading authorities on interest rate application in this country. One of Dr. Morse's graduate students, in the course of gathering data for a master's thesis, found that variety in *computation*, using identical interest *rates* in savings accounts can produce as much as 171% difference in interest paid. In a sample of seven institutions in a single town, a low-to-high difference of 60% was found. (For discussion of the data in more detail, I refer you to the *Congressional Record* of May 12, 1971 (Sen. Hartke re S–1848), and to the magazine *Changing Times*, February 1971, "Maybe We Need Truth in Savings Too."

Not only do a high variety of systems exist for applying a given rate, but it is difficult—and even impossible in some cases—to obtain from the savings institution the facts that are needed to compute earnings under different methods. Pieces of the information are given in many advertisements, but it cannot be obtained in full directly from many banks.

Professionally, I am very much concerned with encouraging consumers to make informed and responsible choices; I assume the economy will be healthier if consumers act in this way. But they cannot operate at maximum unless they can obtain the necessary information. Whether or not they all use it is not of immediate concern; its availability is the important consideration.

These are the pieces of information which are considered necessary, and which bill S–157 directs savings institutions to make available to savers:

(1) the nominal annual rate. (Regulation Q calls it the rate at simple interest.) It is the periodic rate multiplied by the number of periods there are in a year. If the applied rate is quarterly, you would multiply it by four to obtain the annual rate, etc.

(2) the time period which the principal amount must remain in order to earn interest. (Liquidity is of great importance to savers, and they may wish to balance off availability of their funds against the effect on earnings.)

(3) the number of time periods in a year in which interest is compounded. (Daily, quarter, annually?)

(4) the dates interest will be paid. (What does it mean to "compound daily and credit quarterly?" Dr. Morse's experience and correspondence shows that there is all kinds of variation in how that is interpreted. Should there not be agreement on what terms mean within the industry?)

(5) it might be desirable to know the effective annual rate, that is, the annual yield rate. (e.g. because of compounding, $100 at 5% will yield not 5% but closer to 5.13%.)

(6) any other conditions, such as grace periods or penalty days which reduce or increase the balances to which rates are applied.

(7) any other charges or restrictions on the activity of the account, (for example, a charge for more than four withdrawals a month.)

The customer should be given this information before he opens an account. Hopefully, when this information is routinely available, we will be able to teach people to ask for the information and shop for the best place to deposit their money. They also need to be told when the nominal rate changes. I don't think legislation should get all hung up in the exact methods by which the customer is informed. The passbook could carry informative text on the inside cover; if the rate changed, the savings institution could use the same method insurance companies use and say "enclosed is a new insert for your passbook." Right now most passbooks don't offer very much information of real value to the individual. Using the 1099 form annually to include this information would probably be a bare minimum—but it would be an improvement over the present unstandardized methods. Definition of method and disclosure of terms are the only goals of this bill; it does not set rates or other terms.

I have yet to talk with a banker who expressed any objection to the concept of providing the consumer with adequate information; I think we have come quite a long way from the industry's predictions of doom when they saw themselves threatened with Truth in Lending. However, it is scarcely realistic to expect this industry—or any other—to initiate or even welcome enthusiastically any change which requires the exercise of discipline and thought necessary when standards have to be arrived at and made acceptable to many. Nor is it likely that the regulatory agencies—the Federal Reserve Board or the FDIC—will initiate any addition to their regulatory powers unless and until legislation hands them the job.

As you know, there is in the Congress essentially identical legislation introduced by Senator Hartke (S–1848) and Congressman Roy (HR 8365) in their respective houses. It is evident to me that legislation should be on the federal level, but I think we have here another parallel with the Truth in Lending situation: legislation in the states is the pressure that makes federal legislation move. As you recall, Vermont was ahead of Washington in passing a Truth in Lending bill. State Truth in Savings—Consumer Savings, if you prefer—has undergone joint work between legislators and bankers in certain states, but so far as I am aware, Vermont is the only state with an actual piece of legislation submitted and being heard in committee.

This is not earth-shaking legislation. This is the unglamorous result of careful behind-the-scenes work by legislators and specialists who are concerned about helping prudent people exercise the right to be prudent. I think it would be useful.

OEO HELPS PEOPLE HELP THEMSELVES IN ARKANSAS

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. ALEXANDER. Mr. Speaker, recently there came across my desk letters and reports which reminded me anew of the varied role which the programs under the Office of Economic Opportunity have played in the First District of Arkansas, and across the Nation.

I say "reminded me anew," because all too often in the press of handling today's crisis, we pay too little tribute to the successes of the programs established in the past to deal with ongoing needs. True, OEO has had a mixed bag of experience. It has taken some deserved criticism, because of the bad judgment and management decisions made by a limited number of officials. And, because of a failure to properly publicize its successes, its image in the minds of some people is less than desirable.

The catalog of OEO's faults is well documented. At this time, I would like to provide some information on some of its virtues. On some of the ways OEO helps people help themselves in Arkansas.

At this point, it will be well to note that while the projects I will mention have been operated by OEO local community action groups, some of the funding has been provided through such departments as Labor and such agencies as the National Institutes of Health and the Office of Education. These agencies and departments are to be commended, I believe, for cooperating in efforts to improve the quality of the lives of our people.

In looking over the information which I have gathered regarding programs which are operated under the community action agencies, I find that—

Most are directly aimed at improving the community, cooperative spirit, and the economic status of local citizens.

Headstart programs are benefiting the preschoolers and the postschoolers alike. The youngsters get some familiarity with the world of education in the programs. And, the low-income Headstart employees are given the opportunity to improve their educational status through the acquisition of high school equivalency certificates, and sometimes, college credits which can be applied toward a degree.

Self-help programs are aiding participants to improve their economic position and self-reliance. Among the programs operating in the First Congressional District are cooperative buying programs; livestock and vegetable producing projects for home use and sale; crafts producing programs generating new sources of family income, and a project providing product assembly services for an industry. Some of these efforts have already become self-supporting. And, plans are being formulated for the establishment of a small woodworking industry.

Vocational and technical training programs are aiding the disadvantaged to become self-sufficient members of their communities.

Child day-care centers, senior citizens programs, summer camps for youth, and projects to combat drug and alcohol abuse are becoming a part of the community action efforts to improve the quality of life for local residents.

There are also general services and neighborhood service center programs which actively work to encourage the disadvantaged to participate in the workings of their local community.

A major need—health care for the medically indigent and medically isolated—is partially being met by an innovative cooperative medical program which finds local medical practitioners

cooperating with community action agencies.

I think that it is important to look generally at the areas of life which have been affected by the programs have been operated by community action agencies in the First Congressional District of Arkansas. They have been aimed at some vital points—educational improvement to brighten the future of the young and the not so young; income development and improvement; and health care for those in need.

In the future I will continue to work for programs that help people to help themselves. In so doing, I hope that we can do a better job of telling others of the success that many people who have participated in the programs have experienced.

UNITED STATES ERRS IN SUPPORTING DICTATORSHIP IN GREECE

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. EDWARDS of California. Mr. Speaker, I would like to share with my colleagues a letter, written by Mr. Peter G. Sokaris, which appeared in the Knickerbocker-News Union-Star last April 5. The letter, which appeared on the 151st anniversary of the founding of the modern Greek state, further emphasized that our immoral, unwise, and shameful support of the current Greek Fascist Government should be ended forthwith. It should be read by every Member of Congress.

The letter follows:

UNITED STATES ERRS IN SUPPORTING DICTATORSHIP IN GREECE

ALBANY, *April 5, 1972.*

To the EDITOR: It is only fitting on this 151st anniversary of the founding of the modern Greek state that Americans of Greek descent once again raise their voices in protest against the Nixon administration's continuing support for the Papadopoulos dictatorship in Athens.

We cannot remain silent while cruelty is visited upon the people of Greece. They are arrested without warrant and shut away in detention cells, prisons and concentration camps. They are maltreated, tortured and driven into exile. And they are told that they are not worthy of human rights or representative government.

We want this tragedy to stop. We plead for an end to American support for the fascist colonels. And we appeal to all Americans to join with us now in making the Greek question a major foreign policy issue in the 1972 election campaign.

Our task is to encourage our presidential candidates to take an unequivocal position in favor of withdrawing American support for the junta so that the democratic forces within Greece can move to restore constitutional government and hold free elections without fear of the American military establishment. It is only through our own actions and the actions of our political leaders that we can demonstrate that Americans are still the leading supporters of responsible democratic government in the world.

PETER G. SOKARIS,
Secretary, Americans for Democracy in Greece.

PROFFITT NAMED JAYCEE "OUTSTANDING EDUCATOR"

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. MIZELL. Mr. Speaker, the recognition of excellence in any endeavor is always a pleasant task for me, and I am especially happy to advise my colleagues that Mr. Donald Jerry Proffitt, of Thomasville, N.C., has been named 1972's Outstanding Young Educator by the Thomasville Junior Chamber of Commerce.

No vocation is more important to our society than the teaching profession, and to be singled out for excellence in that most difficult profession is high praise indeed.

I know my colleagues join me in saluting Mr. Proffitt for this outstanding achievement. For their benefit, I am including in the RECORD an article announcing the award, which appeared in the Thomasville, N.C., Times, recently:

PROFFITT NAMED JAYCEE "OUTSTANDING EDUCATOR"

(By Bill Maynard)

"The art of communication is the most important skill a person can possess, to be able to say something and to be understood. Since the beginning of time the greatest problem facing mankind has been his inability to communicate, and that inability today has created a communication gap as wide as the Grand Canyon."

Those words addressed to the Thomasville Jaycees Thursday night by E. S. Allgood, principal of Thomasville Senior High, were especially appropriate.

The Jaycees awarded the 1972 Outstanding Young Educator Award Thursday night to Donald Jerry Proffitt, one of those exceptional persons who possess that rare art of communication.

Proffitt was named by an anonymous committee of Thomasville citizens consisting of a minister, a city official, and a former school teacher.

Proffitt, who accepted the award at the Jaycee banquet at the Women's Club "in the name of all the other teachers in Thomasville," teaches drama, debating, and cultural arts at Senior High, and helps coordinate courses in cultural enrichment throughout the school system.

He currently is working on a wide range of projects within the schools, including a drama production in cooperation with the N.C. School of the Arts in Winston Salem.

"He's a deserving person," declared Carl Hargraves, principal of Church Street School, who nominated Proffitt for the Jaycee honor. "Though he is only with us part of the time, I've had a chance to observe his teaching ability, his dedication, and his hard work," said Hargraves.

In short Proffitt is the type of educator who can and does bridge the communication gap between people of all ages.

"Students must be respected as individuals entitled to opinions," says Proffitt. "When a student is gravely in error, it is more useful to direct his thinking and research to discover his own error than to point it out to him publicly. I encourage free discussion in class."

The irony is that Proffitt came to Thomasville in 1968 not as an English or cultural arts teacher, but as a math teacher.

He taught math at Main Street Junior High for a year before moving to English and drama at Church Street School. From there he went to Senior High in drama and debating.

He is presently the Coordinator of Cultural Arts, teaching at Senior High and working with other cultural arts classes in other schools.

A native of High Point, he worked in business for two years after graduation from High Point College in 1966 with a Bachelor of Arts in English, and a minor in speech and drama.

When he entered the field of education, he dedicated himself completely.

An excellent speaker, he carried the case for better education to civic clubs with television tapes and speeches.

He worked actively in the local unit of the N. C. Association of Educators to coordinate and carry out lobbying programs for education in Raleigh during the last General Assembly.

He is an active member of St. Christopher's Episcopal Church and serves as chief lay Reader and Junior Warden.

He is married to the former Sally Pruitt, the winner of last year's OYE award and an equally dedicated educator.

His work doesn't stop with the end of the school year.

Last summer he was director of the local youth coffeehouse, "Shalom."

In his keynote speech Allgood accurately described the educator's task and challenge in the modern world.

"The young today are searching for a place in society," said Allgood. "We who are here tonight would be doing a great service if we each find a youngster and help him find that place.

"To the winner of this award I say, 'I thank you for what you're doing for this community and for this whole world. And most of all I thank you for what you're doing for my children.' "

EXTERMINATION OF ARMENIA BY THE TURKISH GOVERNMENT

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mrs. GRASSO. Mr. Speaker, the voice of the aggrieved and the saddened rose in mounting crescendo this weekend as programs throughout the Nation, and in my beloved city of New Britain, protested the extermination of Armenia by the Turkish Government. In their adopted homeland, Americans of Armenian descent—many of them refugees—joined in a cry for justice that has been ignored for generations.

Their protest traces the sporadic pillage and destruction of Armenia under the Sultan, the planned extermination of Armenia in 1915 by the Turkish Government, and the denial of law and morality in an attempt to eliminate permanently the question of reestablishing Armenian political sovereignty.

Because of valor and dedication through the years, the people of Armenia deserve the restitution of their proud nation. The price in life and terror of the genocide has been too long overlooked. The pleas of the aggrieved can no longer go unheard.

INDIANAPOLIS BANKRUPTCY CASES

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. WHALEN. Mr. Speaker, the Journal Herald, a daily newspaper published in Dayton, Ohio, which is within my congressional district, has completed publication of a lengthy series of articles concerning alleged irregularities in bankruptcy cases handled in Indianapolis Federal courts.

The 16-month investigation conducted by reporters, Keith McKnight and Andrew Alexander, represents enterprise journalism of the best sort. The enormous amount of time involved reflects great credit on the editorial leadership of the Journal Herald because it clearly indicates the dedication that newspaper has to the public good.

In a period when the press has been subjected to more than its usual share of brickbats, this kind of reportorial diligence serves to remind all of us of the importance of a free, unfettered, vigilant press.

The information contained in the series of articles is highly unusual, Mr. Speaker, and relates to the Federal judiciary. For these reasons, I am inserting at this point in the RECORD the main articles published:

[From the Dayton (Ohio) Journal Herald, Apr. 10, 1972]

BANKRUPTCY REWARDS JUDGE'S FRIENDS

(EDITOR'S NOTE.—This is the first of a series of stories resulting from a 16-month investigation by The Journal Herald into alleged irregularities in bankruptcy cases handled in Indianapolis federal courts. Today's report consists of three cases handled by Chief Judge William E. Steckler.)

(By Keith McKnight and Andrew Alexander)

Nearly 18 years ago, U.S. District Judge William E. Steckler appointed his former law partner to reorganize the finances of a nationally known trucking firm.

That company is now financially destroyed.

In the course of this reorganization, a number of questions have been raised about the propriety of some of the actions in Steckler's court.

The company hasn't had a truck on the road since 1962, although it continues to be "reorganized" in the bankruptcy court at Indianapolis.

On May 5, 1954, the firm—the Hancock Trucking Co.—asked Judge Steckler's court to name a trustee to straighten out its finances and in the meantime protect it from creditors.

Such a process—which is supposed to be temporary and rehabilitative in nature—is known as "bankruptcy reorganization" and clearly, Hancock was a candidate.

It owed about $3 million and couldn't pay.

But since it had assets of about $2 million and annual gross receipts of approximately $11 million, the company apparently thought it could be saved with a little help from the court.

Judge Steckler agreed to the move.

He appointed as trustee Sheldon A. Key, a good friend and former law partner.

To help Key with the legal work, Steckler approved the appointment of Sigmund J. Beck from the Indianapolis law firm of Bamberger & Feibleman. Mark H. Kroll, president of Wilmark Insurance Agency of Cincinnati, then formally offered to help the court and the company.

Kroll's proposal would allow him to run the trucking firm under a management contract. He would buy $400,000 worth of Hancock and indemnify the trustee against losses for a fee of $100 a month—or $1,000 a month if a profit were shown.

Beck told The Journal Herald that such arrangements are normal in bankruptcy reorganizations because if reorganization is to be accomplished there must be new management and the court-appointed trustee seldom has the necessary expertise.

R. Stanley Lawton, attorney for two of Hancock's creditors, agreed that outside expertise is often required in such situations, but he says in the Hancock case the trustee was giving the company to Kroll. He complained to the court.

According to Lawton, a management company is the employe of the trustee and the trustee retains the right to intervene or make any changes he wants in the management operations.

"One of the things I was screaming about here was that the trustee was expressly abandoning those rights," he said.

Hancock's attorney, the late Albert P. Ward, who originally sought the help of the court, filed a similar objection.

Noting what he termed "the obvious absurd compensatory consideration of $100 a month," Ward told Steckler: "It will be extremely difficult for a court of equity to assume or believe that Wilmark (Kroll) is a philanthropist."

Judge Steckler approved the contract.

Four years later, in 1957, Judge Steckler approved a reorganization plan recommended by Beck and Key whereby the trucking company would be sold to Kroll.

During the next four years, although Steckler's court retained jurisdiction, it was Kroll's company and it continued its slide into debt.

Kenneth L. Oskins, Hancock's personnel director, recalls it this way:

"Several months prior to the actual closing of the doors, there was a period of time where all of the equipment was repossessed . . . Everything was being done to keep them from doing it, except giving them money.

"In other words, they were hiding equipment—we were hiding tractors and trailers and this type of thing.

"Finally," Oskins continues, "everybody just threw up their hands and said. " 'Well, hell, we're fighting a losing battle anyway.' "

Another petition for reorganization was filed by creditors and again Hancock Trucking Co. was taken to Judge Steckler's court where he again appointed the same officers—Key as trustee and Beck as attorney.

But this time there was virtually nothing left to reorganize.

The firm's only significant remaining asset was its operating rights.

And even those rights—license to ship freight along certain routes as authorized by the Interstate Commerce Commission on a first-come basis when public need is shown—had been leased to another trucking company, the Hennis Freight Lines.

Since that time in 1962, a large portion of those proceeds has gone to pay continuing attorney fees.

According to a tally by the Indianapolis Star, in the case that is not yet completed, attorneys have been paid more than $600,000. Most of the creditors have yet to receive anything.

Among those creditors is the State of Ohio which has made at least 23 assessments against the firm for highway use taxes totaling more than $200,000.

As for the Cincinnati insurance man, criminal charges were never brought against him in Indiana although trustee Key alleged in court proceedings that Kroll had transferred title of virtually all Hancock's assets to other Kroll companies.

Four years later, Kroll was convicted in Miami of a $9.5-million Florida land swindle.

A year later he was convicted of financially destroying an auto insurance company in Chicago. He is now in a Federal prison.

Sheldon A. Key, Judge Steckler's one-time law partner, remained as paid trustee of the ruined trucking firm until his death last Aug. 31.

W. Rudolph Steckler, the judge's son, was named in Key's will as attorney to handle Key's estate.

Under other provisions, Key requested that if he and his wife were deceased, Judge Steckler and his wife would become guardians for Key's daughter.

If the Keys and their daughter were deceased, Judge Steckler and his wife were to have received $5,000.

After the will was made public in 1971, Judge Steckler disqualified himself from the 18-year-old case.

"A judge should not act in a controversy where a near relative is a party; he should not suffer his conduct to justify the impression that any person can improperly influence him or unduly enjoy his favor, or that he is affected by the kinship, rank, position or influence of any party or other person."

GUIDELINES FOR JUDGES

The most widely accepted measuring sticks for the conduct of judges are the Canons of Judicial Ethics—a strict code adopted by the American Bar Assn. (ABA) in 1924.

These standards were formulated by a committee appointed by U.S. Supreme Court Justice William Howard Taft, who served as chairman.

Although they are not legally enforceable, the canons are well-known and embraced by American jurists.

When adopting them, the ABA suggested the 26 articles "as a proper guide and reminder for judges, and as indicating what the people have a right to expect from them."

Repeatedly, the canons decry wrongdoing or any action that conveys the suspicion of wrongdoing to the public.

Specifically, there are canons cautioning against "Impropriety or the appearance of impropriety" on the part of judges; against judicial appointment of friends or relatives; calling for the appointment of impartial administrators in bankruptcy cases; and pointing out the necessity for judges to remain unswayed by public or political pressure.

In three prominent, controversial, federal bankruptcy cases in Indianapolis, the application of these canons comes into question.

Chief U.S. District Judge William E. Steckler presided over all three cases, which are outlined in today's Journal Herald.

Judge Steckler refused to be interviewed about the cases, in which he appointed friends and former business associates to well-paying positions in these bankruptcy matters.

The judge also would not discuss a case in which he reportedly bowed to public clamor in making a ruling in a bankruptcy controversy in which he appointed the former governor of Indiana to a trusteeship.

HOW JH GOT INVOLVED IN PROBE

In December, 1970, The Journal Herald began a probe of an alleged "Bankruptcy Ring" in Indianapolis.

The investigation was prompted by charges of:

(1) George Manuel—a Dayton man who was, at the time, facing a 30-count mail fraud indictment in an Indianapolis federal court, stemming from his involvement with a multimillion-dollar business in that state.

(2) Sherman H. Skolnick—a flamboyant Chicago court reformer who had gained na-

tional recognition for his role in forcing two Illinois Supreme Court justices from the bench.

And, early in the investigation, a state judge seemed to address himself to the same situation. Marion County Circuit Court Judge John L. Niblack wrote to U.S. Chief Justice Warren Burger complaining that the federal courts in Indianapolis were transferring civil cases to their own jurisdiction.

Manuel charged that a select group of Indiana lawyers and politicians, operating under the protective shroud of federal courts at Indianapolis, were railroading businesses into bankruptcy court, and there plundering them.

Manuel's business, a property management firm for the American National and Republic National Trusts, collapsed after the trusts were forced into bankruptcy reorganization proceedings in 1968.

The president of the trusts, Harry R. Fawcett, of Kokomo, Ind., vigorously fought the bankruptcy, but lost, and was later indicted and convicted on 5 of 30 counts along with Manuel.

Fawcett and Manuel claimed that the indictment was part of a political conspiracy to discredit their charges about what they called "The Bankruptcy Ring."

Then, Skolnick petitioned the court to enter the bankruptcy case as a "friend of the court," citing that the officers appointed to reorganize the trusts were close friends of Sen. Birch E. Bayh, Jr.

The judge in the case—himself a Bayh-sponsored nominee—later denied Skolnick's petition saying it was "scurrilous and defamatory," that Skolnick did not comply with court rules in filing the petition, and that Skolnick was defending the interests of Fawcett and Manuel only.

Judge Niblack wrote: "our local federal courts consistently maintain they are overworked and yet they continually order transfers of civil cases to their own jurisdiction. . . .

"The Federal Courts would not be so busy if they would stop usurping the State Court's duties," he said, and added that he intended to urge federal legislation "to cut out some of this foolishness."

Judge Niblack further told Justice Burger: "In the last five or six years 99 percent of all receiverships and insolvencies have gone to the Federal Court, a new trend, adding greatly to their work there."

CASE II: SCANDAL MUSHROOMS FROM COPTER CRASH

Another Indianapolis bankruptcy court controversy began in 1965 when a helicopter crash killed a prominent Indiana securities promoter, Michael Dobich.

His death triggered a scandal which precipitated:

The bankruptcy of his company, the Dobich Securities Corp. . . . because he had apparently sold more than $2 million worth of stock he didn't have or didn't deliver.

The destruction of the promising political career of the Democratic Indiana Secretary of State, John D. Bottorff . . . because it was revealed that as soon as he was elected he began a "re-election campaign" fund by soliciting contributions from securities dealers over whom he held licensing power.

A widespread panic among many Indiana securities investors . . . because they wondered if they had actually invested in something or if they were left holding empty bags.

On July 14, 1965, U.S. District Court Judge William E. Steckler received a petition for the bankruptcy of the Dobich Securities Corp.

The same day, Judge Steckler appointed Donald W. Buttrey as receiver.

Buttrey is Judge Steckler's former law clerk.

Buttrey is also a member of the Indianapolis law firm of McHale, Cook & Welch—a law firm which the judge's son, W. Rudolph Steckler, joined a year later.

In his book, "My Indiana," Irving Leibowitz—former managing editor and columnist for the now-defunct Indianapolis Times—says:

"McHale has long been associated in business and politics with Frank McKinney (chairman of the board of the American Fletcher National Bank). It was McHale who persuaded President Truman to pick McKinney as national chairman of the Democratic party. Both McHale and McKinney handled bankruptcies handed out in the federal court of Judge William E. Steckler, who was sponsored politically by McHale."

McHale told The Journal Herald that the income of his law firm from bankruptcy matters is "very minor—any law firm or any newspaper people in Indianapolis will tell you that."

In the Dobich bankruptcy, Judge Steckler's former law clerk, Buttrey, was assisted in the case by a court-appointed Republican.

He was William E. Jenner—former two-term U.S. senator from Indiana who has since practiced law in Indianapolis.

Unlike the Hancock Trucking case recounted above, the Dobich bankruptcy was not a reorganization procedure.

It was a bankruptcy liquidation, and therefore Buttrey was appointed receiver—and eventually trustee—to help the court sell what remained of company assets and divide the proceeds among the company's creditors.

The action, filed in mid-1965, is still pending in Steckler's court.

Buttrey says his appointment in the case poses no ethical questions because Judge Steckler is "my former employer—that's all."

He adds: "I think you will find that federal judges, by and large, try to rely on former law clerks because they are the one group of people that the judge can be independent with . . .

"He needs some guy to do the job. And here's a guy to whom the judge has no obligation at any time . . . If there has been a favor done, the judge has done him (the former clerk) a favor . . .

"He's not a former law partner," Buttrey said. "He's not a member of any political party that got him his job. There are none of those things present."

However, Buttrey's position as receiver did not go unchallenged.

As Dobich trustee, he sued the big brokerage firm of Merrill Lynch, Pierce, Fenner & Smith, for $533,000, claiming the firm failed to halt heavy trading by Dobich when they knew he was insolvent.

In the ensuing court battle, the Merrill Lynch attorneys objected to trying a case before a judge who was the former employer of the plaintiff, and a judge whose son was an associate of the plaintiff's law firm.

The Merrill Lynch attorneys also pointed out that Judge Steckler's present law clerk was Frank Cook, the son of David Cook of the same McHale, Cook & Welch law firm. And Cook previously worked on the Dobich case while employed by that law firm.

These facts were brought out, according to news accounts from that time, at a hearing Sept. 28, 1967—more than two years after the bankruptcy was filed.

Judge Steckler then removed himself from the case, but only with regard to the immediate suit. He maintained jurisdiction over the Dobich bankruptcy.

The Journal Herald could find no explanation in court files as to why the judge disqualified himself in a suit which arose from the Dobich bankruptcy, but did not disqualify himself from the bankruptcy itself.

The clerk's office in Indianapolis says that if a transcript of that hearing was prepared it can't be found.

Judge Steckler has refused to be questioned on this or any other matter by The Journal Herald.

The only light on the judge's position comes from his former law clerk, Buttrey, who says he sees nothing improper.

Buttrey says he was a litigant in the suit and when defense attorneys questioned the impartiality of the judge, the judged acted "conservatively" and disqualified himself.

But so far as the bankruptcy matter is concerned, Buttrey says he is simply an officer of the court, serving the court, and as such is "not in an adverse position with anyone," and therefore his relationship with the judge "makes no difference."

"Trustees, receivers, masters, referees, guardians and other persons appointed by a judge to aid in the administration of justice should have the strictest probity and impartiality and should be selected with a view solely to their character and fitness. The power of making such appointments should not be exercised by him for personal or partisan advantage. He should not permit his appointments to be controlled by others than himself. He should also avoid nepotism and undue favoritism in his appointments.

"While not hesitating to fix or approve just amounts, he should be most scrupulous in granting or approving compensation for the services or charges of such appointees to avoid excessive allowances, whether or not expected to or complained of. He cannot rid himself of this responsibility by the consent of counsel."—Canon 12, Canons of Judicial Ethics.

CASE III: A BOOMING TRUST COMBINE GOES BUST AND FAMILIAR NAMES ENTER PICTURE

Judge William E. Steckler presided over yet another bankruptcy court controversy, this time involving a combine known throughout Indiana as "the Cook Brothers' trusts."

Those trusts were the largest enterprise to grow out of the Indiana real estate investment trust craze which mushroomed in the early 1960s.

The multiplicity of trusts and related corporations were founded by three Kokomo attorneys, Floyd F. Cook, his brother Beryl E., and Donald J. Bolinger.

At one time the combined assets were listed at near $42 million.

The trusts invested in a wide variety of properties ranging from an orange grove in Florida to a hotel and casino in Las Vegas.

But when Dobich died, provoking a securities scandal and scare, the once-booming sale of Cook Brothers' shares halted and the trusts were suddenly in a bad financial pinch.

The problem was getting enough cash from the tight money market of 1966 to pay on the mortgages until the properties began paying for themselves.

About that time, three other familiar names became involved with the fate of the faltering trusts:

Sigmund J. Beck of Bamberger & Feibleman, who was the attorney in the long reorganization of Hancock Trucking Co.;

Matthew E. Welsh, former governor of the state (who is again a candidate for that office) and a continuing political force in Indiana Democratic circles; and

John D. Bottorff, the Indiana secretary of state who was caught in the securities controversy and was nearing the end of his political career.

The two cooks and Bolinger were forced out of office on orders of Secretary of State Bottorff on Aug. 17, 1966, and Welsh and Beck took over as trustees.

Less than two months later, Welsh and the well-known bankruptcy specialist Beck said times were just too tough to save the trusts and the only thing they could do was petition the bankruptcy court for reorganization.

Although the court is normally closed on Saturday, the bankruptcy petition was filed

on a Saturday afternoon, Oct. 8, 1966. That same day, Judge Steckler apparently drew the bankruptcy case, accepted the petition, set a hearing on the matter, held the hearing and appointed the American Fletcher National Bank as trustee.

The petitions are file stamped with that date although the clerk's office reports never being open on Saturdays.

The Sunday edition of the Indianapolis Star described the event as "a five-hour, quietly arranged hearing."

In the first five months of the Cook bankruptcy, fees for the trustee (the bank), its attorneys and accountants totaled $122,539.

A precise accounting of total fees allowed in the case since that time could not be determined by The Journal Herald from court records.

Although the bankruptcy law says attorneys representing a trustee in reorganization must be "disinterested," Judge Steckler subsequently named Welsh and Beck as the trustee's attorneys.

The Securities and Exchange Commission (SEC) entered the case and asked the court to remove Welsh and Beck.

But that move was unsuccessful and the SEC couldn't appeal the decision because federal law forbids that agency from appealing in such matters.

Judge Steckler's reasoning for the decision is excluded from a transcript of that hearing which was held Feb. 3, 1967.

An Indianapolis Star account the next day, however, said:

"Judge Steckler, after hearing testimony from former Gov. Matthew E. Welsh and two other state officials and attorney Sigmund J. Beck, decided Welsh and Beck should continue handling the legal work for the trustee . . .

"In denying the petition of the SEC asking that the firms be removed because of their alleged 'vested interest' as the former trustees of the trusts, Steckler said he had received many letters requesting he take such action because of the 'personal reputations' of Welsh and Beck."

Judge Steckler refused to be questioned about his decision in the matter.

"A judge should not be swayed by partisan demands, public clamor or considerations of personal popularity or notoriety, nor be apprehensive of unjust criticism." Canon 14, Canons of Judicial Ethics.

[From the Dayton (Ohio) Journal Herald, Apr. 11, 1972]

I HAD NO IDEA IT WAS BANKRUPT

(EDITOR'S NOTE.—This is the second in a series of stories resulting from an investigation by The Journal Herald into alleged irregularities in bankruptcy cases in Indianapolis federal courts. Today's report examines how shareholders seeking to retrieve their money from two multi-million-dollar trusts discovered they had unwittingly authorized the trusts' bankruptcy.)

(By Keith McKnight and Andrew Alexander)

Four of six Indiana investors who were used to force two multimillion-dollar trusts into bankruptcy court at Indianapolis say they never knowingly authorized the action.

Some of the petitioners say they haven't even heard of one of the attorneys who claimed to be representing them.

That attorney, Alan I. Klineman, has since become the court-appointed counsel in the case and he estimates that nearly 10 percent of his law firm's income results from those proceedings.

He says he can't recall whether he is still representing the petitioners who apparently unwittingly authorized the case.

The matter involves the bankruptcy reorganization of the American National Trust and the Republic National Trust—separate trusts managed by the same officers.

Both trusts grew out of a craze that swept Indiana in the early 1960s, prompting thousands of investors to pour millions of dollars into the promises of real estate investment trusts.

Real estate investment trusts pool the money of investors to purchase real estate. The purpose is to realize profits—sometimes sizable ones—from rent payments, leases, etc.

Unfortunately, many of the salesmen—who were paid commissions on trust shares they sold—often promised in sales pitches and advertising high interest rates of as much as 8 percent and promised investors they could get their money back any time they wanted it. These claims later became central in a legal battle.

Some trusts didn't turn out as advertised though, and when the word got around many investors wanted their money back. But there wasn't any money to give back because it had been used to buy or construct rent-producing properties which were not yet producing sufficient income.

Apartment developments, for instance, are not constructed one day and made income-producing the next. But this didn't matter to the investors who were irate because their investments weren't paying off.

And so there was widespread discontent among investors in many trusts and this included the American National and Republic National trusts.

With all that furor as a backdrop, on Feb. 13, 1968, Indianapolis attorneys Hugh A. Thornburg and Alan I. Klineman—in the name of three shareholders—asked the U.S. District Court at Indianapolis to approve the involuntary bankruptcy reorganization against the American National Trust.

Thirteen days later, the same two attorneys filed similar petitions asking the same action against the Republic National Trust—in the name of three shareholders of that trust.

The deposed president of the trusts—Harry R. Fawcett of Kokomo, Ind.—has assailed Thornburg and Klineman in actions alleging that the two were instrumental in a conspiracy to seize and plunder the trusts through bankruptcy actions.

He has claimed in court that Thornburg solicited permission for the action from shareholders who, he said, were tricked into believing they were signing papers to get thei money back and did not intend to authorize a bankruptcy action.

Charles H. Van Bronckhorst—even though he is outspokenly contemptuous and critical of Fawcett—agrees on this point and insists Fawcett is telling the truth.

Van Bronckhorst, an Indianapolis shareholder in the trust, claims attorney Thornburg came to his home in late 1967 and asked him to sign a paper which was to help him and members of a shareholders' committee Van Bronckhorst represented to get their money back from the trusts.

Van Bronckhorst says he read the paper, found it was an authorization for Thornburg to throw the trusts into bankruptcy and ordered Thornburg out of his house. As proof for the meeting, Van Bronckhorst offers three witnesses, each of whom has provided sworn affidavits.

When offered the opportunity by The Journal Herald to comment, Thornburg said: "I'm not going to comment on any pending litigation. You've called the wrong number. That's all there is to it . . . I'm not going to talk about it . . . this conversation is over. You do whatever you want to do. Goodby."

The petitioners for the bankruptcy action were more cooperative.

Robert E. McKillip, one of the six petitioners, is a farmer from a prominent family near Wabash, Ind. He told The Journal Herald that he asked a Wabash attorney—Robert R. McCallen—to "see what he could do" to get back the $2,130 he had invested in the Republic National Trust.

He said he made no deals with McCallen, but one day McCallen came to his farm with an attorney from Indianapolis. McKillip isn't sure who it was, but he thought it might have been Thornburg.

And although he couldn't recall what was discussed, he said he never knowingly signed anything to throw the trusts into a bankruptcy court.

McKilip says flatly that Hugh A. Thornburg has never been his attorney and he doesn't understand why his name was used to put the trust into bankruptcy.

Another petitioner is Ruth Quinn Meyers, an Indianapolis woman who invested $7,410 in shares of the American National Trust in behalf of her granddaughter.

Mrs. Meyers' name was used as a creditor—as were all the other names—in petitioning for the reorganization.

In a sworn affidavit, she states:

"To the best of my knowledge, I have signed no papers, whatsover, nor affidavits, alleging that I was a secured or unsecured creditor of the American National Trust."

In the same affidavit, she recalls that she was contacted while at the Rancho Siesta Motel in Ukiah, Calif., by Maurice Petit, her attorney in Indianapolis, who asked her to send him a telegram or letter "and dictated what I should say." She said she complied.

She further swears: "In brief, he asked me to give him authority to do what was needed to be done for me, in the case of American National Trust, to get my money back."

Maurice Petit, her attorney, is Thornburg's law partner.

A third petitioner is Roy M. Dean, a retired farmer near Wabash, who invested $2,000 in Republic National Trust.

He recalls that he first became involved in the legal morass sometime after he was approached at a Democratic Party picnic by McCallen, the Wabash attorney.

He said that after their conversation about the trust, he authorized McCallen to "sue the trust to get my money back."

In an affidavit, for The Journal Herald, Dean states:

"Some time after I gave him permission to use my name to sue the trust to get my money back, Mr. McCallen called me from the office of Indianapolis attorney Hugh Thornburg, saying he (McCallen) was working with Mr. Thornburg in the matter."

Dean swore in the affidavit that to the best of his knowledge, he had never met Thornburg.

And Dean swore that he didn't know his name had been used to throw the trust into bankruptcy court.

In fact, he swore that "when I gave McCallen permission to sue the trust to get my money back, in my heart, it was my understanding that the Republic National Trust had already been placed in bankruptcy proceedings by the government."

He couldn't recall how he came to believe that.

A fourth petitioner is James D. McKillip, brother of Robert and also one of the petitioners who supposedly sanctioned the involuntary bankruptcy reorganization of Republic National Trust.

He was asked if it was ever his understanding that his name was going to be used to file the bankruptcy action.

"No," he answered. "Oh, no. No. No. We just was wantin' to get our money back. Oh, no. No. I had no idea it was bankrupt."

He said that to the best of his knowledge, he had never met Thornburg, although he had talked to him once on the phone.

As for Alan I. Klineman, McKillip said he'd never heard of him. McKillip summed up his position this way:

"I'm just letting the lawyer handle it all the way. I'm just an innocent, dumb farmer that put a little money in that trust."

There are two other petitioners. Repeated attempts to locate the fifth petitioner, Frank V. Bezi, failed. The sixth, John Richards, also of Wabash, is dead.

Both McKillips and Dean—who authorized McCallen to sue the trusts to get their money back—have yet to receive any compensation since the controversial signing nearly four years ago. Attorney McCallen has charged the three nothing, although they claim he is their attorney in the matter.

McCallen told The Journal Herald he knew Thornburg and he (McCallen) had sought Thornburg "as to what was the best way to proceed."

But when McCallen was asked whether the petitioners were aware of what was going on and if they had authorized such transactions, the conversation was quickly terminated.

"I would suggest at this time that you talk to Mr. Thornburg," McCallen said. "It's been nice talking to you. I'd suggest you contact Mr. Thornburg. Thank you very much."

Alan I. Klineman—who, along with Thornburg, initiated the proceedings and who, along with Thornburg, has since served as attorney for the court-appointed trustee for the trusts—was not surprised the petitioners didn't know him.

"I never saw the people," he said. "It was all through Hugh Thornburg."

But he says that's not unusual.

According to Klineman, the legal profession, like the medical profession, has become highly specialized.

He likened the petitioners to patients and says that a patient doesn't go to a doctor and tell him to operate and do this or that, but rather instructs the doctor to do whatever is necessary to cure him.

So Klineman says when the Wabash people asked McCallen to do what he could to get their money back, that authorization would include bankruptcy proceedings, if necessary.

"We got written consent from each of the petitioners," Klineman said, "or from their representatives."

Meanwhile, the original clients have received none of their money back.

On Nov. 21, 1968, Klineman and Thornburg filed a petition to withdraw as attorneys for the original McCallen clients. This came nine months after the two attorneys petitioned to put the trusts in bankruptcy and were subsequently named counsel to the trustee.

The petition said Klineman and Thornburg "believe it is in the best interest of the orderly administration of this estate that they withdraw as attorneys for certificate holders and allow said certificate holders to obtain representation on an individual basis or through the committee which has been formed . . ."

There is nothing on the court docket to indicate whether the petition was approved or not, Klineman isn't sure either. "It's so vague. I just barely remember it."

But he is proceeding as if it had been granted.

The original shareholders are even more befuddled.

They're not sure if they have an attorney—either their original attorney or the ones to whom he referred the matter. But at least it is apparent that they no longer have the attorneys they once had . . . which are the attorneys they didn't know they had.

As for the attorney they thought they had, they apparently never had him at all because he turned the matter over to the attorneys they didn't know they had.

But it doesn't matter.

You can't successfully sue a trust to get your money back when it's in the protective custody of a bankruptcy court.

And that's where the attorneys put it.

[From the Dayton (Ohio) Journal Herald, Apr. 12, 1972]

BAYH'S FUND SOURCES CLOUDY

(By Keith McKnight and Andrew Alexander)

Sen. Birch E. Bayh Jr. has failed to disclose the source of about $150,000 which helped pay for his narrow Indiana re-election victory in 1968.

And what records do exist of contributions have several seeming contradictions.

Robert J. Keefe, the senator's top aide, said last summer the funds were unreported because Bayh's office didn't know where to file them.

He explained the money came in after the campaign and the law does not provide for reporting post-campaign contributions.

Last August, Bayh's office agreed to make the list of contributions available to The Journal Herald, but after five requests, has failed to do so.

The significance of where the money came from is underscored by charges of two former Indiana real estate trust officials, who claim the multimillion dollar businesses were illegally forced into bankruptcy proceedings and milked to help finance Bayh's campaign.

Bayh vehemently denies the charges and assails the credibility of the two trust officials, who are each appealing their conviction on five counts of mail fraud last year in connection with their management of the two Indiana trusts—the American National and Republic National.

They are Harry R. Fawcett of Kokomo, Ind., and ousted president of the trusts, and George Manuel of 41 Cedarlawn Drive, Dayton, the former property manager and ex-officio financial adviser for the trusts.

Both Fawcett and Manuel claim their mail fraud convictions were politically inspired to discredit their long-standing charges about what they call "The Bankruptcy Ring."

But regardless of the mail fraud case, these facts are clear:

—In February of the 1968 campaign year, the two trusts were forced into an involuntary bankruptcy reorganization.

—John I. Bradshaw Jr.—who headed a fund-raising effort for Bayh's re-election that year—was appointed by Federal District Court Judge James E. Noland (himself a Bayh-sponsored nominee) to be in charge of the reorganization.

—Since that time nearly four years ago, there has been no credit audit of the trusts' finances and Bradshaw still controls the business.

Bradshaw says: "We haven't wanted to burden the estate with a certified audit." He estimates such an audit would cost about $30,000 and he sees no need for one.

But regardless of whether trust money has been diverted to Bayh's coffers, a continuing question that has followed Birch Bayh in recent years is the source of his financial strength.

He estimates his 1968 re-election cost about $800,000.

When that campaign was over, it was no secret his camp was in debt and the Indiana Democratic Party was in bad financial shape.

Less than three years later, Bayh was a serious contender for the 1972 Democratic presidential nomination with a big staff and a big bankroll.

(In October, 1971, Bayh withdrew his unannounced candidacy, citing his need to be with his wife, Marvella, who had undergone an operation for a malignancy.)

Bayh told a nationwide television audience last May via "Face the Nation" on CBS that ". . . as far as my personal finances, I've made them public; and when I ran for the Senate, the law requires and I didn't hesitate a moment to make all contributions available. I wish we could amend the law of the land so that all public officials, not just senators, but judges and members of the executive branch, had full and complete disclosures . . ."

Attempts to verify the senator's remarks, however, led the searcher on a merry chase.

For example, in Washington a check was made with the Secretary of the U.S. Senate for contributions to Bayh in the 1968 campaign.

A form, which each newly elected senator is to fill out, says: "I hereby certify that the following is a correct and itemized account of each contribution received by me or by any person for me with my knowledge or consent from any source . . ."

Under contributions, Bayh listed the word "none."

Under expenditures, Bayh said he spent $3,000 for a filing fee—nothing more.

Otherwise, he noted that the money was handled by his committees and their reports would be filed in accordance with Indiana law.

A clerk in the office was asked if such reports are typical of other senators' "full and complete disclosures."

Some reports are very thin, she said, while others are quite extensive.

She pointed to an overflowing mound of manila envelopes on top of the file caginets.

"Those are Sen. Buckley's," she said.

In Indianapolis, inquiry was made at the Indiana Secretary of State's office for records of contributions to Bayh's 1968 campaign committees.

They didn't have the records either.

Those records would be filed in the senator's home county in Terre Haute, they said.

In Terre Haute, it took a worker in the Clerk's Office of the Vigo County Circuit Court about 15 minutes to find Birch Bayh's records from the 1968 campaign.

The records consisted of two pieces of paper—the first was an affidavit signed by Birch Bayh, the second was a copy.

The affidavit says:

"Comes now Birch Bayh, a candidate for United States Senate who for the purpose of complying with the laws of the State of Indiana does make the following statement:

"That he personally received no sums and expended $3,000.00 on June 19, 1968 for the purpose of filing his candidacy with the Indiana Democratic State Committee at its convention.

"That the above statement is true, full and correct.

"Further affiant sayeth not."

The woman was asked for a copy of the statement. She hesitated, consulted with a superior, then refused to make the copy.

She explained some public records may be copied and other public records may not be copied.

This one, she said, may not be copied.

Back in Washington, Robert J. Keefe, Bayh's top aide, was asked if the campaign committee reports were ever filed, and if so, where could they be found.

Keefe said contributions from the Indiana Democratic Campaign Committee were filed by the treasurer of the committee at the Board of Elections at Indianapolis.

Those sums are not listed with Bayh's committees, Keefe said.

Otherwise, all contributions to the Senator Bayh for Senator Committee and the Citizens for Bayh Committee were filed by the chairman of those committees at the courthouse in the chairman's hometown.

Keefe—a resident of Alexandria, Va., for a number of years—said he served as chairman of both committees and his hometown is Huntington Ind.

And so, he was asked if the combined totals of contributions to those three committees would represent a full complete disclosure of

the source of all the money for Bayh's election.

No.

Keefe said approximately $150,000 was contributed after the election for debts accrued in the campaign, and although Bayh's office had the records of those contributions, he didn't know where to file them because the law made no provision for the filing of post-campaign donations.

Keefe, who resigned last October as Bayh's top aide, said most of that $150,000 was collected through dinners and cocktail parties, but those records would be made available to The Journal Herald.

In Indianapolis, a financial report filed by the Indiana Democratic Campaign Committee listed a total of $50,000 which that committee donated to Bayh's re-election campaign.

The contributions are listed in two $25,000 items—the first of which was made Aug. 20, 1968, the second made Sept. 10, 1968.

A check in Huntington, Ind., showed that despite Keefe's report that the Indiana Democratic Campaign Committee's contributions were not included in Bayh's lists of contributors, the Bayh for Senator Committee contribution list shows it received $80,000 from the Democratic Campaign Committee.

This figure exceeds the amount the state party claims it sent to Bayh by $30,000.

In another apparent contradiction, the Senator Bayh for Senator Committee reported receiving $50,000 from the state committee Aug. 5, 1968.

But the state party listed its first Bayh contribution at $25,000 and said it was paid Aug. 20— not Aug. 5.

In another discrepancy, the Citizens for Bayh Committee report listed total contributions at $15,450.72 and total disbursements at $15,428.72.

Yet the Senator Bayh for Senator Committee report listed four contributions from the first committee totaling $27,200, or almost $12,000 more than that committee ever received in total contributions.

The Senator Bayh for Senator Committee listed total contributions at $558,151.61 and total disbursements at $556,186.92.

Included in these total contributions are almost $50,000 from county campaign committees; $80,000 from the Indiana Democratic Campaign Committee; the $27,200 in transfers from Bayh's other campaign committee; and almost $100,000 from various other funds and committees. None can be traced to specific contributors.

Senator Bayh was reminded by The Journal Herald of his statement on "Face the Nation" in which he said he "didn't hesitate a moment" to make all his contributions available.

He was asked if it wasn't a bit misleading to say: "It's all there. It's a matter of public record."

"Well it is," Bayh answered. "It was filed in the county clerk's office in Huntington County, wasn't it?"

As for personal contributions, Bayh said he never accepts any, and his policy on that is meticulous—even including checks that are made out in his name.

He conceded, however, that: "The law now has got a lot of loopholes in it that ought to be plugged . . . but the letter of the law says 'personal contributions.' "

Bayh was asked about the post-campaign contributions which have not been filed and which Keefe estimated at about $150,000.

Bayh turned to his administrative assistant, Keefe:

"Bob, is it possible to get that information? Do you have it stuck away here or upstairs or back home some place? Get that information and let them have it."

Robert Keefe again said he would.

A short while after Senator Bayh announced he would not seek the presidency, Robert J. Keefe resigned from his staff and the records of the post-campaign contributions were temporarily misplaced.

The Journal Herald was assured again in early November that the records of post-campaign contributions would be made available within 10 days.

In late December, following another request, Bayh's press secretary said the records were still being "retyped."

Meanwhile, the charges are still unanswered that some of the money for Birch Bayh's 1968 re-election originated from the 1968 bankruptcy proceedings against the two Indiana real estate investment trusts.

WHO'S WHO

Birch E. Bayh Jr.—Indiana's junior senator who unseated incumbent Republican Sen. Homer Capehart in 1962, was re-elected in 1968, and soon gained national recognition as a champion of judicial reform by leading the successful fights against confirmation in the Haynsworth-Carswell Supreme Court nominations.

John I. Bradshaw Jr.—Indianapolis attorney in the well-known law firm of McHale, Cook & Welch; long-time friend and fund-raiser for Senator Bayh; and court-appointed trustee for the American National and Republican National trusts.

Harry R. Fawcett—Kokomo, Ind. farmer-businessman who became president of American National and Republic National trusts in January, 1967 and remained in that position until the trusts were forced into bankruptcy in February, 1968.

Robert J. Keefe—Sen. Bayh's administrative assistant who acted as his campaign manager in 1968 but resigned late last year after the senator withdrew from the Presidential race.

George Manuel—A Dayton "money finder" who formerly served as property manager for American National and Republic National Trusts until the bankruptcy court took over.

James E. Noland—Former Democratic congressman, U.S. district court judge at Indianapolis who received the bankruptcy case of American National and Republic National trusts. He was co-sponsored for the judgeship by Sens. Bayh and Vance Hartke.

THE ACCUSERS: SOME CALL THEM CROOKS

(By Keith McKnight and Andrew Alexander)

The important thing to remember about George and Harry is that they are not ordinary people.

There are those who will tell you they're both crooks.

There are those who will tell you they're both crazy.

It isn't difficult to see Harry R. Fawcett as a modern-day Don Quixote, tilting at windmills he sees as the enemy.

Nor is it difficult to imagine George Manuel as a Sancho Panza, somewhat of an enigma, who plays along with the fury—perhaps knowing better—but never foresaking the quest.

Yet the truth of it is the targets are real, and the wrongs—if sometimes exaggerated—do exist.

Among those they have accused in court actions of wrongdoing include Indiana Sens. Birch E. Bayh Jr. and R. Vance Hartke, former Indiana Gov. Matthew E. Welsh, Chief Judge William E. Steckler and Judge James E. Noland of the Southern Federal District Court of Indiana, a battery of prominent Indiana attorneys and the American Fletcher National Bank of Indianapolis.

George and Harry think big.

They also take great risks, lose a good bit of the time and keep right on trying.

The hate attorneys, hardly ever drink, and were convicted on five counts of mail fraud a year ago last February.

Other than that, they don't have a whole lot in common.

George Manuel, 47, is from Dayton.

He speculates in real estate and flies all over the world trying to put together multi-million dollar loans.

He has a Western Union Teletype machine in his house so he won't miss any money-making messages, and at one time had his Fleetwood Cadillac equipped with a mobile telephone so he could always keep in touch.

But all in all, George Manuel says he made more money as a plumber.

Besides that, he doesn't look like a financier.

Or to use the words of one of his detractors: "When he's just sitting there doing nothing, George Manual looks like he's stealing something."

Harry R. Fawcett, 67, is from Kokomo, Ind.

With the exception of a few business ventures, he has been a farmer most of his life.

He is opinionated, strong-willed, and stubborn.

He dislikes hippies, Democrats, and faint-hearted Americans.

If you're not for him, you're against him.

He apparently did well in running a ready-mix concrete business, but in January, 1967—when he became president-trustee of the American National and Republic National real estate investment trusts—perhaps he went too far.

"I found everything a mess," he says, "even belatedly discovering that the certified audit was 'incorrect.'

"I soon found out that while I had the ability to manage the physical assets of the trusts and did bring about a marked improvement in the properties and their income, I was completely out of my depth when it came to coping with the horde of legal sharks that were constantly attacking the trusts hoping to gain control of the better than $10 million worth of assets and bleed them for legal fees."

But if it was the matter of playing king of a $10 million mountain, Harry didn't stay there very long.

He was shoved off a year and a month later, and ever since then he has been bitter about it and making noise about it.

And George has joined him in the noise-making.

"I'm not trying to tell you I'm any Moses," George says, "But compared to those 'honorable men' I was a babe in the woods."

They are alluding to "The Bankruptcy Ring" and they write it that way—in capital letters.

They say "The Ring" includes a group of attorneys in Indianapolis who seek out foundering businesses, find their weaknesses, and then force them into federal bankruptcy court where the company assets are plundered through fees to the court-appointed trustee, fees to the court-appointed attorneys for the trustee, and fees for all other court-appointed helpers.

All this is going on, they say, with the full knowledge and cooperation of the two U.S. senators from Indiana, many of the other big names of the Democratic party, and the federal judiciary.

Both George and Harry claim the reason they were indicted on 30 counts of mail fraud—and eventually convicted on five of those counts—was due to pressure applied from the powers that be to make them shut up.

Their antagonists have repeatedly pointed out that George and Harry are convicted felons, and therefore their charges cannot be taken seriously.

But the truth is that regardless of their convictions, George and Harry were making charges about "The Brankruptcy Ring" long before they were indicted.

They continued to make those charges after they were indicted and they haven't changed their story since they were convicted.

George admits that he has done things he ought not have done.

And Harry says he may have made serious errors in judgment.

But they say that regardless of any wrongs they may have committed, their convictions are being used to absolve others of even greater wrongs.

George and Harry say all they want is a full investigation, for—after all—they have nothing left to hide.

[From the Dayton (Ohio) Journal Herald, Apr. 13, 1972]

BAYH'S FRIENDS CONTROL BANKRUPTCY

(By Keith McKnight and Andrew Alexander)

In 1968, Birch E. Bayh Jr. faced a difficult and expensive Indiana campaign to retain his U.S. Senate seat. That same year, two investment trusts were forced into bankruptcy court in Indianapolis and Bayh fundraisers were placed in charge of the assets.

The trusts are still in that court, and there has been no certified audit of the books.

The judge in charge of the case is a former Democratic congressman and Bayh-sponsored judicial nominee.

The court appointed receiver and trustee was chairman of a Bayh fund-raising committee even before Bayh announced he would seek re-election.

The court-appointed property manager for all trust properties also was a Bayh fundraiser, and was known to an Indianapolis reporter covering the election as Bayh's "financial campaign manager."

An attorney who was employed by the trusts until they were forced into bankruptcy court was a former Bayh speech writer.

And in the first allowance for trustee and attorney fees, the judge exceeded the recommendations of the Securities and Exchange Commission by $20,500.

In the view of the deposed trust president (Harry R. Fawcett of Kokomo, Ind.) and the deposed trust property manager (George Manuel of Dayton), the swarm of Bayh's friends was too overwhelming to be coincidence.

It was not their first bitter experience with friends of the senator.

Less than a year before, they entered into a deal to buy bank stock from a man most Hoosier politicians (except Bayh) often referred to as Bayh's "political godfather."

In that deal, the "godfather" got $50,000.

The trusts got nothing but $50,000 deeper in financial trouble.

Soon after control of the American National and Republic National trusts was taken from them by the court, Fawcett and Manuel began to allege that Bayh was the source of a politician conspiracy to help finance his campaign by seizing and plundering the trusts through bankruptcy reorganization proceedings.

And they still maintain their mail fraud indictment and conviction on five of 30 counts was a threat made good by the authorities because Mandel and Fawcett wouldn't keep quiet about what they call "The Bankruptcy Ring."

"I think it's a hell of a note when a member of the United States Senate can be blackballed (sic) by a couple of guys who have been convicted . . . by a federal jury," Bayh said.

"We sort of have to adhere to the old manure pile philosophy that the more you stir it, the more it smells.

"If you've got something that someone's trying to gnaw on you about that is so discredited—which this thing is, frankly, so discredited—if I come out and deny it, it's sort of like Shakespeare saying 'Thou protesteth too much.'

"But I am damn mad about it," the senator said, "and I figure they got what they deserved and I didn't have anything to do with it."

But whether or not Bayh had anything to do with it, the criminal charges against Fawcett and Manuel grew directly from the bankruptcy proceedings and some of the criminal evidence came from documents gathered from Manuel by direction of the bankruptcy court.

Those bankruptcy proceedings were and are being controlled by Bayh's political friends.

So whether or not Bayh used the bankruptcy vehicle—in an $800,000 campaign which he says ended with a deficit—the vehicle existed and his friends had the keys to it.

Among the Bayh supporters involved in the bankruptcy is Donald L. Fasig.

He is an Indianapolis attorney and a friend of Bayh.

Fasig says that in Bayh's first campaign for the Senate in 1962. "I was his speechwriter and coach . . . and I'm proud of it."

Bayh, however, says:

"Fasig helped with my elocution and I'm grateful for that because I think he was helpful."

Other than that, the senator says, Fasig had "no direct association" with him since 1962.

In that 1962 campaign, Mrs. Judith M. Barger—who seven years later married George Manuel of Dayton—worked as a "Bayh Belle" and served as co-chairman of the Bayh campaign in Madison County.

But unlike Fasig, she is no longer proud of her electioneering.

For in 1967, after dropping out of Indiana politics and becoming a bookkeeper for the trusts, it was on her urging that Fawcett hired her friend Fasig for some legal advice.

She claims that in the first month Fasig worked for the trusts, he approached her privately and asked her to keep him informed on the trust' financial status so he could "control" a bankruptcy if it were imminent.

Mrs. Barger charged this in an affidavit dated Oct. 16, 1968, and filed in lawsuits growing out of the controversy. She swore that Fasig continued to inquire about trust finances, finally telling her flatly "that the bankruptcy was inevitable and he wanted to see that it was handled in a 'friendly' manner."

She also swore that Fasig became aware of some confidential financial data of the trusts after Donald Becker (a man Fasig describes as an Army buddy since 1954) was hired for some trust accounting chores at Fasig's request.

She swore that in January, 1968, she learned that Indianapolis attorney Alan I. Klineman was planning a bankruptcy action against the trusts, and had in his possession trust financial data "which could only have been obtained through confidential sources of the trusts."

She swore that Fasig had subsequently told her, in the presence of three witnesses, "that he had told Mr. Klineman specifically not to do anything damaging to Mr. Manuel or myself, when Mr. Fasig had 'given Mr. Klineman the information for the bankruptcy.'"

Fasig calls the affidavit "scrambled—certainly."

The Journal Herald asked Mr. Fasig what, if anything, Becker had told him about the trust financial secrets. He said: "I merely recommended him. I don't know that he ever told me anything I couldn't have found out myself."

A few minutes later, referring to the trusts' financial troubles, he said: "Naturally we talked about it. We were working on it."

As for conversations with Mrs. Barger on giving information to Klineman and on controlling the bankruptcy, Fasig said they may very well have taken place, but he doesn't remember them and she certainly must have

Fasig says it was known in legal circles that Klineman was representing certificate holders of the trusts who wanted to put the trust into bankruptcy.

"It was obvious to me as a lawyer," he said, "that they were sitting pigeons to be put into bankruptcy."

He said the trusts were already in bad financial shape when Fawcett and Manuel gained control and they simply were unable to save them.

When they lost the trusts, he said, they lost their personal fortunes along with them. He said he could understand why they simply refused to let the blame fall at their own feet and why they had to have someone else to blame.

He said when he saw the trusts' financial picture, he advised both Fawcett and Manuel to take the trusts into bankruptcy voluntarily or they would be taken there involuntarily, but they wouldn't listen.

"When I predicted what would happen—and it did happen—they thought I did it to them," he said. "In fact, I didn't do it to them. I couldn't do it to them."

Fasig at first said he never discussed the trusts with Sen. Bayh. "Birch and I never talked about the bankruptcy," he said. "I don't think I ever talked to Birch about that."

Later, he said he may have talked to Bayh about the trusts, but it would have been only on the basis of a question from Bayh, like: "How's business?"

The judge in the case is James E. Noland, who had been active in Democratic politics from the outset of his career.

At 28, the same year he graduated from Indiana University law school and joined the Indiana bar, he was elected to Congress.

Although his career in the House of Representatives was short—he lost two years later in the 1950 elections—he has continued in various political positions.

In 1966, after seven years as both Indiana state election commissioner and secretary of the Democratic State Central Committee, Noland was appointed U.S. District Court Judge at Indianapolis.

According to Bayh, Noland was the one man he and Sen. R. Vance Hartke could agree on, and there was no opposition.

Two years later, when Bayh was facing a re-election campaign, the involuntary bankruptcy reorganization of the two multimillion dollar trusts was placed in Judge Noland's court.

Six days after acquiring the matter, Judge Noland appointed John I. Bradshaw Jr. as receiver of all assets of the two trusts.

Bradshaw is a very close friend and supporter of Sen. Bayh.

He is an Indianapolis attorney in the law firm of McHale, Cook & Welch, which includes W. Rudolph Steckler, son of the federal district court Chief Judge William E. Steckler, Noland's colleague.

Judge Steckler drew the first case (American National Trust) but transferred it to Noland after Noland "drew" the second case (Republic National Trust).

Another Bayh backer, Frank M. McHale of McHale, Cook & Welch, is a long-time force in Indiana Democratic politics and a former Democratic National Committeeman.

The month after Judge Noland appointed Bradshaw receiver of the trusts, both Bradshaw and McHale were central figures at a kickoff luncheon to raise funds for Sen. Bayh's still unannounced re-election campaign.

According to news accounts:

"McHale said Bayh's victory is needed to strengthen the chances of the entire ticket this November. He described Bayh as a candidate 'with staying power' and one who can advance to further heights if re-elected."

In the same article, Bradshaw was identified as "chairman of the fund-raising committee" to collect $25,000 for Bayh's campaign.

Another Bayh friend and worker was Thomas A. Moynahan.

He also got a chunk of the reorganization duties for the trusts.

Bradshaw had been receiver for seven days when he petitioned Judge Noland's court to appoint T. A. Moynahan Properties Inc., as property manager for all trust properties.

Judge Noland approved.

Moynahan was apparently one of Bayh's early boosters. According to the news accounts of the kickoff luncheon, Moynahan was among a dozen "other Democrats named to the committee to assist Bayh's campaign . . ."

A reporter covering the campaign for the Indianapolis Star identified Moynahan as "financial campaign manager."

Moynahan denies playing that role.

But regradless of titles, Bradshaw and Moynahan were known to other Indiana politicians as Bayh fund-raisers, both are listed as contributors to his campaign, and both were among sponsors of a $100-a-couple, fund-raising event to erase the campaign debt more than a year after the race was won.

Since mid-1968, Bradshaw has been formally appointed by Judge Noland as "trustee in reorganization" and since that time has been virtually a full-time employe of the trusts at trust expense with fees set by Judge Noland.

The same arrangement applies to Alan I. Klineman—the attorney who petitioned the court for the reorganization on behalf of shareholders he didn't know. He then was appointed attorney for the receiver and then was appointed attorney for the trustee.

Later he dropped his representation of the shareholders he originally was representing.

A January, 1970 decision by the 7th Circuit Court of Appeals referred to fees Judge Noland had allowed the trustee and his attorneys.

The Securities and Exchange Commission had recommended an allowance of $15,000 for Bradshaw, but Judge Noland awarded him $24,000.

Similarly, the SEC had recommended the attorneys for the trustee get $20,000, but the judge allowed $31,500.

The higher court said: "The generous allowance of fees by the Court is shown by the fact that the allowance made by the Court exceeded the SEC recommendations by the sum of $20,500. The District Court should and undoubtedly will take into consideration the generous amounts of the allowances heretofore made, at the time when the Court fixes the amounts of the final fees."

Bradshaw estimated in September of last year that the reorganization probably will take another year.

Judge Noland refused to be interviewed.

In the election year, 1968, Mrs. Judith M. Barger was no longer in politics, no longer a "Bayh-Belle."

She was a divorcee with four children, living in a 10-room home on N. Meridan Street—a house that was owned by the trusts and in the shadow of the trusts' prized possession, a 20-story luxury apartment building called Summit House.

Her association with the trusts had been ended since the bankruptcy began in mid-February, and the new management had since asked her to get out of the house at 3825 N. Meridian.

She claims she was evicted to make way for Bayh's campaign workers, who would use the facilities of both the house and the half-occupied high-rise.

According to Bradshaw and Moynahan, that is nonsense.

Moynahan—the court-appointed property manager for the trusts—says Mrs. Barger was not paying rent and refused to pay after being asked to do so. As a result she was evicted for nonpayment.

Moynahan says Mrs. Barger never paid rent on the house.

However, Mrs. Barger (now Mrs. Manuel) has given The Journal Herald two canceled checks which are specified on their faces as rent payments on the house for the months of March, April and May of 1968.

The checks, dated April 1, 1968 (for $250), and May 13 (for $125) are stamped on the reverse as received by Moynahan Properties Inc.

Mrs. Barger was evicted in May, 1968, and the man who moved into the house—and according to Bradshaw, doubled the payments—was Robert J. Keefe, administrative assistant to Sen. Birch E. Bayh Jr.

Keefe, who served Bayh as campaign manager, lived there throughout the campaign. After Keefe's wife and children returned to Washington that September, Bradshaw says a group of campaign workers moved in with Keefe and shared the premises.

Sen. Bayh says the bankruptcy of American National and Republic National trusts had nothing to do with his reelection campaign.

But his financial supporters did have control over those trusts since before the campaign, there have been no certified audits to prove the trust investors' money is where it should be, the sources of a sizable portion of the senator's campaign funds are still unaccounted for, and there are discrepancies in the official reports of campaign income.

[From the Dayton (Ohio) Journal Herald, Apr. 14, 1972]

CRITIC OFFERED DEAL TO "FORGET" BAYH

(By Keith McKnight and Andrew Alexander)

In 1970 when Birch E. Bayh Jr. was fanning the fires of controversy around Supreme Court nominee G. Harold Carswell, the senator's top aide was in Chicago trying to muzzle rumors of a potential judicial scandal in Bayh's home territory.

It involved talk about the senator's ties with an alleged "bankruptcy ring" operating in the federal courts at Indianapolis.

Sherman H. Skolnick—head of a Chicago group called the Citizens Committee to Clean Up the Courts—had begun poking around the edges of the story.

So Robert J. Keefe, Bayh's administrative assistant, offered Skolnick damaging information he could use against Judge Carswell, if he would forget about the "bankruptcy ring" in Indiana.

Skolnick says in a court petition that all this took place in an April, 1970, meeting at the Little Corporal Restaurant in downtown Chicago.

Keefe disputes Skolnick's account.

Keefe says there was a meeting in the Little Corporal Restaurant, but it was not in April; it was in February.

Keefe says he met with Skolnick and two other members of his committee to find out about accusations which had connected Bayh with the Indianapolis bankruptcy matters.

He says the timing is crucial, because in February, Bayh was just beginning to look at the Carswell nomination.

"We had nothing to deal on," Keefe claims.

Skolnick claims a "deal" was offered, but Keefe says: "There is no truth in that!"

Skolnick, however, brought along a witness.

The witness, who has up to now remained anonymous, was Charles Nicodemus, the political editor of the Chicago Daily News.

Nicodemus was introduced to Keefe only as an "associate," Skolnick says. Nicodemus supports Skolnick's account this way:

"While in effect to any sophisticate it's obvious what was being said, nonetheless, Keefe didn't say flat out: 'Look, you drop that and I'll give you stuff on Carswell.'

"What he said was: 'Bayh isn't guilty of any improper involvement in this, and since he isn't, you could more profitably spend your time not on Bayh, but going after someone like Carswell, and if you are interested in going after Carswell—putting your time in on that—I'd be happy to provide you with information that would help you do it.'"

Nicodemus further explained:

". . . it clearly had all the elements of a proposed deal.

"I merely want to emphasize for the purposes of accuracy, that it wasn't explicity couched in simple, blatant, quid pro quo terms.

"It was a little bit more subtle than that," he said, "but that was the clear intent."

The Chicago meeting, it appears, was the result of a long chain of events which began in Dayton on Oct. 8, 1969, at 41 Cedarlawn Drive.

That's the home of George Manuel, the former property manager for two Indiana investment trusts Bayh's political friends have been reorganizing in bankruptcy court at Indianapolis since Bayh's re-election in 1968.

Manuel and the deposed trust president (Harry R. Fawcett of Kokomo, Ind.) almost immediately began attacking the handling of the matter. Manuel charged in court suits that the trusts were not insolvent, but were forced into bankruptcy under which the court was allowing them to be milked for political interests—principally Bayh's.

But on Oct. 8, 1969, when Manuel read a news article about Bayh attacking the judicial ethics of Supreme Court nominee Clement F. Haynsworth Jr., he got angry.

Because Manuel conducts much of his "money finding" business by wire, he has in his basement a Telex—a machine which sends and receives messages in a worldwide Western Union communications network.

Manuel made use of it that day by hammering out a message to Louisiana Sen. Russell B. Long—a man he figured was a political enemy of Bayh.

The message said:

"We have actual information regarding Senator Birch Bayh of Indiana which will place in doubt his ability to question the integrity of the proposed Supreme Court justice or any other nominee for appointment. We have facts which may be verified in Indianapolis, Indiana, by us and other interested and informed parties. You or any authorized representative of your office may contact us by telephone, Telex or letter if you are interested."

The Telex was signed by Mr. and Mrs. George Manuel.

Identical messages also were sent to a few other senators.

There was an immediate response.

According to Mrs. Manuel, she received a call from a Joseph M. Rees who claimed to be Sen. Long's administrative assistant.

Rees asked her to mail all the information she had about Bayh to Rees' Washington home to avoid intercepting at the Senate Office Building.

She says Rees called a second time acknowledging receipt of the information and cautioning her not to discuss the matter with anyone else.

But on Oct. 16, when she called Long's office to talk to Rees, she discovered Rees wasn't Long's administrative assistant. He was an aide to Sen. Bayh.

And if the fight wasn't on before, it sure was then.

Furious at being "snookered" by the United States Senate, Manuel called the White House.

There he was put in contact with Clark R. Mollenhoff, then special counsel to the President.

And much to Manuel's surprise and delight, Mollenhoff asked the Manuels to come to the White House and explain their story in detail.

As a result of that meeting, Manuel was put in contact with members of the Senate Ethics Committee including Sens. John C. Stennis of Mississippi (chairman), Wallace F. Bennett of Utah (vice chairman) and John J. Williams of Delaware, known as "the conscience of the Senate."

But the end result was the same: Nothing.

A brief inquiry revealed that the Telex message had not been intercepted, but was turned over to Bayh's office by Sen. Long's office.

Such actions, Manuel learned, are not considered unethical when a fellow member of the Senate is under fire.

It is called "senatorial courtesy."

As for Joseph M. Rees, he admits he called Mrs. Manuel, admits he asked her to send the material to his home address, and admits he shouldn't have done it.

He admits it was all a little devious, but he denies that he posed as Sen. Long's administrative assistant.

"I just said that 'This is Joe Rees and I'm calling you about the telegram you sent to Sen. Long,'" Rees recalls.

Bayh reviewed the situation this way:

"When I found out about it, I suggested that kind of antics is the kind of 'big brotherism' that I don't condone.

"But it did take place. I don't apologize for it. I would not have that happen again," the senator said, "and I don't think it will."

Rees recalls "I was chewed on rather heavily by the senator.

But he insists nobody else had a part in his actions, that he was a young man who had been on the senator's staff for only nine months, and "I was trying to protect my boss (the senator)—I thought I was doing right."

And so how did this young, relatively new, inexperienced staff member come into possession of the Telex message?

Robert E. Hunter, Sen. Long's administrative assistant, sent it to him, Rees says.

Rees was asked why Sen. Long's administrative assistant would send it to him rather than to Sen. Bayh's administrative assistant.

"Well, I know him," he said. "I know Bob."

However, when Hunter was asked why he sent the Telex to Joseph Rees, he said:

'I don't even know Mr. Rees. If we got it . . . it would automatically go to the senator. I assume that's what happened. I don't even know Mr. Rees."

Willard Edwards, Washington correspondent for the Chicago Tribune interviewed Rees in late October, 1969, and recalls being warned that Manuel was in some kind of trouble and soon would be indicted. Less than a week later, the warning came true.

Edwards didn't ask how a Bayh aide would have information about an upcoming criminal indictment.

"I thought . . . it was an attempt to cover it up or get me not to write the story," Edwards said.

Meanwhile, Harry R. Fawcett, the former trust president, continued to flail away at the lawyers, judges and politicians, in his wide-ranging charges which are frequently laced with such terms as: thief, crook, racketeer and parasite.

As far back as April, 1968, Fawcett was attacking the propriety of the proceedings, claiming the trusts were being railroaded.

And on July 19, 1969, he signed a notarized statement which said "the bankruptcy racketeers in Indianapolis federal courts have persecuted me, have threatened my life, and have threatened to have me indicted if I don't shut up."

That was long before Manuel fired off the Telex message to the Senate, and long before he protested the results to the White House.

On Oct. 31, 1969, Fawcett, Manuel and a third man were indicted on 30 counts of mail fraud.

At their arraignment on Nov. 24, before Chief Judge William E. Steckler in Federal Court at Indianapolis, Manuel and Fawcett claim to have seen either a copy or the original of the Telex message Manuel had sent to Sen. Long and which had been forwarded to Sen. Bayh.

They said it was in the hands of Robert B. Keene, the assistant U.S. district attorney. They said they were furious that this private communication had ended up in the hands of the prosecution in a criminal case.

But despite a vigorous courtroom pursuit by Manuel, the assistant district attorney would neither confirm nor deny that he had the message.

More recently, Keene told The Journal Herald that, as best he could recall, he had not had the telegram or a copy of it.

He was asked why he didn't say so at the time and prevent all the ensuing controversy.

"Well, frankly, I don't prefer to discuss it with you right now," Kenne said.

But even as these courtroom battles still were brewing in Indianapolis, Manuel had kept in touch with Mollenhoff at the White House, and Mollenhoff had steered him to Sherman H. Skolnick in Chicago.

Skolnick—a polio victim who does battle with judges and lawyers from his wheelchair—has had considerable success in his crusade against judicial corruption.

He was instrumental in dethroning the chief justice and an associate justice of the Illinois Supreme Court in 1969. When Fawcett and Manuel outlined their charges against the Indianapolis courts in that same year, Skolnick took an immediate interest.

Sen. Bayh—who strongly denies any knowledge of, or involvement with, a bankruptcy conspiracy in Indianapolis—says he is the victim of a conspiracy, not Fawcett and Manuel.

"I don't like being smeared," the senator said, "and it was obvious to me what they were trying to do . . .

"Information leads us to believe very strongly that somebody down at the White House sent this Manuel character all over the country, and stimulated telegrams from Mrs. Manuel to certain key members of the Senate Judiciary Committee.

"This just doesn't happen accidentially, you know."

And according to Bayh, "it became more vigorous at the time—not by coincidence—of the Haynsworth battle."

That theory, advanced by the senator in an interview last September, was not a new stand.

On Dec. 19, 1969, soon after his first phone conversation with Skolnick, Bayh's chief aide (Keefe) presented the theory in a letter to Skolnick.

Keefe wrote:

"There is no evidence that I can present to prove a political hatchet job is being done on my boss, Senator Bayh.

"Circumstances would make any prudent man be concerned that such is the case, however. Clark Mollenhoff, deputy counsel to the President, on several occasions suggested that it wasn't Judge Haynsworth who should be investigated, but Birch Bayh. At that time during the Haynsworth nomination, several reporters made inquiries of our office concerning allegations of impropriety concerning the trust. The source of the "rumors" that these reporters were checking out was invariably Mr. Mollenhoff or one of his associates."

Also enclosed in the letter to Skolnick was a copy of the 30-count mail fraud indictment against Manuel and Fawcett, a copy of a letter Mrs. Manuel had written to Life magazine in an attempt to spur an investigation, and information about a forgery conviction against Manuel which Keefe said he obtained through the U.S. attorney's office at Indianapolis.

Keefe closed the letter saying: "I hope to have the chance to meet you personally in the future."

In a few months he did. And Skolnick says it was to offer a deal to get Sen. Bayh off a hook.

BANK STOCK DEAL COST TRUSTS $50,000

(By Keith McKnight and Andrew Alexander)

Harry R. Fawcett and George Manuel, former officials of the American National and Republic National trusts, have been in various disputes with Sen. Birch Bayh and his friends.

The first of these dates to the year before the trusts were forced into bankruptcy.

In that year, 1967, Fawcett, of Kokomo, Ind., and Manuel, of Dayton, attempted to acquire controlling interest in the State Bank of Whiting, Ind., as an investment for American National Trust.

The man they were dealing through was Indianapolis industrialist Miklos Sperling—a man widely regarded as Birch Bayh's "political godfather."

Fawcett claims Sperling approached him and offered to sell the bank stock he and a few other persons held.

According to Fawcett, Sperling asked for a $50,000 deposit on the deal which would be refunded if Sperling couldn't get a $1.1-million loan for the trust which it needed to complete the purchase.

But Fawcett says that when he asked Sperling for a written agreement, "Miklos went into one of his finger-punching, hand-waving, listen-to-me acts," saying he was rich, he didn't need Fawcett's measly $50,000 his word was good and the money would be refunded if Sperling couldn't get the loan for the trust.

So Fawcett—who says he had a tough time scraping the $50,000 together—gave Sperling a check for $15,000 for which Sperling signed a receipt on his "Merz Engineering Co." stationery, noting on the receipt that the amount was for a deposit.

A short while later, Fawcett says, he supplied the remaining $35,000 to Sperling as agreed.

But Sperling didn't get the loan for the trust, the deal fell through, and Sperling's group kept the $50,000, saying it was not a refundable "deposit," but rather was nonrefundable "earnest money."

What Sperling's attorney claims is that the original contract for the bank stock purchase is an uncomplicated two-paragraph, typewritten note on a plain sheet of paper with the signatures of Harry R. Fawcett and Miklos Sperling at the bottom.

Fawcett has sworn in an affidavit for The Journal Herald that he never signed the document.

The alleged contract is dated five days after Sperling signed the receipt for the $15,000 check and refers to only one check: "Earnest money check, non-refundable, in the sum of $50,000. . . ."

Obviously the truth is a long way from being known in the matter, but the fact remains that less than a year before it was forced into bankruptcy court, the American National Trust paid $50,000 to Bayh's "political godfather" and got nothing in return.

Furthermore, since that time, the Sperling group has filed a claim against the trust for an additional $111,175, alleging that the subsequent sale of the bank stock failed to yield as much as it would have if the original deal had gone through.

And the man in charge of defending the trusts against the claim of the senator's "political godfarther" is the senator's fundraising friend, John I. Bradshaw Jr.

In December, 1970, when Chicago-based court reformer Sherman H. Skolnick filed a suit in Indianapolis Federal Court raising questions about whether the $50,000 was funneled into Bayh's campaign coffers, Bradshaw obtained an affidavit from Sperling's lawyer which stated that none of the money went to Sperling or Bayh.

The lawyer who swore to this was Jerome S. Morris of Chicago, one of the stockholders in the group.

Morris then was facing charges in a federal court suit in Chicago which alleged that he, his lending firm (The Virginia Corporation), and 10 other persons forced a suburban savings and loan association into bankruptcy by defaulting on fraudulently procured loans.

The Federal Savings and Loan Insurance

Corp.—an arm of the government which insures deposits in savings associations—brought the suit, seeking to recover $14 million the FSLIC was forced to repay depositors.

The jury ruled against Morris, and judgments totaling $150,000 were entered against him and the others. He has appealed.

Earlier in 1970, Morris was dropped from a federal criminal indictment growing out of the same case when his attorney became ill.

His two co-defendants were convicted and received prison terms.

Miklos Sperling, Bayh's filamboyant contributor who kept popping up where favors and finances stirred controversy in the senator's career, died last Nov. 17 in his Miami Beach apartment before a Journal Herald interview could be arranged.

Sperling, whose interests remain a bit of a mystery, seemed to be frequently near—but not a part of—the notorious Teamsters Union Pension Fund.

An example is the Hunting Creek controversy.

That began in 1964 when real estate developers sought federal approval to fill in a portion of the Potomac River adjacent to a tract in Virginia half way between Washington and Mount Vernon, for construction of high-rise apartments.

But protests from "preserve the Potomac" factions aroused the attention of three congressmen who announced staunch opposition to the project.

In addition to that, the Department of Interior formally advised the Army Corps of Engineers against approval of the landfill permit.

Three years later, unexpectedly, the Dept. of Interior changed its mind and voided its objections to the permit—a permit which, for no discernible reason, had not been withdrawn.

Six months later—after considerable heat from the three congressmen—the Interior Dept. again reversed itself to its earlier reversal which had reversed its earlier reversal, and then promptly reversed that reversal.

That all meant that again the Interior Dept. had no objection to the landfill.

Subsequent House subcommittee hearings on the matter revealed that the man putting pressure on the Interior Department had been Indiana Sen. Birch E. Bayh Jr., who had called personally. In addition, Sen. Henry M. Jackson, chairman of the Senate Interior Committee—which appropriates the Interior Dept's money—called to inquire about the status of the permit. Jackson said he was calling on behalf of Bayh.

Interior Undersecretary David Black told the subcommittee that the only member of Congress who indicated he was in favor of it was Sen. Birch Bayh."

Joseph Sax, who gave a detailed account of the incident in the February, 1971, issue of Esquire magazine, said inquiries to Bayh's office were answered by the senator's assistant, Robert J. Keefe.

"According to Keefe," the article says, "the senator first became acquainted with the Hunting Creek controversy in the late spring of 1967.

"Bayh was in Indianapolis, and an acquaintance by the name of Mike Sperling asked him to look into the Hunting Creek matter as a courtesy to a friend of Sperling's.

"The friend of Sperling's was none other than John Schwartz of Columbus, O. . ."

Schwartz, also now deceased, was a mysterious link between the Teamsters Union Pension Fund and Omar Bakeries, which was acquired by the Teamsters fund.

Schwartz was also the man, representing Omar and the Teamsters, who accepted Sperling's monthly check for $1,500 for rent on one of the bakery facilities in Indianapolis.

Sax's article claims Schwartz also testified at an Army Corps of Engineers hearing in the controversy, that " 'I own an important part of the land under question here,' " yet the developer of the land (Howard P. Hoffman Associates of New York City) claimed that nobody outside his family owned an interest in his corporation and he alone owned the contract to purchase the land from the Teamsters Union Pension Fund.

Bayh and Keefe both confirmed for The Journal Herald that their involvement in the controversy had been at the request of Sperling on behalf of his friend Schwartz.

However, the Indianapolis Star reported Sperling as saying just the opposite—he denied asking Bayh to intervene in Schwartz behalf.

There are other Bayh-Sperling controversies, too—though not quite as involved as the Hunting Creek apartments.

Bayh hadn't been in the Senate a year before the Indianapolis News reported that Robert V. Hinshaw, a purchasing agent for Sperling's Merz Engineering Co., was also on Bayh's payroll at $2,500 a year.

Keefe again was there to explain.

He was reported as saying Hinshaw had indeed been "doing a little moonlighting for us" and that Bayh believed there was no conflict with Hinshaw's private employment.

Sperling agreed.

Hinshaw moved on to become head of the Small Business Administration in Indiana and held that position until last summer.

Then there was a Miami hotel bill controversy.

In an article published in April, 1970, syndicated Washington columnist Jack Anderson reported that in every year since his election to the Senate, Bayh and his family had enjoyed a free winter vacation in one of the best Miami hotels.

According to Anderson, a $13-million mortgage on the hotel was held by the Teamsters Union Pension Fund and the senator's personal bills were picked up by Miklos Sperling.

Bayh, who did not dispute the facts of the article, said he knew nothing of the Teamsters interest in the hotel.

[From the Dayton (Ohio) Journal Herald, Apr. 15, 1972]

HARTKE INFLUENCE BID CLAIMED

(By Keith McKnight and Andrew Alexander)

An office for Indiana Sen. R. Vance Hartke was equipped with furniture by a Dayton man, who says he did it in an attempt to buy his way off the witness stand in an Indianapolis federal court.

The Dayton man—George Manuel of 41 Cedarlawn Drive—says in a suit filed in Washington, D.C.—that the furniture was only part of the payment he made in response to an influence-peddling deal offered by Hartke's chief aide.

The presiding judge in Indianapolis—James E. Noland—was the Democratic appointee agreed upon for the federal judgeship two years earlier by Hartke and his fellow senator Birch E. Bayh, Jr.

The man who says he moved the furniture into Hartke's office at Manuel's request has sworn in an affidavit provided for The Journal Herald that the move took place, and that the man who unlocked the office and told him where to place the furniture identified himself as Jack LeRoy.

Jacques H. LeRoy is Hartke's administrative assistant and the man from whom Manuel says he received the offer.

Repeated attempts by The Journal Herald to interview the senator have been rejected by his office.

LeRoy says he doesn't want to talk about it either.

Judge Noland says he will let the record speak for itself.

This incident arose from the controversial American National and Republic National trusts—two Indiana real estate investment groups forced into an Indianapolis bankruptcy court in February, 1968.

Manuel served as the trust's property manager through a company he called Keystone Management.

But when the trusts went to court, the company was wiped out and Manuel was on the hot seat in the court even bfeore petitions for the bankruptcy were approved by the court.

According to Manuel, he was compelled to testify in hearings held at intervals over a period of months.

Judith M. Barger, a divorcee who had served as office manager of Manuel's Keystone Management Company (and later married Manuel) claims LeRoy (whom she once had dated) contacted her during a recess of the hearings.

She says in an affidavit filed in the resulting suit that he observed that Manuel was "certainly getting 'the business'," and offered Sen. Hartke's influence—for a price—in getting Manuel off the stand.

Mrs. Barger relayed the message to Manuel and Manuel accepted the terms, they swear.

Manuel claims in his suit that he delivered all the "pro quid" for the arrangement but when everything was ready and an attorney was about to make the call to Judge Noland, the attorney added an item to the deal—$1,000 in cash—and because Manuel didn't have the money, the deal fell through.

Subsequently, Manuel not only reported making such a deal, he flew to Washington and filed suit in federal court against Hartke and LeRoy for return of the alleged "pro quid."

The "pro quid" as outlined by Manuel in the suit was (1) $750 in cash for Hartke's expenses: (2) "the complete control and use of Mr. Manuel's Fleetwood Cadillac with a mobile phone;" and (3) office furniture and equipment for Hartke's new Indianapolis office in the Essex House which the General Services Administration said it could not equip for 30 to 90 days.

Manuel said LeRoy also expressed an interest in the Summit House—a high-rise luxury apartment building in Indianapolis which was the trusts' prized possession.

He claimed LeRoy wanted him to do what he could "to facilitate the transfer on a court-approved sale of the Summit House to Miklos Sperling."

Sperling, who died last November, was a well-known Indianapolis industrialist-millionaire who contributed heavily to Democratic coffers, including Hartke's, and was widely regarded as Sen. Bayh's "political godfather."

According to Manuel's suit, LeRoy withdrew the fourth request when Manuel explained that he no longer held any power over trust business.

As for the furnishings for Hartke's office, Manuel listed: "three formica-covered desks, three leather office chairs, one leather office lounge, two small tables, three desk lites, three desk pads, one Underwood electric typewriter, one Victor ten-key calculator."

An Indianapolis man who Manuel claimed to have instructed to move the furniture was questioned at length by The Journal Herald.

Following the interview, the man, Charles J. Bowman, swore in an affidavit that Manuel asked him—in May or June of 1968—to move "certain desks, chairs, and other office equipment from Keystone Management to the offices of Sen. Hartke located in the Essex House.

He said he was accompanied by his 18-year-old daughter, the process took about an hour and a half, and a man who identified himself as LeRoy was there to meet him.

Manuel's suit goes on to say that once the cash, Cadillac and furniture were delivered, LeRoy called Mrs. Barger and told her and Manuel to see Indianapolis attorney James L. Tuohy, who would call the judge and carry out the arrangements of the deal.

But Manuel says that when he and Mrs. Barger met with Tuohy, the attorney wanted another $1,000, saying he didn't work for nothing—even for Sen. Hartke.

Manuel says he objected to the additional $1,000 which he didn't have—and called LeRoy to protest and was ever after unable to contact either LeRoy or Hartke.

Manuel says the hearings then continued "and the adverse fact that Mr. Manuel had been indicted for three counts of forgery a number of years back in Montgomery County, Ohio, was fully developed, but no record of the somewhat favorable disposition of the case was allowed to go into the record."

(Manuel pleaded no contest to the offenses, was placed on probation on condition he repay all the money he allegedly obtained improperly.)

The suit continues:

"This unfavorable news received a good play in the Indianapolis newspapers and an almost immediate telephone call from Senator Hartke's office requested the removal of Mr. Manuel's office furniture from Senator Hartke's Essex House office, and Mr. Manuel was told where he could pick up his Fleetwood Cadillac.

"No mention was made of returning the $750 cash," Manuel added.

Manuel says the car was left in the Essex House garage.

Tuohy scoffs at the charge that he was part of the alleged deal, and denies requesting $1,000 from Manuel or Mrs. Barger although he admits meeting them both and says Judge Noland is a personal friend.

He said the two were trying to retain him as counsel in the bankruptcy matter and because they already were adequately represented by attorney James E. Dowling, he (Tuohy) refused to get involved.

Tuohy, after Manuel had filed his suit in Washington, appeared as one of three attorneys for Sen. Hartke in a rather crucial case.

That case involved Hartke's attempt to block a state election recount of votes cast in his 1970 re-election over Richard L. Roudebush, Indiana Republican congressman.

Hartke won by only 4,383 votes out of the 1,737,797 votes cast.

Attorneys for Roudebush asked for and got a state court order for a recount. But Hartke's attorneys filed a petition in U.S. District Court. Judge E. Hugh Dillin, an appointee sponsored by Hartke in 1961, issued a restraining order across the orders of the state courts.

A three-judge panel was convened and Dillin was joined by Chief Judge William E. Steckler (a Democrat) and Circuit Court Judge John P. Stevens (Republican).

Steckler and Dillin found the state recount unconstitutional, saying the courts had no right to intervene in something which was clearly the business of the U.S. Senate.

Judge Stevens dissented, saying the restraining order was improvident, Hartke's complaint should be dismissed, and there was no information to indicate "the Indiana judiciary is not perfectly capable of handling Indiana litigation without assistance or interference from a federal court."

Judge Stevens wrote:

"Regardless of whether or not we agree with the Indiana trial court's construction of Indiana law. . . we still must decide whether a federal court should enjoin a recount of votes cast for the office of United States senator pursuant to state election laws. No federal court has ever done so before."

Tuohy served as co-counsel for Hartke, along with John J. Dillon, former democratic Indiana attorney general.

In February, 1972, the Supreme Court, by a 5–2 decision, overturned the Steckler-Dillin decision, saying a recount would not interfere with the Senate's right to judge its members.

Justice Potter Stewart, announcing the decision, said "it would be no more than speculation to assume that the Indiana recount procedure would impair such an independent evaluation by the Senate."

Justices William O. Douglas and William J. Brennan Jr. dissented.

Sen. Hartke has been involved in several other controversies in which it has been alleged he misuses his influence as a senator.

In 1969 it was learned that Hartke received a contribution of about $30,000 from Spiegel Inc. of Chicago—one of the largest mail-order businesses in the nation—to help his first re-election campaign in 1964.

After being re-elected, Hartke quit the District of Columbia Affairs Committee and requested and was named to the Senate's Postal Committee.

There he became Democratic champion of the battle to hold down third-class postal rates—a cause dear to the heart and pocketbook of the Spiegel mail-order house, Hartke's $30,000 benefactor.

When the information was unearthed late in 1969, the Indianapolis Star reported: "Hartke declared he was 'thunderstruck' at learning his name was connected with the Spiegel contributions."

However, his former administrative assistant, Mace Broide, who was campaign manager for the 1954 race, recalled that Spiegel probably did contribute—although he didn't know how much—to finance a committee operated in the District of Columbia for Hartke, according to the Star report.

Shortly before the Spiegel contribution was reported, Maryland's former Democratic senator, Daniel B. Brewster, was indicted (December, 1969) along with Spiegel Inc. and a Spiegel lobbyist, Cyrus T. Anderson, on bribery charges.

According to the indictment, Spiegel attempted to buy Brewster's vote with $24,500 funneled through a dummy District of Columbia committee, called "the D.C. Committee for Maryland Education."

The indictment still is pending in the federal court at Washington.

Neil Sheehan, New York Times reporter, reported in March, 1970, that Hartke was a suspect in a federal investigation.

"The inquiry into Hartke," Sheehan wrote, "is part of a general investigation that the Justice Dept. is conducting into the clandestine channeling of corporate funds to senators and representatives through dummy District of Columbia campaign committees . . .

"The entire structure of such committees usually consists of simply a bank account in the committee's name and a member of the legislator's staff who manages the account. Campaign finance laws do not require that the existence of such committees be publicly declared."

Sheehan reported that "in the opinion of some attorneys familiar with the Federal Corrupt Practices Act, the $30,000 contribution was illegal because the money was corporate funds paid with company checks. The law forbids corporations to make 'a contribution or expenditure in connection with any election to any political office' on the federal level."

He then noted, however, that authorities couldn't seek an indictment against Hartke on such charges or on bribery charges because the five-year statute of limitations had run out.

According to the Indianapolis Star, when the matter first arose in December, 1969, both Broide and his successor, LeRoy, said they didn't know how much money Spiegel gave Hartke.

Broide sent their reporter to LeRoy, and LeRoy sent the reporter back to Broide who then said he had no records of the District of Columbia "Citizens for Hartke" committee, the Star reported.

There was another incident involving the Senator.

In April, 1969, Dan Thomasson of the Scripps-Howard newspapers, reported.

"During the last few days of the Johnson Administration, then-Interior Secretary Stewart L. Udall quietly granted a big oil import allocation to a newly formed company headed by a man who is a close friend and political ally of Sen. Vance Hartke . . . and against whom the Small Business Administration says it has a $196,000 judgment on two defaulted SBA loans.

"The Nixon Administration is now reviewing Udall's last-minute action, which includes a 95,000-barrels-a-day allocation of residual fuel oil imports to Guardian Oil Refinery Corporation of Kokomo, Ind.

"Its president is Claude O. Turner, a one-time Democrat primary candidate for mayor of Hartke's hometown of Evansville."

The report also claimed that another Interior official besides Udall approved the deal: then-oil import administrator Elmer L. Hoehn, an Indiana oilman and formerly the Democratic chairman for Indiana's 8th District, which includes Evansville.

Later that year, the Indianapolis Star revealed that Mace Broide had taken out a $2,500 loan from the Union Bank & Trust Co. in Kokomo, while working as Hartke's administrative assistant.

The president of the bank, Robert A. Morrow Sr., was one of the prime movers in the oil allocation bid, and after leaving his position with Hartke, Broide acquired 300 shares of the Guardian company.

The Star also published a hand-written note purported to be from Broide to the Kokomo bank president which the paper said was enclosed with a bill the bank had sent for the unpaid $2,500 loan.

In part, the note says:

"Pls renew this. Or is there some way it can be paid off? . . .

"Most of this is Vance's, you know."

The obvious questions raised by these transactions remain unanswered.

In a third incident:

Last summer, the Federal Communications Commission—while holding license renewal hearings for Indianapolis radio station WIFE—was told that a $4,000 debt for Hartke's 1964 campaign advertisements was written off by the station in 1965.

Furthermore, three former news staff members and a former news director of the station testified that the station's management had handed down an order during the campaign to make favorable mention of Hartke on each hourly newscast of the 24-hour station.

Also submitted as evidence in the hearing was a letter from the former news director of the station to an FCC official.

According to the letter, Don W. Burden (chairman of Star Stations Inc. of Omaha, Neb., which owns WIFE and four other stations) entered into an agreement with Hartke, whereby Hartke would use his influence to help the stations out of FCC difficulties in exchange for free advertising and "publicity on each newscast."

The letter further said that when Hartke's administrative assistant and campaign manager (Mace Broide) was allowed to sign the advertising contracts, Burden "blew his stack" and said " 'the papers cannot be signed by anyone connected with the Hartke campaign' "

According to the letter, other papers then were drawn up and another man was chosen to sign "so it could not be traced to Hartke personally."

Burden said the former news director was lying.

Hartke has yet to respond.

The FCC has not yet announced its decision.

There are other instances of influence and money which seem to have merged on the controversial path of Indiana's senior senator, but that all means little to George Manuel of Dayton.

Manuel—the malcontent of the bankruptcy court who sued the senator and his aide because, he claims, they failed to peddle the influence he had paid for—lost another round in the courts.

This time the federal district court dismissed his suit in Washington because he failed to file the required follow-up papers.

But Manuel points out that the suit was

dismissed "without prejudice," which means he can file it again, and he says he will.

After all, he says, a deal is a deal and he wants his $750 back.

[From the Dayton (Ohio) Journal Herald, Apr. 17, 1972]

COURT IRREGULARITIES BLOCKED APPEAL

(By Keith McKnight and Andrew Alexander)

Lies, misfeasance, nonfeasance and malfeasance appear to have been strewn in the path of a Dayton attorney who tangled in 1968 with an Indianapolis bankruptcy court in an attempt to appeal one of its decisions.

The attorney—the late Emanuel Nadlin—ran into the following situation in his attempt to appeal a decision of the federal district court:

The attorney for Nadlin's opposition also was a U.S. Commissioner of that federal court.

The judge's court reporter failed to produce a transcript until long after the appeal deadline had passed.

But in the meantime, a new court reporter signed an affidavit for the commissioner saying Nadlin had not ordered a transcript . . . although one had been ordered from the original court reporter on the case.

The deputy clerk of courts—who had been dealing with Nadlin for more than two months—signed an affidavit for the commissioner attesting falsely on the day of the appeal deadline that Nadlin had not contacted him about the appeal until just a few days before that deadline.

The commissioner combined the misleading affidavit from the new court reporter and the false affidavit from the clerk into a motion seeking to deny an extension of time for the appeal.

The extension of time had been sought by Nadlin after the clerk called and implored him to request the extension so the clerk could have more time to gather together the many papers which were in a self-admitted shambles in his office.

Finally, the judge not only denied the extension, he threw the appeal of his decision out of court, the latter an action he could not legally take.

The case involves the two controversial, multimillion dollar American National and Republic National trusts which were forced into a bankruptcy reorganization in February, 1968.

They since have been managed without a certified audit through the bankruptcy court by political friends of Sen. Birch E. Bayh.

Harry R. Fawcett of Kokomo, Ind., was former president of the trusts and George Manuel of Dayton was former property manager.

But although Fawcett and Manuel were encouraging and financing the appeal, it was Mrs. Neva M. Shanklin, an elderly widow from West Lafayette, Ind., who in name and in fact filed the court action to halt the bankruptcy reorganization.

She had invested more than $30,000 of her savings in the trusts and she didn't want any of it diminished by bankruptcy court entanglements.

The issue presented in her case seems clear, although it went all the way to the U.S. Supreme Court without having been decided.

Mrs. Shanklin claimed that the six shareholders whose names were used to throw the trusts into bankruptcy court were falsely represented as creditors of the trusts.

They were not creditors, she said. They were simply shareholders who had invested money.

And, she added, since bankruptcy laws specifically forbid shareholders from taking such actions, the bankruptcy was invalid, the bankruptcy was invalid, improper, should be halted and should not have been permitted in the first place.

But Indianapolis attorney Alan I. Klineman—who petitioned for the action on behalf of shareholders he had never met—later claimed that his clients were an exception.

He said he had the right to claim creditor status for his clients because they had been tricked by false promises of stock salesmen when they originally invested. Therefore, he contended, under these special circumstances, their investments should be regarded as trust debts.

Klineman cites a single decision in Oklahoma where defrauded shareholders were afforded creditor status. It is unclear whether the Oklahoma case involved shareholders whose claims of "fraud" had been decided in court before the shareholders were considered creditors.

Mrs. Shanklin's position was supported by several federal court cases, including a longstanding, lengthy decision by the U.S. Supreme Court which said trust shareholders are not creditors.

The showdown on the two arguments was to be April 26, 1968, before Judge James E. Noland. But the showdown never came.

Klineman then was apparently representing two interests in the matter:

In February, he had forced the trusts into the involuntary action by his representation of the six petitioners (who have since claimed that they didn't know they were being used in the action).

But on the day the court was to hear arguments on approval of the bankruptcy petitions, Klineman failed to file an appearance for the six, according to the transcript.

Instead, he was representing John I. Bradshaw Jr., the court appointed receiver who had been in control of the trusts since Klineman forced them into court.

Klineman then was appointed by the court as official attorney to the receiver. He is now attorney for the trustee.

Mrs. Shanklin's strongest argument was not presented in court because on the night before the hearing Fawcett's two fellow trust officers decided they didn't want to fight the involuntary bankruptcy action any longer.

One of the two—Frank L. Gregory—later was indicted for mail fraud along with Fawcett and Manuel, but he ended up as a witness for the prosecution against his fellow defendants.

The other trust officer, well-known and longtime Butler University basketball coach Paul D. "Tony" Hinkle—retreated from his position and has since pleaded ignorance, saying he really didn't understand what was happening.

The next morning, when the decision was announced in court, Judge Noland said: "It would seem that the proceedings may have changed from an involuntary petition to really a voluntary one."

Mrs. Shanklin's Indianapolis attorney—James E. Dowling— then decided his client's position was "moot."

Dowling still claims he had no case after that point, but he says the judge, for some reason, never ruled on the motions and as a lawyer he didn't insist because he saw no need to close a door which had been left open.

Later that year, Mrs. Shankin—through Fawcett and Manuel—sought the help of Dayton attorney Emanuel Nadlin, who died in 1971. Nadlin said Mrs. Shanklin's position was not moot and he attempted to take advantage of the open door.

Nadlin renewed the plea made by Dowling but not ruled on by Judge Noland. But the judge struck the pleadings "in toto," saying Nadlin's position "is without standing" and called the allegations "redundant and immaterial." He said the "issues raised have been previously determined by the court without objection or appeal having been timely filed."

At that point, Nadlin had a decision which he could appeal to a higher court.

But it wasn't easy.

For in an unusual judicial move—which Nadlin charged in a brief the court had performed "unlawfully"—Judge Noland reached beyond the bounds of his authority and dismissed the appeal which was being made on one of his own decisions.

The ruling resulted from a request from Nadlin for an extension of the appeal deadline. Nadlin said he made the request on behalf of the clerk, who claimed he couldn't get the court papers in time.

But the extension was opposed by U.S. Commissioner James M. Klineman, who wasn't acting in his capacity as commissioner. At that point, he was an attorney from the law firm of Klineman, Rose & Wolf on behalf of John I. Bradshaw Jr., who had become the trustee in reorganization.

Commissioner James Klineman is the brother and law partner of Alan I. Klineman.

James Klineman submitted to the court a list of reasons why Nadlin should get no more time for his appeal.

He said Nadlin hadn't ordered transcripts of the proceedings not already on file, nor had he indicated what parts of the transcripts he intended to include, nor had he told Trustee Bradshaw what issues he intended to present.

Furthermore, Klineman said Nadlin had failed to take the necessary action to enable the clerk to assemble the record in the allotted time, and he failed to show cause why the time should be extended.

However, of the two affidavits Klineman supplied the court to support his position, one was misleading and deceptive, if not totally irrelevant, and the other was a false statement under oath.

The first affidavit is signed by Bill Hogan, Judge Noland's court reporter. He swore that neither Mrs. Shanklin nor Nadlin had contacted him to prepare transcripts.

Since Hogan had entered the case in December, 1968, and the hearing was held April 26 of that year, this affidavit seems to have no relevance.

Nadlin later pointed out that the only question raised on behalf of Mrs. Shanklin was whether or not the petitions were valid.

And that question, he said, could be answered by a very simple ruling, and did not necessitate the preparing of any transcript.

Nadlin also said, in filings before the court, that Hogan had nothing to do with any proceedings in the matter until Dec. 2, 1968, long after the approval of the petitions, and therefore any transcripts he could supply would be "patently of no value."

However, Nadlin said a transcript of the April 26 hearing had been ordered—with the thought it might be of some help to the higher court—"though unnecessary, absolutely" to the appeal.

And he said it was ordered from the proper person, Mrs. Dorothy Rau, not Bill Hogan, because Mrs. Rau was the official court reporter at that hearing.

But Nadlin didn't receive the transcript until more than three months after the March 7, 1969, appeal deadline.

Nadlin, in briefs supporting the second attempt to appeal, reported that Fawcett ordered the transcript from Mrs. Rau on Feb. 6, and four days later "at her request and on her estimate prepaid her $25."

But Nadlin says that when Mrs. Rau overshot her four-day estimate for preparation of the transcript of the half-day hearing, she could not be reached after "at least three station-to-station calls and six person-to-person calls."

When contacted by The Journal Herald, Mrs. Rau said she didn't know the transcript was for an appeal.

If it had been for an appeal, she said, the proper procedure would have been for the original copy to be sent to the clerk's office

in Indianapolis rather than to Nadlin's law office in Dayton, as Fawcett requested.

She said it was probably a case of Fawcett and Nadlin "not going through proper channels."

Mrs. Rau could not recall whether Hogan called her to see if any transcript had been ordered when he signed the March 7 affidavit.

"He may have called me at that time and asked me," she said, "because that was true at the time. He (Fawcett) had not ordered the transcript as of March 7."

She said Fawcett didn't give her any money until the middle or latter part of March.

However, a canceled check signed by Fawcett, payable to Mrs. Rau for $25, is dated Feb. 10, 1969.

It was not deposited in Mrs. Rau's account until March 31, 1969.

The false affidavit was the second one submitted by James Klineman. It was from Arthur J. Beck—then the chief deputy clerk, now the clerk.

In his March 7, 1969, affidavit, Beck swears that before March 4, 1969, he had not been contacted by Mrs. Shanklin or Nadlin to assemble the transcripts.

That affidavit appears in the appeal record 13 pages after a letter on that subject addressed to Beck from Nadlin.

The letter on Nadlin's stationery is dated Jan. 13, 1969, and confirms a conversation between the two that day regarding assembling the appeal record. The letter is date-stamped as received by the clerk's office on Jan. 14.

In other words, Beck was denying what his own records showed to be true.

The contradicting entries were shown to Beck by The Journal Herald. Beck responded:

"Well, the attorney prepared that (the affidavit). I believe it was James Klineman. Have you talked to him about it?"

Beck was asked that since he swore that the affidavit was true when information in his records showed it was not true, was it possible that he was tricked or confused.

He denied both.

"I wasn't confused about signing it," he said. "That was all handled in the transcript that went to Chicago . . . I see nothing wrong with that . . . the court up there didn't find anything wrong with it.

He was asked if the clerk's stamp could be a forgery on the letter, or whether the letter could have been falsified.

That, he said, was not possible.

He was asked if, in signing the affidavit, he had not, in fact, committed perjury.

"No," he said, "I see no conflict."

The Journal Herald has obtained a recording of a March 12, 1969, phone conversation between Beck and Nadlin in which Nadlin is pressing Beck to send the appeal to the appeals court in Chicago.

Beck says he must wait for some ruling from the judge (Noland).

Here is a portion of that conversation:

NADLIN. "Well, the entry says it's extended to the 15th to get it into Chicago."

BECK. "That's right. That's right."

NADLIN. "Which means that as far as I'm concerned, it can go the way it is."

BECK. "It'll either go or it won't go, one or the other, and I'll know tomorrow."

NADLIN. "Well, I'm telling you, man to man, that there is a lot that I haven't put on paper, that you and I both know about . . ."

BECK. "Yeah."

NADLIN. ". . . that I don't want to have to put on paper, Mr. Beck."

BECK. "Well, I don't know what that could be."

NADLIN. "Well, the fact that I pointed out as early as December that those docket sheets were not in order, and the work could not be done by appellant's counsel. The fact that we communicated on Jan. 13th. In your affidavit you say I haven't done anything about this . . ."

BECK. "Well, I want, ah . . ."

NADLIN. "Now you know that's not so."

BECK. "No, that's not so. Yes, I know."

COURT RECORDS A MESS

(By Keith McKnight and Andrew Alexander)

When Dayton attorney Emanuel Nadlin began his battle for Mrs. Neva Shanklin, one of the first things he apparently learned was that the records of the case in the Clerk of Courts office in Indianapolis were in a shambles.

According to allegations in a subsequent appeal, Nadlin said when he began studying records of the case he found that much information necessary for the appeal was missing, incorrect, omitted or out of chronological order in the massive files.

In the second appeal, Nadlin alleges he recalls offering his help in getting the first appeal record assembled, and conversing with both deputy clerks Sam Connor and Arthur J. Beck about the mess.

And he contends that on March 4, 1969, Beck—who was in charge of sending the record to the appeals court—phoned him (Nadlin) in Dayton and asked him to petition the court for a 50-day extension because Beck was snowed under with work and could not meet the deadline.

Nadlin says he prepared an unsigned court order for an extension to April 29, 1969, ready for the judge's signature, along with a petition for the order stating that the reason for the extension was the clerk, who said he needed more time.

Three days later, the same clerk signed an affidavit supporting a motion to deny more time.

Nadlin also contends he didn't receive notification until March 12, that his deadline had been extended only to March 15, rather than April 29—despite the clerk's assurances to the contrary.

He says he then sent Harry Fawcett to the clerk's office to insist upon the transcript, to ask assistance in getting it from Mrs. Dorothy Rau, the court reporter.

Fawcett reports that Beck had a 30-minute conference in Judge Noland's chambers. Connor later emerged and said they had "no control" over Mrs. Rau, and only after Fawcett's insistence did the clerk's office get Mrs. Rau on the phone.

According to Fawcett, Mrs. Rau then raised her cost estimate by $45, which Fawcett paid by cashier's check and certified mail.

That incident took place on March 13, 1969, according to Nadlin, who noted during his second appeal in an April 13, 1969, motion: "but as of this writing the transcript is still not delivered to Mr. Fawcett or to me."

Fawcett has a return mail receipt signed by Mrs. Rau, and a customer's copy of the check he sent her.

In the same motion, Nadlin remarked that during the March 13, 1969 incident, the deputy clerks and "whoever was in Judge Noland's chambers" were "fully aware of the problems with Mrs. Rau" on that day—the day before the appeal was dismissed.

Nadlin's brief also recalls a phone conversation with Beck in which "he acknowledged that what I sent up he could have gotten done with everything else and out in any 24-hour period but was waiting to see if the appeal would be dismissed."

The obvious reference is that the clerk knew that the judge was considering dismissing an appeal of his own actions.

Recordings of that conversation have also been obtained by The Journal Herald substantiating the accuracy of Nadlin's recollection.

James Klineman, who sought to deny the extension of time, was asked about the misleading and false affidavits he used in support of his motion to deny the extension of time for the appeal.

"That became moot," he said, "because the 7th Circuit did not allow the appeal, so really, all that became moot.

"I mean the 7th Circuit heard the case and they had whatever records Mr. Nadlin wanted to send up . . ."

"Judge Noland denied it, which technically he couldn't do, but the 7th Circuit said 'No, we'll go ahead and hear the appeal.' It didn't in any way affect Mr. Nadlin. He got his full time in court."

That was after he started the whole process over again, for a second time, and fought it through successfully.

But the Circuit Court didn't say "yes," the petitioners were legitimate creditors, or "no" they were not.

The Court said: "Any such objection should have been presented at the April 26th hearing at which Shanklin was present, or at the June 28th hearing at which the petitions were finally approved."

An appeal which went to the U.S. Supreme Court to call up the facts in the matter—a petition for a writ of certiorari—also was denied.

Alan I. Klineman—brother of the former commissioner and the man who started the entire action—explained Mrs. Shanklin's failure thusly "She slept on her rights."

She wasn't fast enough.

She lost.

But out of all the chaos there still remain several unexplained irregularities:

James M. Klineman, the commissioner, used a deceptive affidavit and a false affidavit to halt the appeal.

Mrs. Dorothy D, Rau, the judge's ex-reporter, failed to produce a short hearing transcript until after the appeal deadline had passed.

Arthur J. Beck, the deputy clerk of courts, gave information on the appeal that conflicted with other documentation and held the appeal back from the higher court, saying he was waiting for a ruling from the judge.

James E. Noland, the judge, ventured beyond the bounds of his authority and dismissed the appeal which was being made on one of his own decisions.

And when all of this was finally called to the attention of the higher court, it was ignored.

Conspiracy: "In criminal law. A combination or confederacy between two or more persons formed for the purpose of commiting, by their joint efforts, some unlawful or criminal act, or some act which is innocent act in itself, but becomes unlawful when done by the concerted action of the conspirators, or for the purpose of using criminal or unlawful means to the commission of an act not in itself unlawful."—Black's Law Dictionary

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[From the (Dayton, Ohio) Journal Herald, Apr. 18, 1972]

LOANS BY OHIO BANK FUNDED ALLEGED FRAUD

(By Keith McKnight and Andrew Alexander)

A Lorain, Ohio, bank president, who is next in line to head the Ohio Bankers Assn., was a prominent figure through substantial loans in what an Indianapolis grand jury branded as an elaborate plot to defraud real estate trust investors.

The banker was not named as a defendant, but two of the three men who were indicted had entered into agreements with the banker. The agreements—according to the indictment—were important parts of the "scheme and artifice to defraud," with which the three were charged.

The banker is James H. Herbert, president of the Lorain National Bank and vice president of the state bankers group which is scheduled to accept him as president June 30.

Prison terms were handed down last year to three of the trust officials accused of using

the mail to defraud, but the government has not pursued the role of the banker.

Herbert's bank was one of a number of points through which funds of the American National and Republic National trusts were shuffled in what the government claimed was a highly complex shell game to divert trust funds.

The 30-count indictment included charges that Herbert authorized personal loans to two of the indicted trust officials using trust funds as security.

This was done by transferring $200,000 of the trusts' money to Herbert's bank. Herbert then accepted the certificates of deposit, which belonged to the trusts, as security on loans to Harry R. Fawcett of Kokomo, president of the trusts, and George Manuel of Dayton, who managed the trusts' properties.

Banking sources have confirmed for The Journal Herald that loans under those circumstances are contrary to normal banking practices.

The only visible authority for making the loans was a form authorizing Fawcett and Manuel to use the trust funds as collateral. Fawcett was the person signing the form. In other words, he authorized himself to use trust funds for his own loans, and the bank went along.

The government claimed that in a variety of maneuverings, Fawcett and Manuel pocketed several thousand dollars.

Fawcett and Manuel claim the charges were twisted, false and confused.

Furthermore, they claim the indictment was the result of a political conspiracy to discredit them after they refused to keep quiet about a so-called "bankruptcy ring" which they said had forced the trusts into federal bankruptcy court where the assets could be plundered.

They were tried and convicted on five of the 30 counts in the indictment and one of the early witnesses for the prosecution was the banker. James H. Herbert.

Both Herbert's involvement and a number of other situations were brought to light by the month-long trial.

For example:

The prosecution refused to confirm or deny it held a Telex message that would link Sen. Birch E. Bayh Jr. to the indictment, but Fawcett and Manuel claimed they saw it and in trying to get the government to admit it had it, they waived their right to be represented by counsel.

Two "original" sets of books were introduced into evidence.

Fawcett and Manuel, defending themselves, repeatedly demanded an immediate trial, but it was 15 months before the case went to court and during the interim, the government "discovered" 124 pieces of new evidence to use against them.

Records confiscated from Manuel on the order of the bankruptcy court in civil proceedings in 1968 were later handed over to the government and used as evidence against him in his 1971 criminal trial . . . and some of those records, which Manuel sought for his own defense, were apparently hidden from him by the government.

A former attorney for the trust became a witness for the prosecution despite objections that his testimony violated the attorney-client relationship.

A former president of the trusts—then serving a 65-year sentence at Leavenworth Federal Prison for securities violations—became a witness for the prosecution and is now a free man.

The third defendant in the case—shocked at the end of the trial with a year-and-a-day prison sentence after he had pleaded guilty and testified for the government—said he had been double-crossed by the government and threatened to "expose a lot of folks," but later had "nothing to tell" when his sentence was reduced to 90 days.

Fawcett and Manuel were sentenced to serve three years in prison. Both men are appealing, have asked for a new trial and have asked that the convictions be dismissed.

But after nearly a year, the judge has yet to rule on the motion for reduction of sentence.

More than three months before the indictment was returned on Oct. 31, 1969, Fawcett had claimed in a notarized statement that he had received anonymous threats that he would be indicted if he didn't stop making charges about the "bankruptcy ring."

Manuel had also made charges about Bayh's involvement in the "ring" and he knew a Telex message assailing Bayh which he had sent to Louisiana Sen. Russell Long had ended up in Bayh's office.

So, Manuel says, after he saw the message in the hands of the prosecution at his preliminary hearing, he later pursued the matter, seeking a disclosure of possession, at a March 23, 1970, hearing before Chief Judge William E. Steckler, but the prosecution would only respond that neither he nor Fawcett was represented by counsel.

Finally, Fawcett and Manuel signed waivers and Manuel said: "Your Honor, may I ask Mr. Keene (the prosecutor) again, since I have waived counsel and now represent myself in the matter; did he have the Telex on Nov. 24th in this courtroom? This is the fifth time I have asked the question, sir."

But the question was never answered.

The prosecution insisted the request be made in a formal motion of discovery and Fawcett and Manuel complied.

Then the prosecution said the message, if it existed, didn't fall within the scope of data the government was required to disclose.

The new judge, Robert A. Grant, agreed—so it was never disclosed.

Grant, chief judge of Indiana's northern district, had been called, in the meantime, to replace Judge Steckler, who withdrew from the case after repeated charges by Fawcett against the Indianapolis judiciary.

And ultimately, Grant decided he couldn't allow the waivers of counsel to stand, and so, only two weeks before the trial began, Marshall J. Seidman, Indiana University Law School professor, was named to advise Fawcett and Manuel in presenting their case.

However, Seidman promptly said he could advise one man, but not both, because their cases were possibly incompatible.

Finally, in the week before the trial, M. Dale Palmer, Danville, Ind., attorney, was chosen as Manuel's counsel and Fawcett's affairs were left to Seidman.

Manuel held fast to his right to defend himself throughout the trial, but Fawcett gave up half way through—saying he offended Judge Grant every time he opened his mouth—and Fawcett's entire case fell into Seidman's lap.

At the conclusion of the trial, both Seidman and Palmer professed bewilderment with the case—Palmer telling the judge he didn't really understand what Manuel was accused of doing.

The judge himself stated it was his most difficult case in 14 years on the bench.

Herbert, the Lorain banker, was one of a number of prosecution witnesses who had financial dealings with Fawcett and Manuel before the trusts were forced into bankruptcy.

According to Manuel, the trusts bought, as an investment, a partially constructed apartment project in Kettering called Chateaux L'Aiglon at 210 W. Dorothy Lane.

Manuel said Herbert was anxious to "unload" the mortgage on the project because he had advanced most of the bank's construction loan, but the project was still far from complete.

Manuel boasts of engineering a good deal for the trusts including a valuable piece of vacant land at Turner Road and Philadelphia Drive thrown in to the purchase.

The government, however, charged that through various trust dealings with Herbert's bank, Fawcett and Manuel used trust money as security for personal loans.

As evidence, the government displayed two certificates of deposit purchased by Republic National Trust from the Lorain bank for a total of $200,000.

According to the government, the certificates were accepted—in agreements drawn up by the bank and signed by Fawcett—as security for personal loans to Fawcett and/or Manuel.

Fawcett and Manuel were found guilty on the count, which charged that the loan agreement with the bank was part of the 'scheme and artifice to defraud."

Neither Herbert nor his bank was charged with any wrongdoing.

According to the same count of the indictment, even before the trust certificates of deposit were used for personal collateral, Herbert authorized a $125,000 bank loan to Fawcett and Manuel with no security at all.

The indictment charges that Fawcett and Manuel obtained the unsecured loan from the Lorain bank "by submitting to the said James H. Herbert a promissory demand note signed by the defendants Harry R. Fawcett and George Manuel and to which the defendant George Manuel would and did forge the name 'Meyer Goldberg' as coobligor."

Meyer Goldberg—a Cincinnati speculator and head of a one-man corporation he calls "Industrial Investments"—has been associated with Manuel for several years in numerous unsuccessful multimillion-dollar deals.

Long before the trial, Manuel admitted signing Goldberg's name to the note, but said Goldberg knew about it and did not object.

Manuel said if he had seriously attempted forgery he would have made an effort to duplicate Goldberg's signature, which is characterized by large scrawls.

Instead, he said he signed the note in his normal handwriting.

Furthermore, Manuel told the jury that on several occasions Goldberg had authorized him—and sometimes ordered him—to sign documents in his behalf using his (Goldberg's) name.

According to Manuel, Goldberg's eyesight was so poor he sometimes couldn't see where to sign his name.

"He was like a father to me," Manuel told the jury. "I even trimmed his toenails."

However, Goldberg testified as a witness for the prosecution saying he didn't know about the note and hadn't authorized Manuel to sign his name to it.

It is not clear whether Herbert called Goldberg to make sure he had signed the note before authorizing the $125,000 loan.

Herbert would not comment.

Goldberg couldn't be reached.

It is known, however, that in a deal predating Manuel's involvement with American National and Republic National trusts, Goldberg authorized Manuel to offer a $3 million loan to a massive Indiana real estate investment combine in an effort to acquire control of the operation.

In that case, Manuel signed Goldberg's name to a commitment spelled out on Goldberg's Industrial Investments stationery.

Floyd F. Cook, an attorney and chief officer of those trusts, says Goldberg called him to assure him the $3 million was available and that Manuel was authorized to do what he was doing.

Cook says the man who said he was Goldberg, not only confirmed Manuel's position, but also responded to a request to confirm the same by telegram.

In a deposition dated March 5, 1971, Goldberg testified he did not sign the commitment, knew nothing about it, and did not authorize Manuel to make the deal.

Goldberg and Herbert were but two in a

long parade of witnesses for the prosecution of Fawcett and Manuel.

The first was Seymore M. Bagal.

Bagal, an Indianapolis attorney, had served as counsel for the trusts since their inception in the early '60s, and Manuel claimed him as a personal attorney during a period prior to the bankruptcy.

Bagal had quit his law firm, been indicted and acquitted of charges of violating federal securities regulations in connection with the trusts, and has since set up another law office.

But when he appeared as a witness for the prosecution, court-appointed counsel for both Manuel and Fawcett immediately objected saying any such testimony would be a violation of the attorney-client privilege.

In fact, Palmer, Manuel's counsel, filed a written motion on behalf of both defendants to suppress not only the information of Bagal, but of 12 other attorneys who had been involved in the trust business and the personal affairs of the two.

Palmer said any and all information coming into the hands of the attorneys was confidential and subject to the attorney-client privilege.

He said the attorneys were obliged to protect their clients and cited Canon 4 of the Code of Professional Responsibility which says the same thing.

But Judge Grant overruled the objections and the testimony of Bagal was permitted.

There were other witnesses for the prosecution.

One was Calvin R. Mummert, the man who was president-trustee of the trusts before Fawcett took over the job.

The prosecution had brought him in from Leavenworth Federal Prison where he was serving a 65-year term for securities fraud.

Judge Steckler—subject of accusations of Fawcett and Manuel—had sentenced Mummert in November under the provisions of a federal law that allows a maximum sentence, then a resentencing after an "evaluation" during the period in prison.

The resentencing was yet to be held before Judge Steckler when Mummert testified against Fawcett and Manuel.

Mummert's attorney, Don A. Tabbert, said the government applied no pressure and offered no promises—"except the fact that he was asked if he wanted voluntarily to give a statement to the government . . . which he did. He said, 'I will.' And the government said to him in my presence that 'We will tell Judge Steckler you have been cooperative.' Period. Which they did in open court."

At his hearing, held in June, Mummert's sentence was reduced to 10 years, suspended, and he was set free.

But in February, when he testified against Fawcett and Manuel, he wept.

Another witness was a woman who had served as a trust bookkeeper who made no secret of her contempt for both defendants and testified to various facts extracted from what was introduced as the "original set" of trust books.

Manuel soon proved, however, that the "original set" of trust books as introduced by the government was not the "original set" of trust books at all, and before the case went to the jury the government introduced another "original set" of trust books.

The two "original sets" were never explained to the court or the jury.

The third trustee of the trusts, Frank L. Gregory, was also the third defendant. He was the former publisher of the Kokomo Morning Times, a newspaper that had gone into bankruptcy.

He had been jointly indicted with Fawcett and Manuel for his alleged part in concocting an elaborate scheme to divert trust funds, part of which were to go into his faltering newspaper.

And he was the trustee who in April, 1968, made an eleventh-hour change of position rather than do battle to keep the trusts out of bankruptcy court.

He says he convinced his fellow trustee—Paul D. "Tony" Hinkle, Butler University basketball coach—to cast the tie-breaking vote.

Fawcett and Manuel had claimed in legal actions that Gregory was sought in a squeeze by the bankruptcy lawyers and had made a deal: amnesty for him in exchange for cooperation with them.

Gregory denied he made any deal and later pointed to his indictment as proof that he got no amnesty.

And Fawcett and Manuel said it came as no surprise to them when Gregory—after 15 months of claiming his innocence—made another eleventh-hour decision.

Just as the trial was to begin, Gregory announced he had decided to change his plea to guilty on three of the 30 counts.

The government then dropped the remaining 27.

And then, when Gregory testified as a witness for the prosecution, Fawcett and Manuel again registered no surprise.

They said it was again a case of Gregory making a deal to save his own hide, although he had again denied it—this time in open court.

On Feb. 27, 1971, when the jury returned its verdict, Fawcett and Manuel were found guilty on five counts, but not guilty on 14 counts included the three counts to which Gregory had pleaded guilty in the alleged three-man scheme.

Judge Grant, on April 30, listened to various defense pleas for leniency and the prosecution's pleas for substantial fines and prison terms for Fawcett and Manuel.

As for Frank L. Gregory, however, the prosecution recommended a substantial fine, but offered no suggestion about prison, saying the the prosecution was "neither for nor against an executed sentence."

That wasn't unexpected either, by Manuel and Fawcett.

But a number of people were surprised by the judge's verdict and the furor that followed.

Judge Grant said he could not agree that prison terms would have no rehabilitative value for the men.

Then he sentenced Fawcett and Manuel to serve concurrent terms of three years on each of the five counts.

And then, terming Frank L. Gregory "the most culpable of all" he sentenced him to a year and a day concurrently on each of the three counts.

Gregory, visibly shaken, asked for—and was allowed—time to get his affairs in order before he was taken to prison.

Two days later, Gregory announced, for publication, that: "I was given the understanding by the government that by entering the plea of guilty and by cooperating with and testifying for them, that I would receive a suspended sentence."

Gregory said he had been tricked by the government and he wanted a new trial and this time he would plead innocent to all the charges.

This was said despite the fact that he had sworn in open court—on the day he changed his plea—that he had made no deal with the government and had received no assurances from the government.

Gregory said it wasn't a "deal," but there was an "understanding."

But although the judge would not tolerate another trial, he made no comment on the question of misrepresentation in his court.

Then the judge ordered the sentence of the man he had termed "most culpable of all" suspended except for 90 days.

The decision contained no reasoning for the change.

After Judge Grant handed down his first sentence, Gregory was frustrated, furious and anxious to talk.

In an interview with The Journal Herald, he said:

"You see, I'm the one who instigated the bankruptcy . . . I blew the whistle on the whole cotton pickin' thing . . . and I convinced Hinkle to go along with me.

". . . I never had contact with the government until just a few days before our trial began—really.

". . . If they go dragging me out to the big door, I'm going to expose a lot of folks.

". . . There's some politics working on both sides which I have some inside on. But you know how it is, when you get in there, you know. You've got to be careful as hell.

". . . Let me tell you something," he said. "Harry Fawcett's a wild man, as you well know, but he is not without some facts."

But after the sentence was suspended by Judge Grant, Frank L. Gregory—although still not satisfied—changed his comments.

In an interview with the same reporter, Gregory said:

"I'd like to help you, but I really don't know of anything I could tell you."

[From the Dayton (Ohio) Journal Herald, Apr. 19, 1972]

EXTORTION BID LAID TO INDIANA EX-GOVERNOR

(By Keith McKnight and Andrew Alexander)

Former Indiana Gov. Matthew E. Welsh was part of a plot to extort $100,000 from the executives of that state's once-largest real estate investment combine, those ex-officials have charged.

Polygraph (lie detector) tests have been passed by two of those executives.

The Journal Herald recently arranged for the tests by two polygraph examiners who concluded the men were telling the truth.

A third trust official declined to be tested saying it was best to "let sleeping dogs lie."

Welsh, in an interview, said he would "absolutely not" undergo such a test.

He is again seeking the Democratic nomination for the governorship this year, and is generally conceded to be a sure bet in the race this fall.

The three former officials—Kokomo, Ind., attorneys Floyd F. Cook, Beryl E. Cook and Donald J. Bolinger—claimed through a suit filed in 1969 that the $100,000 would have been to buy "political protection" from the Indiana secretary of state's office, which in 1966 was threatening action against their financially troubled business trust empire.

Because they didn't comply with the alleged extortion attempt, the officers claim, they were forced out as heads of the trusts—after a complex set of negotiations—by Democratic Secretary of State John D. Bottorff.

The trusts then were taken over by former governor Welsh and prominent Indiana bankruptcy attorney Sigmund J. Beck who, in less than two months, placed the trusts in bankruptcy court and became attorneys for the proceeding.

Floyd Cook and Donald Bolinger were tested by a Dayton polygraph testing firm operated by two Dayton policemen.

Beryl Cook declined to participate.

"I'll stand on the record," Welsh says. "I'm tired of the innuendo and allegations of these crooks. So far as accommodating them (with a lie detector test), absolutely not. I wouldnt do anything to lend any credence to anything they say."

Beck, who attended the meeting where it is alleged the extortion attempt was made, says he would testify that he has no knowledge of any such conversation.

However, "I don't have any reason to say that I would or wouldn't" take a lie detector test, he said.

Bottorff, the former secretary of state, says forcing the three out of office was one of the better moves of his administration.

"I just said: 'Look, Floyd. Resign", You

know . . . we could have sought criminal prosecution."

Bottorff said he couldn't recall all the specific charges, but, "in my judgment, they would not have resigned if they did not feel like we did have the authority and the information to get them to resign."

Three years after their resignations, Cook, Cook, and Bolinger—originators of the business empire known throughout the state as the "Cook Brothers' Trusts"—were indicted for mail and securities fraud in connection with the trust operations.

They claimed the indictments were politically inspired and denied perpetrating any fraud, saying they lost their own fortunes trying to save the trusts.

The three were allowed to plead guilty to violation of a securities regulation, which was a misdemeaner.

The federal judge in the case, Cale J. Holder, fined them $10,000 each, saying they had no knowledge of the regulation and there was no intent to violate it.

When the trusts ran into financial trouble in 1966, assets of the group were listed in excess of $41 million.

But despite their extensive holdings, that year had brought a "tight money" market and with $23 million in debts, the trusts were desperately looking for interim financing until newly acquired properties began to produce income.

And it was at that point that the troubles of the trusts broke into the open.

According to a suit filed in Indianapolis federal court by nine shareholders of the trusts, Secretary of State Bottorff, in early July, 1966, met with the Cooks in Kokomo and threatened legal action against the trusts if the Cook trustees didn't resign and allow him to appoint their successors.

Bottorff then was told by Floyd Cook, the suit says, that "if he had any legal grounds he should act as an officer and file, instead of using his office to blackmail the trustees."

The suit was dismissed, but information for it was supplied by the Cooks and Bolinger, who still claim it is accurate and since have taken the polygraph tests.

The suit alleges:

(1) Ten or 15 days after the session with Bottorff, Floyd Cook received a call from "a friend," Bernard A. Major, who told Cook to phone an Indianapolis number for an important message concerning the trusts.

(2) Cook called the number and Indiana University law school professor Daniel J. Baum answered, saying he was in the office of former governor Welsh, and that "the governor had just seen Bottorff and that unless something was done about the trusts, that Bottorff was going to the attorney general, and that they (Welsh and his associates) could help . . ."

(3) Welsh then came on the phone and asked for a meeting with the Cooks and Bolinger at his Indianapolis law firm—Bingham, Summers, Welsh and Spilman—on Saturday, July 30.

(4) The three went to the meeting and were told by Welsh that Bottorff had authorized him to tell them that unless they resigned, Bottorff would take action through the state attorney general, thus making it impossible for the trust to get any refinancing.

(5) Baum then told the trustee: " 'If you will pay us $100,000 we can talk to the Secretary of State and stop all further action.' "

(6) "The aforesaid solicitation of a bribe shocked the trustee to which they responded, 'Why so much money?' at which time defendant Welsh said, 'it takes a lot of money for a political campaign.' "

Baum, now a professor at York University in Ontario, denies making the $100,000 proposition, but shies away from a flat statement about taking a lie detector test.

He says: "Am I willing to do something to vouch for the truth of what I've said? Yes. But am I willing to lend credence to what I consider to be foolish claims? The answer is no.

"The end for me has been written. That's all there is to it."

The history of how the Cook Brothers' Trusts fell prey to the bankruptcy court is a confusing and complex story spanning a period from mid-July to mid-October, 1966.

That history contains a myriad of characters with a wide and varying range of interests in the fate of the trusts.

It is significant because those who appeared to be eager to wrest control from the Cooks, later benefited from the bankruptcy action against their business.

The story as told by the Cooks differs sharply from the stories of those who took the trusts away from them.

First of all, there is the matter of how Welsh and Beck and Baum became involved in the first place.

Baum (the law professor) claims Major (the "friend" of the Cooks) headed another real estate investment trust (Founders Trust) and wanted to merge it with the troubled Cook Trusts and take control of the resulting combine.

According to Baum, Major consulted him about the proposed merger. Baum saw the idea was too big for him to handle, so he took the proposal to Welsh and Beck.

He explained his choice this way:

"I went to Matt Welsh and really kind of laid the thing out to him, partly because he was aware of the role of state government and also because he had done work in the corporate area.

"Also, I went to Sig Beck because he is 'Mr. Bankruptcy Specialist' in Indiana and I said: 'Look, gentlemen, here are the problems. What do you think ought to be done?' "

Welsh recalls that at that point "a meeting was arranged with the Cooks at which they told us what their understanding of what their financial problem was. And the . . . following day they resigned."

On reflection, however, Welsh says he isn't sure whether they actually signed resignations, and conflicting testimony in the bankruptcy court does not clarify the point.

The Cooks and Bolinger say they discussed resigning in favor of anyone who could obtain the necessary funds to keep the trusts solvent and out of bankruptcy court, but took no such action until Aug. 17.

However, according to testimony by Secretary of State Bottorff, it was announced at a meeting in his office on Aug. 1 that the Cooks and Bolinger had resigned.

And Bottorff further testified that he also was asked at that meeting if Welsh and Beck would be acceptable as successor trustees, and he gave his approval.

Welsh, Beck, Bottorff and Baum all say they attended that meeting, but can't recall who proposed Welsh and Beck as trustees.

Bottorff testified that he called the Aug. 1 meeting with the Cooks and Bolinger "specifically to find out where we were going from there," after his office had concluded from an investigation that the Cooks and Bolinger should resign.

Also attending that meeting were Bernard A. Major, Sidney G. Stromberg, and William F. Hendren—the trustees of Founders Trust—who since had learned their merger proposal would not be accepted by state officials.

Bottorff, however, told The Journal Herald he didn't know why Major, Stromberg and Hendren came to the meeting.

"They all invited themselves to my office," he said. "I didn't invite them."

Seventeen days later the Cooks and Bolinger had resigned, but within that period had continued to fight to maintain control of the trusts.

During that time they received a $3-million loan commitment which, they said, would have saved the trusts.

But they claim Welsh told them he doubted Bottorff would accept the arrangement.

So, they say, they put their own trust shares in escrow to guarantee payment of a $30,000 retainer fee for Welsh and Beck, who were to use their influence with Bottorff to buy more time for the trusts so the terms of the $3-million loan could be worked out.

Welsh and Beck confirm they asked for a $30,000 retainer and the stock was deposited in escrow, but they claim to have had misgivings about going back to the Secretary of State's office.

In fact, Beck testified:

"It was our view that we had no business going over there; we had a substantial amount of time in on this matter, with actually no representation. What we were doing there we were unable to fathom ourselves. And, frankly, our feeling was that there was no point to going any further unless we knew that we were going to be representing somebody in the future, and that we were going to have a fee paid."

Welsh contends that after reading the loan commitment he and Beck felt it was "just a desperate ruse by the Cooks."

Subsequently, he said, he and Beck did learn "that our suspicions were accurate. The whole thing was a forgery. It was not a valid loan commitment."

That $3-million loan was offered by Meyer Goldberg's Cincinnati-based Industrial Investments Corp.

George Manuel of Dayton said he was acting as Goldberg's agent and signed Goldberg's name to that commitment.

He did this, he says, upon Goldberg's instructions.

Yet in a deposition taken for Welsh last year, Goldberg testified he had no knowledge of the 1966 loan—written on his own stationery—until nearly four years after it was offered.

Contrary to that testimony, The Journal Herald has obtained recordings of conversations in which Goldberg admitted authorizing the $3-million loan.

In addition, Floyd Cook has given The Journal Herald a copy of a telegram he says he received from Goldberg in 1966.

The telegram says Manuel is authorized to act as the agent for Goldberg's company in the deal.

Nonetheless, the Cooks and Bolinger say they didn't have enough time to work out the details of the loan before Bottorff's deadline was imposed.

But they say that when they resigned in favor of Welsh and Beck, there was an explicit understanding that their successors would do everything possible to keep the trusts out of bankruptcy court.

"Oh, that's a pure fabrication," Welsh said, "a pure fabrication."

Welsh explained that he and Beck took over as successor trustees "knowing full well" that bankruptcy reorganization was imminent.

"We signed no contracts, we made no commitments, did nothing but just tell everybody 'Sit tight, we're going into bankruptcy as soon as we can get the facts together,' " Welsh said.

Beck's recollection differs:

"Our view was that we had gone into it and we had promised people that we would attempt to keep it out of court if there was any way possible."

Baum, who introduced the matter to Welsh and Beck, also contradicts the former governor's story.

"The idea was," he said, "to try to keep the thing out of the courts if we could, so that a good management team could come in, under state supervision, and do the job that ought to be done without incurring the legal fees or administrative fees that would be connected with . . . an involuntary bankruptcy proceeding."

But regardless of the original idea, the

Cook Brothers' Trusts were placed in bankruptcy reorganization proceedings 52 days after the successor trustees were named.

During that period and after, those who originally sought to wrest control from the Cooks and Bolinger—namely, Welsh, Beck, Baum, Stromberg, Hendren and Major—benefitted from the downfall of the trusts.

Soon after Welsh and Beck became the trustees, a company called Keystone Management, Inc., was formed and became the management firm for all the Cook properties.

The officers of that company were Stromberg, Hendren and Major—the three Founders Trust officials who had tried to take over the Cook Trusts in the merger and, according to Bottorff's account, had "invited themselves" to Bottorff's Aug. 1 meeting.

A fourth officer of that company was Stuart I. Stern, a man Indianapolis real estate developer Leo A. Lippman has termed his "Man Friday."

In the previous year (1965) Lippman had sold the Cook Trusts' biggest asset—a hotel and casino in the Las Vegas "Strip"—for $10 million, on which he laid claim to a $1.1 million finder's fee.

In the same transaction, Lippman was allowed to appoint shareholders for 20 percent of the hotel's stock, and two of the five he named were Stern (his "Man Friday") and Major (the Cooks' "friend").

As for Welsh and Beck, once the bankruptcy court took over, they were appointed attorneys for the court-appointed trustee.

They were allowed to keep those jobs despite objections by lawyers for the Securities and Exchange Commission.

The SEC lawyers claimed Welsh and Beck were not "disinterested" attorneys as required in such matters by bankruptcy law.

Chief Judge William E. Steckler overruled the SEC objections, however, and Welsh and Beck stayed on.

The court appointed as "special counsel" to fight the SEC's position Prof. Daniel J. Baum, who originally took the Founders Trust merger proposal to Welsh and Beck and said:

" 'Look gentlemen, here are the problems. What do you think ought to be done?' "

GETTING CAUGHT A "CRIME"

John Bottorff became a casualty of Hoosier politics not so much because of what he did but because he was caught doing it.

In 1964, when Bottorff took office as Indiana secretary of state, he was looked on as a rising young star in Democratic politics.

At the end of his term in 1966, Bottorff said he chose not to run again, and today he is a Ford dealer in Seymour, Ind.

His administration had been sullied by a grand jury probe into his "re-election campaign fund" which he had started promptly after his 1964 election—apparently before he even took office.

Those he collected "contributions" from included several intra-state securities dealers whose livelihoods were subject to the regulations of his office.

Insiders to statehouse politics knew that such "re-election funds" were by no means a new or partisan practice in Indiana.

Other secretaries of state had done the same thing.

But Bottorff's "fund" became a controversy because the public didn't know about it before, and found out about it through an investigation of a securities swindle carried out under Bottorff's jurisdiction.

"Candidates for secretary of state in Indiana had historically, prior to this, accepted campaign contributions from people who were in this business of selling securities," Bottorff told The Journal Herald.

"You know, if you don't get people who are interested in the office—and very few people were interested in the office of secretary of state—if you don't get those people making contributions, you don't have any contributions."

One of those contributors was Floyd F. Cook, a trustee of the Kokomo-based "Cook Brothers' Trusts."

According to Cook, Bottorff called on him Nov. 4, 1964—the day after the election—and asked for a $1,500 donation for his just-completed campaign.

Cook says he gave him a check for $750 and Bottorff was back a week later asking for money for his next campaign, and Cook refused to give any more.

"It has been a practice here in Indiana," Cook says.

When someone is in a position to hurt you or help you and he makes a solicitation, you usually respond to it."

The $750 check is significant, Cook claims, because it resulted in some hard feelings between the Cook trustees and the secretary of state.

For in the following year, 1965, Indiana securities promoter Michael Dobich was killed in a helicopter crash and left behind a bankrupt company which had sold nearly $3 million in securities that were never delivered.

So great was the following furor, that Indianapolis attorney Frank M. McHale—perhaps the most powerful Democrat in the state—termed the Dobich affair "the greatest fraud that has been perpetrated on the investment public in Indiana in 40 years," according to a news account at that time.

Then, Bottorff's "fund" was uncovered and a grand jury was called to investigate.

Cook says he soon was visited by Bottorff's assistant who requested and received the canceled $750 check—but not before Cook made a copy of it.

And when Cook was subpoenaed to testify for the grand jury, he claims, Bottorff asked him to say the $750 was a loan, which Cook refused to do.

No indictment concerning Bottorff's "fund" ever was returned by the grand jury.

Leroy New, the deputy prosecutor who headed the probe, said Indiana had no law forbidding such "campaign contributions" and he knows of no such laws which since have been enacted.

Nonetheless, the stigma of the "securities scandal" was firmly attached to Bottorff's administration and his political fate was sealed.

All of this was history when, in the closing months of his two-year term, Bottorff determined that the Cook trustees should resign as officers of their trusts.

VARIOUS ROLES: WELSH AND BECK DENY ANY IMPROPRIETY, BUT STORIES MARKED BY INCONSISTENCIES

When Matthew E. Welsh and Sigmund J. Beck became attorneys for the bankruptcy proceedings they initiated against the Cook Brothers' Trusts, the Securities and Exchange Commission objected.

The SEC said the two men simply had worn too many hats to be considered "disinterested"—an explicit requirement under federal banktruptcy law.

Beck and Welsh had represented the trusts in the Secretary of State's office during the last-ditch effort by Floyd F. Cook, Beryl E. Cook and Donald J. Bolinger to keep control of their financial empire.

Yet for all their work, Welsh and Beck—representing two of Indiana's wealthiest law firms—charged no fees.

Both men deny they were involved in any impropriety in the various roles they played in the takeover of the trusts.

But their stories are replete with inconsistencies.

Floyd Cook and Bolinger say that when Welsh and Beck took over as successor trustees, assurances were given that everything would be done to keep the trusts out of bankruptcy.

Beck says such assurances were made.

Welsh says they were not.

Both Welsh and Beck claim they were "disinterested" at all times because they acted as if they were court-appointed trustees.

However, Beck told The Journal Herald that he and Welsh agreed, when they took control of the trusts, to study the finances and "if it was possible to run the company, we would . . . and we would attempt to keep it out of court."

Yet in a hearing held Feb. 3, 1967, Beck testified that "we were acting as interim trustees and did not intend to stay on as officers and trustees thereafter."

Welsh's recollection was that they were "disinterested" because they knew from the outset they were going to put the trusts into bankruptcy.

"When the SEC objected," Welsh said, "our response was that we, from the time we took over, had operated the properties as though we were court-appointed trustees, knowing full well that this (the bankruptcy action) was what was going to have to happen . . ."

Because Welsh and Beck were first attorneys for the trusts, and later became trustees, there is a question of whether they would have been paying themselves for their own advice with trust money.

Chief Judge William E. Steckler, in the same Feb. 3 hearing, raised a question along these lines and Beck answered: "Gov. Welsh and I had discussed that matter, and we had assumed that what we would have to do was to work out an attorney's fee, and at that time particularly, to put it up to a group of creditors and shareholders . . .

"We were looking a ourselves as interim trustees; we looked at it on the basis of saying 'All right, if this refinancing can come out and we can work out a plan, we will depend upon ourselves to present what a reasonable fee would be.' If there are any questions about it—this is one of the things that we have problems with ourself on as to how it was going to be approved; we never did come to any real decision on it because we never got to that point . . ."

Contrary to Beck's testimony, Welsh told The Journal Herald: "We knew almost immediately after we took over as successor trustees that we were headed directly for the bankruptcy court, and . . . we just regarded ourselves as officers of the court. We'd never any though of charging the attorney's fees or trustee's fees."

[From the Dayton (Ohio) Journal Herald, Apr. 20, 1972]

WELSH CONFERRED WITH CRIME FIGURES

(By Keith McKnight and Andrew Alexander)

(EDITOR'S NOTE.—This is the tenth in a series of stories resulting from a 16-month Journal Herald probe of bankruptcies handled in Indianapolis federal courts. Today's report examines how a Las Vegas hotel and casino was sold three times to the same corporation for prices $4.8 million apart.)

Former Gov. Matthew E. Welsh of Indiana dealt through reputed organized crime figures while working out details of a $5-million reduction in the resale price of a gambling spot on the famed Las Vegas "strip."

The property was the Aladdin Hotel and Casino, once the largest asset of the "Cook Brothers' Trusts"—a grant Indiana real estate investment combine.

At the time, Welsh, who again is seeking the governorship, and Indianapolis bankruptcy lawyer Sigmund J. Beck were attorneys for the American Fletcher National Bank, which had been appointed trustee to reorganize the trusts under court-supervised bankruptcy proceedings.

But when the trusts were taken into bankruptcy court in 1966, the corporation that

had purchased the Aladdin less than a year before stopped payments, saying it couldn't afford the $10.25 million deal.

Welsh, Beck and two of the Indianapolis bank's vice presidents—Albert A. Savill and Meredith Nicholson—flew to Las Vegas to appraise the situation.

According to court testimony, they were in Las Vegas for only a half day.

In separate interviews, neither Beck, Welsh nor Savill would accept responsibility for arranging the Las Vegas meetings, and they all claimed to have had virtually no knowledge of the backgrounds of the men they met there.

The fourth man, Nicholson, who apparently played a lesser role in the proceedings, has since retired and could not be reached.

While in Las Vegas, the Indianapolis men met with a number of people who had various ties to organized crime. The first of several meetings which took place Dec. 4, 1966, was arranged with these two men:

Kirk Kerkorian—a Last Vegas speculator who held land upon which Caesar's Palace was built, and who since has acquired controlling interest in Metro-Goldwyn-Mayer Studios and has had dealings with crime figures such as Moe Dalitz, former Cleveland Syndicate boss, and Sam Cohen and Morris Lansburgh, Miami-based hotelmen now under federal indictments in Las Vegas along with top mobster Meyer Lansky.

Jerome "Jerry" Zarowitz—a longtime Las Vegas gambling figure. He is presently under indictment for violation of interstate betting laws and has a record of arrests on federal gambling charges.

Zarowitz, who used to be credit manager of Caesar's Palace, gained notoriety in the late 1940s when he was convicted on a federal charge of conspiring to fix football games for gambling purposes. He served 20 months in prison.

Information has been given to The Journal Herald that the meeting was set up at the request of Savill by Edward J. DeBartolo—a Youngstown man who owns the lion's share of Ohio's race tracks and has built many of the state's largest shopping centers, including the Dayton Mall and the Upper Valley Mall in Springfield, both of which display his name.

Savill—who arranged financing for DeBartolo on a large Indiana shopping center project—said DeBartolo could have been the man who arranged the meeting with Kerkorian and Zarowitz, but he can't recall.

Savill also told The Journal Herald he does not know Zarowitz and can't recall meeting him in Las Vegas. However, in court testimony in January of 1967, Savill vividly recalled meeting with Zarowitz and testified concerning Zarowitz's Las Vegas gambling interests.

After the Kerkorian-Zarowitz meeting, the Indianapolis group consulted with Clifford A. Jones—who at that time was under indictment along with Senate majority secretary Bobby Baker in a celebrated influence-peddling case in Washington.

Jones—known in gambling circles as "Big Juice"—is a former lieutenant governor of Nevada, an international gambling casino operator, and reputed to be a close associate of Lansky, the widely accepted boss of organized crime in America.

Although Baker has long since gone to prison, Jones' case is yet to be tried.

As a result of the meeting with Jones, the Indianapolis group met with E. Parry Thomas, a Las Vegas bank executive who has had a continuing financial interest in Nevada gambling operations.

At that time, Thomas also was the treasurer and a director of the Parvin-Dohrmann Co.—a Los Angeles-based corporation which was listed on the American Stock Exchange and which has been linked to a variety of underworld figures.

After the meeting with Thomas, the Indianapolis group went to the Aladdin Hotel and met with the man who earlier in the day had greeted them at the airport and ushered them to their first meeting: Harvey L. Silbert.

Silbert was the Beverly Hills attorney for—and an officer of—Milton Prell's "Prell Hotel Corp." a corporation set up by Prell for the sole purpose of entering into the $10.25 million contract to purchase the hotel and casino from the Cook Trusts in December, 1965.

At the same time Silbert served as counsel for Parvin-Dohrmann, of which he was a vice president and a fellow director, along with E. Parry Thomas, the banker.

In December of 1966, as Silbert met with the Indianapolis bankruptcy administrators, he reportedly described the hotel's status as near the "hopeless stage."

Welsh, Beck and Savill contend they didn't know U.S. organized crime investigators have maintained an active interest in Silbert for a number of years.

He is presently chairman of the board and a major stockholder in the Riviera Hotel and Casino in Las Vegas. President of the Riviera is Edward Torres, also a large stockholder and who is considered by Justice Dept. agents to be a significant contributor to organized crime.

Later in December—based largely upon their Las Vegas trip and Prell's claim that his corporation was losing money—the bankruptcy group met Prell in Indianapolis and agreed to slash the sale price of the Aladdin by nearly $5 million.

The agreement was entered into without any apparent attempt by the bankruptcy court or the trustee to obtain an appraisal of the value of the property.

Neither did they make any apparent search for competitive offers on the property before releasing Prell's corporation from its $10.25 million obligation.

Nor did the trustee—the largest bank in Indiana—have Prell's books audited to verify his claim that he was losing money.

Chief Judge William E. Steckler did not challenge the procedures.

The agreement was that Prell—who seemed to be confident of getting several millions in loans—was to pay the entire $5.45 million discounted price to the trusts within a year.

But again, the deal fell through.

Despite his record of success in running the Sahara, and what appeared to be good prospects for a loan, Prell could get no financial help, and three months before the year-long option expired, Prell suffered a stroke which left him an invalid, unable to communicate.

Nonetheless, Prell's corporation—chiefly through the efforts of Silbert—negotiated yet another agreement with the approval of the court, again for $5.45 million.

That time they did get an appraisal.

It was made by Las Vegas appraiser Elmo C. Bruner who set the worth of the property at about $6 million.

Bruner told The Journal Herald he was given only a few weeks to do the appraisal, and added it was not enough time to produce a complete evaluation of the property's worth.

Bruner said he was contacted by Jerome Mack—a partner with Thomas in heading the Bank of Las Vegas—who asked if Bruner would do the appraisal. It is not clear how the Bank of Las Vegas became involved since it had no overt relationship with the sale.

Bruner said he was contacted by the Indianapolis bankruptcy people not before, but after, he was contacted by Mack. And he says it was Mack, not the bankruptcy trustee (AFNB) who instructed him to start work on the appraisal.

And Bruner recalls he protested to Mack that a few weeks was hardly enough time to do a proper job. But, Bruner said, he dropped other appraisal work and did the job for Mack anyway.

Why?

Bruner said he had a large staff and was familiar with appraising Las Vegas hotels and casinos.

He also said that at the time "I had been doing quite a bit of work for the bank."

Asked repeatedly by The Journal Herald if Mack or anyone else hinted what they wanted the property to be worth, or if he felt under pressure for loss of business to the bank if his appraisal was too high, Bruner would not answer directly.

"There is pressure on me from every source, in this case and in all other cases," he said. "There's always somebody trying to get me to rig something to their advantage, and I am just not interested."

But later, when asked again if he had felt any pressure, Bruner said he couldn't recall, then added: "If I got on the witness stand I'd sure tell the truth."

The Bank of Las Vegas, at that time, was closely tied to the financial interests of Parvin-Dohrmann.

On April 12, 1968, Judge Steckler, "being duly advised in the premises," ordered the agreement approved for the second reselling of the Aladdin to Prell.

Ten days later, the stockholders of Prell Hotel Corp. met and voted to merge with Parvin-Dohrmann.

Then, on Sept. 26, 1968, after the stock trade was finalized, Milton Prell, by this time paralyzed, was told by the new management he had two weeks to get out of the Aladdin.

Prell got out and left behind a hotel and casino which, by Las Vegas standards, was successful in its first year.

Structurally, the Aladdin has some shortcomings.

Unlike many other major Las Vegas gambling and entertainment spots, the Aladdin had no high-rise structure to accommodate convention crowds, and according to Prell, it needed a variety of other improvements and alterations.

But when it opened in April of 1966, it was the first new spot on the "strip" for many years and all those interviewed agreed the volume of customers was "fantastic." The same consensus is found in testimony on the sale.

Yet when its unaudited financial statement was put together in November, 1966, Prell's lawyer (Silbert) said losses—not including depreciation or interest—totaled a half-million dollars.

A Justice Dept. strike force last year began a grand jury probe into "skimming" operations in various Las Vegas casinos.

The Aladdin has not been publicly linked with skimming, but it is nevertheless unclear where the Aladdin's money went.

According to Silbert, the volume was "forced" through Prell's promotional efforts, and he said he expected business to decline unless the facilities were improved.

Both Silbert and Prell insisted the original sale price of the Aladdin ($10.5 million) was grossly inflated, but it was purchased at that price because of the unusually good terms of the agreement which not only included no down payment, but a $250,000 cash advance for working capital.

They told the bankruptcy court and its trustee that the Prell Corp. would not agree to pay much more than $5 million for the hotel, because it was actually worth no more than that even though they had agreed to pay $10.25 million for it.

Welsh, Beck and Savill supported Prell's position.

Their recollection of the circumstances vary considerably, but they agreed they were the victims of circumstance.

They say they inherited the trusteeship of a financial nightmare and did the best they could with what they had to work with.

They say the $10.25 million sale was only a paper transaction which didn't represent true value.

And since Prell had no down payment at stake, he chose to consider the arrangement "a long-term lease."

If he had made money, they say, he would have continued to pay the trusts, but since he was losing money, he stopped payments.

Sigmund Beck summed up the trustee's position in the Aladdin dispute this way:

"I think the final reaction was: 'We're gonna take whatever they're gonna give us because they'll screw us anyway.'"

Welsh, Beck and Savill were asked by The Journal Herald about the appraisal which was not made until after the Aladdin sale price was reduced.

Welsh said the price was determined from the work of the appraiser "who made a very extensive investigation."

Beck said "I'm sure that before we reduced the price we had the appraisal," but later retreated from that position saying maybe they didn't have the appraisal because the one-year option was to be a cash sale.

Savill said "I'm sure that our collective opinion was that we did not (need an appraisal) because the facts were pretty obvious."

Asked why Prell's books were accepted without an audit. Welsh said: "These books were not fiction. These books were kept with the Internal Revenue Service over their shoulder every minute. There's no question about the accuracy of their records. Anybody who tells you that is misleading you."

Beck said: "Hell, I'm not reasonably certain they were correct. My reaction to that is: How are you ever going to determine whether a gambling outfit is correct?"

Savill said: "I assume—and this is purely an assumption—I assume that Tillett (William J. Tillett, another official of American Fletcher National Bank) through his administration of the situation would have verified—to the best of his ability—the figures."

Welsh, Beck and Savill were asked separately if anyone advertised for bids or tried to get someone to bid against Prell?

Welsh said: "No, not formal advertising for bids. But it was certainly a well-known distressed property in bankruptcy for sale. Anybody who wanted to come forward, ah—this was not a secret."

Beck said: "We didn't have title to the property. We only had a second mortgage . . . not only was there a first mortgage ahead of us, but all these lien claims were ahead of us . . . if we foreclosed, we weren't gonna be able to do a damn thing . . . who else would go in there and bid on the first mortgage? I mean we would have lost the entire package."

Savill said: "I never heard of that (bids) before. I never heard of advertising on a piece of property for bids unless it's a forced sale . . . The only way you do is the way we did it, I would think, and that was to contact the people in Las Vegas, as we did, to see what, if anything, we could gather as to what interest there would be in the event it was for sale."

But whether or not there was anything for sale and whether or not the word got around to all those who might have been interested in whatever it was, somebody besides Prell did try to buy the Aladdin.

The offer was made by MK Investment Corp., a four-man group headed by Las Vegas hotel owner Edward J. Doumani.

No mention of the offer could be found in the Indianapolis court's docket of the case, although The Journal Herald was able to obtain a copy of the document from a private source.

The offer is dated Jan. 30, 1968, shortly after the Prell group—which failed to exercise its one year option at the reduced $5.45 million price—submitted yet another offer to the court.

And since it was the Doumani group's first attempt to buy the Aladdin, to show that they were serious, they say they sent a check for $100,000 to the court. No mention of the $100,000 check could be found in the court's docket.

The Doumani group's offer contained terms favorable to those proposed by the Prell group. The Doumani offer included a down payment and a more-rapid schedule for paying off the purchase price.

And so, the Prell group submitted an "amended" offer to the court.

Doumani and Sam Kovacevich Jr., an Illinois businessman and one of the four MK Investment principals, said they were eager to negotiate with the trustee and the court to top the "amended" Prell offer. However, they say, they were never given sufficient opportunity.

Judge Steckler continued to look favorably on the overtures of the Prell group—despite two previous failures—and the Doumani group's $100,000 was returned.

Doumani claims the trustee "indicated to the court at one step of the way that our offer was there, but he didn't think we would be able to perform."

Doumani says he even appealed to the governor of Nevada to tell the Indianapolis court that his group was financially stable.

The governor—Paul Laxalt, now a Carson City attorney—told The Journal Herald he couldn't recall whether or not he wrote or telephoned the court, but "If they requested it of me I certainly would have done it, because they are very reputable people."

An official of the First National Bank of Nevada, which was listed as a financial reference on the Doumani offer, also confirmed that the Doumani group was quite capable of performing on the proposed deal.

John AX, a Linton, Ind., attorney who served as co-counsel for the Doumani group and represented it in dealings with the Indianapolis court, said he was "terribly put out" when the agreement again went to Prell.

"We had the door slammed in our face," he said.

Kovacevich, who also negotiated with the court, takes the same position as AX.

Kovacevich said he presented the Doumani offer to Steckler in his chambers and recalls "he seemed to favor the competitive atmosphere . . . he seemed to be very receptive."

Consequently, Kovacevich said, his group was "quite taken by surprise" when Prell again got the nod.

He said he received a letter from Judge Steckler and talked to him as well and "he was really at a loss for words . . . he said he felt very badly about the whole thing and so on and so forth and that this was what he had to do."

Kovacevich had his own ideas about why Judge Steckler did "what he had to do."

"When you're dealing with Parvin-Dohrmann," he said, "this thing, I mean, let's face it: It was wired right down the line."

BANK AVOIDS QUESTIONS ON ALADDIN CASINO SALE

(By Keith McKnight and Andrew Alexander)

In April, 1970, a group of congressmen received an anonymous letter from an attorney who claimed Supreme Court Justice William O. Douglas was involved in a cut-rate acquisition of the Aladdin Hotel and Casino through an Indianapolis bankruptcy proceeding.

The letter alleged that all during the proceedings, between 1966 and 1968, "it was strongly rumored that a Supreme Court justice was representing the Parvin-Dohrmann Co. and that they would acquire the hotel on their own terms, regardless of its value; and this turned out to be the facts."

During the proceedings, Douglas was the president of the Albert Parvin Foundation, which held a large amount of stock in Parvin-Dohrmann.

With a Douglas impeachment attempt pending before a House committee, Washington attorney Benton L. Becker was retained by Congressman Joe D. Waggonner Jr., a Louisiana Democrat, to check out the allegations in the letter.

Becker—a former criminal trial lawyer for the Justice Dept.—was on the three-man team that conducted the grand jury probe of former New York Congressman Adam Clayton Powell.

Becker said Rep. Waggonner retained him to assist a bipartisan group of congressmen in an independent investigation of Douglas' activities.

Becker told The Journal Herald that in September of 1970 he phoned William J. Tillett, a trust officer with the American Fletcher National Bank in Indianapolis, and requested an interview to discuss the Aladdin transaction.

He said Tillett, who had helped handle the matter for the bank, was receptive and they set up a meeting at the bank the following week.

He said when he arrived in Indianapolis he called Tillett to confirm their meeting, which was to be held two days later. He said Tillett told him the meeting was still set, but suggested Becker might need some identification.

So, Becker says, he phoned House GOP leader Gerald R. Ford at his home in Washington and Ford mailed—special delivery—a letter of introduction which arrived the next day.

Becker says he spent the day before the interview trying to research the Aladdin transaction from court records, but found the files were "a total mess" and turned to Chief Judge William E. Steckler for information. He said the judge was cooperative and showed him his personal "diary" on the matter.

Becker said the following morning he went to the bank for his meeting with Tillett.

He recalls he was "ushered into a large conference room" where Tillett, several of the bank's lawyers, and former Gov. Matthew E. Welsh were seated.

Becker says he showed them the letter from Ford and the group seemed cooperative.

But when he began asking questions about the Aladdin, he says, "the total atmosphere changed."

He said he was told that neither Tillett nor anyone else at the bank would answer any questions on the matter.

Becker says he left the bank and went to Steckler's chambers and explained what had happened.

He says Steckler seemed upset and phoned Tillett—in Becker's presence—and asked why he would not talk.

After a short conversation, Becker says, Steckler hung up and said the bank was standing firm in its refusal to talk.

Then, Becker claims, Steckler told him if he would draw up an order directing the bank officials to talk, he (Steckler) would sign it. Becker said he declined. He noted he was not a litigant in the Aladdin case.

Steckler refused to be interviewed by The Journal Herald and a similar position has been taken by the bank.

Early this year Tillett, who identified himself as the administrative officer chiefly assigned to the Aladdin sale, told The Journal Herald by phone he was eager to talk about the transaction.

"I'd be happy to talk to you about it," he said. "We think we did a very good job in this reorganization and I think I can convince you, if you come over, that this was a very good sale."

Tillett said, however, the interview would have to be cleared by James D. Keckley, head of the trust department.

Keckley said he would have to discuss the matter with other bank officials.

In an apparent contradiction of Tillett's evaluation of the deal as a success, Keckley said:

"It is a problem, there's no question. The people who did participate in this thing—and I'm not the one to say that they should or should not have—but anyway . . . it, it, it failed. And I suppose someone is always looking for an answer or someone to blame. . ."

The following day Keckley told The Journal Herald the interview would not be permitted.

He said he had talked to Welsh—the bank's counsel in the matter who had been interviewed on the subject by The Journal Herald a week earlier—and Welsh advised against the interview of Tillett or anyone at the bank.

"To discuss a trust account would just not be within the professional ethics of a professional trustee," Keckley said.

"For us to participate in it (the interview) would not be of interest to the certificate holders unless there is something that they are going to recover as a result of this.

I talked to Matt Welsh about this and he didn't see how this could serve that purpose," Keckley said.

[From the Dayton (Ohio) Journal Herald, Apr. 21, 1972]

FIRM WITH CRIME TIES LINKED TO CASINO DEAL

(By Keith McKnight and Andrew Alexander)

The Parvin-Dohrmann Company, notorious for its underworld ties, pulled the strings of what many Las Vegas "insiders" believe was a carefully planned conspiracy to take control of the Aladdin Hotel and Casino in 1968.

Milton Prell—a well known casino operator who came out of retirement to buy the Aladdin in 1965—did a booming business in his first year, but surprisingly reported an operating loss.

Within three years Parvin-Dohrmann took control of the Aladdin, and Prell, who in 1967 suffered a debilitating stroke, was told he had two weeks to get out of the hotel.

Some of the insiders suggest that Prell was used as a pawn by Parvin-Dohrmann, whose two top executives were also stockholders in Prell's privately controlled corporation.

And Harvey L. Silbert, a Beverly Hills attorney who was counsel and business adviser for the Aladdin, simultaneously was serving as counsel for Parvin-Dohrmann, of which he was also a vice president, director, and stockholder.

Silbert was a prime mover in negotiating a $5-million reduction in the price Prell owed for the 1965 purchase of the Aladdin.

The Indiana real estate investment trusts from which Prell bought the hotel, since had gone into bankruptcy proceedings in an Indianapolis federal court.

A Justice Dept. strike force looking into the matter failed to follow through on plans to call a federal grand jury in Indianapolis last August.

Since then, the same strike force has moved to Las Vegas and began a grand jury probe of "skimming" operations in other casino in that city.

Regardless of whether the Justice Dept. intends to continue its probe of the Aladdin deal, a 16-month investigation by The Journal Herald shows that an Indiana federal judge, the state's largest bank, a prominent Indianapolis attorney, and a former Hoosier governor—wittingly or not—provided the vehicle for the Aladdin takeover

The facts are:

(1) Prell bought the hotel and casino in 1965 from Indiana's largest real estate investment conglomerate (The Cook Brothers' Trusts) for $10.25 million.

(2) Less than a year later former Indiana governor Matthew E. Welsh and bankruptcy attorney Sigmund J. Beck gained control of the financially troubled trusts and put them in bankruptcy reorganization proceedings under the control of Chief Judge William E. Steckler.

(3) Then Prell—despite a booming business—halted payments on the Aladdin, saying he was losing money and that he had paid twice what the hotel was worth because of the unusually good purchase terms.

(4) Then Judge Steckler—apparently taking at face value the word of Prell and his associates—allowed the 1965 Aladdin sale price to be cut nearly in half, from $10.25 million to $5.45 million, without insisting on an appraisal, an audit of Prell's books, or a public effort to get competitive bids.

(5) A year later, when the deal fell through, Judge Steckler again—despite at least one other offer—allowed the Prell group a second chance to buy the Aladdin under another contract at the reduced price.

(6) Ten days after Steckler approved the third agreement with the Prell group, that private corporation met and voted to merge with the Parvin-Dohrmann company in a highly profitable stock swap.

Those who profited were not the 12,000 shareholders who had invested in the Cook Brothers' Trusts.

Instead, the profit-makers were:

(1) Friends and relatives of Indiana real estate man Leo A. Lippman—the "finder" who set up the sale of the hotel and casino in 1965.

(2) Prell's attorney, Harvey L. Silbert, who at the same time was vice president, a director and stockholder of the Parvin-Dohrmann Company.

(3) E. Parry Thomas, a Las Vegas bank owner and treasurer-director of Parvin-Dohrmann who apparently helped squeeze the Prell group by refusing loans which helped pave way for the merger.

(4) Albert B. Parvin, president of the Parvin-Dohrmann Company, and Harry A. Goldman, chairman of the board of Parvin Dohrmann Company—both of whom were among the small number of stockholders in the Prell Hotel Corporation.

Construction of the King's Crown Tally-Ho (later renamed the Aladdin) was completed in 1963 but it was not a success, primarily because it lacked a casino.

Later that year, the Cook Trusts purchased the hotel for $3.75 million and assumed nearly $1 million in payments for the land and furnishings. They constructed a $2 million casino.

According to the Cook trustees—Kokomo, Ind. attorneys Floyd F. Cook, Beryl E. Cook, and Donald J. Bolinger—they wanted to act only as landlords of the property while somebody else managed the business.

They leased the hotel to a management group which included actress Shirley MacLaine.

But the group failed to pay any rent to the trusts and operated at a loss, according to the Securities and Exchange Commission.

So, in 1965, feeling they were not a part of what they called the "in group" in that city and feeling they were being shut out by those who controlled the finances, the Cook trustees were anxious to get their money out of town.

Floyd Cook later recalled the demise of what used to be dubbed "the Cook Empire" and blamed it on the hotel and casino.

"What got us into trouble," he said, "was that we built that casino out in Las Vegas and we couldn't borrow money from any legitimate sources."

Then came Leo A. Lippman, the Indianapolis real estate man.

Lippman says the Cook trustees tried to sell the property to him, he didn't want it, but agreed to try to find someone who did.

In Las Vegas, he says, he found Prell, a retired casino operator who was tired of retirement and willing to go back into the business—on his own terms.

The deal went this way:

Prell would take the Cook Trusts' $7-million investment for $10 million on a $75,000-a-month payment plan with no money down.

For this, Lippman was to be paid an unusually large $1.1 million "finder's fee."

That was the deal Lippman made with the Cooks.

At the same time, Lippman also made a deal with the newly formed Prell Corporation whereby he would advance $250,000 through the Cook Trusts for working capital to get the hotel and casino operation on its feet.

In return, Lippman was granted the right to designate any five persons he chose to buy a total of 20 percent of the privately held Prell Hotel Corporation stock.

He designated his sister (Harriet Z. Hilton), his daughter, (Joyce Zickler), his personal attorney and close friend (Granvil I. Specks), a business associate (Stuart I. Stern), and the man he says brought the Cooks to him (Bernard A. Major).

At the time, December, 1965, the Cook trustees were already in hot financial water, but by the middle of 1966 the water was boiling as Democratic Indiana Secretary of State John D. Bottorff began pressing for their resignations.

According to Floyd Cook, amid the continuing turmoil he received a call from "a friend"—Bernard A. Major—who suggested he call a number in Indianapolis for an important message about the trusts.

As reported Wednesday by The Journal Herald, Cook claimed in subsequent lawsuits that he called that number and talked to former Gov. Welsh who arranged a meeting on Aug. 1, 1966.

Cook says the Welsh group attempted at that meeting to extort $100,000 from the trustees to relieve the pressure from the Secretary of State.

Lie detector tests arranged by The Journal Herald were successfully passed by Cook and Bolinger. Separate polygraph examiners concluded the men were being truthful about the alleged extortion bid.

Welsh told The Journal Herald he was unwilling to take a similar test. He is widely considered to be the leading contender in the race to be Indiana's next governor.

Welsh is not willing to take a similar test.

Following their meeting with Welsh, the Cook trustees made several abortive efforts to keep control of the trusts by getting a loan for refinancing.

At meetings in the Secretary of State's office where the attempts for refinancing were aired, those in attendance included Bernard A. Major and William F. Hendren—soon to become associates in another of Lippman's business interests.

But despite their attempts to hold on, the secretary of state forced Cook, Cook, and Bolinger out of office on Aug. 17, 1966, in what the Indianapolis Star at that time termed "an unprecedented move."

They were replaced by trustees including the Democratic former governor, Welsh, and the Indianapolis bankruptcy lawyer, Beck.

Then, Welsh and Beck hired a newly formed Lippman group—which included Stern, Major, and Lippman's son-in-law Leo Zickler—to manage the Cook Trust properties.

Then—according to testimony by Beck—he and Welsh, the new Cook trustees, asked Stern and Lippman to go to Las Vegas and "negotiate" with Prell for a "possible" re-

duction on the original $10.25-million sale price of a hotel and casino Prell since had renamed "the Aladdin."

In other words, Stern was sent to Las Vegas to see if a company in which he owned stock, the Prell Hotel Corporation, would like to pay less for its only asset.

And Lippman, who had chosen Stern and other friends and relatives to be Prell stockholders—went along to help.

Lippman, who told The Journal Herald he wasn't sent to Las Vegas until the matter was in bankruptcy court, claimed he could see no conflict of interest in his dealings.

Welsh and Beck were officials of the trust for 52 days before they put the trusts in bankruptcy reorganization proceedings in Steckler's court.

All in one busy Saturday, the bankruptcy petitions were filed, a five-hour hearing was held, the petitions were approved, and Judge Steckler appointed American Fletcher National Bank—the largest of Indiana's banks—to be the trustee in reorganization.

Subsequently, Steckler allowed Welsh and Beck to become attorneys for the bank (as trustee) apparently seeing no violation of bankruptcy law which specifically requires such officers to be "disinterested."

But despite a motion for the removal of Welsh and Beck filed by the Securities and Exchange Commission—which has no power to appeal—Steckler persisted in allowing Welsh and Beck to continue their involvement in the matter.

Meanwhile, back at the casino, Milton Prell's business was booming, but in a surprising announcement that coincided with the bankruptcy, Prell said he could no longer make payments to the trusts because he was losing money.

Then Welsh, Beck, and two officials of the bank—Albert A. Savill, senior vice president in charge of the mortgage department, and Meredith Nicholson, senior vice president in charge of the trust department—flew to Las Vegas to size up the situation.

According to alter testimony in Steckler's court, Savill said two of the few persons they met with in their brief trip were Harvey L. Silbert and E. Parry Thomas.

Welsh, Beck and Savill say they didn't know it, but Silbert, in addition to being Prell's attorney, was also vice president and a director of the Parvin-Dohrmann Company.

Welsh, Back and Savill also say they didn't know that Thomas, aside from being chairman of the board of one of the largest Las Vegas banks, was the treasurer-director of Parvin-Dohrmann.

Others they consulted, but also claimed to know little about, included:

—Jerome "Jerry" Zarowitz—a long-time Las Vegas gambling figure who in the late 1940s served 20 months in prison for conspiring to fix professional football games for gambling purposes. He is presently under federal indictment, charged with violating interstate betting laws.

—Kirk Kerkorian—a nine-figure millionaire, now the controlling stockholder in Metro-Goldwyn-Mayer Studios, and connected in business deals with numerous organized crime figures.

Clifford A. "Big Juice" Jones—a former Nevada lieutenant governor reputed to be an associate of mobster Meyer Lansky, and a co-defendant with U.S. Senate majority secretary Robert G. "Bobby" Baker.

Apparently based upon information from that trip, and subsequent conversations with Prell, the trustee of Cook Trusts (the bank) entered into an agreement with Prell to cut the sale price of the Aladdin nearly in half, to $5.45 million.

Then, following two hearings by the bankruptcy court in January, 1967, Judge Steckler approved a one-year option for Prell to buy the Aladdin at the reduced price.

This was done without:

(1) an appraisal of the Aladdin property;

(2) an audit of the Prell Corporation's books;

(3) any considerable public search for other bidders.

The position of the court-appointed trustee for the Cook Trusts (the bank), as presented in the hearings, was that Prell had a good reputation as a casino operator, but had agreed to pay too much in the original purchase agreement, he was losing money, and the operation would collapse if he did not get some financial backing.

And, according to the position of the trustee, if the sale price was cut, Prell stood a good chance of getting loans to make needed improvements in the Aladdin, and, therefore, the Cook Trusts would get something, rather than nothing, for their investment.

Savill, the vice president of American Fletcher National Bank, told the court he had talked to E. Parry Thomas, the Parvin-Dohrmann treasurer-director shortly before the hearing and "he (Thomas) thought if the court approved this modification agreement (the $5-million reduction), that Mr. Prell would attain his refinancing and would be able to exercise the option . . ."

Silbert—Prell's attorney and a Parvin-Dohrmann vice president and director—testified that at that time Prell was negotiating refinancing with Thomas' bank and he (Silbert) saw an "excellent chance" to get a loan from the Teamsters Union pension fund.

And if that didn't work, Silbert theorized that there were other alternatives for getting more money.

Welsh and Beck appeared to rely heavily on the expertise of Savill, who presented the major portion of the trustee's position in the matter.

But Savill relied heavily upon the expertise of the Parvin-Dohrmann officials—namely Silbert and Thomas.

In fact, he told the court at one point: "I am not—let's face it, I'm not an expert on Las Vegas hotels."

Nevertheless, at another point in the hearing, Savill contrasted the Aladdin with another hotel and casino, the Thunderbird.

Later, when asked by an SEC attorney where he had acquired his knowledge, Savill answered:

"Well I've got to be honest. My source is Mr. Harvey Silbert, the owner of the Riviera, right across the street from the Thunderbird.

"But I'm sure he wouldn't give me information that wasn't so," he said.

However, despite any assurances or high hopes, Prell never got a loan from E. Parry Thomas or the Teamsters or anybody else.

And in September, 1967, a few months before the option was to expire, Prell suffered a stroke that left him paralyzed and unable to communicate.

Prell was then effectively out of the picture.

And the one-year option ran out.

But despite the fact the Prell group had failed in two previous attempts to buy the hotel, Silbert returned to the court and asked for and obtained another agreement.

But before that agreement was finalized, Beck, the bankruptcy specialist, resigned from the case.

"I blew my stack," he recalled. "Somewhere during the period of time I had gotten into a cross-fire with the judge and with the trustee . . . I was asked not to interfere in the negotiations with the hotel . . . I resigned just about that time and had nothing further to do with it."

The dispute erupted, Beck said, because he insisted the trustee leave a clause in the contract which would have required the Prell group to inform the trustee if they were going to sell the Aladdin to another buyer.

Beck characterized the clause as a safeguard, saying that if such a sale were imminent, the trustee would have had the option to purchase 25 percent of the operation.

But he said Judge Steckler, Savill, and Nicholson insisted upon eliminating that option.

"I can't answer what the reasons were," Beck said, "But . . . it's a damn shame, because, as I recall, they lost about a million bucks on that deal."

Neither Welsh nor Savill recalled any such flareup or loss.

This time (1968), unlike the last time (1967), there was at least another bidder who claims to have matched the offer of the Prell group and was willing to haggle over the price.

But there was no haggling, for the offer made by the Prell group was the offer accepted by the court, and the other would-be buyers—claiming not to know why—were turned away.

This time, unlike the last, there was an appraisal.

The appraisal complemented the court's decision and the Aladdin was sold again for $5.45 million.

That order was signed by Judge Steckler on April 18, 1968.

On April 22, 1968, a meeting of the Prell Hotel Corporation was called, and those attending voted to merge with the Parvin-Dohrmann Company in a stock-swapping arrangement.

Albert B. Parvin, president of the Parvin-Dohrmann Company, got 1,496 more shares in his company for the eight shares he held in Prell's company.

Harry A. Goldman, chairman of the board of Parvin-Dohrmann Company, got 3,740 more shares in his company for the 20 shares he held in Prell's company.

Harriet Z. Hilton, Lippman's sister, got 2,431 Parvin-Dohrmann shares for the 13 shares she held in Prell's company.

Granvil I. Specks, Lippman's attorney and friend got 1,870 Parvin-Dohrmann shares for the 10 shares he held in Prell's company.

And Grant I. Stern, whom Lippman had referred to as his "Man Friday," got 2,805 Parvin-Dohrmann shares for the 15 shares he held in Prell's company.

And Milton Prell was paid 14,960 shares of Parvin-Dohrmann stock and told to get out of the hotel within two weeks.

At the time the stock trade was finalized, Parvin-Dohrmann shares were valued at $23 on the American Stock Exchange.

A few months later—in keeping with the curious roller-coaster history of that company—the stock more than quadrupled in value.

Albert Parvin and Harry Goldman, the president and chairman of the board, sold their controlling interest in the company in January, 1969, and Parvin-Dohrmann since has been renamed "Recrion Corporation."

The new president of Recrion was Norris Goldman—son of Harry Goldman and son-in-law of Harvey Silbert. Norris Goldman headed the company for only a short while.

He was found dead in the bedroom of his Beverly Hills home last Aug. 23. The Los Angeles County coroner said the cause of death was a gunshot wound to the head, and ruled it a suicide.

As for the Aladdin, it too since has added to its bizarre history.

Last February, Recrion announced that the Aladdin had been sold for $16.5 million—more than three times the amount it sold for in Judge Steckler's bankruptcy court three years earlier.

The buyer defaulted, however, and in October, the same hotel-casino, which first was sold for $10.25 million, once again was sold at its old $5-million price.

As for Leo Lippman himself, the picture isn't very clear.

Back in 1966, court records show that Lippman agreed to reduce his $1.1-million "finder's fee" claim to $75,000 if the court would knock $5 million off the sale price of the Aladdin—a sale he was instrumental in setting up.

But Lippman says the American Fletcher National Bank—where he is a big depositer—asked him to reduce his finder's fee and he did.

"They (the bank) wanted to do the best job they could," Lippman recalled, "because the position was put to me that there were some 20-odd thousand shareholders, or something like that. And it would be a bad thing for me to collect a fee on the basis of their losing money."

And he didn't care that his $1.1 million fee was whittled down to $75,000?

"Well, so what?" he said. "What the hell would I do with the money? I'd have to pay tax on it in the 90-percent bracket. So what was I giving up?"

SERIES TRIPS FRAUD CHARGE BY CRUSADER

INDIANAPOLIS.—Alleging fraud, perjury and obstruction of justice, Chicago court crusader Sherman H. Skolnick yesterday requested "friend of the court" status in the controversial American National and Republic National trust bankruptcy case.

The action included some of the affidavits and other documents revealed in the current series of Journal Herald articles which resulted from a 16-month investigation.

In his motion, Skolnick said the bankruptcy reorganization case was "a fraud upon this court from its inception" which was "unlawfully solicited and instigated."

Skolnick further urged the court to recommend the indictment of Arthur J. Beck, U.S. Clerk of Courts, "for perjury and obstruction of justice."

Beck, then the deputy clerk, swore falsely in an affidavit dated March 7, 1969, that Dayton attorney Emanuel Nadlin had first conferred with him only three days before that date regarding an appeal Nadlin was making in the bankruptcy case.

The affidavit was used in support of a move to deny an extension of time on the appeal deadline—an extension Nadlin claimed Beck requested him to make.

James E. Noland, the judge in the matter, not only denied the extension of the deadline as requested, but stepped beyond the bounds of his authority and dismissed the appeal—an appeal of his own decision.

The episode was detailed in Monday's Journal Herald along with reproductions of Beck's affidavit and a letter from Nadlin to Beck which was stamped as received by the clerk's office nearly two months before the time Beck swore he first conferred with Nadlin.

Nadlin, who died last year, appealed the bankruptcy case because the trusts were forced into the court in the name of six shareholders whose attorneys claimed they were creditors of the trusts.

Since bankruptcy law does not allow stock or shares in a company as a debt against it, Nadlin claimed the bankruptcy action should not have been permitted by the judge.

The Journal Herald investigation later revealed that four of the shareholders who could be located did not knowingly authorize a bankruptcy action and some claimed they didn't even know the attorneys who claimed to be representing them.

Sholnick—a polio victim who battles courtroom corruption from his wheelchair—filed the action, called a press conference, and with three newsmen in tow, pressed Judge Noland, for a promise that he would allow another judge to rule on the motion.

In December, 1970, Skolnick requested "friend of the court" status, attacking Noland's handling of the case and Noland dismissed the motion saying Skolnick had not followed proper procedures.

Yesterday, when Skolnick met with Noland, he reiterated a request in his motion that three judges in Indianapolis exclude themselves from ruling on the motion.

The judges are Noland, S. Hugh Dillin, and Chief Judge William E. Steckler, all Democrats and all mentioned in The Journal Herald's series.

The fourth judge, Cale J. Holder, is a Republican.

"Do I have your assurance you will not enter upon the premises?" Skolnick asked the judge.

"Your pleading," the judge answered, "will be duly considered by the court."

Skolnick said: "The last time I asked you to disqualify yourself, you didn't."

Judge Noland replied: "Your pleading will be duly considered by this court. I have no further argument to make with you Mr. Skolnick. This conversation is at an end."

Skolnick later visited the U.S. Attorney's office and pressed for the indictment of Beck.

John E. Hirschman, an assistant attorney, assured Skolnick that the government would "call them exactly the way they are—with no strings."

Skolnick then confronted Beck, criticizing his office for having records which were a shambles.

Beck said the records had been put in order.

Skolnick then turned to the false affidavit and the letter from Nadlin, both of which were in the appeal record which finally made its way to the appellate court, where Noland's previous order was upheld.

Beck would not directly answer Skolnick's questioning as to whether he considered the affidavit perjured.

Beck told Skolnick, as he had earlier told The Journal Herald, that he saw "no conflict."

Arthur F. Beck, a Columbus, Ind., attorney amid the confrontation and repeatedly advised his father to answer no further questions while reporters were present.

PROGRESS REPORTED ON FATAL CALF DISEASE IN BITTERROOT

HON. RICHARD G. SHOUP

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. SHOUP. Mr. Speaker, during this time of concern over beef prices I think it timely to point out to my urban colleagues that beef steaks are not created in the supermarket, but are the result of breeding, calving, and rearing of mature animals.

Without the dedicated work of veterinary medicine both quality and quantity of beef would be questionable. I am most proud of the pioneer work being done in this field by Dr. Jack Ward of Hamilton, Mont.

I insert the following newsstory of his work in the RECORD:

PROGRESS REPORTED ON FATAL CALF DISEASE IN BITTERROOT

(By Jim Crane)

Calf losses on some ranches in the Bitterroot and Flathead valleys are running very high this spring. Reports of similar problems are coming in from such widespread areas as Chouteau County and the Twin Bridges area.

Post-mortem examinations of animals from western Montana indicate that many of the calves are dying of a malady known as "weak-calf syndrome" or "Ward's disease." Hamilton veterinarian Jack Ward has been concerned with the mysterious calf killer since 1963.

The 1969 calving season was particularly marred by aborted and weak calves. For many ranchers, 1972 is a repeat performance.

But 1972 may be the turning point for ranchers in whose herds the disease is endemic.

Recently Dr. Richard Ushijima, a virologist and assistant professor of microbiology at the University of Montana, succeeded in isolating a virus from tissues of diseased animals. Cyril Jannke, a graduate assistant of Dr. Ushijima, has been able to show the presence of a similar virus in tissues of all diseased animals tested, including a 10-hour-old calf and some aborted fetuses.

A trial vaccine has been prepared by Dr. Ward, but its effectiveness won't be known for several weeks. It has been found that transfusing a pint of blood from an animal that has recovered from the disease is effective in saving about 70 per cent of the weakened calves.

Blood from animals with no previous contact with the disease does not protect the calves, Dr. Ward has found. Dr. Earl Pruyn, a Missoula veteranian, has reported success with whole blood taken from an "old milk cow."

A serum made from blood of recovered animals has been found to be effective on newborn calves when administered in doses of 35 milliters (CC's) subcutaneously and 35 milliliters intraperitoneally.

In older animals, about 100 milliliters of serum is more desirable. These animals are out in the fields and may be excessively dehydrated with good evidence of secondary infections.

Good success has been obtained from the serum therapy accompanied with administration of electrolyte solution and antibiotics. Cortisone and epinephrine also were effective when combined with the serum treatment.

The diseased animals can be recognized by listlessness and loss of desire to nurse, inability to stand, tenderness and swelling of the hocks, "bristly" hair, reddening of the nose and occasional peeling skin on the nose, droopy ears, scouring and, often, a decrease in the number of white blood cells.

A few of the characteristics may be seen in fetuses, aborted within a month of term.

When the mother cow is ill, she often loses interest in her calf. The disease can afflict cows, resulting in aborted calves or infected newborn calves. In addition, calves from two weeks to two months old have been found to develop the disease.

If left untreated, most of the diseased animals die within 12 hours. Secondary infections often are the cause of death, Severe dehydration occurs.

It was a year ago when Dr. Ward interested Dr. Ushijima in the disease. After reviewing records, talking with ranchers and observing several autopsies, Ushijima concluded that a virus was the likely cause.

Studies still are being made to assure that the recently isolated virus actually is the causative agent.

Dr. S. E. "Gene" Taylor, a Stevensville veterinarian who has been involved in studying the disease since 1969, has found similar disease patterns in sheep. Tom Januszewski, a graduate assistant in microbiology, has isolated a virus from sheep which resembles the cattle virus. The relationship between the two is being studied further.

The incubation period of the disease is two to three weeks. Animals may harbor and shed the disease organism for many months. Apparently the agent is contracted orally and is shed in the urine and possibly in the feces and saliva.

Recovery by adult animals results in solid immunity. If the cow is infected during pregnancy, all future calves from the cow will be born free of the disease. Although the calves may contract the disease after birth, most are protected by antibodies in the cow's colostrum.

Drs. Ward and Ushijima are deeply concerned that further studies of the disease may be hindered by lack of research funds. The early studies were made possible by money from the Ravalli County Research Fund.

A SUPPLEMENTAL APPROPRIATION FOR THE DEVELOPMENTALLY DISABLED

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. BINGHAM. Mr. Speaker, when the House considers the second supplemental appropriations bill, H.R. 14582, I shall offer an amendment which would increase by $8.3 million the fiscal year 1972 appropriation under the Developmental Disabilities Services Act (DDSA), the major source of authorized but unappropriated Federal funds to aid the mentally retarded.

Under DDSA, States receive funds to provide vital daily services for the developmentally disabled—including victims of cerebral palsy and epilepsy, as well as the retarded—to train some State school patients to live reasonably normal lives outside institutions, and to construct new facilities. DDSA has been touted by the Congress and the Executive as a crash program to ease what President Nixon called "the cruel bane of retardation." It received an authorized funding level of $105 million for fiscal year 1972. Last July, during floor debate on the appropriations bill, the House voted to increase the Appropriation Committee's recommended level of $16.2 million to $30 million. Unfortunately, in conference that figure was reduced to $21.7 million.

The amount I am proposing be added in the supplemental appropriation, $8.3 million, represents the difference between what the House appropriated for the program and what was actually appropriated after the conferees cut back the House figure. Thus, by adopting my amendment, the House would be reasserting its unswerving commitment to aiding the developmentally disabled, but would be appropriating no more than it originally approved last summer. While the proposed increase is modest, it represents urgently needed money for many States. Although some might argue that we should wait until the fiscal year 1973 appropriation to restore funds for the program, we may well not reach a final decision on that funding for many months. In the meantime, this additional $8.3 million would provide critical assistance to several States with "ready-to-go" projects to improve intolerably brutal institutional conditions.

Mr. Speaker, we are in the midst of a crisis in care for the developmentally disabled. Vivid news reports of desperate living conditions at Willowbrook State School for the Retarded in New York, and "Willowbrooks" through the Nation, have focused the attention of many Americans on the problem of how to provide good care at these institutions. Increasing the appropriation for the Developmental Disabilities Services Act would help some institutions follow through on positive programs they are prepared to implement.

Further, the need for supplemental aid is discussed in a series of letters I have received from directors of State mental health agencies from various States, including: Illinois, Kansas, Louisiana, New Jersey, New York, and Oregon. I am enclosing below the text of those letters for the Members' information. In addition, last March 6, I placed in the RECORD more detailed information on the serious funding problems in this area. See pages 6990–6993.

I hope that the Members will join in the debate and support my amendment.

The letters follow:

GOVERNOR'S OFFICE OF
HUMAN RESOURCES,
Chicago, Ill., April 13, 1972.

Re: Developmental Disabilities Services and Facilities Construction Program

Hon. JONATHAN B. BINGHAM,
U.S. Congressman,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN BINGHAM: Thank you very much for your recent letter regarding your intended support for increased reimbursement under the Developmental Disabilities Act. We in Illinois are certainly encouraged by your action.

While a detailed analysis of state needs is underway, a preliminary analysis of grant requests under the program indicates that we have received grant applications totaling $1,996,163 for FY '71 funds that overall totaled $477,111. While this is not a definitive answer to your question, it does indicate the overall level of need for increased funding under the Developmental Disabilities program.

More specific and detailed information will be forthcoming, but I thought the above would be of interest to you at this point in time.

Yours very truly,

ARLEN S. GOULD,
Executive Secretary, Developmental Disabilities Advisory Council.

STATE DEPARTMENT OF
SOCIAL WELFARE,
Topeka, Kans., April 4, 1972.

Hon. JONATHAN BINGHAM,
Congress of the United States,
House of Representatives,
Washington, D.C.

DEAR MR. BINGHAM: Thank you for your letter of March 27 describing your intent to increase the Developmental Disabilities funds to the level authorized by Congress.

In your letter you asked for information that would describe the crisis nature of care for the mentally retarded as well as programs that would be able to be funded if there were available monies. As I have earlier reported to Mr. Bob Gettings, Executive Director of the National Association of Coordinators of State Programs for the Mentally Retarded, I would estimate that the state of Kansas could very conservatively expend two to three million dollars on grants for service expansion and service improvement for the developmentally disabled. (We are currently receiving $205,408.) The state could very adequately expend this money within our current status of planning. We have severely curtailed applications for developmental disabilities funds as well as the amounts to be made available to these grantees because of the limit on federal monies being made available. Anything that you can do or any efforts that you can initiate to have appropriations meet the congressional intent would be appreciated.

Thank you for your interest in this very major problem facing the states.

Sincerely,

DENNIS E. POPP,
Coordinator, Developmental Disabilities Services.

STATE DEPARTMENT OF HOSPITALS,
DIVISION OF MENTAL RETARDATION,
Baton Rouge, La., April 10, 1972.

Hon. JONATHAN B. BINGHAM,
23d District, New York,
Bronx, New York

DEAR CONGRESSMAN BINGHAM: Your interest in the Developmental Disabilities Bill I appreciate very much. I hope the following information will be helpful in your struggle to increase the appropriation.

In Louisiana we have a well developed baseline of services for the mentally retarded. Crisis circumstances develop because of our inability to expand the existing services to meet the total needs of our citizens.

We have eight residential facilities providing care for approximately 3900 individuals. Our studies indicate that we need at least 1500 more residential beds to take care of the needs of the individuals who cannot be adequately cared for in any other fashion except in a residential facility. Our master plan calls for the development of our existing schools to meet this expanding need at approximately $10,000 a bed construction cost. Our projected capital outlay cost to meet this need would be approximately $15,000,000.

In day care community centered services, we currently are serving approximately 1400 people. Our projection estimates that we should increase this number by at least 10,000. At present construction costs, we spend approximately $2,224 per person in day care center construction. Consequently, to fully serve the projected 10,000 new trainees, our construction cost would be approximately $22,000,000.

Operational cost in residential care in Louisiana averages $4,900 per individual. An additional 1500 residents would increase our present operational budget of approximately $20,000,000 by $7,350,000.

The cost of day care in Louisiana amounts to approximately $2,000 per student per year. An increase of 10,000 participants in this program would elevate our operational cost by $20,000,000.

We could not, of course, handle such a massive expansion in any one year. However, graduated over a five year period, we could successfully absorb such growth if the funds were available.

High on our priority is the need for a comprehensive multidisciplinary diagnostic, evaluation, and training center. Our HEW region is the only region in the United States that does not operate a university affiliated facility designed to achieve the diagnostic, evaluation, and training services mentioned above. At this time, however, LSU Medical School is ready to launch such a program.

Authorization for the development of such a service has been approved by the LSU Board of Trustees; consultant planning services have been retained; an architect has been employed; the building site is already available. Consequently, if federal funds were available at this time, the construction of this facility could begin immediately. Planning estimates are that the construction cost would amount to $5,278,000. It is also estimated that the annual operational cost of the facility would be $1,445,000.

The above mentioned circumstances and

program needs constitute my idea of our crisis needs in Louisiana. Additional services, such as community centered group homes, sheltered workshops, parent counseling and training programs, home health aides, special recreation programs, half-way homes, follow-up and follow-along services, will provide needed support programs to round out our comprehensive service.

It is difficult to place an accurate cost figure on the total package. However, we do have, besides the diagnostic and evaluation center at LSU Medical School, at least another million dollars worth of construction and program activity which could be activated immediately if funds were available.

It is my opinion that besides the residential and day care service needs described above, we can meaningfully utilize a minimum of one half million dollars per year of federal funds in developing and improving the supportive services that were also alluded to in the preceding paragraphs.

I hope this information will be helpful. If you think I can provide other assistance, please do not hesitate to request it.

Sincerely yours,

OTTO P. ESTES,
Commissioner, Division of Mental Retardation.

STATE OF NEW JERSEY,
DEVELOPMENTAL DISABILITIES COUNCIL,
Trenton, N.J., April 3, 1972.

Hon. JONATHAN B. BINGHAM,
Congressman, 23d District, New York, Bronx, New York

DEAR REPRESENTATIVE BINGHAM: Thank you for your letter of March 27, 1972. I am delighted to learn of your intent to offer an amendment increasing monies available to the states under P.L. 91–517. As you indicate, present appropriations for fiscal year 1972 equal only about one-fifth of the amount authorized by the Congress. Obviously, to have the Act fully funded would provide immeasurable benefit to all of the states, including New Jersey, and to the many mentally retarded, cerebral palsied and epileptic citizens and their families. Even without full funding, any supplemental increase in appropriations over and above the present level would provide proportionate assistance in meeting dire needs. Therefore, may I take this opportunity to congratulate you on your efforts in this regard. I will, of course, be happy to be of any assistance I can to you.

New Jersey is only now in the process of receiving applications for fiscal year 1972 Developmental Disabilities funds and, consequently, I cannot give you a concise indication as to the exact funding level of projects "ready to go" at the present time. However, for fiscal 1971, applications for D.D.S.A. monies within New Jersey totaled nearly $2 million, just about evenly divided between service and construction programs. When one considers the facts that potential applicants were very much aware of the very limited nature of available 1971 funds (just slightly over $300,000) and that the Act itself was new at the time applications were solicited (meaning that many projects were almost but not quite ready to go and, thus, did not apply), one can assume that the level of funds that could be used if available for fiscal year 1972 should be somewhere in the neighborhood of $3 million, for New Jersey alone. Further, these figures reflect only the need of the private sector and local government within the State.

Latest available estimates from State agencies regarding construction of facilities fundable under D.D.S.A. guidelines are well in excess of $100 million. Thus, it is obvious that even New Jersey's share of a fully funded D.D.S.A. program would be significantly insufficient to meet the total need. It is even more obvious how far short of meeting that need is the current level of funding.

I hope that this information will be useful to you and that you will not hesitate to let me know if there is anything else I can provide for you. I look forward to hearing of the results of your efforts.

Best wishes.

Sincerely yours,

CATHERINE ROWAN,
Executive Director.

STATE OF NEW YORK, DEPARTMENT OF MENTAL HYGIENE, DIVISION OF MENTAL RETARDATION AND CHILDREN'S SERVICES,
Albany, N.Y., April 3, 1972.

Hon. JONATHAN B. BINGHAM,
Congress of the United States,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BINGHAM: Thank you for the opportunity to assist you in support of additional funding for the Developmental Disabilities Services and Facilities Construction Program.

I have attached a copy of the document which the Department of Mental Hygiene issued on February 8 on the current status of our mental retardation programs. This presents a fairly up-to-date picture of the crisis situation for the mentally retarded in New York State and this, together, with the media coverage of both Willowbrook and Letchworth should give you a complete summary of the problem.

As you probably know, New York State has a Developmental Disabilities Act allotment of $1.4 million for 1972. We received 105 applications requesting an estimated $10.4 Million. These applications are now before the New York State Advisory Council for consideration.

The Council will be able to approve only about twenty-five of the 105 applications, leaving 80 disapproved totalling about $9 million. Of course, some of the 80 applications would not be approved by the Council because of low priority target groups or for technical and quality reasons. However, assuming an outright disapproval rate of 25 percent, we would still have 60 applications which could be seriously considered for funding for an additional $6.75 Million.

We estimate that the total number of developmentally disabled in New York State is about 750,000. Our current 1972 allocation of $1.4 Million doesn't even give us an average of $2 to spend on each developmentally disabled citizen.

All of us here in the Department of Mental Hygiene appreciate your efforts in the House to provide much-needed assistance to the developmentally disabled in New York State and throughout the country. We feel that the intent of the Developmental Disabilities Act to provide a coordinated system of services to the developmentally disabled is extremely vital and hope that the level of funding can be increased to reflect the importance of the Act.

Please contact me if I can give you further information or assistance.

Very truly yours,

DONALD L. HANSON,
Director, Bureau of Developmental Disabilities Services.

MENTAL HEALTH DIVISION,
DEPARTMENT OF HUMAN RESOURCES,
Salem, Oreg., March 30, 1972.

Hon. JONATHAN B. BINGHAM,
Representative, 23d District, New York, 133 Cannon House Office Building, Washington, D.C.

DEAR REPRESENTATIVE BINGHAM: It is with a great deal of enthusiasm that we respond to your March 27 letter requesting information about Developmental Disabilities (Public Law 91–517) Programs in Oregon.

The enclosed information should give you sufficient indication as to the need for additional funds for programs and services. Here in Oregon during 1971–72, we have been able to provide programs for over 1,600 developmentally disabled individuals through fourteen (14) service projects. But as indicated below, we have not even "touched the surface" in adequately providing the kinds of services needed for each disabled individual.

In 1971, forty-nine (49) applications were received, totaling approximately $1,569,873. Of the 49, only 14 were able to receive funding because of the limited allocation in Oregon. Enclosed is a list of the 49 projects submitting "Letters of Intent", plus a list of the 14 projects actually funded. I am also enclosing a total budgetary report of expenditures from Fiscal Year 1971–72, including the amount available to fund new projects during 1972–73.

It is hoped that the enclosed information can be of some benefit in your attempt to increase Developmental Disabilities Services funding through the Supplemental Appropriations Act for 1972.

If we can be of further assistance please feel free to contact us.

Cordially yours,

ROBERT SHOOK,
Coordinator, Community Mental Retardation Services.

SURVEYING THE YOUNG VOTER

HON. CHARLES W. SANDMAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. SANDMAN. Mr. Speaker, a highly valuable peek into the thinking of young Americans today is provided in the results of my recent Young Voter Opinion Survey.

In mid-March, I posed 10 questions to nearly 2,500 young men and women in my congressional district between the ages of 18 and 20. They are the newly enfranchised citizens.

So far, though returns are still coming in daily, 667 questionnaires have been returned to me. I am told that this is one of the largest polls of this age group on national issues since the 25th amendment was ratified.

To me at least, the results are most reassuring. For example, the tabulations show that 88 percent oppose forced busing: 86 percent say 18- to 21-year-olds should be legally treated as adults; 76 percent favor voluntary prayer in public schools; 72 percent would be willing to pay more for products and utilities that are virtually pollution-free; 66 percent oppose Federal deficit spending; 61 percent think foreign aid should be drastically reduced; 60 percent feel the President's recent China trip was worthwhile; and 50 percent say the United Nations is not "an effective peacekeeping organization."

I thought it was interesting that the highest degree of uncertainty was on the issue of the President's trip to China: 22 percent said they are not certain the trip was worthwhile.

The complete tabulation of results follow:

1972 YOUNG VOTER OPINION SURVEY—TABULATION OF RESULTS

[Conducted by U.S. Representative Charles W. Sandman, Jr., 2d District: Atlantic, Cape May, Cumberland, and Salem Counties, N.J.]

[In percent]

	Yes	No	Not sure
1. Do you favor forced busing of children away from their neighborhood schools to achieve a racial balance?	6	88	6
2. Now that they have the right to vote should 18- to 20-year-olds be legally treated as adults for the purposes of contracts, law enforcement etc.?	86	5	9
3. Would you favor a constitutional amendment to allow voluntary prayer in public schools?	76	17	7
4. Should the Federal Government be allowed to spend more than it takes from taxation?	17	66	17
5. Do you feel the United Nations is an effective peace-keeping organization?	30	50	20
6. Would you be willing to pay more for products and utilities if they were virtually pollution-free?	72	16	12
7. Do you feel President Nixon's recent China trip was worthwhile?	60	18	22
8. Do you think foreign aid should be drastically reduced?	61	23	16

	Yes	No	Not sure
9. To express your views, have you ever written to:			
(a) Your mayor or other local official?	12	88	
(b) Your county freeholders?	8	92	
(c) Your State senator or assemblyman?	20	80	
(d) Your Congressman or Senator?	24	76	

10. If you have formed an opinion already, how would you rate the performance of:	Great	Good	Poor	NA[1]
(a) President Nixon?	12	56	6	6
(b) Vice President Agnew?	8	32	47	13
(c) U.S. Senator Williams?	6	46	12	36
(d) U.S. Senator Case?	8	46	14	32
(e) Congressman Sandman?	17	53	11	19

[1] Na—No opinion given.

MYSTERIOUS MOON

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. TEAGUE of Texas. Mr. Speaker, as Astronauts Young, Duke, and Mattingly have explored the moon during this past week, I believe all America and the world have shared their excitement and exalted in their achievements. As we near the end of the Apollo program with our astronauts safely on their way home, the words of the editorial of the New York Times of April 24 have a special significance. Many of the mysteries of the moon have been unlocked, yet to be replaced with other more significant questions. Certainly as this provocative editorial points out, we need to find the means to make not only near space, but also the moon more permanent use. The editorial follows:

MYSTERIOUS MOON

Even before astronauts Young and Duke blasted off the moon last night, scientific analysis of some results of their mission had already begun. It will take many months and even years before the full harvest of Apollo 16's scientific contribution is in. But even now there is much material for scientists to analyze. It is information made available by the superb television pictures received here on earth, by the verbal descriptions of the astronauts and by the data radioed back to this planet from the various automatic sensors placed on the lunar surface.

A preliminary conclusion must be that in some important ways the moon is now even more mysterious, even harder to understand, than it was before Apollo 16 took off. The additional knowledge of lunar conditions available from last weekend's exploration indicates that the reality of the moon's origin and history is even more complex than previous theories had assumed.

Most NASA geologists, for example, were given rude shocks by the reports Young and Duke sent back of the kinds of rocks they were finding on their excursions. The geologists had expected many of these rocks to be crystalline in character and billions of years old, reflecting what was anticipated to be the long, undisturbed history of the Descartes region's terrain. But instead, Young and Duke reported finding mainly rocks of the breccia type, in effect aggregates of pre-existing rocks, aggregates whose heterogeneous mineral composition testified they had been through major convulsions and were much changed from their original state. Why was the dominant view of the NASA geologists wrong and what are the implications of this error?

Even stranger and more provocative are the Orion crew's measurements of the local magnetism in the area they explored. Young and Duke reported the highest measurements of magnetism ever recorded on the moon, thus further challenging the many theories based on the assumption the moon has virtually no magnetic field. Most unexpected, Young and Duke found evidence of opposite magnetic polarities at different points in the area they traversed. This raises the possibility that on the moon, as on earth, adjoining areas solidified in different geological periods, recording different polarities of lunar magnetism that existed in successive epochs. If confirmed, this variation of magnetic polarity in different lunar rocks could become another powerful tool for probing that mysterious planet's history.

All the present evidence, in short, is that Apollo 16 is returning very rich scientific dividends. And the new mysteries last weekend's explorers uncovered only add to the fascination and importance of the study of the moon through manned and unmanned rockets sent there in the years and decades ahead.

Nobody who watched those two happy and efficient explorers, astronauts Young and Duke, at work on the lunar surface can doubt that the moon offers huge scope for men in the future. When will some far-sighted statesman take the initiative of calling the nations of the world together to begin planning the vast cooperative long-term lunar exploration and settlement project that the Apollo successes to date have shown is needed?

MAN'S INHUMANITY TO MAN—HOW LONG?

HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. SCHERLE. Mr. Speaker, a child asks: "Where is daddy?" A mother asks: "How is my son?" A wife asks: "Is my husband alive or dead?"

Communist North Vietnam is sadistically practicing spiritual and mental genocide on over 1,600 American prisoners of war and their families.

How long?

RULING GREEK JUNTA IMPLICATED IN ITALIAN TERRORIST ACTIVITY

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. EDWARDS of California. Mr. Speaker, I would like to commend to the attention of my colleagues an article which appeared in the Washington Post on April 5. The article reveals that the present fascist government of Greece, about which I have commented many times, has been found to be exporting their brand of political oppression to neighbor nations. This is especially interesting, because the present administration, by way of justification and excuse, has in the past contended that one of the reasons our country could support fascism in Greece was that it was a contained political culture—that the leaders of the oppressive regime were content to tyrannize just the Greek people and would not attempt to cause international political havoc by exporting their politics of depotism.

Now, however, the knowledge that the Greek Government appears to be disrupting the political stability of other European nations places that administration argument under some doubt. The fact that Italy is our NATO ally makes the situation even more serious.

The article follows:

RULING GREEK JUNTA IMPLICATED IN ITALIAN TERRORIST ACTIVITY

(By Claire Sterling)

ROME, April 4.—There is increasing evidence that the ruling military junta in Greece has been helping to finance and train an underground fascist-terrorist network operating in Italy for about four years.

Rumors circulating for some time to this effect gained substance last week when three Italian fascists were indicted for a series of bombings which had previously been blamed on left-wing anarchists here.

At least one of the three had been in close touch with the Greek junta since April, 1968, when he organized a visit of 51 Italian fascists to Athens at the junta's expense.

Since his arrest, a good deal of incriminating evidence has come to light about regular visits to Italy by junta emissaries, consignments of money and the organization of a training camp somewhere in Greece for Italian "Black Revolutionaries."

The disclosure that the Greek colonels have been meddling in Italian affairs might have shocked Italians more were they not reeling from so many other shocks already, including the mysterious death of Milan's millionaire publisher, Giangiacoom Feltrinelli, and discoveries by police, indicating that the country is honeycombed with heavily armed rightist and leftist guerrilla groups.

CONFUSION PREVAILS

The fact that in one instance both fascists and anarchists are presently in jail for the same bombing—the one that killed 16 people in a Milan bank in December, 1969—has inevitably added to the prevailing confusion here during Italy's tense campaign for next month's parliamentary elections.

Italians have been passionately divided about the guilt or innocence of the anarchist railway worker, Pietro Valpreda, who was arrested for the Milan bombing, on the frail testimony of a single witness, now dead. Valpreda is still being held in prison even after the indictment of the three fascists for the Milan bombing.

Rather cryptically, the fascists are accused only of "promoting, financing and organizing" the Milan bombing. It remains to be seen whether the anarchist Valpreda will be charged with carrying out their orders.

Either way, there is little doubt that the three arrested fascists were up to their necks in a plot to generate the kind of fear and disorder which might open the way for a right-wing dictatorship.

SECRET MEETING

Tape-recorded telephone conversations prove that they decided on a nationwide wave of terrorism at a secret meeting in Padua in April, 1969. Since that meeting, there have been nearly 250 bombings up and down the Italian peninsula, about half of which are thought to have been of fascist origin.

The specific part played by these three was pinned down by an intrepid magistrate who insisted on looking into the matter long after it was presumed closed. He discovered the supplier from whom one of the three had bought 50 timers of the kind used to set off the Milan bank bomb.

All three men—Pino Rauti, Giovanni Ventura and Franco Freda—were already in jail when this last charge was laid against them. Ventura and Freda had been arrested for bombing the Milan fair and railroad station in April, 1969 and for several train bombings the following August.

Rauti, evidently a much higher-ranking leader in the movement, was imprisoned last December for trying to reconstitute Mussolini's Fascist Party, which is outlawed in Italy whereas the neo-fascist Italian Social Movement (MSI) is not.

The three men are not common thugs. They might indeed be called uncommon thugs in that each, in his way, has intellectual pretensions.

Rauti, a former editor of the right-wing Rome daily Il Tempo, once wrote a widely circulated book called "Red Hands on the Armed Forces."

Ventura and Freda own bookshops, in Treviso and Padua respectively, and the latter in the particular prides himself on being an ideologue not just for his anti-Semitic theories but for having invented something he calls "Nazi-Maoism."

It is impossible to say how far these indictments may cut into what was expected to be a large neo-fascist party vote in the coming May 7 elections. But the dent is bound to be sizeable.

Freda was expelled from the party 10 years ago for "ideological indiscipline."

LAW AND ORDER PARTY

"His position on the Jewish problem left us no option," a spokesman for the party's Padua branch says.

Rauti, however, is not only a member of the party's national executive but a candidate in these elections.

A candidate like him could hardly improve the "new" image, carefully drawn and expensively publicized, of the neo-fascist party as "the" party of law and order.

Party strategists had considered this image indispensable because Italy for all its rolling political and economic ailments, is clearly not ready for fascism.

The temptation to swing right is undoubtedly strong, among many workers as well as in the middle class and aristocracy. The country is now in the second year of its worst economic recession since the war, with unemployment well over a million, industrial production still falling and net investment down by 18.4 per cent in the last year.

In addition, a 10-year experiment in moderately progressive government by a center-left coalition has ended in ignominious collapse. And militant leftists have been doing their best to bear out the rightists' argument that without the far right the country is ungovernable.

FASCISM UNLIKELY

Nevertheless, as the influential La Stampa of Turin observed, Italy in 1972 does not have the depressed social structure of Spain in 1936 or Greece in 1967.

Nobody would seriously compare its political and economic pressures today to the strains prevailing after World War I, which led to Mussolini's march on Rome. Most commentators believe that the great mass of present-day Italian voters would be repelled by open violence.

Such interest as they are taking now in the neo-fascist party would seem in good part to be the result of a desire to believe that the party isn't as bad as it seems.

So far as the elections are concerned, the identification of political convicts like Rauti, Ventura and Freda with the neo-fascist party has been a godsend to the Christian Democrats in particular.

CHRISTIAN DEMOCRATS

A month ago, they were expecting the party to double its vote, mostly at their expense, and come back to parliament with 50 deputies.

Now that the uglier side of the neo-fascist party has been exposed to public view, there is something like euphoria in Christian Democratic circles.

At the very least, they say, they should win back much of the electoral ground they lost to the neofascists in last June's administrative elections.

At best, since they are busily remaking their own image as a rightward-looking party of law and order, they might even hope to win it all back and possibly even more.

CROATIAN REPRESSION

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. ZABLOCKI. Mr. Speaker, constituents in my district of Croatian ancestry have called to my attention the current repression in Croatia perpetrated by the Government of Yugoslavia since early this year. This distressing development is the result of events in Croatia over the last few months in support of cultural, economic, and political equality of the Croatian Republic in Yugoslavia.

The scholarship and reputable Croatian Academy of America issued a statement on January 29, 1972 at the annual general assembly of the academy in New York City condemning this repression of the Croatian people.

At this point, I wish to insert the academy's statement calling it to the attention of my colleagues:

CROATIAN ACADEMY CONDEMNS TERROR IN CROATIA

The Croatian Academy of America is deeply distressed by the developments which have been taking place in Croatia in the last few months, and especially since December 1971. According to reports of foreign correspondents and accounts in the government controlled press of Yugoslavia, it is possible to establish the following facts:

The drastic measures carried out by the President of Yugoslavia, with the support of the military and the police, were aimed at the destruction of the liberalizing forces in the government of the Socialist Republic of Croatia which were acting within the framework of the Yugoslav constitution as it has recently been amended to insure greater freedom to individuals and to the Croatian nation as a whole. Following these political changes, the destruction of the cultural life of the Croatian people has been ordered.

Under the guise of a struggle against Croatian "nationalism", "separatism", "class enemies", "rotten liberalism", and "counter-revolutionary forces", the full force of the totalitarian state has been unleashed once again to crush the aspirations and the rights of the Republic of Croatia and its people by repression reminiscent of the post-war Stalinist period in East Central Europe.

The federal government in Belgrade and the new government of the Socialist Republic of Croatia are seeking to achieve these objectives by illegal and violent means, a fact which is clearly illustrated by the following instances:

The government has accused the Croatian University in Zagreb with its extensions in Rijeka, Zadar, and Split, and its students and professors, of "counter-revolutionary" activities. The president of the University is facing dismissal; the student pro-rector has been imprisoned together with a number of professors and several hundred students. Many of those imprisoned have been beaten and abused by the police.

Matica Hrvatska, the venerable Croatian cultural institution dating back 130 years, has been placed under police control, and most of its local branches have been dissolved. Several of Matica's periodical publications, notably the Hrvatski Tjednik, have been suppressed. Most of the members of Matica's board have been imprisoned and are facing trial on trumped-up charges of treason. Similarly, numerous other Croatian intellectual and student publications have been banned, such as Hrvatsko Sveuciliste, Hrvatski Gospodarski List, TLO, Istarski Mozaik, Praxis, and others. The directors of Skolska Knjiga, the publishing house for Croatian school textbooks, have been removed, and textbooks in Croatian history and culture have actually been burned.

Editors and writers of a number of mass circulation publications have been ousted by the police in total disregard of legal procedures. Among these are the editor-in-chief of the principal Croatian mass-circulation weekly, Vjesnik U Srijedu, and several of its editorial writers, along with many of the writers and editors of the principal Zagreb daily, Vjesnik.

Hundreds of other individuals, including writers, economists, educators, and journalists, have been purged and/or arrested. This purge constitutes, in all probability, the most

systematic attack on the intellectual elite of the Croatian people in history.

All of this has been done by brutal police methods and in total disregard of the legal obligations undertaken by Yugoslavia as a signatory of the Charter of the United Nations, in violation of its Constitution which guarantees national and civil rights, and in blatant disrespect of the basic human freedoms of thought, opinion and expression, and peaceful assembly and association, as proclaimed in the Universal Declaration of Human Rights.

History, however, teaches that political questions cannot be permanently solved by oppression, terror, and suppression of basic human rights. On the contrary, such methods lead to further conflict and are censured by world opinion.

The Croatian people, like all other nations, have an inalienable right to national self-determination and statehood, recognized by the present Yugoslav Constitution, but denied the Croatian people in actuality. Police terror and repression will only strengthen the resistance of the Croatian people and their firm resolve to achieve their legitimate national sovereignty.

The Croatian Academy of America feels impelled to speak out on the tragic developments in Croatia. We do so not only as an association of Americans of Croatian descent, but also as members of the academic community who protest against the crass suppression of the cultural life, the national self-determination, and the human rights of the Croatian people.

We, therefore, call on the academic community and public to protest the persecution and arrest of hundreds of Croatian professors and students and demand their immediate release. We also appeal to our American academic colleagues to help us in our demand for the restoration of constiutional liberties and individual and national rights in Croatia.

ALASKA PIPELINE

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. ASPIN. Mr. Speaker, those of my colleagues who are concerned with the trans-Alaska pipeline issue may find the following editorial, which appeared in the New York Times on April 21, of interest. The editorial follows:

ALASKA PIPELINE

Probably the most documented case, as far as the environment is concerned, ever made against the proposed Trans-Alaska oil pipeline is contained in the Interior Department's six-volume Environmental Impact Statement. Yet an accompanying three-volume analysis of its economic and security aspects makes it clear that the department thinks the project should be built as soon as possible on the ground that the national economy needs the oil and the national security demands it.

That is a drastic conclusion—and one that surely ought not to be left solely to the Secretary to accept or reject as he sees fit. It is a decision that should be made with the participation of the President's top economic, military and environmental advisers. Congressional consideration would not be far-fetched, considering the priorities to be weighed here. And economic, environmental and security experts with differing value judgments should have a chance to be heard in the weighing process.

On the danger that earthquakes might rupture the pipeline, the statement observes that "it is almost a certainty that one or more large-magnitude earthquakes will occur in the vicinity of . . . the proposed route during the lifetime of the pipeline" and that "large ground displacement accompanying such an earthquake could damage—even rupture—the proposed pipeline."

The statement considers the prospect of a "no spill" performance by the system as "unlikely," in spite of all the efforts to assure leak-proof conveyance of the oil. And it is grimly specific in discussing some of the probable consequences to marine, bird and other wildlife.

At best, the report seems to regard the location of an Arctic oil pipeline as a choice of evils. For maximum protection of marine life and seabirds, and for avoiding the earthquake hazard an alternative route through Canada's Mackenzie River valley would be preferable. For minimum disruption to the land, the Alaskan route would be better. But "it is evident that no single oil delivery system would be free of environmental effects or of potential threats." While the authors decline to make a choice, they state that "less environmental costs would result from a single transport corridor than from two separate corridors"—a significant reference to the proposal that the Trans-Canada route accommodate both natural gas and oil in parallel pipes.

It is something of a jolt to turn from detail of this nature in the first six volumes to the analysis of the last three. These do not even argue that the Trans-Alaska line would be economically preferable to the Trans-Canadian, finding the two "equally efficient" in this respect. What the security arguments get down to is that North Slope oil is needed "as soon as possible so as to lessen our dependence on potentially insecure foreign sources of petroleum." The Prudhoe Bay-Valdez pipeline promises to do that much sooner than a Canadian alternative, for which there are still no engineering plans and hardly even a start on the international negotiations that will be required.

The security argument raises three questions—all of which should be fully explored before Mr. Morton makes his decision. If security dictates the choice of one of these routes over the other, why is the Defense Department firmly and explicitly neutral on the subject? Why is there even a possibility, which the report concedes there is, that some of the oil may go to Japan? Premier Sato appeared to think it more than a possibility when he told reporters in January that his country will "of course be purchasing oil in the event that the pipelines are completely laid."

And, finally, what is wrong with the suggestion of Representative Aspin of Wisconsin that if the United States can't afford to wait until a Canadian pipeline is built, it might make up the deficit by lowering the present import quota on Canadian oil? The line that presently carries oil from Edmondton to Chicago, he argues, could accommodate 300,000 more barrels a day, which the Canadians would be only too glad to deliver.

Providing cogent environmental reasons for turning down the Alaskan pipeline, the department's argument for the project focuses wholly on the national need. And on that score its report fails utterly to make a convincing case.

ELDERLY FACE HOUSING CRISIS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

Tuesday, April 25, 1972

IN THE HOUSE OF REPRESENTATIVES

Mr. ROSENTHAL. Mr. Speaker, all Americans in urban areas are the victims of a housing crisis. Older Americans, however, are the worst victims—they spend a disproportionately high portion of their incomes on rent; they all too often live in old and unsafe buildings; and they are tragically "left behind" to contend with crime-ridden neighborhoods.

The problems of all city dwellers are magnified for the urban elderly. In New York City, as in other urban areas, low income, chronic illness, social isolation, and lack of employment opportunities are often superimposed on the inability of the elderly to obtain decent housing.

Dollars-and-cents figures depict how difficult it is for senior citizens to maintain a decent home. The Census Bureau reported that half of the elderly in New York City were spending 35 percent or more of their income for rent. These figures become even more significant in view of the fact that half of the households headed by persons 65 and over have yearly incomes of less than $3,000, while one-third have incomes of $2,000 per year or less. This means that the elderly must make impossible and cruel choices among the various necessities of life: Food, medical care, and housing. No citizen of this country should be faced with choices like that.

Unfortunately, these facts are as commonplace as they are tragic. They reveal, at best an unforgivable ignorance of the elderly's condition and, more than likely, a harsh and conscious disregard for their welfare.

As the White House Conference on Aging put it:

> The basic question remains. Does the older person have a range of housing from among which to choose that is within his ability to pay?

Decent, safe, and reasonably-priced housing is a basic right—not a privilege—of elderly citizens. Indispensable to a securing of this right is the need to make those 65 and over, financially secure.

Accordingly, I am a sponsor of legislation calling for Federal rent supplements to social security beneficiaries whenever they must pay over 25 percent of their income for housing. A measure like this offers tremendous assistance to the elderly in their fight for suitable housing. Not only do the elderly compete with landlords, but they also compete for apartments with younger people who can more easily afford higher rents. We need to "unfix" the too easily accepted notion of fixed income for the elderly if they are to have decent homes. Providing rent supplements will be a giant step in that direction.

This legislation is made all the more urgent by recent events in New York City. At a time when senior citizens should expect reduced rents, the elderly in New York City may be hit by at least a 7½-percent increase with some increases soaring as high as 22 percent.

On July 1, 1972, exemptions from rent increases expire for some senior citizens. If there were Federal legislation guaranteeing rent supplements to the elderly, we could be assured the elderly would not bear increased burdens due to their rent increases. Unless quick action is taken,

however, many of them will be in the most severe financial crisis of their lives.

Accordingly, I have written to leaders of the New York State Legislature requesting they arrange some solution to this threat to the survival of senior citizens in New York City. I hope that a package can be developed that will relieve the elderly of the anxiety and hardship that these rent increases pose for them.

Mr. Speaker, reasonable rents for the elderly is a matter of utmost concern. I am aware that the Federal Government is making headway in providing housing for the elderly, but much more needs to be accomplished. So much more, in fact, that I will resist listing promising proposals and tentative efforts. thus avoiding raising expectations that may eventually only prove frustrated. We must take firm and swift action to insure that every older American can afford a decent, comfortable, safe place to live.

A copy of my letter to New York Assembly Speaker Perry B. Duryea and New York State Senate Majority Leader Earl W. Brydges, follows:

CONGRESS OF THE UNITED STATES,
Washington, D.C., April 21, 1972.

DEAR SIR: Senior citizens in New York City are facing another obstacle in their fight to survive. Their rent increase exemptions are set to expire on June 30. If this protection is not renewed, the elderly can expect their rent to go up at least 7½% and perhaps as much as 22%. I strongly urge you to support legislation continuing rent exemptions for the elderly.

No doubt you are familiar with the harsh burdens the City's one million senior citizens face in what are supposed to be their "golden years". One fourth of them live in poverty, and half do not even have "moderate" incomes, according to the U.S. Bureau of Labor Statistics. In dollars and cents terms, the average monthly Social Security benefits (which are the major source of income for most older Americans) are only $186 for retired couples and a bare $120 for single people.

Sixty per cent of the senior renter households have incomes of $3,000 or less per year, and two-thirds of the elderly in New York City already pay over one quarter of their incomes for rent. It would be cruel and insupportable to ask these people to absorb rent increases of up to 22%.

From the various bills before the State Legislature to allow rent exemptions for the elderly, I hope you will be able to develop and support one that will (a) extend the maximum assistance to the elderly renters, (b) enable landlords to gain a fair enough return so they are not forced to abandon buildings, and (c) avoid serious damage to the tax revenues of New York City by forcing it to assume the entire burden of protecting the elderly from rent increases.

Higher rents would be another roadblock to the secure and comfortable life we owe our senior citizens. I sincerely hope that you give this matter the highest priority.

My kind regards.

Sincerely yours,

BENJAMIN S. ROSENTHAL,
Member of Congress.

CORRECTING ETHNIC HISTORY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. RANGEL. Mr. Speaker, one victim of the melting pot theory in the United States has been a sense of rapport with one's ethnic heritage. Fortunately, the past few years have witnessed a resurgence of concern about the contributions made to our country by various ethnic and racial groups. The failure of teachers and historians to openly recognize these contributions has, I believe, resulted in an incomplete and misleading picture of how America has developed and grown. There is a richness in the diversity of our Nation, a richness which can be more fully understood and savored with an awareness of ethnic history.

The February issue of the Crisis, the publication of the NAACP, carried an eloquent article by the Honorable Paul O'Dwyer, a New York City attorney, former member of the New York City Council and founder of the Irish Institute of New York, on this problem. I commend his article to my colleagues in Congress.

CORRECTING ETHNIC HISTORY

(By Paul O'Dwyer)

Negro Americans have not been the sole victims of neglect in the history popularly taught in the nation's elementary and secondary schools. The contributions to American history of other ethnic groups—Jews, the Irish, Italians, Germans, Scandinavians and even Indians, among them—have also long been overlooked by the writers of history textbooks. Their prejudices and attitudes, reflected in the volumes they authored, distorted history, denied recognition to minorities and impoverished the real history of our national heritage.

Among the first of the ethnic groups to take effective organized action to end this deliberate misrepresentation by omission were the Irish Americans who met in the City of Boston on January 20, 1897, and founded the American Irish Historical Society for the avowed purpose of revising American history so as:

"To give plain recital of facts, to correct errors, to supply omissions, to allay passion, to shame prejudice and to labor for right and truth."

and

"To endeavor to correct erroneous, distorted and false views of the history and to substitute therefor true history based on the documentary evidence and the best and most reasonable tradition."

To their eternal credit be it said these indignant Irishmen did not seek to confine their activities to ensure recognition only for their own ethnic group, but went on to express their commitment to the philosophy of Adams and Paine and Otis, setting forth in clear and unmistakable language that they committed themselves:

"To promote and further Human Freedom which has no concern for any man's race, color or creed, measuring him only by his conduct, effort and achievement."

Emerging from an atmosphere of ethnic and religious prejudice, discrimination and harassment, the Irish Americans of that period were still generally regarded as second-class citizens. They set about remedying this condition by uncovering and publicizing the contributions their people had made, and were making, to the development of this country. One of the first projects in this endeavor was the publication of a biography of Hercules Mulligan, an Irish American who served as a top secret agent for General George Washington at the time of the British occupation of New York City during the Revolutionary War.* To Irish Americans, Mulligan has become what Crispus Attucks is to Negro Americans.

The exploits of this Revolutionary War hero remained unnoticed until the historian, Michael O'Brien, dug up the evidence and pulled the record together in a volume marked by copious reference to original material. On November 24, 1970, a bronze plaque commemorating the contributions of Mulligan was unveiled at the 140 Water Street site of his home in lower Manhattan, New York City.

The text of the plaque follows:

"During the Revolutionary War this site was the home of Hercules Mulligan with whom Alexander Hamilton lived while attending Queens College, now Columbia. The most fashionable tailor of his day Mulligan costumed British officers to glean information valuable to General George Washington for whom he was a secret agent. Despised by compatriots for consorting with the British, Mulligan silently persevered until November 25, 1783, when General Washington led his victorious Continental Army into New York and breakfasted here with Mulligan and his family."

The Irish reminded us, in 1897, as many justifiably remind us today, that citizens were still being measured not by their "conduct, effort and achievement," but on their "race, color or creed." The time has now come to correct many other errors in the recorded annals of our past.

Conduct and achievement must be judged against obstacles and handicaps which hate, prejudice and discrimination have placed in the path of so large a segment of our citizenry. There can be no dispute as to the extent of these handicaps. When the Constitution was approved, human slavery existed in all of the 13 states and ever present was an ominous atmosphere of hysteria and fear, suspicion and hatred against the unknown, against dissenters, against Catholics, slaves, Negroes and Indians, and even Quakers. Thirty years before we declared "certain truths to be self-evident," we burned eleven black men at the stake where the New York City Municipal Building now stands, on a groundless charge of conspiring to revolt. A white teacher was unfortunate enough to know Latin and, therefore, suspected of being a priest, was condemned as a papish co-conspirator and he, too, forfeited his life on the scaffold.

Earlier in the century, Lord Conburry, Governor of the Colony, prosecuted Donegal-born Francis Makemie, a founder of the Presbyterian Church in the colonies, for preaching a "pernicious doctrine." Up to and during the War of Independence a Jesuit frequently came to say Mass at a small German congregation on Wall Street. To avoid prosecution he came in disguise and traveled under an assumed name. The house of worship was burned down during the war and the first flag of the Sons of Liberty bore the inscription "No Popery."

In such an atmosphere, accomplishment by a slave would seem to be significant enough to warrant attention. Many such exist, but one must dig deep into original sources to discover them. Through the efforts of the American Irish Historical Society and later the Irish Institute of New York, the discovery of forgotten Irishmen led to the equally significant discovery of some amazing performances by the slave population.

When Limerick-born Philip Embury started the first Methodist Community in America in 1766 on William Street in New York City, a slave named Peter Williams converted to Christianity and became the church sexton. After the Revolution when

* The Irish struggle continues in Ulster where Mulligan was born. There his kinsmen are losing their lives for the very same rights for which he fought—the right of a citizen to employment without regard to his religious affiliation or to be housed and to share the fruits of that land with his neighbors, regardless of his ethnic background—rights still denied the Catholic minority in that colony by the same forces which Mulligan resisted two centuries ago.

the man who asserted ownership of him sought to sell Williams, members of the church paid $40.00 for the slave sexton. Existing laws in New York did not prohibit this or any other church or their members from owning slaves. Ultimately, Williams accumulated enough money from outside earnings (which was permitted during the slave regime) to purchase his freedom for himself. He soon acquired standing as a successful merchant and became one of the founders of the African Methodist Episcopal Zion Church.

On Evacuation Day, another interested spectator, Pierre Toussant, watched General Washington on his way to the home of Hercules Mulligan on Queen Street. From the vantage point of his fancy tailor shop. Mulligan was able to accomplish great things. For Toussant, still a slave, to acquire a trade or profession was no less an achievement. He became the most renowned hair stylist of New York and as such he met, knew and was admired by the Mulligans, the Hamiltons, and the Schuylers and many others. In the course of the years, he was to become the most influential philanthropist of his time, bringing comfort to the distressed while he taught slaves how to plan their lives towards ultimate freedom. A plaque in his memory adorns St. Peter's Church on Barclay Street.

It may come as a surprise to many who today lunch at Fraunces to realize that they are paying tribute to Samuel Fraunces, a Haitian Negro, whose tavern in his time served George Washington and many other heroes of the Revolution. His tavern is one of the oldest and most cherished landmarks in New York, among the most famous in the nation, and one of the few historic places in downtown Manhattan to escape the destructive bulldozer.

Accomplishments! How are they to be measured? Are only the accomplishments of those born to the advantages of education, prestige and family background to receive the exclusive attention of the historian in the fulfillment of his mission to record truth? Should morality require the historian to bring pride to each segment of our pluralistic society, by setting forth the contribution of each as it shall appear so that each may claim his inheritance as he is called upon to protect and enforce the rights of others? Certain truths, said our founders, were self-evident and in these days of internal turmoil and external conflict, we might look again to our forebears for advice, inspiration and guidance. The passage which immediately comes to mind seems most apropos:

"Mankind are more disposed to suffer while evils are sufferable than to right themselves by abolishing the forms to which they are accustomed. But when a long train of abuses and usurpations, pursuing invariably the same object evinces a design to reduce them to absolute despotism, it is their right, it is their duty to throw off such government and to provide new guards for their future security."

It was as if the authors of the Declaration of Independence were looking ahead two centuries to warn us that continued injustice will move even the most patient to discard his encumbering shackles.

FLINT'S BATTLING VIKINGS

HON. DONALD W. RIEGLE, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. RIEGLE. Mr. Speaker, on Saturday, March 25, a standing room only crowd held its breath as the Flint Northern High School Vikings beat the Pontiac Central High School Chiefs to capture the Michigan Class A Basketball Championship title for the second year in a row. This coming Sunday, April 30, a banquet will be held in Flint to honor this outstanding basketball team—so I wanted to take time today to pay tribute to these outstanding athletes and this great school.

The victory over the Pontiac Chiefs at Michigan State's Jenison Field House was Flint Northern's 33d consecutive win and it captured for Northern their seventh State title—the most for any class A school in Michigan history. Their record this season was remarkable: 25 wins, no losses. They scored 1,904 points this season while only allowing their opponents to score 1,403.

The Vikings captured the State's class A championship under the outstanding leadership of head coach, Bill Frieder. Coach Frieder, who was picked by the Detroit News as Coach of the Year, has had a fantastic 2-year varsity coaching record. Ably assisted by Assistant Coaches Grover Kirkland and Dave Jacobs, by Trainer John Prater and Equipment Manager Scott Soth, Coach Frieder has led the Vikings to a 47 and 2 win/loss record.

Many members of the varsity team achieved impressive individual honors. Wayman Britt, the Viking's captain, was voted all-State guard by every sporting poll in Michigan. Piling up a new school record for 150 assists, he also made all-valley in the class A division. Terry Furlow, all-valley and voted all-State forward by the Detroit Free Press, tied teammate Dennis Johnson to set a new school record for 330 rebounds. Johnson, also an all-valley player, was chosen by the Associated Press as all-State center. Joel Ragland, also an all-valley forward, made an impressive record by completing 48 percent of his field goal attempts. These young men are typical of their entire outstanding basketball team:

Wayman Britt, guard; Terry Furlow, forward; Dennis Johnson, center; Ricardo Jones, guard; Joel Ragland, forward; Ray Bridges, forward; Glenn Key, guard; Matt Rivette, guard; Mike Yambrick, center; Asive Thompson, forward; Mike Sanders, guard; Dennis Howell, forward; Robert Root, forward; Roosevelt Taylor, guard; John Ragland, guard; Michael Williams, forward; and Michael Opdyke, manager.

As their Congressman from Flint, I am very proud to have this championship team as my constituents. They are a credit to themselves, to their families, their coaching staff, their school, and their entire community who has backed them all the way. I know that all my colleagues here in this Chamber will join with me to congratulate these fine young men and wish them well in the future.

LIFE ARTICLE OPEN TO REFUTATION

HON. JOHN M. ZWACH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. ZWACH. Mr. Speaker, last week's Life magazine cover feature and lead story was titled "Sky High Meat Prices" which detailed the problems a family with a $14,000 income had in supplying sufficient meat for their family—after meeting the payments on their swimming pool, keeping up their two cars, and other aspects of their good life.

This story was so open to refutation that I was planning to take the floor and discuss it.

However, Bill McGarry, editor of the Appleton Press, in our Minnesota Sixth Congressional District, did such a good job that, with your permission, I insert it in the RECORD where it will come to the attention of my colleagues and the thousands of other people who read this publication.

I particularly commend Editor McGarry's closing statement:

Everybody wants to live like a king, but we don't expect to do it on the broken backs of farmers.

The item follows:

LIFE ARTICLE OPEN TO REFUTATION

Do you read Life magazine? An article in last week's issue really drove me up a wall. It was the cover story and was titled "Sky-High Meat Prices." As the object of their affection, and concern, Life used Scottsdale, Ariz., family of six, annual income about $14,000 (a helluva lot more than almost all the farmers I know). They, the man and wife, are all worked up because about 15 per cent of the $14,000 goes for groceries, $165 a month. They spend $13.26 a week on meat. Payment on their swimming pool comes to just under $13 a week but you could almost wring the tears out of the story because they can't afford to eat steak. According to the story they have dental payments of $84 a month. Straight teeth are important I suppose but hardly in the same league with healthy kids. Maybe if the family bought more and better food their dental bills would be less. Oh yes, the Greens have two station wagons, apparently paid for and last year he got a $1,000 raise, two-thirds of what he spends for groceries. The trouble with him, and millions of other Americans is that their sense of values are all mixed up. Everybody wants to live like a king, you know—two cars and swimming pool, but we don't expect to do it on the broken backs (financially speaking) of farmers or other segments of the economy. Green is a school teacher, boy with fuzzy thinking like he displayed in that article I'm glad he's in Scottsdale and not Appleton.

CAMDEN POLICE FORCE COMMENDED

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. HUNT. Mr. Speaker, the notion in recent years that rising crime rates, like inflation, must simply be tolerated for lack of a remedy is fortunately a myth. There is a growing list of examples across the country that an alert and efficient police force, with the support of the community, can stem the rising tide of crime quite effectively. Such an example is found in Camden, N.J., which is the largest city in the First Congressional District that I am privileged to represent.

A Camden Courier-Post editorial recently commended the Camden City police force for its effectiveness and, in par-

ticular, I would cite Detective Captain Donald McGlensey for his outstanding leadership as the head of the department's detective bureau. The Courier-Post editorial follows:

[From the Camden Courier-Post, Apr. 7, 1972]

POLICE STOPPING THE BANDITS

In these days of ever more prevalent crime, it is heartening to note that, in one respect, Camden has been made eminently safer by the local police force.

Over the last 18 months, they have demonstrated that the city is not an auspicious place for bank robbers to ply their trade.

During that time, according to Detective Captain Donald McGlensey, Camden banks have been held up seven times. All persons involved—15 of them—have been arrested, and all the money taken—$84,569—has been returned, according to McGlensey.

That we think, is evidence of fine police work. We encourage the Camden police force to stay right with it.

NATIONAL PRESS CLUB HONORS THE HONORABLE ABBA EBAN, OF ISRAEL

HON. JOHN J. ROONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. ROONEY of New York. Mr. Speaker, on Friday last I was honored and pleased to be a guest at a National Press Club luncheon for His Excellency, the Honorable Abba Eban, Foreign Minister of Israel. I have known the urbane and cultured Foreign Minister of Israel as long as the State of Israel has been in existence and I must confess that I am an unrelenting fan of them both. Mr. Speaker, Israel has been an independent nation for a little less than a quarter of a century. These have not been easy years; no, indeed. They have been years filled with bloodshed, aggression, and anxiety, but never despair. Against what appeared to be insurmountable odds she has prospered and brought to the Near East a measure of stability that leads us to hope that soon peace will be the way of life in that troubled area. While the situation there is far from resolved, there is now, as Foreign Minister Eban so ably put it, a "relative lack of imminent explosion." Being concerned about the welfare and security of Israel, I asked for and received a briefing from Secretary of State William P. Rogers after the National Press Club luncheon. I was assured by the Secretary that relations between the United States and Israel "were never more cordial or on a more cooperative basis than they are now." I am sure that my colleagues will find this statement, as I do, very heartwarming.

Mr. Speaker, I include at this point the proceedings of the National Press Club luncheon for His Excellency, the Honorable Abba Eban:

GUEST LIST AT LUNCHEON IN HONOR OF HIS EXCELLENCY, THE HONORABLE ABBA EBAN, FOREIGN MINISTER OF ISRAEL

GUESTS OF HONOR

His Excellency, the Honorable Abba Eban, Foreign Minister of Israel

His Excellency, Yitzhak Rabin, Ambassador of Israel to the United States

Honorable John J. Rooney, U.S. House of Representatives

Mr. Alfred L. Atherton, Deputy Assistant Secretary of State for Near Eastern Affairs

Honorable Avner Idan, Deputy Chief of Mission.

Mr. Ephraim Evron, Deputy Director General Ministry/Foreign Affairs

Mr. Zvi Brosh, Minister of Information, Embassy of Israel.

Mr. Shaul Ben-Haim, Press Counselor, Embassy of Israel

Mr. Amos Eiran, Labor Counselor, Embassy of Israel

Mr. Eyton Ben-Zur, Political Secretary to the Foreign Minister

Mr. Isaiah L. Kenen, Executive Vice Chairman American/Israel Public Affairs

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Mr. Claude Mahoney, Speakers Committee

PROCEEDINGS

Mr. ROGERS. Ladies and gentlemen, fellow members of the National Press Club, I am Warren Rogers, president of the club, and it's my pleasure and honor to welcome you once more to a National Press Club luncheon.

Again, we have an outstanding speaker for you, as you all already know, because we have been sold out almost from the time we announced this luncheon.

I am informed by the embassy that a full transcript of the text and the questions and answers will be available at the Israeli Embassy sometime after 7:00 p.m.

At the head table today, on my right, the Deputy Director General of the Ministry of Foreign Affairs, Mr. Ephraim Evron.

(Applause.)

On my left, Congressman from New York, the Honorable John J. Rooney.

(Applause.)

On my right, the Deputy Chief of Mission, the Honorable Avner Idan.

(Applause.)

On my left, the Minister of Information at the Embassy of Israel, Mr. Zvi Brosh.

(Applause.)

On my right, Deputy Assistant Secretary of State for Near Eastern Affairs, Alfred Atherton.

(Applause.)

On my left, Counselor at the Embassy of Israel, Mr. Amos Eiran.

(Applause.)

On my right, Press Counselor of the Embassy of Israel, Mr. Shaul Ben-Haim.

(Applause.)

On my left, Political Secretary of His Excellency Abba Eban, Mr. Eyton Ben-Zur.

(Applause.)

My speaker's chairman tells me I blew it by mixing up cards, because protocol requires that I should have introduced first the Ambassador of Israel, His Excellency, Mr. Yitzhak Rabin.

(Applause.)

On my left, the Executive Vice Chairman of the American Israeli Public Affairs Committee, editor of the Near East Report, a distinguished and highly respected long-time member of the National Press Club, Mr. Isaiah Kenen.

(Applause.)

On my right, founder and past president of the Washington Chapter of the American Friends of the Hebrew University, and another long-time and distinguished member of this club, Mr. David Garrison Berger.

(Applause.)

I have known the speaker today for many, many years, and as a reporter and as a friend, I have met with him in many and different places and times.

One of the times I remember most was 1967. He was the last person I saw before I got a plane and left the Middle East after five weeks doing a piece for Look Magazine during which I visited about 11 countries. I talked to five heads of state.

And on my first, I think it was in 1967, I saw the Minister and caught the plane and came home, and on the basis of those interviews, I assured the editors of Look Magazine there would be no war.

(Laughter.)

They laid the piece out for 22 pages, and after a nervous period, I wound up with three pages explaining how the situation was now that the war had ended.

(Laughter.)

And so in view of my record, I am going to call one of our other members to do the introduction.

(Laughter.)

He is now the chief of the Washington Bureau, Minneapolis Tribune, and he has a great problem facing him, because he has been appointed associate editor of his paper to report there in June. His problem is, either Moscow or move, so struggling with his dilemma, whether to hire a U-Drive-It truck and take his goods to Minneapolis, or whether to break out his passport again to go to Moscow, is a very dear friend of mine, an excellent member of this club, Mr. Charles W. Bailey II.

(Applause.)

Mr. BAILEY. Thank you, Warren. I can assure you that I will manage to get to both places.

Mr. President, Mr. Minister, Mr. Ambassador, members and guests, our guests, our speaker today has eaten so many National Press Club lunches in his long career, that he should by rights be an ex officio member of our menu committee. And if he were on that committee, I am sure that at least the language of its reports, if not the quality of the food, would be markedly improved.

Our records disclose that today's speaker has addressed four previous luncheons in this room. In the spirit of studied impartiality, which Chairman Herling teaches, I shall not compare that score with those of other leading figures of the Middle East. But it is perhaps proper to note that with his appearance today, our speaker achieves at least statistical parity with the late Chancellor Adenauer and the late Prime Minister Nehru of India.

Speaking of prime ministers—there are whispers abroad—to say nothing of the Bronx and Brooklyn—that our speaker may himself change portfolios—that he may be in line to become Prime Minister of his country. Certainly something is going on when this habitually impeccable diplomat arranges to be photographed in an open-necked shirt while standing in an army slit trench in the desert.

(Laughter.)

Indeed, Mr. Minister, one might almost say that you were Tie-less in Gaza.

(Applause.)

If our speaker does rise to the top, there won't be any problem over neckties. When his boss, Mrs. Meir, was here in 1969, she was given the traditional club tie, and Pat Heffernan, who was then president, asked her to keep it for "the next male Prime Minister of Israel."

So if you get there, Mr. Minister, look in the desk drawer.

(Laughter.)

I should warn you, however, that when Mrs. Meir accepted the gift, she said, "It will be with me for many years."

(Laughter.)

I need not rehearse at length, for this audience, our speaker's credentials. He was born in South Africa 57 years ago. He took his degree at Cambridge University in Eng-

land, taught there, and then served as a liaison officer with the Allied Headquarters in World War II.

After the war, he joined the Jewish Agency. He was Israel's first representative to the United Nations, and in 1950, he became also the Israeli Ambassador to the United States.

He returned home in 1959 to enter politics—as if he hadn't always been in politics. He was elected to the Knesset and served in several cabinet posts before being named Foreign Minister in January, 1966.

I am advised by unimpeachable sources that our speaker is a brilliant linguist. In fact, my sources tell me he has acquired such proficiency in each of the six languages that he speaks that the natives find it difficult to follow his prose. This brings to mind the story about the little lady who listened to one of his speeches, and that at the end she burst into applause, and she said to her neighbor, "Isn't he wonderful? Such a speaker! What did he say?"

Seriously, we here rarely have any trouble in knowing—and remembering—what our speaker has said. Some of his almost Churchillian phrases have become classics, such as his description on one occasion of his country's policy as being one of "tenacious solitude." And a great many Americans will always recall our speaker for his role in those tumultuous days in June of 1967, when his words were as effective a weapon for his country on the diplomatic front as were the tanks and planes of his countrymen in the Sinai and on the Golan Heights.

Indeed, it can be argued that if our speaker had not talked so persuasively—and so long—at the UN, the war might have ended before General Rabin's men had time to capture the Heights.

(Laughter.)

Ladies and gentlemen, is is my privilege to present our speaker for the day: the Foreign Minister of Israel, Mr. Abba Eban.

(Applause.)

Foreign Minister EBAN. Mr. Rogers, Mr. Bailey, members and guests of the National Press Club, everything that has happened since I set foot in this building today has been good for my morale. I have been told that I am approaching the record for the greatest number of appearances at the National Press Club. Now, a high rate of survival is a useful quality in political life.

What would our ancestor, Daniel, have said if he had come safely out of the lions' den five times?

(Laughter.)

Surely his conviction of being protected by miracles would have been reinforced. He would probably have run for office and would have probably carried every precinct in Babylon.

The only qualification concerning morale was the reference to others who have equaled my number of appearances here. If my memory serves me right, all the other people who have spoken as many times as I have are now dead.

(Laughter.)

I prefer, therefore, to reflect on what my neighbor to the right told me, that the last time you had as many people here as to fill both the gallery and the stage, was when Ingrid Bergman came.

(Laughter.)

I have decided not to be jealous. It wouldn't do me any good, and I fully recognize that she has assets which I have no hope of ever possessing.

(Laughter.)

I commiserate with Mr. Rogers on his experience in 1967. You don't have to become a prophet by coming to Israel. Most of those who indulged in that craft got into serious trouble.

Let me, therefore, decide to speak very briefly to you because the accumulation of questions arises minute by minute, and I can't bear to wait to find out what I am going to say in reply to them.

(Laughter.)

But in order to conform with convention, I would simply like to outline some reflections as a background for your interrogation.

I left Israel on the 4th day of the 25th year of our independence. That statistic itself is a reflection of the nation's stability and progress. Israel is no longer the weakest, or the youngest, or the poorest state in the international community. It stands somewhere in the middle of the ladder, and not at the bottom of it.

When we recall the sense of danger and vulnerability and impermanence which was associated with our first unforgettable years, to have reached this degree of stability is in itself a reflection on the nation's inherent qualities.

I believe that the mood in Israel today has a special meaning in the context of recent events, especially since 1967. Our policy since then has had elements both of tenacity and of flexibility.

We have tried to be tenacious as we must be in the defense of our security, and in our insistence on a solid peace based upon secure and recognized boundaries, different from the fragile and vulnerable armistice lines of the past.

We have tried, however, to maintain flexibility in our readiness to go on all the issues outstanding between ourselves and our neighbors.

It is easy to ask why this policy has not had the desired effect of bringing about a peaceful settlement here.

The central answer is this: Out of nationalism, the demand for a transition to peace is a heavy demand to make. It involves the renunciation of all the slogans and concepts and ideas and ranges of the past. It does have an element of innovation and perhaps of risk. Is it not natural for men first to exhaust the easier alternatives? For nations to attempt to get their objectives without so heavy a price, thus for five years our neighbors have put their faith in a variety of options which I hope they will now reconsider in the light of five years of experience.

There is the option of war.

Surely this has no attraction for them, in the light of the universal conviction that it would bring them no greater success than in 1967.

Another option is the hope that Israel would collapse under the weight of its burdens. I do not deny that regional hostility and tension do have dislocating effects on many aspects of the national life, but we are not paralyzed or obsessed by the regional tension.

Somehow, and this was the encouraging reflection of our anniversary celebration, Israel has proved itself able, in spite of regional tension, to go on with its work and to maintain the process of growth which is the essence of the Israeli adventure. Without a mistake of constant creativity, I believe that the fabric and the mood of our community would decline. We have grown amidst the surrounding encirclement and siege. We are more numerous than we were. A quarter of a million Jews more than on the 5th of June, 1967. The export earning, the national product, all the other indications of economic and social growth indicate also a permanent dynamism.

From our international relations, despite very hard pressures, we have managed to draw the assets necessary for maintaining our physical strength, our economic viability, our status as a trading unit, and a large place within the network of international relations.

Therefore, the hope that Israel will collapse by the maintenance of the present situation deserves to be examined in the light of experience. Experience shows that men and nations sometimes behave wisely, once they have exhausted all the other alternatives.

A third option, and this, I think, is the crux of the position today, has been the hope of an external solution. Our neighbors have hoped quite intelligibly from the viewpoint of their own inherent logic, that they might get what they want, namely a restoration of territory, without paying what is for them an exacting price, peace and negotiation, including territorial negotiation.

And thus, their minds and hearts have moved over these five years across all the possibilities of a solution to be manufactured and brought together, imported and imposed from outside. The candidates for imposing the external solution have changed. Special sessions of the General Assembly, meetings of the Security Council, the activities and efforts of Ambassador Jarring, consultations between the four powers, meetings between two of the powers, the hope that one of the powers might achieve the non-negotiated settlement, in one case through intimidation and pressure, in the other case through friendly inducement.

These have been their hopes.

They were legitimate hopes, but it is equally legitimate for us to invite Arab leaders to ask themselves why it is that none of these hopes have been fulfilled in the past five years, how it is that all these options have been examined and tried without any movement, without any thaw in the frozen situation, and if for five years these remedies have proved ineffective, why should they believe that they will be effective in the future.

Therefore, if war, or Israel's collapse by attrition, or externally imposed solutions have been proved ineffective, is not the time right for them to consider that negotiation is the only viable solution. By negotiation, I don't mean the exchange of political propaganda, ideas in public, but the recent exchange of pragmatic proposals for the evolution of a peaceful, regional order.

Everything that happened in 1971, in other parts of the world, gives support to the view that negotiation is itself a dynamic factor that has its effect on substantive positions that brings about agreements that were inconceivable before the negotiation was begun.

When countries overcome their complexes and taboos about meeting each other, what ensues has much more than procedural significance. This was the lesson of the historic Peking meeting. This was the lesson of the agreements that have been reached in Europe at the point at which all the elements and all governments concerned were willing to meet each other in free and unimpeded dialogue. Wherever there has been negotiation, situations have changed. Never has any international situation changed in the absence of negotiation.

I therefore assert Israel's continued and permanent availability for any negotiation that would lead to a peace settlement or to substantive progress towards it. It was in conformity with this idea that we gave our consent to certain concepts that the United States examined with us for approaching a solution of the crises with Egypt through a special agreement, for opening the Suez Canal, disengaging the forces of the parties, stabilizing the cease-fire, and thereby giving stimulation and acceleration to the further pursuit of peace.

We have found in recent months especially a sense of growing harmony with our friends and especially, above all, with the United States. There have been four elements in the United States' position which are constantly resolved between us, which I think have contributed to the relative stability, the relative lack of imminent explosion, that categorizes the Middle East atmosphere today.

First of all, the cease-fire, which was very largely a productive American diplomatic mission; secondly, the maintenance of a balance of power, in the absence of which there is no assurance for avoiding conflict in areas of tension; third, a principle of nonimposition. This is nothing but the acknowl-

edgement of sovereignty as the index of the responsibilities of governments to seek their own solutions. Nobody can help Israel and the Arab states reach a settlement which they will not discuss and resolve themselves; and, fourthly, as I have said, the availability of good offices, for what would be a substantive step, leading, I think, to an uninterrupted momentum towards agreement.

There have been other stragetic developments in the area. We find the Soviet Union formalizing its relation with Arab states in treaties, maintaining its intensive rearmament programs, developing a dynamic policy of increased presence and authority, in many oceans of the world. We do not get the impression, however, that the policy of the United States is one of withdrawing those balancing elements of influence which prevent the imbalance from becoming too grave.

All I will say is that Israel will continue to guide its policy in accordance with seven principles. First is fidelity to the cease-fire. The second is an urgent and constant effort to maintain a balance of power. Third is constant availability for negotiations. Fourth is the aspiration and the insistence on creating a new Middle Eastern structure based on secure, recognized, and agreed boundaries which are not the same as the old and vulnerable armistice lines to which there cannot be any return, for our exploration is not to go back to vulnerability and insecurity, to correct and not to restore the situations out of which the flames of war erupted.

Another of our principles is to see Israel as a Jewish society. That is to say, the consolation, the refuge. the sanctuary of the Jewish people, for which Israel appears as the last and brilliant hope in history. We desire to take our people back to its roots, back to its identity, back to its inheritance, back to itself. Not only back to all of these, but forward to a new celebration of vitality and resilience.

And finally, there is the principle of an open Middle East. Our aspirations is a Middle Eastern community of states. We look upon the European example, to see how countries and nations can overcome the moods and the attitudes which have led to constant war, in order to reach a high degree of cooperation and integration.

Across opened boundaries in free cooperation, a Middle Eastern community of sovereign states can arise, and if you say that this is a Utopian thought, was it not Utopian when immediately after the Second World War, the concept of a European community was put forward.

Thus we have a series of clear objectives.

I will not try to anticipate your questions by analyzing their implications more specifically.

I will say only that the mood in Israel in its 25th year is not exuberant or unrealistic. The mood is tranquil and steady. We are not blind to our dangers. We are confident of an inherent capacity to surmount them. There is an accumulated experience in the past 24 years. It is very difficult to invoke any danger in the past, any danger today, without finding its parallel at some point in the past 24 years.

I can only express the hope—and this is not a prediction. I will not follow Mr. Warren Rogers in his somewhat audacious experiment with futurology. I express, therefore, the hope, certainly, that peace will have come to the Middle East very long before my eighth appearance in the National Press Club.

(Applause.)

Mr. ROGERS. Thank you, Mr. Minister. I might say in my own defense that my practice of futurology was based on impeccable sources.

(Laughter.)

Thank you, God, for the editors who killed it before it got into print, too.

Mr. Minister, you know, we would like to start you off easy in our questioning, so the first question is, just exactly what happened during your hour and a half with Secretary of State Rogers? Tell us all.

Foreign Minister EBAN. I don't think I would be doing any service by telling you all, because what press men must never do is to allow facts to inhibit imagination.

(Laughter.)

I am sure if you don't know what went on, what you write will be even more interesting than what went on.

But I will say this, in all seriousness: I came away with a sense of satisfaction about the clarity of American policy. I feel that the essential principles—I feel this even more strongly than before, and I hadn't any doubt about it before—but our people do need reassurance, but I felt coming away that the main guiding principles of American policy are precisely those outlined in President Nixon's statement on February the 3rd, and Secretary Rogers' report to the Congress on the 3rd of March, namely, a strong interest in maintaining the cease fire, a definite and substantive tangible dedication to the maintenance of the balance of power, the avoidance of imbalances, and what is perhaps very relevant in these days, a strong dedication to the principle of non-imposition.

I believe that these principles, in the form that they are recorded in those documents, continue to inspire American policy, and that there is a general feeling that the application of these and similar principles to the Middle Eastern situation in the past few months has had in general salutary and stabilizing effects, and the situation, although not ideal, is certainly far less explosive and fragile than it was two years ago, or even six years ago when I first met the Secretary of State.

Mr. ROGERS. A follow-up question, Mr. Minister. Have you discerned a shift in the United States State Department position, vis-a-vis the permanence of the USSR presence in the Middle East?

Foreign Minister EBAN. Well, to discern a shift, I would have to know of the previous appraisal. I think all realistic governments must take the Soviet presence for the reality that it is. It is not simply a static fact, but if we examine the pattern of Soviet presence today with what existed a year or two ago, we find that there is a constant attempt to expand, not only presence, but position and influence. The Egyptian-Soviet treaty, and Iraqi-Soviet treaty, increased naval activity in the Indian Ocean and the Mediterranean, are all symptoms of this policy. Now, we see this is a fact. I don't see any way of telling them just to go away. So the problem is this: If that is a fact, what can be done to create balancing facts in order that these areas shall not fall under the domination of a new and dynamic power and thus bring about greater danger of conflict.

I think that the principles that I have mentioned are the answers to this, namely, to maintain the cease fire, to see that counter-measures are taken to strengthen elements such as Israel, the weakening of which would certainly disturb the international equilibrium, and most international observers in our region and beyond have seen in recent months, as I said, greater evidence, that it is not true to think that the United States is liquidating its positions in the area.

There have been measures and declarations, and actual creation of facts which indicate that, although the Soviet Union is a power in the Mediterranean and beyond, it is not the only power there. I therefore don't believe that you can get them to go away. I think you can create an equilibrium, and this, I think, is the main challenge of history to the United States in the Middle East.

Mr. ROGERS. Mr. Minister, a three-part related question: Does your government expect President Nixon on his visit to Moscow, to take up the question of the emancipation of Soviet Jews to Israel?

Number two, what topics would you like to have President Nixon discuss in Moscow?

Number three, do you feel any concern about any possible U.S.-Soviet agreements on the Middle East that might be reached during that visit? Would Israel accept them?

Foreign Minister EBAN. The first two questions have the flattering but inaccurate implication that I have some influence on the agenda on the summit conference.

Now, although I said that Israel is no longer the smallest or the weakest or the poorest of states, we are not yet full members of the summit club.

The first question relates to the situation of Soviet Jews in Israel. I really have no way of knowing whether this matter will be taken up. I don't know whether it will be taken up or not. I do say, however, that the greater degree of freedom for Jews to emigrate should not obscure the fact that the situation is not satisfactory. There are very rigid limitations which are periodically enforced.

About the American position, I can only refer to the past and say that there have been statements of American humanitarian concern for these problems. These have been appreciated. I think that they are useful, because undoubtedly one of the factors operating on Soviet policy will be the degree to which it judges the world opinion. International opinion is strong and vigorous on this point, so I will only say in the past that we have had the feeling of support by the United States, as many other governments, for the international opinion in favor of a liberal policy on this matter.

What topics would I like discussed?

I really have no belief that it is essential for the Middle East to have its destiny solved outside itself. I believe the type of conference by which the Middle East problem will be solved is a conference of Israel and the Middle Eastern states themselves. There is no doubt, however, in our mind, that the Soviet Union is likely to raise this problem. And if I must say what Israel's hope is of the United States, it is that it continues to maintain tenacious fidelity to those principles which I have referred to, which have proved effective in the past, which I think if they are maintained during this encounter and beyond, will contribute to a greater realism, more duration in the Middle East, in the Arab world, and eventually to substantive negotiation.

Do I feel any concern about a possible United States-Soviet agreement on the Middle East?

I can only express my confidence that the principle of nonimposition, which I have quoted as an element in the United States' position, I think that that is an answer to this question. I hope that the Soviet Union will come to realize that you cannot create a settlement by the traditional methods. We are not living in an age when the Middle East is an international protectorate. It is an area of independence and of sovereignty.

At any rate, I don't believe that there is any chance whatever of imposing on Israel policy that is outside its consent that does not conform with its views of what its security should be, where its boundaries should be, and what agreements it should reach.

I think that the history of Israel in the past 24 years indicates that we are not good candidates for exploited or imposed solutions. This isn't a matter for argument between us and the United States, which has enunciated on its own the principle of nonimposition. There is still room, however, for the Soviet Union to understand that peace depends upon the responsibility, initiative, inventiveness, imagination, and readiness for honorable compromise of the states of the Middle East themselves.

Mr. ROGERS. Two related questions: Do you have any concern that the advocacy of major

U.S. defense cuts in the Congress may have some adverse effect on your position in the Middle East?

Number two, would it shake your faith in the credibility of the United States if the United States were to pull all Americans out of Vietnam, after having armed and trained the South Vietnamese to shoulder the war burden?

Foreign Minister EBAN. I feel like a man who has been courteously invited to walk barefoot across a minefield.

Now, on the first matter, I think in addition to Israel's problems, if I were to become involved in the problem of the United States defense budget, you would be entitled to regard me as completely out of my head.

I think that there is a feeling in the Middle East based upon declarations and actions, that there is not a policy of United States withdrawal or liquidation of positions in the Mediterranean. We have watched certain declarations and certain facts which do not give us this impression. And therefore, although certainly we are concerned by the degree of increased Soviet influence, we do not have the feeling that this is completely unilateral and that the unilateral process will allow the Middle East to be dominated by the influence of one single power.

As regards Vietnam, it was our national feeling, as it was the feeling of many other countries, that there was a strong hope for the de-escalation and therefore the eventual liquidation of this conflict. This was the policy of the United States, as enunciated, and it looked as though things were moving in that direction. And therefore, a decision from the north to create and intensify escalation is not only a regional event, it is a grave international event. I wouldn't like to draw any deductions from it specifically about the Middle East.

I don't believe in the doctrine of analogy. I believe that nearly all international conflicts have their own particularity. The Middle Eastern conflict is not similar to any other. From the viewpoint of the American-Israeli dialogue, I would like to point out some of the characteristics. There is no doubt in Israel's case about its willingness and capacity to make the full contribution of its own responsibility and its own sacrifice to its own preservation. We do not ask anybody anywhere to risk its manpower in our defense.

Therefore, this is the major element which differentiates us from any other conflict in the world. All that we ask of those concerned with Israel's security and with Middle Eastern equilibrium and international peace is to make available a reasonable amount of hardware in order to enable Israel, by its own independence, responsibility and sacrifice, to defend itself by its own means and with its own blood. That is a very crucial element in our position. And because we have resolution of that capacity, there does not exist in the Middle East the same danger of international involvement and entanglement and complication that exists in places in the world where states do not have that capacity, or in some cases that resolve.

I think, therefore, when we look at these conflicts, you should look at the things which divide them and separate them. There is not, in my opinion, any valid analogy, from your point of view or from our point of view, between these two situations.

But as members of the international community, we hoped that the de-escalation and diminution of conflict would proceed, and they are obviously concerned by the motives which have led the North Vietnamese to decide in favor of a policy of escalation.

Mr. ROGERS. I think this question is an exercise in futility, Mr. Minister, but I will ask it, anyway.

According to the questioner, he has a reliable source that tells him that there are elements of the U.S. Army in West Germany which are secretly committed to the defense of Israel, and he wants you to tell us if there is such a plan to transport these American troops in case of war.

Foreign Minister EBAN. Well, I think I have given the retrospective answer to that question, and I think this illustrates that fiction is more spectacular than fact. I fully agree with the chairman's analysis. Let us never get away from this central fact: Israel shoulders the full burden of sacrifice for its own defense. It simply asks that its hands should not be emptied. Therefore, it is, I think, the least exacting of partners, the least exacting of all partners, in the defense of a common universal interest.

Mr. ROGERS. A series of questions pertaining to the Golan Heights, Sinai, the west bank and so on.

What is its real purpose in establishing settlements there, and how do you reconcile this with a Geneva convention prohibiting transfers of populations in occupied territories?

Foreign Minister EBAN. The letter and the spirit and the tradition of international law does not prevent the establishment of positions or the head of the peace settlement, insofar as they are necessary for the measurements of security. Now, Israel's position is that the old armistice lines do not commit its future. This is correct juridically, because the Arab states insisted on the premise that the armistice lines may not be construed as territorial boundaries. Here I quote from the relevant article of the 1949 agreements.

Secondly, we believe that the task of statesmanship is to prevent wars and not to leave the way open for their renewal.

Could anything be more absurd than to reconstruct those explosive vulnerable situations which contribute to instability and eventually to war.

If you ask yourselves what is the inherent explosive necessity of the previous armistice lines, you come back again and again to some of these examples. Syrian forces on the Heights with the Israelis in the valley. That is an inherent war-like situation. And Syrian forces in the valley and Israeli military forces on the Heights is an inherently peaceful situation. That has been proved empirically.

Similarly, such positions as that which enabled one of Israel's lines—and I am not putting it in a ridiculous form—shape one of Israel's lines as a supply route, as a possibility by which one options of war and peace converge, as indication to blockade, as a key to the development of the Negev is Israel's outlet to two-thirds of the world. It is quite clear that if anybody else is able to put his hand on that place, that somebody else will determine peace or war, will determine Israel's development or Israel's strangulation. And that is why for Israel the continuation of its control of Sharmel Sheik with all the conditions of territorial continuity necessary for it, is obviously such an obvious element in the peace effort that it would be astonishing to hear it questioned at all.

Therefore, there are places where experience proves the necessity of change, and we have no attitude of apology about the statement that the peace boundaries must be different from the armistice lines, in the degree that security and the avoidance of war makes those differences necessary.

We have never said, and we do not say, that our security requires, even in conditions of peace, the maintenance of the cease fire lines, and all the territories behind them. We do not have this arbitrary approach. There is a very large element of territorial compromise in our position.

But in the negotiations, we would state and defend those positions where we are convinced that there has to be substantial change, not for the sake of change itself, but because our objective is Israel's security and the avoidance of wars. Since I mentioned earlier certain other international examples, let me point out that the new structure of security in Europe, for example, isn't based on restoring the situations that caused a nightmare for mankind. Nobody comes back and says, "Let's put the Polish corridor where it was before, and the vulnerable Polish boundary where it was before," and have hundreds of thousands of Sudetens back in Germany, into Czechoslovakia, to blow it up from inside. Those who built the peace structure in Europe said, "Let us find out what were the causes, what were the points of explosiveness, and let us correct them, let us not repeat them or reconstruct them."

Therefore, when we say that a good peace must include a negotiation, and an agreement on secure boundaries, we are saying nothing that is outside the norms, the precedents, or the traditions of international life.

Mr. ROGERS. Mr. Minister, the questioner says that there are news reports that the Jews in the Golan Heights have asked that the State of Israel incorporate the Golan Heights permanently as part of Israel. Is this under active consideration?

Foreign Minister EBAN. I don't have any consideration of juridical changes with respect to the territories concerned. There are certain territories about which we will be very tenacious when the peace conference comes. But we have maintained the juridical separation, because we want to keep open the principle of negotiation, and one of the elements in our position has been to say, and to say this with sincerity, that all questions can be discussed in the negotiation, but negotiation doesn't mean that we will give up everything in favor of the other side.

We will definitely reach a determination about what are those objectives that our negotiators must achieve if the peace settlement is to be viable. There is no opinion in our cabinet, for example, in favor of the idea that you will have a peace settlement by returning to the 4th of June boundaries. The number of votes for that in our council is exactly nil. But we are prepared to discuss, examine, and negotiate the necessary changes.

Mr. ROGERS. What is the mood of the Arab population on the west bank? Is there any chance it can become a part of Hussein's kingdom, and what is wrong with King Hussein's plan for the west bank?

Foreign Minister EBAN. The central mood of the Arab population on the west bank referred to in the question is, I think, a mood of the realistic understanding that they have always been the victims of every war, and, therefore, the idea of a fourth or a fifth war in the Middle East does not attract the mature and sober elements in that population.

Secondly, there is a new experience of active coexistence. There is movement of men and of commerce across the open bridges and the open boundaries. It has been proved that Israelis and Arabs can live together on the level of their common human concerns. This, of course, does not solve the basic problem of their civic and political definition within a peace settlement. But it is a great investment in the possibility of future harmony, and it makes the idea of a Middle Eastern community much less Utopian and fantastic than it might otherwise seem.

We have made the following analysis of the statement made by King Hussein. Our objection related to his assumption that the problem of peace between Israel and Jordan could be evaded. We think it cannot be sidetracked or transcended, that it must come first, because only when there is a peace settlement between Israel and Jordan will there be clarity about what the respective areas of jurisdiction are, because as I have said, there cannot be a return to the 4th of June, 1967, lines.

But we don't have any objection to the federal principle, or any other constitutional principle, in a neighboring state.

To be more specific, once the peace is concluded, and the boundary is determined, then if in the area under his jurisdiction under that agreement King Hussein wants to follow a different policy in the relationship between the Palestinian Arab community and the central Jordanian authority than before in favor of a more autonomous or federative concept, less centralized, that is not an Israeli decision. It isn't a matter in which we would intervene. But what did certainly invite our legitimate objection was his assumption that there isn't such a thing—I am speaking of that speech—the assumption that there isn't a negotiation with Israel. He already knows what his territories will be, that they are to include the whole of the territory that he had before, and Jerusalem, the territory that he didn't have before. I often ask myself, what is the point of winning a war if by losing it, you expand as much as he would expand it under this conception.

So we did say, well, now, wait a minute, before you start moving the furniture about in your rooms, find out which of the rooms are yours, and which are not. But once that is decided in the negotiation, as I have said, then Israel is not called upon, I think, to make these Arab decisions about what the relations between various parts of the population outside Israel shall be. Most of my colleagues and I do envisage, of course, in a peace settlement, although there would have to be some substantiation, there would be many, many thousands of Arabs outside Israel's boundaries, but the relationship of those with the other parts of the Arab community, I think, is an Arab and not an Israeli decision.

Mr. ROGERS. Mr. Minister, you spoke a moment ago of Israel's request for hardware for its defenses.

Can we assume that Israel does not seek and does not need offensive weapons, such as medium to long-range aircraft?

Foreign Minister EBAN. I would very much like to know what is an offensive or a defensive weapon. Offense and defense is not a quality of weapon. It is a quality of the policy for which it is applied.

For example, in 1967, Israel's resistance was regarded universally by world opinion as a defensive action, because we were threatened in our security, in our integrity, in our maritime access, in the most vital interests that a nation can possess. But to say that there was something tactically defensive about all our moves would be a very remarkable way of describing the operation in 1967. In order to defend yourselves, you have to meet your adversary, you have to meet him wherever it is strategically and tactically necessary to meet him, but that does not make your battle offensive.

Nobody has ever said that because in the Second World War the Allied forces went deep into the territory of their adversary, nobody says that the western democracies were the aggressors. They were strategically defensive. They were tactically defensive and offensive, as military logic required.

And therefore, if the question is, are we going to give the Phantoms back, the answer is no.

(Applause and laughter.)

Mr. ROGERS. President Chaushesko of Rumania has been mentioned as a possible mediator in the Middle East. Golda Meir is visiting Rumania, and the questioner wants to know, can Chaushesko succeed where Joe Sisco failed?

(Laughter.)

Foreign Minister EBAN. Well, President Chaushesko has not yet succeeded, and I don't think that Joe Sisco has yet failed.

The question asks, and I have been asked this many times, whether there is an effort at mediation. I would much prefer to allow Rumanian policy to be decided in Rumanian terms, and they have never used that phrase or that expression. What they have said is that they use their position of mutual relationship and confidence both in Cairo and in Jerusalem to try to clarify the policy of each of those governments to the other, and to give what they think is an intimate and accurate impression of what each government feels.

I agree with the idea that this is a contribution, this is a contribution to peace, because much of the conflict, not all of it, but much of it rests sometimes on a misunderstanding of what the policy of the adversary is.

Therefore, when any disinterested government says that it will do its best to clarify its positions, and to give a lucid and actual account of our policy, then we encourage them to do this. When some of the African heads of state use their good offices in a similar way, we encourage them to do it. That does not mean to say that the user of good offices himself becomes a party, or himself makes proposals and submits texts, but that he examines and explores the position of the parties in an attempt to find common ground.

That is the way the Rumanian government has described its role in the past. About what will be discussed in the Bucharest meeting, I have no knowledge at all, and I am certain we will be in a higher state of knowledge after the meeting than before.

Therefore, I don't want to say anything which will be regarded in any sense as a prediction about what will be discussed.

Mr. ROGERS. Mr. Minister, we thank you once more for giving us a lucid and informative——

(Applause.)

And on behalf of the Press Club, I would like to give you now our certificate of appreciation, and the coveted National Press Club necktie to go with the rest of your collection, and one more question.

Mr. Minister, will you accept a mission for us. Upon your return, will you see to it that you will have Mrs. Meir make good on her promises to us to cook for the members of the Press Club gelfilte fish?

Foreign Minister EBAN. Before I answer that question, may I express gratitude for receiving this tie. This is the tie that I should avoid wearing when I next go down to the Suez Canal.

With reference to my Prime Minister, I can give you full assurance all the recipes are under active consideration.

(Applause.)

(Whereupon, at 1:55 p.m., the meeting was adjourned.)

CONGRESSMAN CRANE CALLS FOR AN END TO CONSERVATIVE DESPAIR

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. DERWINSKI. Mr. Speaker, our colleague from Illinois (Mr. CRANE) has frequently demonstrated his talents as an articulate spokesman for the principles of conservatism and his message is one that deserves listening to by Republican and Democrats alike.

Recently, Mr. CRANE addressed the Republican Women's Club in his own district, the 13th District of Illinois, and I would like to include his remarks in the RECORD for the benefit of my colleagues.

The address follows:

LET US HAVE DONE WITH DESPAIRING!

(By Hon. PHILIP M. CRANE)

"Perseverance, dear my lord
Keeps honor bright: to have done is to hang
Quite out of fashion, like a rusty mail
In monumental mockery."

The words are from the pen of William Shakespeare and assigned to the immortal hero Ulysses in the play "Troilus and Cressida."

Yet they are apt words for conservatives today to ponder. Certain regrettable misfortunes and the chaos of our time have conspired to drive many of our number from the political arena; to cripple the effectiveness of those who remain; and generally to reduce us all to a moping silence born, in equal parts, of disgust and despair.

As conservatives we are in sad danger of finding our honor dulled past polishing again. We must get hold of ourselves quickly—"put it together" in the current vernacular—or traditional values may be "quite out of fashion" before we know it. In a socialist state, conservative philosophy as we think of it today will, indeed, "hang . . . like a rusty mail in monumental mockery."

What prompts me to paint such a somber picture? Several things, unfortunately.

I have, for instance, observed a recent trend on the part of conservative stalwarts to give up the fight. There is a prevailing attitude that the system is no longer responsive; that things have gone so far amiss—by which it is generally meant so far down the road to central control or socialism—that nothing can be done; that Washington has a death grip on the country and the liberals have a death grip on Washington. And this trend to retreat and despair grows more pronounced every day. If it were not so serious, it would almost be as amusing as an incident that occurred with my daughter, Rebekah, when she was five years old. At the dinner table one evening we were discussing God's omnipotence and omniscience. Rebekah challenged both because "I broke my sunglasses and prayed to God to fix them and He didn't do it."

One finds evidence of this attitude in the exodus of conservative leaders and workers from political endeavors, with such parting comments as, "I'm tired," or "It's over—it's just no use anymore," or "The people aren't listening—they just don't believe in traditional values anymore."

One finds it in the increasing reluctance of conservative money to back conservative causes. Financing is ever harder to come by for young conservatives seeking public office on the state and local level; for public and private efforts to compete with the liberals at their own game of influencing the direction of legislation through the molding of public opinion; indeed, for almost any kind of conservative effort you want to name.

One finds it in the diminishing army of conservative volunteers—admittedly weary from past battles—who will no longer gird their loins for one more encounter. Old race horses never cease to tremble with anticipation at the starting line. Too many conservatives have, by contrast, taken to behaving like balky mules when asked to have a go at it one more time.

And one finds it in the exodus of elected conservatives from public office. Of the 21 Members who have already announced their retirement this year from the House of Representatives and do not plan to run for any other office, fully 60 per cent of them are stalwart conservatives and most of the rest are moderates.

There are not more than two full-fledged liberals among the lot. Most are powerful, senior Members, and one-fourth are the Chairmen or ranking minority members of

such key committees as Rules, Ways and Means and Judiciary. They cannot be expected to serve forever, of course. Indeed, many are years past the age when they should be asked to serve out of duty. But they leave posts which will be taken up by liberals years away from retirement, unless the people vote them out. Without workers in the vineyard and money to finance their efforts, the chances of defeating senior liberals in the Congress grow increasingly remote.

In short, at a time when the average American is dissatisfied and increasingly aware that the social heresies of the last forty years are not the answers to America's problems, the keepers of the true faith are giving up the struggle. And the conservative leaders of the past do not pass the torch of freedom to new generations but rather, by embracing the heresies themselves, threaten to extinguish the last flickering embers while the people search for light.

Americans may not yet be sure, but they are ripe for convincing, that profligate deficit spending by the Federal Government breeds more problems—and graver ones—than its defenders can attempt to cure. The bread of "prosperity and progress" made with the old yeast of statism and collectivism collapses into unemployment and inflation. In a single generation we have been able to experience the sweet promises of Liberalism souring on the tongue.

The American people are ripe, too, for remembering some basic truths: you do not raise men up by their pocket books alone; no amount of money, spread equally among our citizens, will for long remain equally spread in a free society; free men have no right to happiness, only the right to pursue happiness; you cannot buy equality; you cannot feed the true hunger of this world with bread; you cannot heal the worst blindness of our time with medical skill; cancer research will not cure cancer of the soul; material solutions to pollution of the environment will not touch pollution of the mind; "liberation" is false if its only fruit is license; liberty imposes more responsibility than any form of servitude; license is not freedom but bondage; and, love does not come out of the barrel of a gun.

There is a desperate need for us to reconsecrate ourselves to the basic principles upon which the Founding Fathers structured this Republic. It was intended that power would flow from the governed. It was never intended that Washington should order our lives—the government in Washington is merely a mechanism by which the people may endeavor to order their own lives. When bureaucracy enslaves, the servant has become the master.

Ours was a unique concept in the history of government. It was the first time in the history of civilization that a government was created consonant with God's law. "Thou shalt have no other gods before me," states the first commandment. Every government prior to our own did violence to this commandment, for they all assumed powers and prerogatives which we reserved exclusively unto the Divinity. Even the British system of government rested upon the premise that man was created to serve the state. The Declaratory Act, passed by the Parliament in 1766, insisted that Parliament had the right to regulate the lives of British citizens "in all cases whatsoever." Every despotism, from the days of the Pharaohs down through Hitler, Stalin, or Mao Tse Tung, has operated under this proposition. It repudiates the first commandment and the doctrine of unalienable rights set forth in the Declaration of Independence.

The Founding Fathers viewed government as a servant not a savior whose function was to provide cradle-to-the-grave security by taking from the "haves" and giving to the "have-nots" or forcing a secular salvation upon the people according to the dictates of the conscience of some philosopher king in Washington. Its principal function was to prevent trespass by the one, the few, or the many. As Jefferson explained, the end of government is to make men secure in the possession of their unalienable rights to life, liberty, and the *pursuit* of happiness.

To achieve this purpose we must maximize free choice. We rejected the pagan notion that any one of us is endowed by his Creator with the right to play God with the lives of the rest of us. And properly so.

The Founding Fathers believed in God. They believed, further, that man was created in God's image. As no man can describe God's image, it is blasphemous to force men into mortal conceptions of that image. Men must be kept free to develop their creative potential to its fullest for the glorification of God. This is, perhaps, the ultimate liberal heresy. The liberal profanes God by attempting to regiment men's lives to achieve his parochial vision of the New Jerusalem.

The Founding Fathers knew, too, that "representation without taxation" could have as baleful an influence upon the quality of life and liberty as "taxation without representation." This is not to say that the poor or propertyless should have no say in their government. But a free society cannot endure if those who have nothing at stake can use government to plunder those who do.

The Constitution wisely provides that there be a separation of powers in the Federal Government. The judicial branch shall not legislate, or the executive branch interpret, or the legislative branch execute its own laws.

These are elemental principles but they are more and more abused by every branch. By imposing forced busing to achieve racial "balance" in schools in the face of express Congressional intent opposing such busing and in defiance of the Constitutional mandate to treat all citizens equally, the Courts have undeniably legislated. On the other hand, Congress, in appropriating funds has abdicated its responsibility in recent years by putting spending limits on the Executive which are below the amounts appropriated by the Congress. This, in effect, forces the President to decide where spending cuts should be made, a responsibility which belongs to the Congress, not the Executive. Then there are the legislators who advocate passage of legislation which will take effect in the future unless Congress specifically vetoes it. The Executive may reorganize, unless Congress vetoes the Reorganization plan. Salary increases automatically take effect unless Congress vetoes them. And some are advocating pilot programs for welfare reform, with the programs to take effect all over the country at a specified future date unless vetoed by Congress. This violates the separation of powers, when Congress must exercise a veto—which is an executive function—in order to prevent legislation, rather than taking affirmative action to enact legislation.

On another point, in a Federal structure the several states comprise an equally important entity with the central government in the balanced equation of power and it is as destructive of human rights and freedom for the central government to grow too strong as for the states to dominate or grasp at excessive sovereignty. In many of our programs today—in welfare, in legal aid, in child care, in job training—we are discovering that the elimination of local option, local input, local control has plunged the programs into a morass from which the Federal bureaucracy is unable to extricate them.

Yet another of these principles relates to the separation of church and state. We have fallen into the trap of extending that principle to justify government ignoring or even denying the existence of God. And we have interpreted the Constitutional guarantee of "freedom of religion" as if it were synonymous with "freedom from religion." How else do we explain the Supreme Court decision prohibiting prayer in our public schools? The sad fact is that there was no need for the Court's decision in the first place, and had it never been rendered the present demand for an amendment to restore the right to pray would have been avoided.

Our Supreme Court justices ignored, in the process, the profound truths enunciated by George Washington in his Farewell Address when he said:

"Of all the dispositions and habits, which lead to political prosperity, Religion and morality are indispensable supports.—In vain would that man claim the tribute of Patriotism, who should labour to subvert these great Pillars of human happiness, these firmest props of the duties of Men and Citizens.—The mere Politician, equally with the pious man, ought to respect and to cherish them.—A volume could not trace all their connections with private and public felicity—Let it simply be asked where is the curity for property, for reputation, for life, if the sense of religious obligation *desert* the oath, which are the instruments of investigation in Courts of Justice? And let us with caution indulge the supposition, that morality can be maintained without religion.—Whatever may be conceded to the influence of refined education on minds of peculiar structure—reason and experience both forbid us to expect that national morality can prevail in exclusion of religious principle."

I realize that these are not the "in" things for Congressmen to be talking about today. But I sincerely believe that these observations contain vital truths cast aside recklessly and thoughtlessly. In the turmoil and the insecurity so apparent in our society today, we would appear to be reaping the whirlwind for having sown the wind. Our rosy future is fast turning to "clockwork orange," with all that implies in terms of sex, violence and social disintegration.

We have many hard decisions facing us that will mold the course of human history, and they are not far down the pike. We must decide how we stand on the issues of "test-tube babies," the sanctity of life for the unborn and the ill and aged, the future of the institutions of marriage and family. I am totally convinced that the liberal politicians who control Congress today will not make the decisions that the American people would really want if they could see where those decisions will lead them.

We have portents already. A child development bill has been passed, vetoed, and is now being pushed again in a form that will do more damage to the home as an institution than anything most of us could have conceived possible even five years ago. Its defenders have argued that it is necessary, to give women equality and get families off welfare; but its express purpose goes far beyond that scope and it is, once again, only the foot in the door whereby we will set in motion the undoing of home and family life as surely as they have been undone in the Soviet Union or Red China.

The Population Control Commission has recently recommended vastly liberalized abortion laws; ready and practical access to contraceptive information, procedures and supplies for all people, including minors; and development of public health-financing mechanisms to pay for voluntary sterilization, abortion, prenatal, delivery and post-partum services, and medical treatment of infertility.

Not only is this the most outrageous kind of socialistic manipulation, but, to suggest public financing of both abortion and the

treatment of infertility is an absurd contradiction in purpose. What will the next step be? Are we to be required to have a permission card from the state in order to have children? Will there be a legal limitation on the number of children any family may have? Or perhaps the social planners will content themselves with the proposal contained in pending Senate legislation to abolish or reduce on a graduated scale the tax deductions allowed for families with more than two children.

Yes, the social manipulators are eager to meddle in our lives with legislative surgery when it is necessary to do so in order to increase the power of the state over the individual. But when, in their natural course, events work to the liberals' advantage they are satisfied to leave well-enough alone. In an area where every day's delay is crucial—on the question of a national policy regarding experimentation with "test-tube babies"—nothing—absolutely nothing—is being done. Though the liberals would not say so, this Orwellian experiment apparently does not bother them. Admittedly, it is in the same vein with universal child care, uncontrolled abortion and euthanasia. On the conservative side, most of us simply prefer to hide our heads and hope the scientists don't succeed, again taking the easy way out.

What we seem unwilling to grasp, or to accept, is that we have entered an era when the battle is no longeer so much for the control of territory or economic advantage as it is for men's minds. And it is no longer fought with arms alone. It is being waged, relentlessly and often unobserved, with the weapons that belong to the powers of evil—ideologies and slogans designed to wean men away from eternal truth through the easy answers, the half-truths, the beckoning utopias that in reality spell eternal destruction.

It is a war, not for the physically brave, but the spiritually brave. It is, in short, a battle in which we must depend upon God; we cannot win it alone.

Let me hasten to add that, however different the circumstances and the methods, however unfamiliar the face of the enemy, it is not the first time in history that men have faced such a challenge. And if we respond well, we will not have been the first to do so.

There are ample historical precedents for the challenge that confronts conservatives today and the odds we face—precedents fairly shouting at us, of victory in the face of odds that should have spelled certain defeat.

What were the odds that George Washington faced with his frozen, starving men at Valley Forge? The fact of his ultimate victory has been rationalized in many ways by "hindsight" historians, but to the men at Valley Forge that winter, surely nothing seemed more beyond reach than victory for the colonial cause against the King's army.

What were the odds that England faced at Dunkirk in 1940? Looking back, we think the Allied victory inevitable in World War II, but at that hour perhaps only the faith and resolve of a stalwart leader kept England from going under. On that day Winston Churchill said:

"We shall not flag or fail. We shall go on to the end. We shall fight in France, we shall fight on the seas and oceans, we shall fight with growing confidence and growing strength in the air, we shall defend our island, whatever the cost may be, we shall fight on the beaches, we shall fight on the landing grounds, we shall fight in the fields and in the streets, we shall fight in the hills, we shall never surrender."

And England, thank God, fought on!

With what peril was the cause of Union fraught when the once United States tore asunder pitting brother against brother? Millions of Americans supported Lincoln, when he said,

"Let us have faith that right makes might and in that faith let us to the end dare to do our duty as we understand it."

And thus our nation survived to face this present hour.

Oft quoted is Edmund Burke's remark that "The only thing necessary for the triumph of evil is for good men to do nothing." But history is full of those great turning points marked by the determination of good men, great and small, one and many, not to sit by and do nothing. It is the stuff of heroes—Francis of Assisi over-powering the debauchery of his youth; Joan of Arc, a mere child, bolstering the sagging will of a despairing people and an irresolute monarch; and a humble carpenter's son altering more profoundly than all the armies of history the course of civilization.

It is the stuff of quieter struggles fought and won—by anti-Communists in Brazil in 1954; by the Indonesians who delivered themselves from almost certain Communist takeover; by the Rhodesians who have ridden out a vengeful world opinion and sanctions to maintain their sovereignty.

All, with Horace, have lived by the maxim, "Never despair." The story is told of the boxer, Jim Corbett, that the secret to his success in becoming a world champion was contained in the four word philosophy: "Fight one more round." As Corbett explained it, when his arms were so tired they felt pulled down by lead weights, he would nevertheless resolve to himself to "fight one more round." When his body hurt so badly that to be knocked out seemed almost merciful, he nevertheless resolved to "fight one more round." When his legs dragged from exhaustion and his heart beat as though it must burst, he nevertheless resolved to "fight one more round." In short, Corbett simply refused to quit!

Our opponents are not supermen. As Knute Rockne observed, they put their trousers on each morning as we do. They, too, suffer pangs of self-doubt. They, too, weary from the fight. They, too, succumb to the fears born to fatigue.

"One man with courage," redoubtable Andrew Jackson said, "makes a majority."

As in all ages, the doom-criers among conservatives today have it within their power to fulfill their own prophecy. For when the people who *must* act *refuse* to act because "Nothing can be done—the cause is lost" then nothing will be done and surely it follows that the cause *is* lost.

On the heels of the 1964 election, when I was teaching history at Bradley University, a conservative student came to me after class one day with a troubled look. "Dr. Crane," he said, "I believe in your principles and ideals, but let's face it—the United States is finished and western civilization is doomed. We are inevitably moving toward some form of socialism, so why fight it? Why shouldn't we simply eat, drink and be merry?" I could sympathize with him, for, as I confessed, at one time in my own collegiate career I had asked myself the same question. "But," I suggested to him, "let us suppose that you and I cling to our values and tomorrow we win two converts apiece to our view. Let us suppose, further, that we enjoin them to win, in turn, two converts apiece the following day, and so on. Before long, a majority would believe as we do. Can you then tell me that the United States would be finished and western civilization doomed?"

"I never thought of it that way," the young man replied.

Several years ago the noted University of Chicago professor, Richard Weaver, authored the superb book *Ideas Have Consequences*. As I explained to my young student, ideas do, indeed, have consequences, and his outlook had been clouded by acceptance of a wrong idea: the doctrine of dialectical materialism. In fact, Karl Marx's theory of inevitability is one of the rankest superstitions he ever advanced. It is unsupportable historically, yet implicitly—if not explicitly—accepted by millions throughout the world. Acceptance of this superstition, as I explained to my young student, had as surely removed him from the fight to preserve free institutions as had he been placed against a wall and had his brains blown out with a thirty calibre machine gun.

It is not true that nothing can be done about the situation conservatives face today. Much can be done and must be done.

There are sound and capable young conservatives eager to seek public office. But they must have resources and campaign workers. The despairing are of no help to them.

There are resolute men willing and able to help put the conservative movement back on the offensive again with techniques and politically operative programs that can be just as effective as have been the efforts that gave the liberals and socialists the political momentum they maintain today. But they must have cooperation and they must be heard with as much political sophistication as the "liberal plotters" have been by their mentors over the past generation.

There are elder statesmen who are still making the good fight. But they must be given the respect and support they deserve and not be "put down" because of age alone. By the same token, we must retain our critical judgment and be prepared to acknowledge the fact that some of our erstwhile conservative leaders have embraced the heresies.

Beyond this, we must rise above the dispostion to exclusivity and never forget that there is much wisdom in the maxim, "To err is human, to forgive divine." Many liberals are working and thinking their way out of their intellectual straight-jackets. They should not be taunted, but forgiven and encouraged. There is none of us too old to learn. Still others, looking through a glass darkly, have voted against us in the past while generally maintaining a community of interest with our traditional values of love for God, personal responsibility, respect for law and order, and a wholesome commitment to preservation of the institutions of marriage and family. They should be extended the hand of fellowship. More than that, they should be earnestly wooed.

"Where liberty dwells," Benjamin Franklin said, "there is my country." The same must be true when it comes to placing our faith in men. To paraphrase Franklin, let us pledge that "Who proclaims liberty is my friend."

Most encouraging of all, there are armies of young people—many of whom espouse the conservative viewpoint already and deserve to be given leadership and opportunity; but many, many more who espouse no philosophy and simply search for the truth that lies in the traditional values we conservatives hold dear but have failed of late to defend and articulate in a forthright way.

Therefore, it is incumbent upon every conservative to persevere. To do less is to commit Peter's sin: denying our faith in God. Ultimate despair is the one unpardonable sin. I am convinced that most of us, as conservatives, believe in a personal God who can and does intervene in history. Despair for the future of traditional values indicates a loss of faith in the power of God. We make of ourselves "foolish men" on the road to Emmaus.

I will be the first to admit that conservatives did not make use of the opportunities we had in the 1940's, the 1950's, yes, even the 1960's; and we still are not always dealing wisely with our problems. As a result we are, indeed, already a long way down the primrose path to socialism. There are some things we simply cannot change and some things that it will take many years to change. For example, to terminate abruptly many of the present Federal subsidy programs could fatally disrupt the economy.

But the fact that we seem already past the

point of no return in some respects is no justification for quitting. To those who think "it's all washed up," I would only say, "Try living in any Communist dictatorship of your choice for just one month." Then you will see how very much we have left to defend—and to work with—in this country. Live for thirty days in a state where you have no freedom of movement; no privacy, even in your own home; no freedom of worship; no freedom of speech or association; no opportunity or hope of changing your job or improving your lot in life.

My father greatly feared that FDR had destroyed the Republic. I recall a discussion in his library on the eve of World War II. "I fear in your lifetimes," he told my brothers and me, "that you may be confronted with a very cruel alternative. You either compromise your principles to stay alive in the hope that over time you can reform the system from within; or you decide that you can no longer live with the tyranny and you fight it. If you make the latter decision," he continued, "you may very well end up at some point standing before a firing squad. Just remember, if you do, that we believe there is something much grander that lies beyond this life, and that that is the moment of *your* ultimate victory, not theirs." Then his mortality showed as he added: "But, boys, if you make that latter decision, just make sure you get twelve of them before they get you."

None of us wants such alternatives for himself, his children, or his children's children. They represent the worst of all possible worlds. But once we have faced up to them, we realize that there is still a long way to go, that we still have many more options available to us, and that even the worst is something we can face without fear.

Dante said, "The hottest places in hell are reserved for those who, in a period of moral crisis, maintain their neutrality." If the hottest places are reserved for those who maintain their neutrality, next to them must be a place for those who refuse to fight because they have given in to despair.'

By serious and energetic endeavor, conservatives in this country can still preserve the home and family, the sanctity of marriage, the freedom to worship as we choose, the right to choose our own vocation, associate with whom we will, praise or criticize as suits our fancy, and the opportunity to improve our lot in life. We can retain for ourselves the right of free government—the right to vote. We can even restore the power to influence the course of government through that vote: the most significant of the things that have begun to erode away in this generation.

It is, perhaps, easiest to give up the struggle when times are "easy," as they are now, in a material sense. I would recall to you the words of Francis Bacon—"Prosperity is the blessing of the Old Testament; adversity is the blessing of the New."

To champion the conservative cause today is to wade neck-deep into adversity. The defense of truth has never been easy.

And so I say, let us have an end of despairing. "Even desperate, we cannot despair," says the modern equivalent of Job in Archibald MacLeish's poetic play, "J.B."

With that old patriot, Samuel Adams, "Let us contemplate our forefathers and posterity and resolve to maintain the rights bequeathed to us from the former, for the sake of the latter. The necessity of the times, more than ever, calls for our utmost circumspection, deliberation, fortitude and perserverance."

I personally stand ready to work with anyone, anyplace, anytime, who is willing to give himself to this effort.

Let us have done with despairing! Let us, with faith in God, set our hands with greater vigor to the restoration of reason and the pursuit of honor in the public policies of this our great land. Let us join with another great American, during an hour of trial, who refused to mock our honored dead, and instead resolved "that this government, under God, shall have a new birth of freedom, and that government of the people, by the people, for the people, shall not perish from the earth."

SMALL BUSINESS ADMINISTRATION LENDING PROGRAM OUTSTANDING IN ILLINOIS

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. RAILSBACK. Mr. Speaker, the progress of the Small Business Administration lending program in Illinois has been outstanding. In fiscal year 1968, 145 loans for $6,245,000 were granted in the State. By fiscal year 1971, that number had increased to 735 loans for $47,302,-819, and the number of loans this year is running 26 percent ahead of last year's pace.

This progress is the impressive result of a massive public information program by the Small Business Administration, alerting Illinois citizens to the availability of financial help to small businesses. Yet, despite their best efforts, there are still many individuals—particularly in smaller towns and rural areas—who are unaware of the agency's programs. This results in many individuals not being able to take advantage of SBA programs which would benefit their business and their community.

In an effort to better serve the people of Illinois, the Small Business Administration will conduct a series of seminars throughout the State. The first series will be on the lease guarantee program, which is a new type of credit assistance provided by the SBA to help small businesses obtain leases in choice business locations. A lease guarantee is an insurance policy which is issued to a businessman, guaranteeing to the landlord that the rent payments will be made.

The schedule for these seminars is:

Bloomington, April 26.
Waukegan, May 1.
Danville, May 11.
La Salle, May 16.

For additional information on this program and/or for registration forms for the above seminars, Lewis F. Matuszewich, Deputy Regional Director of the Small Business Administration, Chicago—312—353-4521—or Warren Keith, Branch Manager, the Small Business Administration, Springfield, Ill.—217—525-4232—can be contacted.

The second series of seminars will be held on the surety bond program. Any small business which is required to have a bid, performance or payment bond in order to obtain a contract may contact the Small Business Administration for reinsurance of the surety bond if he is unable to obtain it independently. These bonds can be obtained for contracts in the construction industry, or for repair, maintenance, service, supply and janitorial work. The seminars on this SBA program are planned for the following cities:

Joliet, May 22.
Champaign, June 9.
Belleville, September 11.
Decatur, September 19.

Arrangements for these seminars are also being made jointly by Warren Keith, the Branch Manager of the Small Business Administration at Springfield, Ill.—217—525-4232—and Lewis F. Matuszewich, the Deputy Regional Director of SBA in Chicago—312—353-4521.

I have talked about these seminars with Robert Dwyer, the Regional Director for the Small Business Administration program in Illinois. I have indicated to him my hope that additional seminars on other Small Business Administration programs will be provided at other locations in the State—for the benefit of the small businessman, the agency, and, most importantly, the people of Illinois.

AMERICAN PEOPLE WANT, NEED, AND DESERVE INCOME TAX REFORM

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. EVINS of Tennessee. Mr. Speaker, throughout the country there is a groundswell of public opinion calling for reform of our Federal income tax structure to eliminate loopholes that permit many big business corporations and millionaires to legally evade billions of dollars in taxes annually.

Research by a highly respected private research organization, Brookings Institution in Washington, indicates that taxable income would increase by $166 billion if these loopholes were eliminated, according to recent testimony given to the Joint Economic Committee.

Another witness at these hearings, Philip M. Stern, author of a book concerning these tax loopholes—"The Great Treasury Raid"—testified that all tax rates could be reduced 43 percent without any loss of Federal revenue if $77.3 billion lost through tax loopholes listed in the Brookings study was added to Federal income.

In the face of this and other evidence and the grassroots demand for tax reform, I was astonished at the recent statement by Secretary of Treasury John Connally that there were no tax loopholes. He should know better.

Furthermore the Washington Star on yesterday in a front page article reported that administration spokesmen have prepared an elaborate presentation replete with slides, graphs, and charts to support Connally's position against tax reform.

When the Nation's 12th largest corporation—United States Steel—with a net income of more than $154 million can evade all Federal taxes through loopholes and pay no Federal income taxes—as it did in 1971—then something is wrong with our tax laws.

When big foundations with huge pri-

vate interests can evade taxes, obviously something is wrong. Congress has closed some of these foundation loopholes, but not enough.

When many of the Nation's giant oil companies—Gulf, Texaco, Mobil, Shell, Atlantic, Conoco, Union, Marathon, Tenneco, Sinclair, Tidewater, Pure, and Richfield—can evade Federal income taxes entirely or pay less than 6 percent—as they did in 1969—then it is obvious to any reasonable person that tax loopholes exist and that tax reform is urgently needed.

Researchers report that in 1969 the Nation's 26 largest oil companies with net incomes totaling more than $8 billion paid less than 8-percent aggregate in Federal income taxes. No wonder the budget remains unbalanced.

Because of the great interest of my colleagues and the American people in tax reform, I place articles from the Washington Star and Knoxville News-Sentinel on this subject in the RECORD herewith.

The articles follow:

[From the Washington Star, Apr. 24, 1972]

NIXON'S SLIDE SHOW: NO NEED FOR TAX REFORM?

(By Eileen Shanahan)

The Nixon administration has prepared a slide-show aimed at making its case that the tax laws are reasonably fair as they stand now and that tax reform is unnecessary and undesirable.

The presentation was given its debut Thursday before a small group of tax lawyers by Frederick W. Hickman, deputy assistant secretary of the Treasury for tax policy, under whose direction the show was prepared.

Hickman is scheduled to make the same presentation soon to the Association of the Bar of the city of New York, and he and others are expected to give it frequently in the months ahead if it seems to be accomplishing its purpose.

The purpose is to counter the growing cry for tax reform that has been aroused by Democratic politicians, especially candidates for the presidential nomination, and by the feeling of most middle-income individuals that the federal income taxes they pay are too burdensome, while those of the rich and of business are too light.

The administration's case against tax reform, as presented in Hickman's slides, rests mainly on two assertions—and some figures to back them up.

The first is that what are generally considered the "loopholes" in the individual income tax do not really add up to very many billions of dollars of income that is escaping tax.

The second is that corporations are already taxed quite heavily, compared to individuals.

Hickman's lecture totals up all the various preferential provisions that are in the income tax law now—provisions that leave some income completely untaxed and provisions that create deductions from taxable income.

He finds that the preferences that run into the tens of billions are generally items that those who advocate tax reform do not consider to be "loopholes."

These are preferences such as the nontaxable status of Social Security payments or the deductions permitted homeowners for their mortgage interest and property taxes.

Nontaxable "transfer payments," a category that includes Social Security, unemployment compensation and welfare payments, totaled $55.1 billion in 1970, and the tax deductions granted homeowners totaled $28.7 billion.

By contrast, Hickman said, "all the tax loopholes that everybody is talking about"—interest on municipal bonds, which is nontaxable, the depletion allowance that is taken by individuals with income from oil and gas wells and other mining operations, the tax advantages of stock options and special interest deductions—added up to only $4.9 billion.

Hickman's presentation listed separately the portion of capital gains that is not taxed, usually half of capital gains, which totaled $26 billion.

Making a related point that most tax preferences do not go to the rich, Hickman presented a slide that showed untaxed income by income bracket.

BREAKS FOR LOWER BRACKETS

His figures showed that $100.4 billion, or more than half the total of individual income subject to tax preferences—$193.6 billion—went to individuals and families with incomes of $20,000 a year or less. The tax preferences in the compilation included not only "transfer payments" and "homeowner preferences" but also all other itemized deductions and the standard deduction and low income allowance.

Above the $20,000 income line, the tax preferences were distributed as follows, according to Hickman's figures: For taxpayers in the $20–25,000 income bracket, $17.1 billion; in the $25–$50,000 bracket, $24 billion; in the $50–$100,000 bracket, $7.5 billion; in the $100–$500,000 bracket, $8.8 billion; and in the $500,000-plus bracket, $5 billion.

Turning to the corporate income tax, Hickman's slides showed that while the corporate tax rate is supposed to be 48 percent, the various special treatments in the tax law reduce that—in terms of percentage of total corporate income actually paid out in taxes—to 38.2 percent.

This rate "is a heck of a lot higher than the effective rate on individuals," which is under 11 percent, he told the meeting of the Federal Bar Association and Bureau of National Affairs, which he was addressing.

MATTER OF $10 BILLION

In addition, he said, if all the tax-law provisions that reduce the corporate effective tax rate to 38.2 percent were repealed, that would raise no more than $10 billion. Even this calculation fails to take into account the depressing effect on the economy—and on corporate profits and tax collections—that such tax-law changes would probably bring, he said.

"There's just no way the corporate income tax could be the tax that carried the main burden" of financing the federal government, he said. That is because total corporate income is small compared to individual incomes.

Hickman conceded that his calculations of corporate tax preferential did not include the provisions for extra deductions that corporations get through the system of accelerated depreciation of their equipment. He made the argument—which is bitterly disputed by tax reformers—that accelerated depreciation is not a tax preference because it merely postpones payment of taxes and does not eliminate it. Reform advocates say the tax is never really paid.

Hickman's slide show also contained some recently updated figures—for 1969, in most cases—that showed that the over-all tax burden borne by Americans was lower than that borne in any other industrialized country except Japan, which has no military expenses.

[From the Knoxville News-Sentinel, Apr. 23, 1972]

REFORM MAJOR ISSUE IN CAMPAIGN: CONGRESS MAY ACT TO CLOSE MANY TAX "LOOPHOLES"

(By Robert Dietsch)

WASHINGTON, April 22.—Although tax reform has emerged as a major issue in this year's presidential campaign, there is no guarantee that Congress next year will close many of the so called tax "loopholes" being assailed by Democratic candidates.

These Democrats, in their presidential primary campaigns, are urging a number of tax reforms they contend would bring more equity into the Federal tax system.

The Democrats argue the loopholes permit businesses and wealthy individuals to escape too much tax. The Congressional Joint Economic Committee estimates loopholes cost the U.S. Treasury $36 billion a year.

REASONS REFORMS FAIL

Liberals in Congress have been advocating such tax reforms for years. They've had little success for a number of reasons:

1. They are a minority in Congress. The Democratic power centers in Congress generally have been opposed to the kind of reforms being advocated by the Democratic presidential hopefuls.

2. Many of the tax exemptions, deductions and benefits labeled as loopholes are vigorously defended by their advocates and beneficiaries as serving worthwhile social or economic purposes.

3. Closing loopholes could disrupt some industries, which contend the results would be higher prices or fewer jobs.

Most of the reforms proposed by the Democratic candidates would force businesses and wealthy individuals to pay more income taxes by depriving them of deductions, exemptions, credits and other tax benefits now included in the Internal Revenue code.

The most comprehensive tax reform bill in history, which was passed by Congress in 1969, did close an estimated $6.9 billion in tax "loopholes."

THE YEAR 1969 BILL COSTLY TO UNITED STATES

But the measure was enacted only after it was "sweetened" by tax reductions totaling $9.2 billion. These reductions benefited both low- and high-income taxpayers. But the net result was that the Treasury lost about $2.3 billion in annual revenues.

The Democrats say their reform proposals would raise revenues and thus avert the need to raise tax rates to pay for expanding domestic programs and to trim Federal budget deficits.

The tax reforms proposed by liberal Democrats are loaded with controversy.

HAS BROAD MEASURE

The major bill, a broad-gauge measure designed to close $16 billion in "loopholes," was introduced March 21 by Sen. Gaylord Nelson (D-Wis.). It is cosponsored by three Democratic presidential candidates, Sen. Edmund S. Muskie (Maine); George S. McGovern (S.D.) and Hubert H. Humphrey (Minn.). McGovern and Muskie also have separate reform bills of their own.

Gov. George C. Wallace of Alabama, another Democratic presidential hopeful, has talked up tax reform in his campaigns.

And 11 liberal Democrats in the House have proposed a tax reform bill to yield $7.25 billion more in tax revenues. They also have threatened to oppose further increases in the Federal debt ceiling this June unless the Nixon Administration supports some loophole-closing plan.

These are the major loopholes attacked by the Democrats:

INVESTMENT CREDIT

A 1971 tax law restored to business the right to a 7 percent tax credit for new investment in plant and machinery. The measure, urged by the Nixon Administration and approved by the Democratic Congress, was designed to stimulate business investment and thus pep up the sagging economy—the loophole costs $2 billion a year.

The Democrats contend it isn't needed and gives business too much a tax break.

DEPRECIATION ALLOWANCE

Business for many years has been given tax credits for depreciation costs connected

with plant and equipment. In 1970, again at the Administration's request, the Democratic Congress approved a more generous depreciation tax credit that costs the Treasury an estimated $3 billion a year. The rationale again was that more business investment was needed to boost the economy.

Again, the Democrats argue the more generous depreciation credits are too biased toward business and aren't needed as an economic stimulus.

DEPLETION ALLOWANCE

This has been a longtime target of tax reformers. The oil depletion loophole permits oil operators to take major tax deductions for depleting their assets. Oil operators have a number of other tax credits, and thus most pay relatively little of their taxable income in Federal income tax.

After a sharp battle, the oil depletion allowance was cut in 1969 from 27.5 percent to 22 percent. A proposal to cut the allowance to 20 percent was defeated in the Senate, 52 to 38. The Nelson bill would trim the allowance to 15 percent, thus yielding about 400 million in revenue.

In addition, the Nelson bill would change drastically the way in which oil operators deduct intangible drilling costs. The senator and his cosponsors say this reform would yield $750 million in revenue the first year and more thereafter.

CAPITAL GAINS TAX

This loophole also has been under attack for years. Under it, long-term capital gains are taxed at lower rates. In fiscal 1971, the loophole cost the Treasury $7 billion, the largest tax loss associated with any tax credit.

This provision of tax law permits individuals and businesses who hold their capital assets (mostly securities) for six months or more to pay lower-than-ordinary tax rates on any profits. The tax on long-term capital gains is one-half of the rate for ordinary income, up to a maximum of 25 percent on gains up to $50,000. On gains over $50,000, the 25 percent maximum doesn't apply; merely the one-half figure on ordinary income tax rates.

VARIOUS PROPOSALS

Some reformers propose to tax all capital gains at ordinary rates.

Others attack the way capital gains are taxed at transfer to heirs after death. Under present law such capital gains are not taxed as such, but usually are subject to hefty inheritance taxes.

If a man leaves stock to his widow or children, for example, they can calculate its value from the time they received it, not at the time the stock was bought. Thus if a man paid $100,000 for stock when he bought it and it is worth $1 million when he dies, his widow—should she sell it—would pay tax on any capital gain over $1 million, not $100,000.

But inheritance taxes cut deeply into large bequests left by the wealthy which include otherwise untaxed capital gains. In general, these death taxes begin on estates of over $60,000, or $120,000 if half of the estate is left to a surviving spouse.

Federal inheritance tax rates range from 3 per cent to 77 per cent and tax property on its "fair market value" at death. That is, if the stock which a man leaves to his wife is worth $1 million at his death, inheritance taxes must be paid on the $1 million value, not the original cost which may have been much lower.

ESTATE TAXES

McGovern has suggested a drastic change in the inheritance tax areas. He would set a ceiling on the amount of gift and inheritance capital an individual could receive "and then place a 100 per cent tax on all gifts and inheritances above that amount."

Below the ceiling, a progressive tax might be applied with a certain amount excluded from all taxation. He has suggested a possible inheritance ceiling of $500,000.

McGovern also has said that "most Americans subscribe to a fundamental belief of our Founding Fathers that we should be allowed to keep a fair proportion of what we earn but should not be allowed to inherit great wealth."

TAX-EXEMPT BONDS

Another loophole under long-time criticism is the one which exempts interest from state and municipal bonds from Federal income tax. This cost $3.55 billion in fiscal 1971. A few very wealthy individuals still escape all Federal income tax because they have all their money in these tax-exempt securities.

This loophole was enacted originally to assure a better market for the sale of state and municipal bonds, some of which are not considered as safe as other types of securities. They attract buyers because of the tax exemption.

The House bill would take away the tax exemption but give direct Federal subsidies to states and cities that issue bonds. This would save an estimated $100 million a year. Muskie has said he favors such a reform.

MINIMUM INCOME TAX

In 1969, Congress enacted a "minimum income tax" provision which some advocates expected would force all wealthy individuals to pay some income tax. However, loopholes in the minimum income tax remain, and thus in 1970 about 112 very wealthy individuals still paid no Federal income tax. The Nelson bill and House bills would tighten the "minimum tax" provision to yield up to $3 billion a year.

The Nelson bill also would replace the present $750 personal income tax exemption with a straight $150 credit against an individual's income tax. Sponsors think this change would increase revenues by $1.9 billion a year and primarily benefit families with incomes below $10,500 a year.

Wallace has criticized tax losses through charitable deductions, which some reformers consider another major loophole. Millions of Americans of course, deduct charitable contributions from their gross incomes for tax purposes, but Wallace and the other reformers think the law permits excessively high charitable deductions to be taken by wealthy individuals and even corporations.

The charitable deduction loophole cost the Treasury $3.55 billion in fiscal 1971.

Tax loopholes, or tax credits or tax subsidies, take many forms. They are nothing new in the Federal tax system, but they have been growing in number and size. Stanley S. Surrey, assistant Treasury secretary during the Kennedy and Johnson Administration, told a congressional committee recently:

"Some loopholes were adopted to assist particular industries, business activities or financial transactions. Others were adopted to encourage non-business activities considered to be socially useful such as contributions to charity."

Two other "socially useful loopholes" are those which permit homeowners to claim tax deductions for mortgage interest payments and real estate taxes. These are rarely criticized since they promote home ownership. Yet the former costs the Treasury $2.8 billion a year and the latter costs $2.9 billion a year.

CONGRESSMAN LES ASPIN'S OMBUDSMAN PROPOSAL

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. REUSS. Mr. Speaker, recently our colleague from Wisconsin, Congressman LES ASPIN, introduced legislation in the House that would set up an ombudsman—a peoples' advocate—in each of the country's 435 congressional districts. This is a practical, well thought-out proposal which deserves the most serious consideration by the House. There is no question that the average citizen is becoming increasingly alienated and frustrated by the huge and distant Government bureaucracies. Mr. ASPIN's proposal could do much to counter this ominous trend.

On March 29, the Louisville Courier-Journal ran a thoughtful editorial on Congressman ASPIN's proposal.

EVERY CITIZEN OUGHT TO HAVE AN "OMBUDSMAN"

The word "ombudsman" has come into the language rather slowly from its origin in Sweden as the name of an official who hears the little man's complaint against established authority. But if Congressman Aspin of Wisconsin is successful, every congressional district may one day have its own.

Mr. Aspin has proposed letting each U.S. Representative appoint a member of his staff as the ombudsman for all the citizens of his district. He also would set up an ombudsman's school in Washington, so the mists and gusts of the federal climate would come clear to these officials before they undertook their duties on behalf of the people.

Naturally, many congresmen will say that they already plead their constituents' cases in the chambers of government. And most do a good job of it, without partiality or partisanship. A great many also maintain "district" offices at home; this tends to break down for some people the uncomfortable feeling that one incurs an obligation when asking a political figure for help. However, the congressman's staff, whether in Washington or in a district office, has had haphazard training in government. Mr. Aspin's ombudsman would be preferable because of his special training, and because he would be required to make an annual public accounting of what he's done.

HIGH "SOLUTION" RATE

The Wisconsin congressman argues that the plan would be "a giant step forward in making the distant, complex and often frustrating government bureaucracies more human and more responsive to the needs of individual citizens." Mr. Aspins' own experience in having an ombudsman travel through his district resulted in a 65 per cent "solution" rate for the 1,500 cases presented last year to Social Security, military, housing, veterans' or consumer protection authorities in Washington.

The bill for the ombudsman center, Mr. Aspin, asserts, would be only $3 million a year. Individual salaries would come out of the appointing congressman's office allowance, up to a maximum of $15,000 a year. As a check on purely political operation of the ombudsman office, the national training center also would have a voice in whether or not to renew an ombudsman's contract, and would judge his efficiency largely on the basis of his anual, public report of cases handled. The congressman would retain the right to hire or to fire the ombudsman.

What's most attractive in the plan is that it would get across to the public the fact that each citizen is entitled to get help from his congresman in jousts with the faceless bureaucracy. Moreover, the Aspin plan would ensure professional training for the ombudsman, something not always achieved within congressional staff operations.

The House Administration Committee has received this proposal in a bill, H.R. 13742. Representative Wayne L. Hays of Ohio is chairman of the committee. Wouldn't it be interesting if the people who have the most to gain—the citizens of each congressional

district—could, by a letter-writing campaign, persuade congresssmen to schedule hearings on H.R. 13742, report it favorably to the whole House and bring it to early enactment?

"HAVE" NATIONS SCORED ON AID TO "HAVE-NOTS"

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. HAMILTON. Mr. Speaker, correspondent David Francis of the Christian Science Monitor has written a pair of articles on the current crisis in the economics of development.

His articles were based on the proceedings of the International Development Conference, which met in Washington, D.C., last week. The mood of the conference, and of development economists in general, is characterized by this statement of economist Robert Theobal:

We need to recognize immediately that the validity of present theories of development has been irrevocably disproved. We must rethink our models from the beginning.

Mr. Francis traces possible alternative models in his articles of April 22 and 24, 1972, which follow:

"HAVE" NATIONS SCORED ON AID TO "HAVE-NOTS"

(By David R. Francis)

WASHINGTON.—A note of despair has slipped into the voices of those seeking rapid development of the world's poor countries.

"The developing countries are passing through a very dark and ugly mood," warned Mahbub Ul Haq, a senior economic adviser at the World Bank.

The development of the past decade is seen by Chief S. O. Adebo, executive director of the U.N. Institute of Training and Research, as a "comparative failure."

Prospects for sharply increased foreign assistance are seen to be slim.

"I am quite pessimistic about the short-run prospects for global development cooperation," says James P. Grant, president of the Overseas Development Council, "I expect the nadir is some way off in terms of the U.S. approach to developing countries."

CONFERENCE SPEAKERS

Sen. Edward M. Kennedy (D) of Massachusetts charged that the United States is in "shocking default" of its responsibility to help poor countries that are seeking to advance the well-being of their people.

All four were speakers at the international development conference here, a conference billed as "a serious examination of today's development crisis and the increasing gap between rich and poor."

Dr. Ul Haq's talk caused a considerable stir. The Pakistani economist is regarded as one of the chief architects of the rapid development in his own country through capitalistic techniques. Yet he said, Pakistan—and Nigeria—have turned into "development disasters."

Furthermore, he was forecasting and apparently advocating a "new strategy embodying a direct attack on mass poverty, a genuine turn toward socialism and a far greater degree of self-reliance."

Such a shift, he noted, would mean "a major change in the political balance of power within these societies and drastic economic and social reforms." Dr. Ul Haq wondered whether the developing nations could accomplish such reform without violent revolutions.

UNUSUAL ABOUT-FACE

His turn in views was drastic. It was as if Henry Ford II had advised all car owners to abandon their machines for the subways. Nevertheless, Dr. Ul Haq still finds himself considered conservative by many of the intelligentsia of the poor countries.

His pessimism is prompted by what he calls meager achievements of the first two decades of development.

"When you rip aside the confusing figures on growth rates," he said, "you find that for about two-thirds of humanity the increase in per capita income has been less than one dollar a year for the last 20 years."

Miserable as such a gain may seem, it was often worse for the poorest 40 percent of the population. Some of them get even less than they did 20 years ago.

Dr. Ul Haq figures the developing countries have themselves to blame for much of the situation.

Dazzled by the high living standards of the developed countries, they decided to go after high growth rates in gross national product regardless of how that growth was distributed. They generally adopted "mixed economy" styles of development, hoping to combine the best features of capitalism and socialism. They turned to the developed countries for assistance.

These decisions proved disastrous, Dr. Ul Haq maintained.

The chase of Western living standards was "illusory at best," he said. Per capita income disparity between rich and poor nations has continued to widen. The average per capita income of the developed world is $2,400, compared with $180 in the developing countries. The gap is expected to widen by another $1,100 by 1980.

As an indication of how hopeless he feels the gap is, Dr. Ul Haq noted that the increase in the per capita GNP of the United States in one year equals the increase that India may be able to manage in about 100 years.

"The developing countries have no choice but to turn inward, much the same way as Communist China did 23 years ago, and to adopt a different style of life, seeking a consumption pattern more consistent with their own poverty—pots and pans and bicycles and simple consumption habits, . . ." he said.

REVOLUTIONARY SHIFT BROACHED

The Pakistani spoke of "a redefinition of economic and social objectives which is of truly staggering proportions." He suggested "a liquidation of the privileged groups and vested interests . . . a redistribution of political and economic power which may only be achieved through revolutions rather than through an evolutionary change."

Dr. Ul Haq rejected the theory that the stimulation of high growth rates would result in the trickling down of wealth to the masses.

Rather, he advocated a direct attack on mass poverty. The focus of development efforts should shift to the poorest 40 or 50 percent in society. National production targets should be aimed at the basic minimum needs of these poor and not be governed so largely by market demand. Otherwise, production will go to the well-to-do and not the poor.

Development should be aimed at the progressive reduction and eventual elimination of malnutrition, disease, illiteracy, squalor, unemployment, and inequalities, he said.

EMPLOYMENT STRESSED

Employment should be treated as a primary, not a secondary, objective of development since it is the most powerful means of redistributing incomes in a poor society. Capital should be spread thinly over a wide segment of the economy, rather than concentrated in a small modern sector, even at the risk of lowering the average productivity of labor and lowering the future rate of growth.

Dr. Ul Haq further charged that the choice of a mixed economy had merely resulted in combining weak economic incentives with bureaucratic socialism.

Speaking of the record of foreign assistance, he said, "It is beginning to convince me, as it has convinced many of my liberal colleagues, that the developing world would have been better off without such assistance."

He figures the developed countries would have to step up aid to at least four or five times the present level of $7 billion a year to prompt meaningful change in the poor nations. He sees neither the will nor imagination to offer such assistance in the rich countries.

"STRINGS" DEPLORED

What aid there is comes with so many project conditions, tying of aid to purchases in the donor country, foreign consultants and technology, and irritating debt problems that it saps the initiative and freedom of action of the developing countries, he held.

Instead, he urged the developing countries to organize their "poor power" to bring major concessions from the rich nations and to arrange for a genuine transfer of resources to the poor countries.

"Since the rich nations are going to shrink in the next few decades to less than 10 percent of the total world population with over 70 percent of world income, the poor will be numerous enough and annoyed enough to organize such an effort."

To achieve the transfer of income, Dr. Ul Haq suggested the developing countries might start by serving notice that they cannot pay their present foreign debt to the rich countries—$60 billion.

They could exploit the current concern about depletion of nonrenewable resources by agitating for a 10 percent tax on consumers of these metals. This would raise $30 billion over this decade for a common international development fund.

They could demand 80 percent of the proceeds from exploitation of the commonly held resources of mankind, like oceans and space. This would follow the pattern of world population.

THEORIES OF NATIONS' DEVELOPMENT CHALLENGED

(By David R. Francis)

WASHINGTON.—The experts are giving the economics of development an overhaul.

"We need to recognize immediately that the validity of present theories of development has been irrevocably disproved," Robert Theobal, consulting economist and author, told the International Development Conference here this week.

"We must rethink our models from the beginning."

Robert Shaw of the Overseas Development Council has written a paper entitled "Rethinking Economic Development."

On April 14 Robert S. McNamara, World Bank president, said: "The state of development in most of the developing world is unacceptable—and growing more so."

Last week, in a speech here, Dr. John A. Hannah, administrator of the U.S. Government's Agency for International Development, noted that development assistance now has "second-generation problems."

MALNUTRITION A FACTOR

What's happened is that although foreign aid has helped the poor nations of the world to grow during the past decade at a rate that is rapid by historic standards, the growth has been insufficient to make much progress against some problems. And it has aggravated other problems.

For instance, two-thirds of the children

in the developing world who manage to escape the high risk of early mortality will live on, restricted in their mental and physical growth by malnutrition. In this "third world" there are 100 million more adult illiterates than there were 20 years ago.

Education and employment are scarce. Squalor and stagnation are common.

Further, the growth has been uneven both among the poor nations and within them. The poorest countries with the largest total population, such as India, are growing the slowest.

And within many poor nations, a privileged minority have prospered while the poor have made little progress, if any.

Recently the Club of Rome study, based on a computerized model of the global system in which man lives, has raised the question of the feasibility of major growth for the world's poor. Are there sufficient resources in the world for Western standards-of-living for all?

The growing frustration within the poor nations was reflected at the International Development Conference here. Some economists see mainland China as the model for development. They see a need for dramatic social change, possibly through violent revolution, and an authoritarian-type socialism directing resources and jobs to the masses of poor in a developing country.

Others, however, see the possibility for dramatic change and development within a framework of relative economic and political freedom.

Mr. Shaw and his boss, James P. Grant, are two of these. They reckon that the science of development economics has progressed far enough in the past decade that there is a way out of the explosive situation where the gap between the rich and poor countries grows dramatically each year.

The rich countries, they figure, must express more self-interest mixed with generosity through more aid and a reduction in the barriers to exports from the developing world. These steps are seen as essential.

SUCCESS STORIES CITED

Even more important, however, the poor countries must adopt the development techniques that have proved most successful in the past decade in advancing the welfare of those living in poor countries. Mr. Grant usually cites South Korea, Taiwan, Hong Kong, and Singapore as success stories. He also mentions Communist China and possibly North Korea with their different political and economic systems.

Communist China, he notes, appears to have combined full employment, at least in the rural areas, falling birthrates, and expanded social services with increasing national output.

This success, combined with Peking's legitimation on the world scene, "means that the attractiveness of the Maoist model to many in the developing countries will not be limited just to acupuncture and 'barefoot doctors' disseminating birth-control information," Mr. Grant said.

UNEMPLOYMENT REDUCED

But the four small East Asian countries on the other side of the ideological barrier have also achieved rapid growth, drastically reduced unemployment, improved income distribution, and dramatically reduced birthrates.

In effect, Mr. Grant is saying that communism or socialism is not essential to development success.

Taiwan enjoyed a 10 percent growth rate in the 1960's. Its birthrate dropped from 46 per thousand in 1952 to 32 in 1963 when a vigorous family-planning-program was introduced. It has dropped even faster since.

Unemployment declined from 10 percent in 1963 to 4 percent in 1968. Industrial jobs grew at a 10 percent annual rate from 1963 to 1969.

The ratio of income controlled by the top 20 percent of income recipients to the bottom 20 percent moved from 15 to 1 in 1950 to 5 to 1 by 1965. Life expectancy is a high 68. Infant mortality is the same as in the U.S., about 19 per 1,000 births.

EQUIPMENT VERSUS MANPOWER

Taiwan partially accomplished this, Mr. Grant says, by making the price of capital more realistic as compared with labor. Many poor countries, he argues, should cease subsidizing plants and equipment by devaluing their exchange rates and raising interest rates. This will promote savings, especially among farmers and small-scale entrepreneurs. It will encourage the use of abundant labor rather than scarce expensive equipment.

Further, most poor countries should extend less protection to their import-substituting industries. This will create more competition and encourage them to make the best use of available labor.

In addition, more equitable distribution of income should be encouraged through tax structures and by holding down wage increases in industry and government, Mr. Grant continued.

BOOST TO GROWTH SEEN

The development economist reckons that encouragement of labor-intensive industry and agriculture both improves income distribution and speeds growth. The poor are likely to spend more of their income on non-luxury goods. The rich tend to buy luxury items that are relatively capital-intensive in nature or imported.

In other words, the production of a car takes relatively less local labor than the production of bicycles, shirts, or food.

Mr. Grant also urges strong land reform, since two-thirds of the people of the poor countries live in rural areas. In Taiwan, he points out, land holdings have been limited to a maximum of seven acres. This has stimulated highly labor-intensive and productive farming—supported by an effective credit-extension system.

Curiously, the attempt to apply economic justice through land reform and jobs for everyone provides the greatest success as measured by growth, income distribution, lower birthrates, and better health care and education.

IN TRIBUTE TO FRANK MEYER

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. ASHBROOK. Mr. Speaker, it was my good fortune over the past 15 years to know and be close to the late Frank Meyer. When Frank died earlier this month at his home in Woodstock, N.Y., a void was created which cannot be filled.

In the contemporary political world there are very few who clearly enunciate a philosophic point of view. Most use principles as a part of a crass grasp for power and shift with the winds. Frank Meyer, while not a politician, spoke in political arena. He articulated the conservative philosophy as a vital advocacy of freedom. To him, conservatism was the philosophy of freedom and he did not compromise.

I probably have spent several hundred hours on the telephone with Frank Meyer over the years. The phone was his method of keeping in touch, of counseling, or reprimanding. I have been in scores of meetings with Frank Meyer. No meeting with Frank Meyer was ever a placid event. Issues were discussed, often heatedly, because to Frank that was what everything was all about—issues and in particular, taking the right position on issues. He was an advocate and an antagonist. He never hesitated to take up either role as the case might be.

I have lost more than a personal friend. The Nation has lost an intellectual giant at a time when there are very few of them on the scene or on the horizon. This small tribute cannot possibly attest to the true worth or greatness of Frank Meyer. The void which is left more adequately tells of his loss. At this point I include two articles on Frank Meyer by his close friends and colleagues, William F. Buckley and Gary Willis:

[From the Washington (D.C.) Evening Star, Apr. 17, 1972]

IN TRIBUTE TO FRANK MEYER, FREEDOM THEORIST

(By William F. Buckley, Jr.)

I pause in tribute to Frank S. Meyer, who died last week of lung cancer in Woodstock, N.Y., at age 62. He was probably the principal living American theorist of freedom. His widow has received kind letters from President Nixon and Vice President Agnew. He was my friend and colleague.

Frank Meyer (if one can tell tales out of school) was the editor one used to tease at National Review (there is one such in every editorial staff). He was the house theologian, who looked darkly at any trace of heresy on the horizon, and was trained to spot the signs of it days and weeks before the lesser meteorologists felt there was any reason at all to cease romping about the maypole, come inside, and take cover.

It was all very aggravating, especially for those who believe that a little creative heresy is good for the system.

I recall the tail of a letter I received from Whittaker Chambers late in 1958, after the disastrous showing of the Republican party in the congressional elections:

"I am picking away (Chambers wrote) at another piece on the Republicans. If the Republican Party cannot get some grip of the actual world we live in and from it generalize and actively promote a program that means something to masses of people—why somebody else will. There will be nothing to argue. The voters will simply vote Republicans into singularity. The Republican Party will become like one to those dark little shops, which apparently never sell anything. If, for any reason, you go in, you find, at the back, an old man, fingering for his own pleasure some odd-ments of cloth (weave and design of 1850). Nobody wants to buy them, which is fine because the old man is not really interested in selling. He just likes to hold and to feel. As your eyes become accustomed to the dim kerosene light, you are only slightly surprised to see that the old man is Frank Meyer."

But through it all, the joshing of Meyer's colleagues—most of it amiable, some of it spiked—the old man held his ground, and by the time he died, the general feeling toward him in the conservative community lay somewhere between admiration and reverence.

There was a period when he and Brent Bozell struggled over a matter of orthodoxy for weeks and months over the telephone (Meyer did business only over the telephone). We were seated at an editorial conference one day when an annoucement came in that there was an emergency telephone call for Bozell from Meyer. Willmoore Kendall, sitting at the end of the table, explained that an emergency telephone call between Meyer and Bozell was defined as one which interrupted their regular telephone call.

Meyer, who had been an active Communist,

recognized that the necessity to oppose communism is not merely a strategic necessity but a spiritual imperative. His conversion was complete. The sentence I liked most in Meyer's writing is one in which he most accurately defined his own role in the contemporary picture. "What I have been attempting to do," he said in his essay, Why Freedom? "is to help articulate in theoretical and practical terms, the instinctive consensus of the contemporary American conservative movement—a movement which is inspired by no ideological construct, but by devotion to the fundamental understanding of the men and women who made Western civilization and the American republic."

Although generally recognized as the father of the "fusionist" movement in American conservatism, that is to say the movement which seeks to bring together into symbiotic harmony the classical laissez-faire of the 19th century liberal and the reverence for tradition of Edmund Burke, Meyer insisted that the fusion was already there, amply felt by the founding fathers, and defended empirically by conservatives during the past 150 years.

His books—In Defense of Freedom, The Moulding of a Communist, The Conservative Mainstream—survive him, and his impact on the American conservative is indelible.

[From the Washington Post, Apr. 16, 1972]

FRANK MEYER'S LEGACY

(By Garry Wills)

One encounters few real teachers in one's lifetime—and most of those do not do their teaching in a classroom. To meet one of my own favorite teachers, I had to go, 15 years ago, to a lonely mountaintop—which fits almost ridiculously the picture of youth questing for a guru.

But the man on that breathtaking Catskill peak was no Eastern ascetic—*boy* was he *not*. Whatever that term may convey, on whatever level, he was its antithesis. He sat on top of that mountain like its very active volcano-opening, spouting opinion, debate, reminiscence and unfinished projects.

An extraordinary number of people wound their way up to that remote home above to Shapp and Muskie, but you can give your heart and your vote to Hubert Humphrey," says a card passed out by the Humphrey campaign.

Furthermore, the Democratic organization has competing concerns April 25. Peter Camiel, Philadelphia city Democratic chairman, may be the state's most enthusiastic Muskie man. But he also has to defeat insurgent candidates for party committeeman, state legislator and congressman to maintain power. Shapp's attention in Pittsburgh is distracted by a battle for county Democratic chairman vital to his interests.

Humphrey's labor backers have no such divided attention. With little public surge here for either candidate, this vital primary (which may . . . Woodstock, N.Y. (the place after which the rock festival was wrongly named). Some wanted accounts of the radical Thirties, when the inhabitant, Frank Meyer, was a Communist organizer at Oxford and the University of Chicago, a friend of New York bohemians, artists and ideologues.

More people, however, sought him out as a speaker, writer and editor who had a great effect on the resurgence of National Review-style politics in the Fifties. Though Frank wrote widely, he made his real impact as a person, remote yet gregarious, irascible yet affectionate, opinionated yet infinitely likeable. He always wanted people around him, wine and talk flowing, incessant sharp arguments that never ruptured friendship. He was a champion of right-wing orthodoxy whose friendships were heretically all-inclusive. Some of my warmest memories are of trying to out-ham him, shouting Shakespeare's lines back and forth through play after play, as I became a king in his kingly company.

When young right-wing activities flagged, during the Fifties, people agreed it was because Frank had not come—he was younger than students, staying up later, drinking more, shouting louder, giving "lively debate" (that polite dead term) its rare real sense—debate that does not kill and divide, but unites even in difference, and throws off sparks of light instead of conflagration. He had a whole constellation of the disappearing virtues—those of friendly hard argument, odd tolerant prejudice, and the non-harmful egotism that excites others, not merely oneself, a genuine ambition for the careers of all kinds of people.

That is why I call him a teacher. The teacher's work does not stand alone, but is subsumed (often untraceably) into his pupils. Frank wrote two books of his own; but his greater gift was for stimulating, inspiring, encouraging and helping others. My own first book was written on a small grant he obtained for me; and I am but one of many he sought out, and helped, and argued with, and never forgot.

There is no way of measuring that kind of intense, if indirect influence—but I'll let you in on a kind of open secret of the literary world. Some of the energy now showing itself in the liberal New York Times Book Review section is derived from the back section of the "conservative" National Review. Frank edited that section for a decade and a half, with a strikingly unideological interest in young writers for their own sake. He filled the magazine with bright young voices, like those of the novelists Robert Phelps, Joan Didion and D. Keith Mano. John Leonard, the new young editor of the Times review, is himself a National Review alumnus, and any one issue of his journal is liable to contain—as Frank's pages did—the literate judgments of Guy Davenport, Hugh Kenner, Theodore Sturgeon, Arlene Croce or Francis Russell. And Frank knew the review-page advantages of an Anglophile long before The New York Review of Books was born.

Though we all live inevitably toward our death, Frank had also moved very consciously all his life toward a faith that would account for man's weird vitality of spirit to challenge that death. In one brief half-day two weeks ago, those two journeys converged for him. Lucid in the afternoon, as he prayed aloud through cancer-ravaged lungs, he was baptized—and then the tensest of vibrant men relaxed. Six hours later he was dead; and three hours after, it was Easter.

CRISIS IN OUR PRIVATE SCHOOLS

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. VANIK. Mr. Speaker, although the public schools constitute the backbone of our educational system, the private and parochial schools of America have played a vital role in providing an alternate choice which has served to improve the American educational systems. In many communities the private and parochial schools offer accommodation in school systems of quality and low cost per capita to all who apply. This kind of competitive endeavor in education serves to make the public school system more effective and more productive. However, the present financial crisis confronting private and parochial schools threatens to annihilate these systems and threatens to impose greater financial strains on the public schools and the general taxpayer.

Presently, there are 5.2 million pupils in the private and parochial schools. But in 1970, there were 1.4 million fewer students in parochial and private elementary and secondary schools than in 1963. During this same period, the public school enrollment increased by nearly 6 million students. Our financially overburdened public schools would have spent approximately $1.2 billion less in fiscal 1971 if private and parochial school enrollments had simply remained constant at their 1963 level instead of declining. The savings in public school expenditures would have been substantially greater if private and parochial schools had been able to absorb a proportionate share of the pupil growth during this period.

The private and parochial school systems are now approaching the point of "financial collapse" if they do not receive some form of assistance in the very near future.

These private and parochial schools have provided an excellent education for millions and millions of young Americans in our history. These academic systems have provided a "quality alternative" which must not disappear from the American scene.

The public school systems in this country are already overburdened. There is no room to expand and accommodate these 5.2 million children. The property tax has already been stretched to its breaking point. We have no alternative but maintain these private and parochial schools so as to avoid a massive 5.2 million pupil burden on the public schools.

For years the parents of students in parochial and private schools have paid their property taxes—and their State taxes—and their Federal taxes—but have received no aid to educate their children. This situation has placed an unfair burden on the shoulders of parents of children in the private and parochial schools, taxation for education without education.

For the most part, support for these schools does not rest with the people of wealth, but on the working families who have paid taxes to sustain public schools and who have paid tuitions to nonpublic schools, because they have seen in them the kind of institutions best suited for their children's needs.

If we allow these schools to vanish, the public schools will be the hardest hit by the tide of transfers from nonpublic classrooms. This disaster would be soon followed by rising school taxes and a severe depreciation in the quality of education in our public schools. This massive influx of students will develop "assembly-line teaching" which is already developing in our school systems.

In the Greater Cleveland area there are presently 103,103 Catholic children in parochial schools—4,340 Jewish and Protestant children in parochial schools and 3,218 children in private schools. These schools are finding it impossible to raise their teachers salaries which are already $600 below public school salaries.

Also, the 10 Cleveland area diocesan high schools are running a $500,000 deficit from last year, even with increased tuition. At the same time, the 22 other Catholic high schools are also running a deficit. The parochial elementary schools are having an equally difficult time making ends meet. Fifty percent of these schools are running deficits. The private and parochial school systems of our community face cutbacks and closing.

In order to save our private and parochial schools, I am introducing legislation that will provide a tax credit to the taxpayer for tuition paid to a private nonprofit elementary or secondary. The credit provided by this legislation would be equal to one-half of the tuition paid up to an overall limit of $400 per dependent. This credit will be gradually reduced for taxpayers in the higher income brackets.

This straightforward and needed approach improves the equity of the situation and provides the needed financial relief within the framework of administrative simplicity. My bill will strengthen our entire elementary and secondary educational systems, both public and private. This legislation will provide direct tax relief to those with dependents in private or parochial schools. It will provide indirect tax relief to those taxpayers with children in public schools who would face increased tax burdens in educating an additional 5.2 million students.

Recent court decisions threaten the "Ohio" plan for private educational support, notwithstanding the fact that considerable support for Ohio's increased taxes was developed on the promise that considerable support would be given to sustain these vital alternative educational systems.

This tax credit approach can overcome constitutional barriers. The tax credit is provided to parents of children and not the schools. This tax proposal will give parents of nonpublic school children a credit for part of their tuition costs.

There are more than 18,600 elementary and secondary nonpublic schools in this country, many of which are soon to run out of "chalk and erasers"—we cannot allow these school systems to die.

KERNERSVILLE, N.C., HONORS PHARMACIST

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. MIZELL. Mr. Speaker, it is my pleasure to announce to my colleagues in the House that Mr. John Marshall "Johnny" Pinnix III has been named Young Man of the Year by the Kernersville, N.C., Junior Chamber of Commerce.

This outstanding honor could not have been bestowed on a more deserving recipient. Mr. Pinnix comes from a family that has been in public service for the past 50 years, and he is already making a significant contribution to the life of his community, although he is a very young man.

I know my colleagues join me in congratulating Mr. Pinnix for this great achievement, and I am including in the RECORD for their information an article from the Winston-Salem, N.C., Twin City Sentinel, giving more details of the award and the many services Mr. Pinnix performed in earning it.

The article follows:

YOUNG MAN OF YEAR NAMED: KERNERSVILLE HONORS PHARMACIST

(By Bill East)

KERNERSVILLE.—A 26-year-old pharmacist whose family has made a tradition of public service for 50 years was named last night as Kernersville's young man of the year for 1971.

The honor came as a surprise to John Marshall (Johnny) Pinnix III, who was attending the Distinguished Service Award dinner of the Jaycees as a member of the organization.

"I didn't expect it," he told friends after the dinner at Paddison Memorial Library ended. "But I am very, very glad to get it and I am overwhelmed at the honor."

Pinnix was cited for a variety of accomplishments in Kernersville, but it is his role in the town government that is occupying a large part of his time.

His grandfather, John M. (Neighbor) Pinnix, served as an alderman from 1922 until 1961. His father, J. M. Pinnix Jr., then ran for aldermen and was elected. He was reelected in 1963, 1965 and 1969.

When Pinnix resigned in February, 1970, because of ill health, his son, Johnny, was elected by the Board of Aldermen to fill out the 14 months remaining in his term.

At 24, he became one of the youngest, if not the youngest, alderman in the 100-year history of the incorporated town of Kernersville.

Last year, he ran for reelection and proved to be a formidable vote-getter. He subsequently was chosen mayor pro tem by the Board of Aldermen—the town's second-ranking elected official.

He was graduated from East Forsyth High School in 1964 and from the Pharmacy School of the University of North Carolina in Chapel Hill in 1969.

He then joined the family drug store which has been "on the square" at Main and Mountain streets in Kernersville for more than 65 years.

The Jaycees cited Pinnix for a leading role in the bicentennial celebration here last spring. He worked on several phases of the observance, including the burying of a time capsule in the front yard of the library.

He also was cited for his activities with the Jaycees, of which he is a director. He is a member of Main Street United Methodist Church.

He is serving this year as vice president of the Kernersville Chamber of Commerce and has been instrumental in helping develop some of its major programs.

He served as chairman of the underprivileged children's Christmas party for the Jaycees. He has been a group chairman in the United Fund organization and has been active in other fund-raising projects here.

Ken Drewery, president of the Jaycees, said that Pinnix was chosen by a committee from outside Kernersville which means that his record of service impressed people who did not know him personally.

Pinnix said that he has a philosophy of service which revolves around the theory that "there are too many do-nothing Americans."

He continued:

"Everybody needs to do something to help themselves and their communities but most of them just want to 'leave it to George.' I look on this job as an alderman as an opportunity."

Pinnix once confided to a reporter that he always had nursed an ambition to serve on the Board of Aldermen.

He recalled that "the first time I realized what the Board of Aldermen was . . . I watched my grandfather walk from the drug store to the little house in Harmon Park where the board used to meet. I was 10 or 11 at the time."

Pinnix' wife Charlene was at his side last night as he received the award. They met while they were bowling and were married in 1967. They live in Harmon Park.

PANAMA CANAL: STRATEGIC WATERWAY OF THE UNITED STATES

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. RARICK. Mr. Speaker, in the current campaign for nomination for President many subjects have been discussed by various candidates but these aspirants have failed to deal with two of the most vital issues now facing the Nation: The question of continued U.S. control over the Canal Zone and the major modernization of the existing Panama Canal.

In many addresses in the Congress over a period of years, my able, scholarly, and most distinguished colleague from Pennsylvania (Mr. FLOOD) has dealt with these subjects in comprehensive and incisive manner. He has often expressed the view that the two crucial canal issues are sovereignty and the major modernization of existing facilities; and that all other issues, however important, are irrelevant and only serve to delay and confuse.

At present, there are pending in the House a number of resolutions on Panama Canal sovereignty that were strongly supported by their sponsors on September 22–23, 1971 in hearings before the House Subcommittee on Inter-American Affairs. In both House and Senate there are pending identical measures for the major modernization of the Panama Canal according to what is known as the Terminal Lake-Third Locks Plan; S. 734 by Senator THURMOND, H.R. 712 by Congressman FLOOD, and my bill H.R. 1518.

In addition to the strategic value of the Panama Canal and its indispensable protective frame of the Canal Zone, the taxpayers of our country from 1904 through June 30, 1971, have made a total investment in the Canal enterprise, including its defense, of $5,695,745,000. In current treaty negotiations with Panama, these vital assets have been placed in jeopardy but candidates for high office have remained silent.

Sensing the News, issued by the Southern States Industrial Council, recently published a timely discussion of the canal question, which I quote as part of my remarks.

The news item follows:

STRATEGIC WATERWAY

A subject that deserves careful consideration by candidates for high office is U.S. policy with respect to the Panama Canal. There is danger that the United States will be deprived of rights, investments and national

security if the American people aren't alert to the dangers inherent in current negotiations for a new canal treaty.

The Panama Canal question doesn't receive a high priority in terms of public attention. But the canal is vital to the United States and its friends. More than 70 per cent of trans-Isthmian traffic each year originates in United States ports. The canal is one of the world's most strategic waterways.

The danger is that the U.S. State Department will agree to a new canal treaty entailing renunciation of U.S. sovereignty rights over the Canal Zone. Discussions with the chronically unstable Panamanian government began in June, 1971.

Few Americans pay any heed to the canal questions. Fortunately, the nation has a vigilant congressional watchdog in U.S. Rep. Daniel J. Flood (D-Pa.) The people of the United States owe him a debt of gratitude. For years, he has kept close tab on all aspects of the canal question. He has reported regularly on State Department elements that seem so eager to abandon U.S. sovereign rights.

It should be borne in mind that the building of the Panama Canal was the greatest construction project in history. Under the 1903 treaty by which the United States gained full sovereignty rights in perpetuity, the U.S. paid an idemnity to Panama and all privately owned property in the Zone was purchased by the U.S. from individual owners. It was the most costly territorial acquisition in the history of the United States. The total U.S. investment since 1903 is more than $7 billion.

The canal has been a permanent economic blessing to Panama. Nearly one-third of the country's gross national product is attributable to the canal and U.S. military bases. Forty-five per cent of Panama's foreign exchange earnings are derived from direct payments from the canal and its military bases. Existence of the canal makes possible Panama's relatively high per capita income in Latin America. Before the U.S. built the canal, the Isthmus was notorious as the pest hole of the world and a land of endemic revolution.

Panamanian governments, under pressure from nationalist extremists, have demanded more and more money from Uncle Sam. At the same time, they demand that the U.S. relinquish sovereignty over the Canal Zone. The current proposal for a new Sea Level Canal plays right into the hands of the extremists. Construction of such a canal would require work outside the existing Canal Zone. This, in turn, means a new canal treaty would be necessary.

The common sense approach to heavier canal traffic is for the U.S. to modify the existing canal, as has been proposed on numerous occasions. The so-called Third Locks Project, a modification plan, would be carried out within the Canal Zone. A new treaty would not be required. It goes without saying, of course, that any canal construction would be wholly borne by U.S. taxpayers, though the increased traffic would vastly benefit the people and government of Panama.

The U.S. has good and sufficient reasons for refusing to yield sovereign rights. History shows that Panamanian governments have little capacity to resist extremist pressure groups. In recent times, anti-U.S. extremists have had close ties with the communist regime in Cuba.

Soviet naval ventures in Caribbean and South American waters in recent years make clear that the USSR aims at dominating sea lanes on both flanks of the Panama Canal. The Soviet Navy already operates out of Cuban ports. Within a short time, it is likely to be using Chilean ports on the west coast of South America. The ultimate Soviet strategic objective surely is control of the Panama Canal. If the canal passed into the hands of Panama, it soon would be in the grip of the Soviet Union. As one study group concluded in 1971, the issue "is not United States control versus Panamanian but United States control versus Soviet control." That's the threat. It is why the U.S. Congress and people must be alert and oppose any diminishment of the U.S. position in the Panama Canal Zone.

ECOLOGY CHAMP AT 11 YEARS OLD

HON. SEYMOUR HALPERN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. HALPERN. Mr. Speaker, this morning I read a most interesting article in the New York Times which told of an 11-year-old fourth grader from the Bronx who has become the "ecology champion" of his school.

Little Zef Nicaj came to the United States 2 years ago from Yugoslavia. This week, Zef gave the students of Public School 577 and the community in which he lives a glimpse of just how serious he takes his citizenship.

In an effort to clean up the community in which he lives Zef and his classmates began collecting aluminum soft drink and beer cans so that their community would be cleaner and more beautiful. The entire school collected more than 200,000 cans but Zef—one of 1,800 pupils has brought in more than 2,000 cans.

Zef says that the Reynolds Aluminum Co. is paying one-half cent for each can brought in so that the community may use the money for emergency funds for clothing, eye glasses, and other things.

I think C. Gerald Fraser's article points out what an enterprising community can do to preserve their environment as well as what private industry can do to promote ecological balance. I believe all are to be heartily congratulated.

At this time I would like to insert into the RECORD the article written by Mr. Fraser as it appeared in the April 20 edition of the New York Times:

ECOLOGICAL CHAMPION, 11, CITED FOR CAMPAIGN AT BRONX SCHOOL

(By C. Gerald Fraser)

Earth Week is being observed at Public School 577 in the Bronx, and Tuesday school officials trotted out one of their ecological champions—Zef Nicaj, an 11-year-old fourth grader who came to the United States two years ago from Yugoslavia.

Zef and his schoolmates in the district, Number 112, have collected 200,000 aluminum soft drink and beer cans in their current drive. Zef—one of 1,800 pupils—in the school at 2111 Crotona Avenue—brought in more than 2,000 cans himself.

The program is more than just collecting scrap, Michael Belknap, director of the Council on Environment of New York City, told some 20 adults in the school library yesterday. He said it combined classroom activities with the reclamation and recycling of the cans.

Alan Finkelstein, the principal of P.S. 577, said that "without much impetus on prizes" the children had collected the thousands of cans and learned the why's and wherefors of ecology."

The aluminum can collection, according to literature prepared by the school, was used in teaching and reinforcing skills in classification, charting and graphing.

The Reynolds Aluminum Company, is paying about a half-cent a can, or 10 cents a pound, for the recycled can. Ray Wiggins, special assistant to the community superintendent, said the money might be used for emergency funds for clothing, eyeglasses and "other things that benefit the individual child."

Another possible use might be, he said, awards for special achievement. He also suggested that the children could make a gift, of say a globe, to the school.

A company has contributed "stop tops" that may be used to cover the pull top cans after the tops have been pulled off. Reynolds is also contributing games—such as one won by Zef Nicaj—and at the end of the collection period, the youngster with the highest number of cans will receive a bicycle.

The district-wide recycling program grew out of a one-day recycling program last October in Crotona Park, which was sponsored by the council.

STATEMENT ON GOVERNMENT OF GREECE

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. EDWARDS of California. Mr. Speaker, the Subcommittee on Europe and the Near East of the House Committee on Foreign Affairs has again been conducting hearings into the deplorable conditions in Greece and our support of that fascist government. It is not possible for all of us to attend closely to all of the testimony that has been given during these hearings. I believe, however, that the testimony of Orestis Vidalis, formerly brigadier general, chief of staff C Corps of the Greek Army should be read by all Members who believe themselves to be defenders of freedom and democracy.

The statement follows:

STATEMENT BY ORESTIS VIDALIS

BIOGRAPHICAL SKETCH

Graduated from Greek Military Academy in March, 1937, with the rank of Second Lieutenant of Artillery.

Participated in World War II as First Lieutenant Battery Commander.

In November, 1942, he escaped from occupied Greece and joined the Greek Forces in Middle East.

He fought against the Communists during the Greek Guerrilla War as a Major commanding an Artillery Battalion.

He commanded Artillery units at all levels from Battalion through the Divisional Artillery as a Colonel.

He served in staff positions with:

(a) The Hellenic Army General Staff (Lieutenant Colonel).

(b) The Standing Group NATO (Lieutenant Colonel and Colonel) (1954–1957, Wash., D.C.)

(c) The Hellenic National Defense General Staff (Colonel).

(d) As Chief of Staff of "C" Army Corps (Brigadier General).

He graduated from all Greek Military Service and Staff Colleges and also served as an instructor at the three Senior Service Schools of Artillery, Army War College, National Defense College.

He graduated from the U.S. Artillery School (Ft. Sill, Oklahoma in 1950) and the Command and General Staff College (Ft. Leavenworth, Kansas in 1953).

While serving in the Standing Group NATO, he attended Postgraduate studies and received his Master's Degree in Political Science from Georgetown University (June 1957).

In addition to his Greek Decorations which include the Hellenic Medal of Valor (Greece's highest combat military decoration) he holds British (MBE) French and a Libyan Decorations.

He was a Brigadier General and Chief of Staff of the "C" Army Corps, one of the major units which supported the King in December, 1967.

He returned to the United States on November 1, 1968.

STATEMENT

Mr. Chairman and members of the subcommittees. I welcome this opportunity to appear before your two subcommittees to discuss the impact on the present situation in Greece of the plan to homeport sixth fleet ships at Athens. In 1953, a bilateral facilities agreement was signed between Greece and the United States. This agreement provides the legal framework for U.S. military presence in Greece. This agreement was a natural outgrowth of Greece's entry into NATO early in 1952. Both of these major national commitments were made by elected governments and were supported by the overwhelming majority of the Greek people. Today homeporting arrangements, which call for a minor administrative adjustment, compared with the extent of the commitments made in 1952 and 1953, raise serious questions both in Greece and in this country. At any time in the past, a request for facilities pertaining to dependents of U.S. personnel would have been accepted by the Greek people wholeheartedly and would have been considered as a very small token of their friendship and cooperation with a great friend and ally. Today the people in Greece are unhappy. The hearings you are currently conducting demonstrate that in this country, too, there is a realization that relations between the U.S. and Greece are not what they were in 1952. My presence here today is characteristic of the profound changes which have occurred in the last few years.

I have accepted your invitation to testify before your committees considering this my responsibility both to Greece and to this country. As you know, I was born, raised and fought in Greece and for Greece. I am proud to be Greek. In the past, I have had the chance to live, work and study in the U.S.A. Through this association, I have learned to respect your country as the leader of the Free World. In trying times, it was your great country and the ideals it represents that became my main source of encouragement. Today I owe your country the hospitality which my family and I enjoy and the personal freedom we have regained since October, 1968. These feelings lead me today to discuss with you the complex situation in Greece.

In Greece today we have two problems: The problem of Greece and the problem of NATO. At the top of our national priorities is the restoration of democracy in Greece. Strategic and military considerations cannot, of course, be overlooked, but they cannot override the National issue of our times which is to restore and maintain once and for all the democratic process. NATO, on the other hand, facing the situation in purely strategic terms, has failed so far to emphasize, or to even consider in realistic terms, the need of assisting in the restoration of freedom to the people of Greece, without, of course, jeopardizing the strategic interests of the West. The central issue at this time appears to be a growing conflict between the interests of Greece and the interests of NATO in Greece. This is an unnecessary and potentially dangerous situation. It is in this context that I am concerned both as a Greek and as a Western man. I am concerned because I see dark clouds gathering over Greece and its relationship with the West if the current situation is allowed to continue indefinitely.

As I am testifying before you, I shall endeavor to present facts and my interpretations of these facts, with as much objectivity as my personal opposition to the regime in Greece allows. I hope you realize, though, that this opposition is an expression of free choice I have made between accepting the offers of the regime for a high government position and refusing to compromise with my principles and the ethics of a soldier in a free modern Western society.

The Greek national issue

The dictatorship in Greece repeats constantly the slogan that "the past is dead, Greece will never return to the 20th of April 1967". This is a statement with which all Greeks agree, but with one fundamental difference. This difference emerges when one asks "What is the past?" The Junta considers as the "past" the situation prevailing on April 20, 1967, or just a few years preceding that date. An observer with wider perspective considers as the "past" the entire 20th century and particularly the decades that followed World War I.

What is this "past", then, of which I, and other concerned people speak? It is the intervention of the military in politics, or the misuse of the military for political objectives, which has occurred 22 times between 1909 and 1967. This has resulted in several dictatorships with the sad result being "The condemnation of the people of Greece to political irresponsibility". The great national challenge throughout this century has been to create conditions of political stability through responsible democracy, which would make the Greek people the "only sovereign authority for the destiny of the nation". This still remains the great issue of our times.

The members of the Junta and their supporters are deceiving themselves, the Greek nation and the world, if they think, notwithstanding the best of intentions, that they can solve a problem which many generations of Greeks have not been able or permitted to solve. The Junta cannot solve this problem today simply because they do not believe in the sovereignty of the people. The regime considers that the Hellenic and Western ideals are crumbling all over the world and therefore this heritage is too great a burden to bear. Perpetuation of the regime is for them a natural desire to throw off this burden and escape to the tempting, yet fatal simplicity of regressive totalitarian primitivism. The Junta members brand the people of Greece as too "immature" to deserve democracy. But this only betrays ironically—the Junta's own immaturity not that of the Greek people. This is our tragedy, immature rulers are governing a mature people in the midst of a changing international environment, while the destiny of our nation is at stake.

The world is going through a treacherous transitional period. Only strong, cohesive nations are likely to survive this process. The greater the internal cohesiveness, the stronger and better understood the national objectives, the greater is the chance of our survival. Greece, for the past five years, has lost its internal cohesiveness and has had its national objectives blurred. This has been the result of the use of force. Force is only a temporary expedient. It can achieve some short range goals, but it can and will destroy the long range objective of internal development of the society. The U.S. State Department has expressed this well in a letter addressed to members of the Congress in August, 1969: ". . . We see an autocratic government denying basic civil liberties to the citizens of Greece. We think such an internal order does not coincide with the best interests of Greece, whose stability in the long run, we believe, depends upon the free play of democratic forces . . ."[1] For five years, Greeks, from within and without Greece, have been trying to convey to our friends this simple but tragic truth.

With all the previous testimony on the short range issues in Greece, I thought it more appropriate for me to concentrate on the long term issues involved. Before addressing the specific issue at hand, I believe it worthwhile that I discuss certain key topics that have a definite impact on the evaluation of the long term issues. I will, therefore, address myself to the following topics:

(a) The Greek and other dictatorships.

(b) The military and their dilemma.

(c) The regime has already passed the peak of their form and they know it.

(d) The Soviet Union will eventually benefit from the continuation of the regime.

(e) Current U.S. policy and the resultant attitude in Greece.

Greek and other dictatorships

Military intervention in Greek politics has been compared with that of military intervention in Latin American Republics or with military dictatorships in third world nations. These comparisons have tended to emphasize the obvious analogies and disregard the basic differences. First, let us look at the comparison between Modern Greece and certain Latin American Republics. Far from serving as primarily "internal security forces", which has been the case with military forces in most Latin American nations since their independence, the Greek Armed Forces in the 19th and 20th centuries have had to fight a series of hard and bloody wars. In the course of these conflicts with external aggressors the country acquired the territorial basis and integrated population indispensable for her transformation into a viable modern state. The tremendous expense of national energy and blood in the half-century between 1897 to 1950 in order to achieve decolonization from the Ottoman Empire and to fight two World Wars—combining monumental struggles against both fascism and communism—can only be understood as a modern epic. In constant struggle the Greek nation and people have forged its substance and spirit. And it was all Greeks who did the fighting as citizen soldiers. Only the state of Israel is really validly analogous to Greece—a nation in arms for decades on end. Almost every able-bodied Greek in this period has "worn the Khaki", and given the structure of the Greek forces, the majority of the Greek body politic actually participated in some form of military operations.

Now let us turn to the comparison between the present Greek regime and all the recent military dictatorships in the non-West. Military interventions in developing nations are partially the result of a theory which posits that practically all new countries have to experience a benevolent dictatorship. This, in accordance with the theory's proponents, is required since the masses are not politically "matured" and they need to be guided by a technocratic league of leaders; non-communist, of course. Greece, however, is neither a new country, nor a developing country. As for military intervention, it has been used 22 times throughout the 20th century, and it has failed in each case to create conditions which would not sow the seeds for the "next intervention". Developing countries, especially in Africa, have been experiencing this sort of government early in their national existence. Their attitudes are passive since "military government" is yet untried. Their past was colonial authoritarianism, their present is domestic authoritarianism, which is at least a step forward. They have not yet experienced the benefits of freedom and popular responsibility. Therefore, they cannot readily com-

Footnotes at end of article.

pare their present type of government with democracy.

In Greece, the population factor is indeed entirely different. The Greeks are conscious of their heritage. They have a very high literacy rate and socioeconomically they are now classified with the developed nations. It was in Greece where democracy was first born. Greeks want to preserve in their minds and in their hearts the image and the challenge of Democracy. This is the major contribution of Greece to the Western civilization and the Greek people are fully aware of it. The Greeks, as much as anybody, have experimented with all types of governments. They know better than anybody else that Communism is an inhuman type of dictatorship. They also know that fascist dictatorship has a way of destroying individual initiative, free competition and political maturity. They are now aware that forceful military intervention for the solution of the political problems has not solved but merely postponed and often aggravated the political issues. Today's dictatorship in Greece enjoys the mass disapproval of all political parties (right, center and left). Previous dictatorships have been supported, at least, by some major political leaders, by an important segment of the population and by the entire military establishment. The present regime, on the contrary, has united the Greek people solidly against it.

The Greek military and their dilemma

The Officer Corps of the Greek forces has naturally occupied a special position in the great collective effort for modern national self-assertion. Military leaders of this century, sharing in leadership and sacrifice during the monumental national effort, achieved an astounding cultural identity and attained some of the highest traditional vitrues of a warrior dedicated to the nation. Qualities such as austerity, humbleness, simplicity, self-sacrifice, a pervading sense of the sacred, were to a great extent present in their lives. These virtues were, in the past, obvious even during the political intervention of the military in Greece. A typical example is an episode during 1909 at the time of the first major intervention of the military in politics. The Secretary of War of the revolutionary government set up by the "Military League" prepared a decree for the promotion of Colonel Zorbas (the leader of the league) and certain other officers. This action offended the Officers Corps, who refused to accept personal benefits. A group of junior officers went to the Government Printing Plant, destroyed the plates that were made for printing the decree, forced cancellation of the decree and the promotions and forced the newly-appointed Secretary to resign. Factionalism, which has been characteristic in the Armed Forces in the interwar period, subsidies after World War II, leaving behind it the social and political wreckage of several actual or attempted dictatorships. After World War II and its aftermath, it became evident that Greece, after the gathering of most Greeks into one consolidated national state, was ready to launch herself into the new era of social and economic development of a modern and Western state. Disillusioned with military intervention in politics and convinced that responsible democracy was the best method of government for the country of Greece, the post-World War II Officer Corps started adopting the doctrine of a soldier-officer who is exclusively concerned with the efficient operations and development of the country's defenses. National defense presents particularly complicated problems in Greece, in view of the scarcity of resources and the abundance and immediacy of hostile threats. Defense requirements of the nation against potential external aggression are thus acute, dictating dedication of the Armed Forces to the task alone.

Participation of Greek officers in the Middle East operations in close cooperation with the British Armed Forces and their selective training in the U.S.A after World War II has contributed in creating a belief among those officers exposed to the Western "soldier-officer" pattern that it is their national duty to refrain from politics. The experience of exceptional progress in Greece during the period between 1950 and 1967, which is the longest period in modern Greek history uninterrupted by military intervention, has persuaded these officers that the free interplay of democratic forces is the best modern way for political stability and long term progress of our country. Unfortunately, post-war Greek governments did not show adequate wisdom and foresight to promote and encourage this trend. The training of officers did not emphasize this badly needed philosophical orientation. Unfortunately, also, the leadership of the Greek Armed Forces in the 1950's and 1960's disregarded several warnings of impending repetition of past bad practices of officers' intervention in politics. As a direct result of this relative lack of prudence, and probably because 17 years of political non-intervention had created atmosphere of trust and confidence in the new Officers Corps, a marginal group of officers, remnants of earlier conspiracies and with special nostalgic ties with certain Fascist experiments of the late 1930's, after subversive preparation for more than a decade, were able to seize power in the course of an exceptionally sharp bout of democratic politics and establish the current dictatorship on April 21, 1967.

Despite their image the present regime is not an "Army-backed" regime. The Armed Forces: the Army, the Navy and Air Force are the main victims of this present anachronistic return to past practices. This is the first time in Greek history that a dictatorship has so sharply divided the Armed Forces, and this division has become very clear and, perhaps, very healthy in perspective. There are those in power, always a marginal minority, who still believe that the *"only healthy organism in the state today is the Army"* and that *"people are an instrument of the State."* There is the great "silent" majority within the Armed Forces, who believe that the policy of the military intervention has definitely failed in Greece and that a new era should begin which will make the people responsible and the Armed Forces the "Servant of the Nation." The conscience of the soldier-officer is emerging as a requirement for National rebirth. This conscience of a soldier-officer is reappearing in the Army, Navy and Air Force of today, especially among the junior officers who look forward to the year ahead. It is totally unrealistic, morally unjustified and historically unfounded to consider that the junior and senior Greek officer on active duty today will continue supporting a regime only because he has been treated with some material benefits. Junior and Senior officers of excellent record have sacrificed their careers and their material comforts to demonstrate their opposition to the present anachronism. The number of Junior and Senior officers forced to premature retirement has been between 2 and 3 times greater than the normal officer retirement rate. I have more than sufficient evidence, which, of course, will be disclosed to the Greek people, when Greece will be free again, that there exist still today, despite a purge that has reached the dimension of National suicide, excellent officers of all ranks who believe in the traditional concept of "service and honor." These officers are now aware of the fate of dictatorial experiments all over the world, from Trujillo and Batista to Yahya Khan and compare them to the political stability, continuity and progress in countries where the military has abstained from interfering in politics as in Belgium, Holland, Denmark, Norway, Sweden, to mention countries of similar size with Greece. They also cannot help but recall the attitude of great soldiers like General Eisenhower or General de Gaulle who have dedicated themselves to the service of their countries as long as this was the demonstrated decision of the people.

Through my association with distinguished members of your Armed Forces, I am convinced that they share my belief that this great nation could never have survived and grown to its current state without the national doctrine of its officer corps never becoming involved in politics as an officer. The role of your officer corps has always been to support the duly elected government of the people—regardless of which party was in office. Any other attitude would have led to constant turmoil within the United States, which would have resulted to a mere survival, perhaps, but definitely not to a position of greatness and world leadership. The contrast with South America is revealing.

Our regular officers whose patriotism and unselfish devotion to duty nobody can deny realize now, after five years of rule by a regime allegedly supported by the Armed Forces, that their only "reward" is the feeling that the uniform of an officer, once a hallmark of distinction and pride and prestige has now become, in the eyes of the people of Greece, an object of embarrassment and scorn.

The Junta, of course, is aware of these trends. They deeply distrust the Armed Services and they use unmilitary means of control in an attempt to maintain the status quo of silent toleration of the present anachronism. With their unending brainwashing effort they attempt also to create a climate of fear especially among the younger officers by hinting that if elections take place or when King Constantine resumes his responsibilities, no one would survive the "ensuing new purge". Greek officers on active duty today find themselves in a tragic dilemma. On the one hand they observe the military cooperation between the U.S. and NATO and the present regime, and therefore they feel that the material National defense requirements are somehow met. On the other hand, they realize that our National defnese is in jeopardy, since the unsuccessful experiment of the military intervention has failed to gain the support of the people of Greece and a continuously widening gap separates the people of Greece from the Armed Forces. Prevailing at this time in the minds and hearts of many officers is the realization that a government which does not dare to seek the approval of the people cannot meet national emergencies. Such a government is a liability for our National defense. This "dilemma" makes the Officers Corps very unhappy.

Whenever the U.S. or NATO attitude reemphasizes the military cooperation with the regime, as in the case of the sixth fleet homeport facilities proposal, the dilemma in the minds and hearts of the officers becomes more acute.

The regime has passed the peak of their form and they know it

Revolutions throughout history have aimed at overthrowing despots who, using outmoded and obsolete institutions, have prevented innovative evolution of the society and the responsible freedom of the people. Revolutions have been the doing of minorities of visionaries who could grasp the requirements of their times and could gradually transform their vision into new institutions accepted and supported by the people at large. Revolutions have been guided by ideologies which could motivate the people.

The regime—"the revolution"—in Greece did not overthrow any despot; it did not create new and better institutions and it is void of any ideology. The only institution they have created is the police state. The regime is an anachronistic repetition of old

discarded practices. Its interference in the political life of the country has been regressive rather than progressive. The regime, after five years in power cannot rely on the people. They are forced to rely on a fanatic minority placed in key positions within the Armed Forces and on external support. The regime denies, of course, its unpopularity. But it does not dare to prove the opposite by free elections. The people keep silent. The silence of the people is frightening. Silent opposition to an oppressive regime gradually builds the foundations for a violent revolution.

The silence prevailing today in Greece has been broken lately. In March 1971 during the 150th anniversary of modern Greece, 133 prominent Greeks issued a statement to the effect that Greece stands for a free and responsible people. Among the sponsors were men of sciences, government, literature and Army officers who have distinguished themselves in the battlefield and who have refrained from involvement in politics. Later, during the visit of Vice President Agnew in Greece, close to 90% of Greece's parliamentarians expressed their unequivocal position against the regime. Most recently, more than a thousand Greeks, from all walks of life, defied Martial law and signed a petition requesting the release of political prisoners.

And only three weeks ago on March 25, 167 former members of Parliament of the two biggest political parties—which polled together 85% of the vote in the last elections, held in 1964—signed a political manifesto. In this they accuse the regime of handling in an irresponsible manner our National issues, as this was demonstrated during "the dramatic developments in Cyprus and all their unpredictable, as yet, consequences". In this manifesto they also accused the regime for "lack of respect to all institutions". They view the recent attempt against the Crowned Democracy as "solely designed to create the circumstances required to facilitate the perpetuation of the present arbitrary regime". The former members of the Parliament offered to back jointly any government that would lead the nation to democracy.

There are certain significant points in connection with this emerging vocal trend.

a. The individuals involved represent all political philosophies.

b. They come from all parts of the country.

c. They come from all walks of life.

This geographical, social and political distribution shows to any objective observer that behind this expression of vocal disappointment is the frustration of a population anxious for the future of the country and deeply hurt because they have been deceived by individuals belonging to an institution which they trusted, the Armed Forces. The overwhelming majority in Greece is united for the first time in our history. This unity is an expression of a definite opposition to the regime and to all those who support it.

There is an argument among some who support the regime: that silence is not enough to demonstrate opposition. They maintain that if the Greeks were really against the regime they would show that in a more vocal manner. Those who present this reasoning forget certain key issues:

a. The Greek people have suffered a bloody civil war inspired by Communism and nurtured on the fertile ground that was cultivated by the previous (Metaxas) dictatorship. They are trying to avoid another confrontation. Most leaders opposing the regime have, so far, been reluctant in encouraging the use of violence, hoping for a bloodless, political solution.

b. The man in the street felt all along that there was little he could accomplish violently against a police state, becoming more and more entrenched every day and enjoying demonstrable American support.

c. Those of our friends who use the argument "the problem is of the Greeks to solve" are in reality asking the Greek people to proceed with violence, since all other outlets are closed. To proceed with this notion would be tragic.

d. Violence, if it ever occurs, will be of earthquake dimensions and will destroy the foundations of everything existing in Greece today. The agony is that violence might simultaneously destroy the freedom of the Greek people forever.

The regime after five years in power is at an impasse. They had anticipated that with "law and order", "peace and quiet" slogans and with a massive brainwashing in Greece, they could some day bend the Greeks and elicit signs of approval for the intentions and actions of the "revolution". Then they could proceed with their electoral coup—i.e., rigged elections—It has not worked. The silenced Greeks are now persuaded that they have been deceived. They feel they continue to be humiliated and insulted. The Greek people refuse to approve this regime which can exist only by force.

The dictatorship is fully aware of this and is running scared. As a result, they maintain Martial law in the large urban centers. They are mistrustful of the youth and they police the great centers of learning. They are afraid of the influence of distinguished Greeks, so they keep them jailed, while they subject others to relentless surveillance. They fear their isolation from the European and Atlantic Community and they spasmodically attempt to divert public opinion by "spectacular" foreign policy undertakings such as "federation with Turkey", untimely emphasis on relations with African countries, disastrous conflict with a great national leader, Archbishop Makarios on Cyprus, etc. They fear the Armed Forces and mistrust them. It took four years for the dictatorship to find trusted officers and replace the commanding officers and other key personnel of the units protecting the regime in the Athens area. They mistrust themselves and, as a result, the dictator has gradually assumed the positions of Regent, Prime Minister, Minister of Defense and Minister of State. Above all, they are afraid of the Greek people, and, as a result, they keep postponing the implementation even of their own constitution and any discussion regarding free and honest elections.

The current adventure is not a political crisis; it is a national emergency. As long as this emergency continues, the problems will multiply, patience will dissipate, anger will be inflamed by humiliation and dangers will grow while our national power will continue to dwindle. The epilogue of this emergency will be the most critical chapter.

C. M. Woodhouse, a conservative member of British Parliament is a leading authority on Greece. As a colonel of the British Army he fought with the Greek guerrillas against the Germans. He recently completed an extensive tour, concentrating on small towns and villages and avoiding Athens and his old friends. His conclusions are very revealing: "The Colonels probably have a long time to try. . . My impression is nevertheless that they have already passed the peak of their form and they know it. It seems to me certain that they will fail to transform the Greek people, but they will take a long time failing". "Meanwhile, the Greeks exist in a state of 'stenochoria'. Their mood is boredom, frustrations, hopelessness and fear; not universal, of course, but far more widespread appears on the surface".[2]

In this state of affairs any demonstration of military cooperation of the U.S. and NATO with the regime results in increasing the hopelessness of the Greeks and in perpetuating the regime in power.

The Soviet Union will benefit

Russian minds will never forget that Napoleon and Hitler have in two great invasions cut into the heart of Russia. The Soviet establishment of a line of satellite buffer states between the U.S.S.R. and Europe has been, according to Soviet strategists, a defensive imperative, and an expression of their land strategy. Soviet incursions in countries such as East Germany, Hungary and Czechoslovakia have demonstrated that the Soviets believe they cannot afford to risk destruction of their land buffer zone. Liberal movements, if tolerated, can create chain reaction repercussions against the entire Communist empire. However, it would also seem that the Soviets are aware that in this day and age this kind of defensive strategy cannot service their long term national objectives. The technological revolution in weaponry has rendered land protection insufficient. In this nuclear age, a purely offensive military strategy has become obsolete. As a result, they have adopted the strategy of "peaceful coexistence" in order to transfer their offensive in non-military areas. They know that as long as they remain alert and flexible, they can capitalize on the mistakes of the West.

For the first time in their history they have implemented an expansionist maritime strategy. Obviously in the Mediterranean they are no longer directly defending the land frontier of the Russian empire. They are merely extending Soviet influence and assuring themselves the means of pressure which the Soviet Union should bring to bear to modify the present equilibrium to their advantage. Huge continuing military and economic aid to the Arab countries and a 50 war-ship fleet in the Mediterranean is the Soviet investment in this area so far. The threat to the Western world by these moves is obvious.

It is clear that Soviet influence cannot be expected to retreat from the Mediterranean. "The Russians are going forward at a tremendous rate with their naval construction both conventional and nuclear" and "at the present rate of Soviet construction, they would have over 70 (ballistic missile nuclear submarines) by the time the U.S. could build and have operational their No. 42".[3] This naval build up is a reality that will influence events in the Mediterranean for a long time to come.

The Soviets are masters in patience. They will capitalize in Greece given a low risk opportunity. Loss of Greece would seriously jeopardize the American and NATO position not only in the Mediterranean but in the entire European continent. In such a case, Turkey would be completely isolated and eventually lost. Italy, alone and unstable, could not, probably, survive the Soviet pressures applied through a strong Italian Communist Party. Yugoslavia could not be expected to remain indefinitely independent of Moscow, especially after the passing of Tito. Greece is, therefore, the key to the balance of the Mediterranean area. The question is, however, whether under the present conditions in Greece, Western presence in the Eastern Mediterranean can be safeguarded in the foreseeable as well as the distant future

In a conversation last year with a distinguished American, I advanced the view that the dictatorship, the Greek people, the NATO alliance and the U.S. are all at an impasse in Greece. It is only the Soviet Union that retains flexibility in action and objectives. I added that "for the first time in our history the Soviet Union is able to exert so deep an influence on the developments in Greece without using, initially at least, the internal communist apparatus." To the Soviet the Greek dictatorship is an unexpected gift. A

Footnotes at end of article.

Western-oriented Greece, democratic and economically healthy is a liability to the Soviet strategists. It is preferable for Moscow to see Greece governed by a dictatorship since this offers both short and long advantages. Initally the Soviet attitude towards the dictatorship was friendly verging on cordiality. Their immediate aim was not to pry the dictatorship away from the West. The risks would be too great. Soviet friendliness was used as an instrument by the dictatorship to blackmail and to pressure the West into accepting military cooperation with it. Thus the Soviets have lent a hand in the perpetuation of dictatorship in Greece. This objective having been achieved, the Soviet Union is now ready to harvest the long term benefits of the prolongation of the dictatorship. This was the substance of my discussion last year.

A most recent book published in England this year, entitled "Inside the Colonels' Greece", whose anonymous author is a Greek intellectual, now living in Greece, discusses this subject with foresight and depth. I selected to quote from this book since this quotation reflects the opinion of a responsible Greek thinker now living in Greece and with which I totally agree from a strategic point of view:

"Since Greece belongs to a zone in which, for the time being, Moscow must not meddle, it is infinitely preferable from its point of view to see it governed by a reactionary dictatorship. Besides the immediate advantages which this offers to the Eastern bloc's anti-American propaganda, the prolongation of the regime has other long-term benefits.

"In the first place the Greek people are becoming gradually estranged from the West. . . .

"Secondly, the structures and leadership of a liberal democracy are slowly being destroyed. Little by little, moderate solutions will be discredited, and with them the views of those who advance them. There will be an increasing polarization between a fascist minority on the one hand and a discontented and anti-American majority on the other. Thirdly, the armed forces are becoming both less efficient and the object of widespread loathing. And finally, the economy is steadily deteriorating, and will acquire an increasingly pronounced neocolonialist character, thanks to the junta's policy of indebtedness to international financial circles.

"The developments could lead, one day, to a revolutionary situation which might be exploited by the Kremlin . . ."

". . . The essential thing, for the Soviet Union, is that the dictatorship not be overthrown too early, and above all that it be not overthrown by Western-oriented elements not controlled by it. A re-establishment of liberal democracy, that would stop the present disintegration and even partially satisfy popular aspirations, is not at all desirable from Moscow's point of view; only the prolongation of the junta's regime can create a situation where the Soviet Union might possibly gain by its overthrow." [4]

The request for Sixth Fleet homeport facilities has perhaps persuaded the Soviet Union that there is no reason any longer to disguise their real intentions and as a result, both the Soviet Union and Satellite countries have started publicly expressing a position against both the U.S. and the dictatorship. This, of course, will not lead to any immediate action, but one can suspect that from now on their hostile attitude will accelerate. Whether this will be translated into an all-out offensive policy it is too early yet to judge. One point should be made clear, however. When the Soviet Union abandoned the Greek Communists in their post-war efforts to seize control of the country in the 1940's, the Soviets had no naval presence in the Mediterranean. Today they are in that area, do not intend to withdraw from it and they will not risk another failure in any undertaking in the Greek area.

CURRENT U.S. POLICY AND THE RESULTANT ATTITUDE IN GREECE

The obvious question at this time is the following: Since the Armed Forces are not enthusiastic supporters of the regime, since the mood of the people reflects boredom, frustration and hopelessness, since the long term strategic interests of the west are being threatened, what are the factors that contribute to the maintenance of this regime in power? All factors are negative in nature in the sense that they are not positive direct achievements of the regime, but derive from circumstances outside the will of the dictatorship. They include such external factors as the situation in the Middle East, the misinterpretation of the impact of the Soviet penetration in the Mediterranean, the preoccupation of the West with global strategy, the emphasis on other more urgent and pressing problems, coexistence with dictatorships for years and the like. Internal added factors for the regime's survival are to be found in the "good economy" and the "orderliness" which appears to prevail in Greece today. But "law and order" by force can also be found in communist societies. Greeks, as do all Western societies, resent this type of "law and order". The so-called economic "miracle" is used extensively in their propaganda efforts, but the regime does not believe in this miracle, since the dictator was able to remove from his job the very man who should get credit for this "miracle". C. M. Woodhouse commented, on February 13, 1972, regarding the economic situation as follows: "There is an undoubted sense of growing prosperity, and the improvement since 15 or 20 years ago is impressive. But it has been only marginally effected by the revolution of 21 April 1967. The government is building on the foundation laid by its predecessors, particularly Karamanlis. No one can say for sure that the progress would have been either greater or less under any other government." [5] The Deputy Assistant Secretary of State commented as follows when he testified before this committee last year: "Certainly the policies followed by the government of Greece contribute to economic progress. But economic progress is not a factor of a year or two. The foundations have been laid in years before." [6] These foundations have been laid by democratic governments since 1950. The present dictatorship is harvesting the fruits but in the same time it is creating circumstances that raise serious questions relative to the duration of an interrupted economic growth. Some of the adverse developments since 1967 are: (a) The relations with the European Common Market have in fact been frozen. (b) The short-term borrowing—equivalent to mortgaging future resources of the nation for short-term expenditures of dubious economic value—can potentially lead to a major balance of payment crisis.

(c) The shattered confidence of the Greek consumer—demonstrated by higher than normal liquidity—can translate itself into rapidly raising inflationary pressures.

The most important element, however, supporting the regime is a fallacy. The fallacy of the Greek people who expect everything from the United States and the fallacy of the United States to expect everything from an oppressed people. In the last five years this fallacy has taken the form of a "vicious circle", which has controlled the destiny of Greece. The people inside Greece believe the West and particularly the United States not only tolerates but supports the regime. The world outside Greece took the lack of apparent resistance as evidence of popular support.

The U.S. policy towards Greece was outlined by many spokesmen. Ambassador Tasca in his recent testimony before this committee restated this policy as follows: "The dual objectives we pursue in Greece—the preservation of the immediate security interests of our two countries and the return to representative government upon which our security interests depend over the long run—obviously present a delicate problem in dealings with the present Geek regime". [7] These two objectives are reflected through two schools of thought existing in this country. There are those who are interested primarily in maintaining Greece under non-communist control, at any price, and there are those who are concerned because they believe the price for this control is too high. The first group, a minority, is satisfied with the present; the second, the overwhelming majority, is worrying about the future. This separation of approach extends to the two Branches of government of this country. The Legislative Branch is more concerned with the return to representative government even at the slight expense of some short term inconvenience in Greece for American security interests. The Executive Branch appears to be more concerned with the immediate security interests at the expense of the political objective of restoring representative government in Greece. Under the pattern followed so far, the actions of the two Branches of government are self-defeating and neither the in Greece for American security interests. of the United States—let alone the Greek people—are served.

It is indeed time for drastic changes. Expressions of American "disappointment" have ceased to bring about results in Greece. Results can be brought about by actions aimed at implementing both objectives of U.S. policy, the political as well as the military. Demonstrated action has tilted so far in the direction of narrow and immediate security objectives. Undoubtedly diplomatic and secret activities aiming at the return of democracy have taken place and continue today. But, they have not been successful so far, and the "impasse" continues to control the setting. American actions regarding security interests and the manner in which they are being expressed are reinforcing the feeling that this country continues to satisfy its own narrow security requirements at the expense of the long range interests of Greece whose stability and progress depend on "free play of democratic forces".

One should not forget that the Greek people have rejected the interference of the Soviet Union in Greece on two grounds: First, because communist totalitarianism would lead the Greek Society into complete stagnation and second, because a communist government would be an obedient servant of the Soviet Union, disregarding the interests of Greece. If the Greek right wing dictatorship is going to be perceived as an instrument or servant of American interests at the expense of the evolution of the Greek society into a modern Western type community, and at the expense of the long term interests of Greece, then it is obvious that the difference between the United States and the Soviet Union becomes obscure in the hearts and minds of the Greek people, and I cannot help but predict severe dislocations in the future relations between our two countries.

A change in U.S. atttitude alone is not sufficient, since it will eliminate only one part in the vicious cycle previously described. As the U.S. attitude publicly changes in the direction of tangible support for the restoration of democracy, there is a need for all Greeks to understand that the problem of Greece will not be solved by our friends alone. It is our duty and our National responsibility to do everything in our power, to determine our readiness and our determination to restore representative government in Greece. Freedom cannot be given to us by others. We will earn it.

I think I have, so far, answered the specific question under consideration today, indirectly. But I will answer directly. If this

country continues to speak in terms of a "dilemma" but continues to act unhesitatingly serving only its immediate military interests, the homeport facility will serve to perpetuate the dictatorship; it will be another major visible trouble area in the relationship of the two countries, and the future becomes dark, indeed. If on the other hand, this country coordinates the activities of all branches of the government with a determination to reach results in both political and security objectives, then further military cooperation, a part of which is the port facilities, will be considered in Greece as a natural continuation of a relationship established long ago, in the framework of an Alliance which is consistent with its charter and its ideals.

After five years, I suggest it is time, if it is not already too late, for all our friends to think of Greece in light of the truth, as this was expressed by the State Department in 1969: "We see an automatic government denying basic civil liberties to the citizens of Greece. We think such an internal order does not coincide with the best interests of Greece, whose stability in the long run, we believe, depends upon the free play of democratic forces." [8]

I hope the foresight of all branches of your government, together with the realization that the tactics used so far have failed to solve both the problem of Greece and the problems of NATO in Greece, will lead to a reexamination of the entire set of objectives, strategies and programs required to lead the present impasse to a satisfactory conclusion.

The President of Yale University recently stated: "It is always tempting for a person or a nation to pretend that a problem which seems insoluble does not exist. . . . The more truly unavoidable a problem is, however, the more important it is to acknowledge it. Frank exposure, comment and public discussion are more reassuring than the pretense of false gladness which in fact saps credibility." [9] The problem does exist and the initiative of your two committees for frank exposure and public discussion cannot but assist in exploring and adopting new courses of action. I hope I have constructively contributed to your efforts.

In concluding, I refuse to become pessimistic about the future of Greece and its friendship with this country. With this feeling I will end my testimony referring to General Eisenhower's advice: "Granted that storm signals are up, I believe nevertheless that we as a people have the good sense to place patriotism and human understanding above the arrogance of personal prejudice—and that we can and will solve peacefully the problems that beset us." [10]

Thank you very much.

ORESTIS VIDALIS.

FOOTNOTES

[1] Answer of the State Department to a letter signed by 51 Members of the Congress, dated August 5, 1969. Congressional Record, vol. 115, pt. 17, p. 23393.

[2] A Sense of Fear in Greece" by C. M. Woodhouse. The Observer, London, February 20, 1972.

[3] Interview with Defense Secretary Laird, *U.S. News and World Report*, March 27, 1972, page 42.

[4] "Inside the Colonels' Greece", by "Athenian". Chatto and Windus—London 1972, pp. 172–173.

[5] "What Greeks think about Greece" by C. M. Woodhouse. "The Observer", London, February 13, 1972.

[6] Hearings before the Subcommittee of Europe of the Committee on Foreign Affairs, House of Representatives—July 12, 14, 19, 21, August 3, September 9 and 15, 1971; page 34.

[7] Hearings before the Subcommittee of Europe of the Committee on Foreign Affairs, House of Representatives. July 12, 14, 19, 21, August 3, September 9 and 15, 1971, page 304.

[8] See footnote 1 on page 3.

[9] "On our National Purpose" by Kingman Brewster, Jr. Foreign Affairs, April 1972, p. 400, 401.

[10] "We must avoid the perils of Extremism" by Dwight D. Eisenhower. Reader's Digest, April 1969.

ARUNDEL SOLDIER KILLED IN VIETNAM

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. LONG of Maryland. Mr. Speaker, a fine young man from Maryland, Sfc. Charles J. Britt, was recently killed in Vietnam. I would like to commend his courage and to honor his memory by including the following article in the RECORD:

ARUNDEL SOLDIER KILLED IN VIETNAM

Graveside services with military honors are scheduled tomorrow for Army Sgt. 1C Charles J. Britt, of Ferndale, who was killed in action in Vietnam March 30.

The Defense Department has not released details on the death of the Anne Arundel county soldier, who was killed while serving as an air rifle-platoon adviser with the Republic of South Vietnam's 17th Air Cavalry in the Central Highlands.

Sergeant Britt was called "Ledge" by his fellow soldiers—short for "The Living Legend," because of his bravery.

SECOND TOUR

He was killed two days before air rifle-platoon advisers were to be phased out of the war.

Sergeant Britt was serving his second tour of duty in Vietnam. Jack Tishue, Jr., also of Ferndale, who grew up with Sergeant Britt said his friend had volunteered to extend his duty in Vietnam by six months recently and was to receive another assignment there.

He also was scheduled to come home this month for a 30-day leave.

In his first tour in Vietnam, from 1966 to 1968, Sergeant Britt served with an elite unit called The Hawkeyes, made up of small teams from the 4th Infantry Division that conducted long-range reconaissance patrols.

The patrols included "hunter-killer" missions, that engaged in battles with small units of North Vietnamese troops and disrupted the enemy's communications.

Sergeant Britt was described as a serious young man who knew most of what there was to know about weapons.

Sergeant Britt was born in Baltimore but grew up in Anne Arundel county. After graduating from Glen Burnie High School in 1962, he enlisted in the Army.

After training at Fort Gordon, Ga., Sergeant Britt received Advanced Infantry Training at Fort Riley, Kans. He then served in Germany as an armored personnel carrier driver. He left the Army in June, 1965, but only for a month.

Sergeant Britt returned to Ferndale. "He stayed around for a week or so," Mr. Tishue recalled, "then hitchhiked to California and enlisted again in San Francisco."

The soldier was sent to Fort Lewis, Wash., and from there to Fort Benning, Ga., where he attended Ranger and Pathfinder schools. In 1966, he was sent to Vietnam. He was assigned to the 4th Infantry Division, where he volunteered for long-range reconaissance patrols and was named a team leader.

Sergeant Britt returned to the United States in 1968 and served as an instructor in the Ranger School at Fort Benning. After reenlisting again, he attended the Airborne School and the Noncommissioned Officer Academy. He later took missile training at Fort Bliss, Texas, and was sent to Fort Kobbe, Panama, as a missile instructor.

About this time last year, Mr. Tishue said, Sergeant Britt volunteered for his second tour of Vietnam.

Sergeant Britt will be buried at 10:30 A.M. Tuesday in Baltimore National Cemetery. He will be buried with his father, Joseph Britt, who served as a lieutenant in the Army before World War I, and died in 1948.

STATEMENT IN SUPPORT OF HONORING A WOMAN ON THE $2 BILL

HON. SEYMOUR HALPERN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. HALPERN. Mr. Speaker, only in recent years have we begun to understand the extent to which women have been discriminated against in our society—in educational opportunities, in employment, in our laws, and in the subtle attitudes and expectations which govern our cultural behavior. Despite all the progress of the last half century, it is clear that we are quite a long way from anything like equality of opportunity.

At work, women are still paid less for doing the same jobs as men, and they are still heavily concentrated in the lower paid, lower skilled occupations. Twenty percent of workingwomen with 4 or more years of college today are in clerical or retail sales positions, and this represents a tragic waste of talent.

Discrimination against women is well documented in employment and income statistics. For example, men fill 99 percent of the supergrade GS–16, GS–17, and GS–18 positions in the Federal Government, which is supposed to be taking the lead in ending discrimination. The highest unemployment in the Nation, 37.7 percent, is among girls 16 to 21. In 1958, women earned 63 percent of the median income earned by men. By 1969, this figure had dropped to 58.2 percent. Today, the average income for male college graduates is $13,320. For women, the income figure is only $7,930.

Sex discrimination in education is one of the most serious injustices borne by women. Discrimination in admissions and in the awarding of financial aid make it far more difficult for women to obtain higher education, and the same holds true for technical and vocational programs. In the fall of 1968, only 18 percent of the men entering public 4-year colleges had received high school grade averages of B-plus or better, but 41 percent of the freshmen women had obtained such grades. One State university actually had an admissions brochure stating that:

> Admissions of women on the freshmen level will be restricted to those who are especially well qualified.

Only 6 percent of our law students and 8 percent of our medical students are women although, according to the Office of Education, statistics show that women tend to do better on admission tests.

Women are discriminated against in our laws, especially those concerning marriage and family, property rights, and working conditions. In at least eight States women cannot contract or sign leases until they are 21, although men can do so at 18. California and four other States require a married woman to obtain a court order before establishing an independent business. Eleven States place special restrictions on the right of a married woman to contract. In three States, a married woman cannot become a guarantor or surety, and 26 States have laws or regulations which completely bar adult women from certain occupations or professions. For example, in nine States women are prohibited from mixing, selling, or dispensing alcoholic beverages.

These are but a few examples of the way our society discriminates against half its citizens, and it is a sorry catalog indeed. I believe we owe a debt of gratitude to the women's rights movement for arousing the Nation's conscience and leading the way toward bringing women to their rightful position of equality in every aspect of our national life—legal, economic, and social.

It is for this reason that I have introduced legislation which would honor the women's rights movement, a movement which has been gathering momentum for over a century, by placing a woman's picture on the $2 bill. Up to the present time, our currency has honored only men in this way. But women have contributed just as much as men to our development as a nation, and their contributions are at least as worthy of public honor. I therefore propose that Susan B. Anthony, one of the greatest leaders of the women's rights movement, appear on the $2 bill, and urge the strong support of all my colleagues for this measure.

BUTZ REAPS FARMERS' PRAISE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. MICHEL. Mr. Speaker, those of us who applauded the President's selection of Dr. Earl L. Butz as Secretary of Agriculture felt sure that Dr. Butz would do what the Secretary of Agriculture is supposed to do, and that is to stand up and fight for the farmers in a vigorous and outspoken manner. Some of our democratic colleagues in the other body made a determined effort to block his confirmation by trying to depict him as some kind of monster dedicated to the destruction of the family farm but his performance thus far in office has clearly proved how phony their arguments really were.

An article by Mr. Richard Orr, farm editor of the Chicago Tribune in the April 24, 1972, edition discusses the effectiveness of Dr. Butz' administration of his office and also points out how popular he has become with farmers all over the country.

I include the article in the RECORD at this point:

BUTZ REAPS FARMERS' PRAISE

(By Richard Orr)

Republicans, in their bid for the farm vote, have fielded a star quarterback they confidently expect will run the ball across the goal line next November. He is Dr. Earl L. Butz, who in four short months as secretary of agriculture has been saying and doing things which have delighted farmers, confounded political critics, and focused national attention on agriculture.

After the lackluster performance of his immediate predecessor, Dr. Clifford M. Hardin, almost anyone could have been expected to enhance the office. But Butz is wowing them in the rural areas, as the saying goes, as a tireless, vigorous, forthright spokesman for the farmer.

When the new secretary took office last December, G.O.P. leaders were in near panic at signs of an incipient farm revolt over low prices and what farmers considered administration neglect of the rural economy. Now a heartened G.O.P. National Committee happily calls Butz's overnight popularity "as refreshing as a spring rain after planting."

HE CREDITS DEMOCRATS

Ironically, Butz himself credits Democratic critics with helping elevate him to national prominence thru publicity surrounding their bitter fight against his confirmation. Farmers weren't at all sure what to expect when they heard Butz, a Purdue University agricultural economist, attacked by leading Democrats as a tool of big business and a spokesman for the wealthy farmer rather than the family farmer.

Within minutes after taking office Butz began to dispel such charges in his first official utterance: "The price of corn is too low." Next day he directed his department to buy corn to raise prices.

Since then, he has changed the feed grain and wheat programs to give farmers more money to cut surpluses by not planting crops, won release of an additional $109 million in rural electrification loans and $55 million for the rural environmental assistance program, got another $200 million for the food stamp program, and boosted rice allotments by 11 per cent.

SUBSIDIES WILL RISE

Direct farm subsidies this year will go up by about $1 billion to a record $4.3 billion, and farm income will soar by as much as $2 billion to all-time highs in both total net returns and in net per farm. Still, Butz continues to emphasize that farmers earn only three-fourths the income of nonfarmers and declares, "I won't be satisfied until the income of farmers is at least on par with city people."

LUCRETIA STOICA: GUARDIAN ANGEL OF GREATER CLEVELAND'S ETHNIC COMMUNITY

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. JAMES V. STANTON. Mr. Speaker, I am extremely proud to join the Nationalities Services Center of Cleveland, Ohio, in paying tribute to Miss Lucretia Stoica upon the occasion of her 25th year of service to this fine organization. Miss Stoica will be formally honored at a dinner given by the center on May 7 at St. Mary's Rumanian Orthodox Church in Cleveland.

Recently Miss Stoica was characterized as the "guardian angel" of the ethnic community in Greater Cleveland, and a look at her record shows that she is deserving of no less a title. From May 7, 1947, when she first joined the staff of the Nationalities Services Center, she has served as a caseworker and immigration consultant, deputy director of the organization and, finally, since 1963, as executive director of the Nationalities Services Center.

Miss Stoica received her formal education in Rumania, attaining a master of arts degree from the University King Ferdinand in 1945. As a supplement to her work at the center, the ways in which she has applied this knowledge in service to the public are innumerable. She has written broadcasts for Radio Free Europe and the Voice of America, served as legal adviser for the State Department in preparing material for the Genocide Convention of the United Nations, and was one of the Ohio delegates to the 1971 White House Conference on Aging. Miss Stoica also holds memberships in a variety of social, educational, and community organizations.

While it is an easy matter to list the impressive credentials of Lucretia Stoica, it is much more difficult to put into words the many, many acts of kindness she has performed which have helped individuals in need. Perhaps the greatest tribute we can pay to Lucretia Stoica is to recognize that she has eased the burdens and given comfort to people facing a difficult and uncertain time in their life. For this selfless dedication she has the eternal gratitude of our community.

ALASKA STATE LEGISLATURE RESOLUTION—AIRLINE SERVICE BETWEEN FAIRBANKS AND JUNEAU

HON. NICK BEGICH

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. BEGICH. Mr. Speaker, the Civil Aeronautics Board has established new operating orders which affect service to many areas of Alaska. These new orders, which took effect on February 7, 1972, have affected seriously flight service between Fairbanks and the State capital in Juneau. It is now required that Alaska Airlines must make at least two intermediate stops between Fairbanks and Juneau, two of the three most populated areas in the State. This action seriously limits service as the only other carrier serving these areas has only an average of three flights per week during a large part of the year.

As the State capital, Juneau requires direct service to the many areas of Alaska, particularly the heavy population area of Fairbanks. Recently the Alaska State Legislature passed a resolution calling for restoration of greater direct service between these two cities. In support of their demands I submit this resolution into the RECORD for the attention of the House, in the hope that greater balance between direct and local flights might be sought:

HOUSE JOINT RESOLUTION NO. 112, RELATING TO AIRLINE SERVICE BETWEEN FAIRBANKS AND JUNEAU

Be it resolved by the Legislature of the State of Alaska:

Whereas the newly decreed operating order of the Civil Aeronautics Board affecting service in many areas of Alaska went into effect on February 7; and

Whereas it has been learned that the Civil Aeronautics Board has placed a restriction on Alaska Airlines to the effect that no one may fly from Juneau to Fairbanks or Fairbanks to Juneau on any Alaska flight that does not make at least two intermediate stops; and

Whereas this restriction imposes an intolerable burden on Alaskans wishing to travel between these two population centers of Alaska; and

Whereas the resulting inconvenience to the traveling public is doubly aggravated because the other carrier with operating rights between Fairbanks and Juneau only has three flights a week each way during a large portion of the year; and

Whereas Juneau, being the State capital, has a compelling need for direct and frequent flights to all areas of Alaska;

Be it resolved by the Alaska Legislature that the Civil Aeronautics Board is urgently requested to remove, at once, the restriction prohibiting passengers from traveling between Juneau and Fairbanks on Alaska flights that do not have two intermediate stops.

Copies of this resolution shall be sent to the Honorable Richard M. Nixon, President of the United States; the Honorable Secor D. Browne, Chairman, Civil Aeronautics Board; and to the Honorable Ted Stevens and the Honorable Mike Gravel, U.S. Senators, and the Honorable Nick Begich, U.S. Representative, members of the Alaska delegation in Congress.

GEORGE ROMNEY'S SPEECH TO RIPON SOCIETY

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. ESCH. Mr. Speaker, I am sure that the Members of this body are aware of the real contribution made by George Romney as Secretary of Housing and Urban Development. Secretary Romney was honored on Saturday evening by the Ripon Society as Republican of the Year at the Sheraton Cadillac Hotel in Detroit, Mich. The Secretary's address was a thought-provoking message which I am sure would be of interest to those of us who are concerned with revitalizing our political process and with insuring a thoughtful discussion of public policy alternatives. Secretary Romney expressed his concern that there are no citizen organizations today who perform the vital function of developing alternative solutions to the pressing problems facing our Nation today. The lack of an independent analysis on major public issues provides an easy access for those who would rather demagogue an issue than debate it. If our citizens are not adequate informed on issues then they cannot make rational political decisions. I found the Secretary's remarks challenging and I commend them to my colleagues:

REMARKS BY GEORGE ROMNEY

Candor compels me to recognize that the honor you do me tonight was made possible by the courageous statesmanship of President Nixon whose policy decisions to promote equal opportunity in housing have not been adequately recognized for their landmark, historic character.

The President's historic contribution is found in his reconciliation of two inalienable rights of every American—equal opportunity and freedom of choice. It was his policy decision that made possible the actions for which you honor me.

The other reality which has made this honor possible, is the sensitivity and insight of your Society to the crucial character of the problem of racial polarization to the future of our nation. You are distinguished by your continued concern, when much of the leadership traditionally committed in this area, is backing off under current social and political conditions.

It is a high honor to be selected Republican of the Year by the Ripon Society. Having known many of your leaders and members and their desire to search out the answers to public problems, I have long respected your work and your findings. Knowing of your dedication to improving the political and governmental processes of the nation, I want to share with you my analysis of a vital deficiency in our free society. I am encouraged to do this not only by your dedication to searching study of our political processes, but also by a statement made a few days ago by Missouri Governor Warren Hearnes. At a recent meeting of metropolitan area leaders in St. Louis he observed that it was his experience after eight years as Governor that achieving fundamental reform depends upon a crisis.

This is also my experience. In today's fast changing world, can America endure if necessary reforms always require a crisis?

In my opinion that is too great a risk to take. Why are we so dependent on reform through crisis?

I have concluded it is because the central issues that confront the nation are not adequately addressed by the major political parties or government at all levels, to inform the public and thus prepare it to support solutions to incipient challenges that will threaten the nation's future.

What the nation needs to improve our political parties and governmental action is a national "Coalition of Concerned Citizens" who will devote themselves to identifying and defining the central "life and death" issues facing the nation, the established pertinent facts, and the major *alternative* solutions available to resolve them. No such nationally accepted effort exists today. Many had hoped Common Cause would fill this role.

We say that an enlightened electorate is the foundation of free government—and it is.

But the inherent nature of our political system and party processes, as presently constituted, make an in-depth, in-time, objective consideration of issues virtually impossible.

The great political economist, Henry C. Simons, wrote:

"Democracy is basically a process of government by free intelligent discussion.

"It implies an elaborate structure of political institutions, . . . including parties. It implies an inclusive electorate . . . It also implies at best, a continuing process of relevant discussion and inquiry among . . . truth-seekers."

But this is what our political system and party procedures are failing to provide—a continuing means of rational and relevant discussion among those who are first and foremost seekers after truth.

This is no slur on the character and integrity of candidates and parties. Almost all are well-intentioned. Almost all want to do what is best for their country.

But a political party, by very definition, is a body of citizens whose objective is to gain control of government through supporting particular candidates. Their goal is political power. Normally they operate within the limits of responsible and honorable behavior. Yet their essential purpose and function is to win elections, and this makes them power-seeking organizations and individuals—not primarily truth-seeking organizations and indivduals.

Because their legitimate and proper role is to seek power, our parties and candidates tend to gravitate toward safe and inoffensive policy positions. They tend to be general rather than specific in their proposals. They avoid identification with crisis-producing issues in their controversial, but opinion forming, stage.

They seek to follow opinion rather than shape it.

As Walter Lippmann wrote:

"What Churchill did in the thirties before Munich was exceptional: the general rule is that a democratic politician had better not be right too soon. Very often the penalty is political death. It is much safer to keep in step with the parade of opinion than to try to keep up with the swifter movement of events."

Lippmann went on to say,

"In government offices which are sensitive to the vehemence and passion of mass sentiment public men have no sure tenure. They are in effect perpetual office seekers, always on trial for their political lives, always required to court their restless constituents. . . . Democratic politicians rarely feel they can afford the luxury of telling the whole truth to the people. . . . It is safer to be wrong before it has become fashionable to be right."

This tendency to play it safe in order to win is not all bad. It pulls parties and candidates toward the middle of the spectrum, where most of the voters usually are, avoiding the dangerous extremes. It keeps too wide a gap from opening between the people and their leaders. It contributes to political stability.

In fact, this tendency to avoid controversial issues is an iron necessity of our political system. The political process can only deal with deeply controversial issues when a process of mature reflection in the general electorate has produced the possibility of a majority consensus which can then be catalyzed by one or other of the major parties.

But this necessity to avoid controversial and divisive issues also discourages meaningful and objective discussion of the issues. Rarely, if ever, does a political campaign enlighten the electorate in any fundamental sense. And this is certainly proving true in the present presidential campaign. The most memorable phrases of past campaigns are emotional slogans with very little substance—phrases like "You never had it so good," "Let's get this country moving again," and "In your heart, you know he's right."

The selection of our presidential candidates in the national political convention has little to do with issues. It has more to do with image, political, strength, personality, appeal, and "electability."

This doesn't mean that able, thoughtful candidates are not selected. Often they are. Both the Republican and Democratic Parties nominated able, thoughtful candidates in 1968. But it does mean that issues take a back seat.

This is a major reason why party platforms are paid so little heed and are regarded by so many voters as a trap for the unwary. As someone said years ago, "A party platform is like a streetcar platform—not to stand on, but to get in on."

Most serious of all, the neglect of issues is a chief reason why the people of this country, after a campaign is over, are so often

unprepared for the difficult decisions and hard tasks that lie ahead . . . unprepared, because they have not had the benefit of the objective, deep discussion which would have given them necessary understanding of the issues.

Yet the processes of a free society depend directly on public support for the reform needed to prevent a crisis. Of course, at times, public support develops before those concerned about winning elections respond with action. But, too frequently, well-organized minorities or special interest groups are more feared at the polls than the unorganized public majority and political candidates refuse to engage the vital issues.

On the other hand, minority coalitions of concerned citizens have been known to give expression to public opinion and overcome the opposition of coalitions of special interests. When this occurs, political leadership is freed to deal with crucial issues before events reach a crisis stage. But too often, the fear of special interests prevails, issues are not discussed, public opinion is not prepared to support needed reforms, and the long delay of necessary reforms turns public opinion, which could have been constructive and supportive, into uninformed anger and frustration.

Political reporter and author David Broder has noted,

"The level of frustration in the country is terribly high—dangerously high. . . . There is a clear danger that the frustrations will find expression in a political 'solution' that sacrifices democratic freedoms for a degree of relief from the almost unbearable tensions and strains of today's metropolitan centers."

Churchill in the thirties, and Lincoln in his "House Divided" speech, pointed out how unlikely it is that a democratic nation will deal effectively with its difficulties before they reach the point of crisis.

We tend to push our problems behind the door until the crisis is upon us. We tend to fight yesterday's battles until tomorrow's storm bursts around us. Too often we fail to act in time. And when reform finally does come, the pendulum too often swings too far and it comes in an excessive form.

But we are going to continue to have government crisis until we develop a method to enlighten the general public. A democratic nation can only do those things that have the consent and support of a majority of its citizens.

And we are not going to get that consent essential to meeting our generation's awesome agenda of major problems unless we can develop a means of communicating the truth to the general public.

We have become so accustomed to believing that issues can be ignored, and that candidates can be marketed like soap or hosiery, that we are in danger of misunderstanding the alienation of important parts of the electorate that is gaining greater momentum every day.

Today's general public is not stupid. We have the most educated, sophisticated public in human history. Our mass education policies extending into college, the communication revolution of radio and television, the widespread availability of inexpensive books—have created an intelligent general audience able to participate in the formation of public policies—if we would only give them a chance.

But they are tired of slogans, they are tired of "bamboozle;" tired of easy, glib promises and over-simplification of problems they instinctively know are complex.

They have developed a suspicion about, and a skepticism toward the established political parties and leaders because they have not been treated like serious adults able to face the bad news and make the necessary sacrifices.

From time immorial, political leaders have used the "scapegoat" approach to winning power. Such political leaders have identified "enemies of the people," such as, for example, the Jews of Nazi Germany, the Eastern bankers in the Populist era at the turn of the century, the capitalist exploiters of the working class of the Marxist mythology, the military-industrial complex of more recent days, or the current attack on the big interests and the rich who pay no taxes.

The convenient thing about the "scapegoat" approach is that no one has to do any hard thinking, and no hard choices have to be made—no sacrifices of the present in order to win the future have to be asked. All "we" have to do is throw "them" out of power—and all will be well.

Samuel Lubell, the noted election analyst, has recently pointed to the "iceberg" phenomenon. He wrote, "All of the more critical issues—the war, inflation, jobs, drug addiction, pollution, school busing—share a common iceberg quality. The tip of visible agitation is usually some current development. But the voters are more concerned with the larger part of the iceberg—*the shape of the future*—sunk beneath the waterline of TV exposure and headlines."

Lubell went on to say, "Although it is not generally appreciated, this year's election has become much more than a match between Democrats and Republicans. It is also a psychological contest of both parties, the candidates and the whole party system against a deeply troubled electorate."

David Broder's stimulating book, *The Party's Over*, draws attention to the 1950 report of the American Political Science Association, "Toward a More Responsible Two-Party System." The Report stated, "With growing public cynicism and continuing proof of the ineffectiveness of the two-party system, the nation may eventually witness the disintegration of the two major parties."

Broder comments, "That has not yet happened, but we are appreciably closer to that danger that we were twenty years ago. Popular dissatisfaction with the two-party system is manifested in many ways: by the decline in voting; by the rise in the number of voters who refuse to identify themselves with either party; by the increase in ticket splitting, a device for denying either party responsibility for government; and by the increased use of third parties, or ad hoc political coalitions to pressure for change."

The APSA report made another crucial point, "the incapacity of the two parties for consistent action based on meaningful programs may rally support for extremist parties, poles apart, each fanatically bent on imposing on the country its particular panacea." That may be, indeed, the vacuum toward which we are sinking.

But if we are to strengthen our two major political parties, and in strengthing them restore responsibility and ability to act to our political and governmental institutions we must fill in a gap in our nation's institutions—that gap is the absence of a citizen process above partisanship to determine the basic issues, relevant facts, and solutions that should be the focus of public debate to avoid a coming crisis.

Our present situation is perilous. Any human community must have a "high degree of agreement on the values and goals the society cherishes." It must have some common criteria for discovering what is the truth—for truth and reason are all that can be appealed to as authority in a free society.

Human communities around the world are facing a crisis of authority. Two approaches to resolving this crisis are under way. One, the totalarian way, is to try to crush dissent by government coercion and government indoctrination—to have government prescribe what is to be allowed to pass for truth. But all of human history testifies to the undying resistance of the human spirit to such tyranny of the mind and heart.

The other way, the way of the free society—is that of open inquiry, broad public discussion, and periodically the critical appeal by elections to the consent of the governed.

We are beginning to see how difficult is the task of the free society, and how vulnerable it is to enemies within and without.

Our society is being tested by the ancient question, "What is truth?" Because of the technological revolution and knowledge explosion in basic and applied science, because we are replacing "old truth" with "new truth" in the natural sciences and other fields of knowledge, we are in danger of losing our sense that the truth can be discovered, that reason based on available facts can develop answers more reliable than mere opinion, that it is possible to choose between the better and the worse.

The sense of truth—the reality of truth is further imperiled by the necessary partisan processes of a free society. When even the statements of a President are considered suspect and viewed in a partisan context, it is no wonder people begin to ask themselves, "Then who can you believe?"

We are tending to answer that question today, by believing only those who agree with our prejudices, who feed our weaknesses, who reinforce our false stereotypes, who confirm our distorted picture of reality.

It is against this background of the desperate need of the nation for a new method of determining the truth about our nation's prospects—determining the truth about the really crucial life and death issues that must be faced—determining the truth about the facts that cannot be challenged but must be responded to—determining the truth about the major alternative answers that offer a realistic chance to meet these "life and death" issues—it is against this background of a desperate need for "truth-seekers" that I suggest the need to create a national "Coalition of Concerned Citizens."

This national "Coalition of Concerned Citizens" should be distinguished by a moral, scientific, objective passion for the truth—for the facts and the patterns of reality they convey—regardless of how disagreeable the implication may be for any present aspect of our national life.

If it is true, as I believe, that this nation—to survive and to continue its mission of broadening the fruits of freedom here at home and abroad—must solve some basic problems that we have been unable to face in our normal political and governmental processes—then I believe there would be a groundswell of response of men and women in all walks of life who would be willing to join hands together in the pursuit of truth.

Such a truth-seeking national movement would not undermine or endanger our political parties and government institutions. Instead, it would provide an atmosphere of broad public discussion on the central issues, not now adequately addressed, that would encourage and permit the political parties and their candidates to address themselves to issues that would then be within range of political solutions because of an enlightened, informed public.

The leaders in both parties should welcome such a development. They are as anxious as any of us to deal with the real agenda of unmet issues. But as intelligent, responsible leaders they must recognize the limits of what is politically possible at any moment. It would be the mission of this movement of truth-seekers to make possible political initiatives by both political parties in the electoral campaigns, and through their representatives in government at local, State, and national levels that are now not realistically possible until there is a crisis.

There is perhaps a parallel to this proposed concept in the distinction between basic and applied research. Basic research seeks to find out the intrinsic nature of

things, the constraints and the potentials that are inherent in the structure of the universe. Applied research takes the findings of basic research and discovers many alternatives, often competing roads, to the solution of many human problems.

In a similar way, I envision that a national "Coalition of Concerned Citizens" could devote itself to identifying and defining the key underlying problems facing our society—problems whose resolution is essential to the prosperity and well-being of all our citizens and the survival of our free institutions.

I believe that it should seek to develop a consensus on the facts relevant to these central problems, and that they should develop and communicate a realistic statement of the main alternative approaches to solving these central "life and death" issues.

It would not be its duty to select among these alternatives, or to become the advocates of one or another of the proposed basic answers, except in cases of near consensus. That would be the appropriate function of the political parties and the political leadership who would then have the task of winning the consent of the governed to the particular alternative they have selected.

I am discussing this idea because I am convinced that no group in the nation is playing this indispensable role. I believe the suggestion is realistic because it has proved effective at the local level and the state level.

Furthermore, a new generation of Americans has arrived on the scene who may be ready to face the hard questions—if we will give them a chance. It is *their* future that is endangered. It is time we share with *them* the real dilemmas and the real sacrifices we will all have to make—if we and they are going to win our future.

I truly believe that in the life of nations, as well as men, there comes a time when "the truth shall make us free." It is privilege to live and lead in such a stormy period. It is our duty to help turn America's attention from the fascination of the pursuit of power to the necessity for the pursuit of truth.

DEDICATION OF GEORGIA-PACIFIC PLANT IN MISSISSIPPI

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. MONTGOMERY. Mr. Speaker, last month, Georgia-Pacific dedicated its newest plant which is located in Taylorsville, Miss. I am very pleased to have this important addition to our tate's economy locate in my congressional district. I would like to share with my colleagues the remarks given by Mississippi Gov. William L. Waller at the time of the dedication. The Governor's remarks are as follows:

GOV. BILL WALLER'S SPEECH

Mr. Eaton, Mr. Meadows, distinguished platform guests, ladies and gentlemen. . . . It gives me a great deal of pleasure to be here today . . . to assist you in dedicating this new integrated forest products manufacturing plant being completed by Georgia Pacific.

I am proud to say that Georgia Pacific is not a newcomer to Mississippi . . . in 1965, Georgia Pacific took a giant step into Mississippi when they purchased 200,000 acres of prime Mississippi timberlands, and built plywood plants in Louisville and Gloster . . . a high speed saw mill at Columbia and Bay Springs . . . a chemical resin plant at Louisville and now this complex of plants at Taylorsville . . . all of which represents a total investment of thirty million dollars in new and expanded wood products manufacturing operations which have helped create more than 1800 permanent jobs for Mississippians . . . and now we are here today to dedicate one of the most modern integrated forest products manufacturing facilities . . . which represents a total investment of $18 million in the Taylorsville area alone . . . I think I can speak for the people of Mississippi, Mr. Meadows . . . when I say we are extremely happy to have a corporate citizen like Georgia Pacific. . . .

Many people in our state do not realize the growth that has taken place in the timber based manufacturing industry—this industry now accounts for 28 percent of all manufacturing employment in our state—which adds up to over 26% of all manufacturing payrolls in the state . . . in 1968, 64,280 full-time jobs were provided by timber based economic activities . . . this makes the timber industry one of the real dollar producers in Mississippi . . . 56% of all the total land area in our state is commercial forest land . . . 75% of this is owned by non-industrial private owners . . . Mississippi continues to lead the nation with 4,786 tree farms with over 4 million acres in the tree farm program sponsored by the Mississippi foresty association.

Those of us who are interested in protecting the clean air and environment of Mississippi can welcome this new plant with an extra measure of pride . . . this manufacturing complex is one of the best examples of clean integrated manufacturing in the timber business today . . . at this new plant you will see no saw dust and wood chips being burned . . . because this plant uses all the tree . . . the plywood plant takes the first of the log . . . then what is left is transferred to the stud mill for 2 x 4's and the saw dust and scraps go to the particle board plant to be made into yet another building product . . .

We are proud of new industries like Georgia Pacific that are taking advantage of the natural advantages that Mississippi offers.

Today much of Mississippi's industry is an extension of agriculture. Two of every three industrial workers are engaged in processing raw materials from farm and forests—and if we are to grow, we must develop manufacturing that utilizes our abundant land resources . . . this new industry offers a real opportunity for our tree farmers. We are told the income from 12 million acres of understocked forestlands could be more than doubled.

I am extremely pleased to see plants such as this . . . producing markets for our growing number of tree farmers . . . this is a perfect combination of agriculture and industry. We welcome you and look forward to the opportunities for economic growth that plants like this offer the people of Mississippi.

UNIFORM RELOCATION ASSISTANCE ACT

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. JAMES V. STANTON. Mr. Speaker, recently the U.S. Senate approved a bill to amend the Uniform Relocation Assistance Act of 1970, and because this legislation is of great interest to some of my constituents, I insert the text of the Senate bill in the RECORD.

The bill follows:

S. 1819

An act to amend the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 to provide for minimum Federal payments after July 1, 1972, for relocation assistance made available under federally assisted programs and for an extension of the effective date of the Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 207 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1898) is amended by striking out "in the case of any real property acquisition or displacement occurring prior to July 1, 1972," and by inserting before the period at the end of such section, "required by section 210".

(b) Section 211(a) of such Act is amended by striking out "215, and 305, on account of any acquisition or displacement occurring prior to July 1, 1972" and inserting in lieu thereof "and 215".

(c) Section 221(b) of such Act is amended by striking out "1972" wherever it appears and inserting in lieu thereof "1973, or the end of the thirty-day period which begins on the last day of the first regular session of the State legislature commencing after July 1, 1972, whichever is earlier" and by adding at the end of such subsection (b) the following: "Notwithstanding the foregoing provisions of this subsection, section 210(3) shall be completely applicable to all States after July 1, 1972".

(d) Title II of such Act is amended by adding at the end thereof the following new section:

"INTERIM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION EXPENSES

"SEC. 222. (a) At any time during the period from July 1, 1972, through June 30, 1973, during which section 210 (other than paragraph (3) of such section) or section 305 is not completely applicable to a State, the head of a Federal agency authorized to provide Federal assistance to a State agency of that State under any grant, contract, or agreement of the kind referred to in such sections, shall take all steps necessary to insure that the payments, assistance, and services to displaced persons, and expenses to property owners authorized by such sections shall be provided.

"(b) On and after July 1, 1973, or such earlier date that a State is able, under its laws, to comply with sections 210 and 305, the head of a Federal agency shall (1) not approve any grant to, or contract or agreement with, any State agency, of the kind referred to in such sections, unless such State agency satisfies the head of the Federal agency that the State is taking appropriate measures to pay to the United States an amount equal to the payments made by the Federal agency in carrying out subsection (a) of this section that the State would have paid if it had been in full compliance with such sections after July 1, 1972, or (2) after giving the State agency a reasonable period of time to seek funds to pay the United States such amount deduct sums totaling such amount from Federal assistance available under such grant, contract, or that agency, over a period and in a manner that shall not substantially and adversely affect the program or project so assisted.".

(e)(1) Section 101(3) of such Act is amended to read as follows:

"(3) The term 'State agency' means the National Capital Housing Authority, the District of Columbia Redevelopment Land Agency, a State, and any department agency, or instrumentality of two or more States or of two or more political subdivisions of a State or States."

(2) Title II of such Act, as amended by

subsection (d) of this section, is amended by adding at the end thereof the following new section:

"ASSISTANCE TO PROGRAMS AND PROJECTS UNDERTAKEN DIRECTLY BY PERSONS

"SEC. 223. (a) Nothwithstanding any other provision of law, whenever the acquisition of real property for a program or project, to be undertaken by a person furnished Federal financial assistance by a Federal agency pursuant to a grant, contract, or agreement, will result in the forced displacement of any person on or after the effective date of this Act, the head of the Federal agency furnishing such financial assistance shall provide—

"(1) fair and reasonable relocation payments and assistance to or for such displaced persons, as are required to be provided by a Federal agency under sections 202, 203, and 204 of this title:

"(2) relocation assistance programs offering the services described in section 205 to or for such displaced persons; and

"(3) within a reasonable period of time prior to displacement, decent, safe, and sanitary replacement dwellings to such displaced persons in accordance with section 205(c)(3).

"(b) With respect to any person displaced under this section after the effective date of this Act but prior to the effective date of this section, the head of the Federal agency administering the program that resulted in such displacement shall take all reasonable and necessary steps to assure that such displaced person is made aware of his entitlements under this section and that the payments, services, and other benefits due such person under this section are provided."

At this point I also insert in the RECORD the text of the original act approved in 1970.

The act follows:

[Public Law 91-646, 91st Congress, S. 1, Jan. 2, 1971]

An act to provide for uniform and equitable treatment of persons displaced from their homes, businesses, or farms by Federal and federally assisted programs and to establish uniform and equitable land acquisition policies for Federal and federally assisted programs

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 "Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970".

TITLE I—GENERAL PROVISIONS

SEC. 101. As used in this Act—

(1) The term "Federal agency" means any department, agency, or instrumentality in the executive branch of the Government (except the National Capital Housing Authority), any wholly owned Government corporation (except the District of Columbia Redevelopment Land Agency), and the Architect of the Capitol, the Federal Reserve banks and branches thereof.

(2) The term "State" means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, the Trust Territory of the Pacific Islands, and any political subdivision thereof.

(3) The term "State agency" means the National Capital Housing Authority, the District of Columbia Redevelopment Land Agency, and any department, agency, or instrumentality of a State or of a political subdivision of a State, or any department, agency, or instrumentality of two or more States or of two or more political subdivisions of a State or States.

(4) The term "Federal financial assistance" means a grant, loan, or contribution provided by the United States, except any Federal guarantee or insurance and any annual payment or capital loan to the District of Columbia.

(5) The term "person" means any individual, partnership, corporation, or association.

(6) The term "displaced person" means any person who, on or after the effective date of this Act, moves from real property, or moves his personal property from real property, as a result of the acquisition of such real property, in whole or in part, or as the result of the written order of the acquiring agency to vacate real property, for a program or project undertaken by a Federal agency, or with Federal financial assistance; and solely for the purposes of sections 202 (a) and (b) and 205 of this title, as a result of the acquisition of or as the result of the written order of the acquiring agency to vacate other real property, on which such person conducts a business or farm operation, for such program or project.

(7) The term "business" means any lawful activity, excepting a farm operation, conducted primarily—

(A) for the purchase, sale, lease and rental of personal and real property, and for the manufacture, processing, or marketing of products, commodities, or any other personal property;

(B) for the sale of services to the public;

(C) by a nonprofit organization; or

(D) solely for the purposes of section 202 (a) of this title, for assisting in the purchase, sale, resale, manufacture, processing, or marketing of products, commodities, personal property, or services by the erection and maintenance of an outdoor advertising display or displays, whether or not such display or displays are located on the premises on which any of the above activities are conducted.

(8) The term "farm operation" means any activity conducted solely or primarily for the production of one or more agricultural products or commodities, including timber, for sale or home use, and customarily producing such products or commodities in sufficient quantity to be capable of contributing materially to the operator's support.

(9) The term "mortgage" means such classes of liens as are commonly given to secure advances on, or the unpaid purchase price of, real property, under the laws of the State in which the real property is located, together with the credit instruments, if any, secured thereby.

EFFECT UPON PROPERTY ACQUISITION

SEC. 102. (a) The provisions of section 301 of title III of this Act create no rights or liabilities and shall not affect the validity of any property acquisitions by purchase or condemnation.

(b) Nothing in this Act shall be construed as creating in any condemnation proceedings brought under the power of eminent domain, any element of value or of damage not in existence immediately prior to the date of enactment of this Act.

TITLE II—UNIFORM RELOCATION ASSISTANCE

DECLARATION OF POLICY

SEC. 201. The purpose of this title is to establish a uniform policy for the fair and equitable treatment of persons displaced as a result of Federal and federally assisted programs in order that such persons shall not suffer disproportionate injuries as a result of programs designed for the benefit of the public as a whole.

MOVING AND RELATED EXPENSES

SEC. 202. (a) Whenever the acquisition of real property for a program or project undertaken by a Federal agency in any State will result in the displacement of any person on or after the effective date of this Act, the head of such agency shall make a payment to any displaced person, upon proper application as approved by such agency head, for—

(1) actual reasonable expenses in moving himself, his family, business, farm operation, or other personal property;

(2) actual direct losses of tangible personal property as a result of moving or discontinuing a business or farm operation, but not to exceed an amount equal to the reasonable expenses that would have been required to relocate such property, as determined by the head of the agency; and

(3) actual reasonable expenses in searching for a replacement business or farm.

(b) Any displaced person eligible for payments under subsection (a) of this section who is displaced from a dwelling and who elects to accept the payments authorized by this subsection in lieu of the payments authorized by subsection (a) of this section may receive a moving expense allowance, determined according to a schedule established by the head of the Federal agency, not to exceed $300; and a dislocation allowance of $200.

(c) Any displaced person eligible for payments under subsection (a) of this section who is displaced from his place of business or from his farm operation and who elects to accept the payment authorized by this subsection in lieu of the payment authorized by subsection (a) of this section, may receive a fixed payment in an amount equal to the average annual net earnings of the business or farm operation, except that such payment shall be not less than $2,500 nor more than $10,000. In the case of a business no payment shall be made under this subsection unless the head of the Federal agency is satisfied that the business (1) cannot be relocated without a substantial loss of its existing patronage, and (2) is not a part of a commercial enterprise having at least one other establishment not being acquired by the United States, which is engaged in the same or similar business. For purposes of this subsection, the term "average annual net earnings" means one-half of any net earnings of the business or farm operation, before Federal, State, and local income taxes, during the two taxable years immediately preceding the taxable year in which such business or farm operation moves from the real property acquired for such project, or during such other period as the head of such agency determines to be more equitable for establishing such earnings, and includes any compensation paid by the business or farm operation to the owner, his spouse, or his dependents during such period.

REPLACEMENT HOUSING FOR HOMEOWNER

SEC. 203. (a)(1) In addition to payments otherwise authorized by this title, the head of the Federal agency shall make an additional payment not in excess of $15,000 to any displaced person who is displaced from a dwelling actually owned and occupied by such displaced person for not less than one hundred and eighty days prior to the initiation of negotiations for the acquisition of the property. Such additional payment shall include the following elements:

(A) The amount, if any, which when added to the acquisition cost of the dwelling acquired by the Federal agency, equals the reasonable cost of a comparable replacement dwelling which is a decent, safe, and sanitary dwelling adequate to accommodate such displaced person, reasonably accessible to public services and places of employment and available on the private market. All determinations required to carry out this subparagraph shall be made in accordance with standards established by the head of the Federal agency making the additional payment.

(B) The amount, if any, which will compensate such displaced person for any increased interest costs which such person is required to pay for financing the acquisition of any such comparable replacement dwelling. Such amount shall be paid only if the dwelling acquired by the Federal agency was

encumbered by a bona fide mortgage which was a valid lien on such dwelling for not less than one hundred and eighty days prior to the initiation of negotiations for the acquisition of such dwelling. Such amount shall be equal to the excess in the aggregate interest and other debt service costs of that amount of the principal of the mortgage on the replacement dwelling which is equal to the unpaid balance of the mortgage on the acquired dwelling, reduced to discounted present value. The discount rate shall be the prevailing interest rate paid on savings deposits by commercial banks in the general area in which the replacement dwelling is located.

(C) Reasonable expenses incurred by such displaced person for evidence of title, recording fees, and other closing costs incident to the purchase of the replacement dwelling, but not including prepaid expenses.

(2) The additional payment authorized by this subsection shall be made only to such a displaced person who purchases and occupies a replacement dwelling which is decent, safe, and sanitary not later than the end of the one year period beginning on the date on which he receives from the Federal agency final payment of all costs of the acquired dwelling, or on the date on which he moves from the acquired dwelling, whichever is the later date.

(b) The head of any Federal agency may, upon application by a mortgage, insure any mortgage (including advances during construction) on a comparable replacement dwelling executed by a displaced person assisted under this section, which mortgage is eligible for insurance under any Federal law administered by such agency notwithstanding any requirements under such law relating to age, physical condition, or other personal characteristics of eligible mortgagors, and may make commitments for the insurance of such mortgage prior to the date of execution of the mortgage.

REPLACEMENT HOUSING FOR TENANTS AND CERTAIN OTHERS

SEC. 204. In addition to amounts otherwise authorized by this title, the head of the Federal agency shall make a payment to or for any displaced person displaced from any dwelling not eligible to receive a payment under section 203 which dwelling was actually and lawfully occupied by such displaced person for not less than ninety days prior to the initiation of negotiations for acquisition of such dwelling. Such payment shall be either—

(1) the amount necessary to enable such displaced person to lease or rent for a period not to exceed four years, a decent, safe, and sanitary dwelling of standards adequate to accommodate such person in areas not generally less desirable in regard to public utilities and public and commercial facilities, and reasonably accessible to his place of employment, but not to exceed $4,000, or

(2) the amount necessary to enable such person to make a downpayment (including incidental expenses described in section 203 (a) (1) (C) on the purchase of a decent, safe, and sanitary dwelling of standards adequate to accommodate such person in areas not generally less desirable in regard to public utilities and public and commercial facilities, but not to exceed $4,000, except that if such amount exceeds $2,000, such person must equally match any such amount in excess of $2,000, in making the downpayment.

RELOCATION ASSISTANCE ADVISORY SERVICES

SEC. 205. (a) Whenever the acquisition of real property for a program or project undertaken by a Federal agency in any State will result in the displacement of any person on or after the effective date of this section, the head of such agency shall provide a relocation assistance advisory program for displaced persons which shall offer the services described in subsection (c) of this section. If such agency head determines that any person occupying property immediately adjacent to the real property acquired is caused substantial economic injury because of the acquisition, he may offer such person relocation advisory services under such program.

(b) Federal agencies administering programs which may be of assistance to displaced persons covered by this Act shall cooperate to the maximum extent feasible with the Federal or State agency causing the displacement to assure that such displaced persons receive the maximum assistance available to them.

(c) Each relocation assistance advisory program required by subsection (a) of this section shall include such measures, facilities, or services as may be necessary or appropriate in order to—

(1) determine the need, if any, of displaced persons, for relocation assistance;

(2) provide current and continuing information on the availability, prices, and rentals, of comparable decent, safe, and sanitary sales and rental housing, and of comparable commercial properties and locations for displaced businesses;

(3) assure that, within a reasonable period of time, prior to displacement there will be available in areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families and individuals displaced, decent, safe, and sanitary dwellings, as defined by such Federal agency head, equal in number to the number of and available to such displaced persons who require such dwellings and reasonably accessible to their places of employment, except that the head of that Federal agency may prescribe by regulation situations when such assurances may be waived;

(4) assist a displaced person displaced from his business or farm operation in obtaining and becoming established in a suitable replacement location;

(5) supply information concerning Federal and State housing programs, disaster loan programs, and other Federal or State programs offering assistance to displaced persons; and

(6) provide other advisory services to displaced persons in order to minimize hardships to such persons in adjusting to relocation.

(d) The heads of Federal agencies shall coordinate relocation activities with project work, and other planned or proposed governmental actions in the community or nearby areas which may affect the carrying out of relocation assistance programs.

HOUSING REPLACEMENT BY FEDERAL AGENCY AS LAST RESORT

SEC. 206. (a) If a Federal project cannot proceed to actual construction because comparable replacement sale or rental housing is not available, and the head of the Federal agency determines that such housing cannot otherwise be made available he may take such action as is necessary or appropriate to provide such housing by use of funds authorized for such project.

(b) No person shall be required to move from his dwelling on or after the effective date of this title, on account of any Federal project, unless the Federal agency head is satisfied that replacement housing, in accordance with section 205(c)(3), is available to such person.

STATE REQUIRED TO FURNISH REAL PROPERTY INCIDENT TO FEDERAL ASSISTANCE (LOCAL COOPERATION)

SEC. 207. Whenever real property is acquired by a State agency and furnished as a required contribution incident to a Federal program or project, the Federal agency having authority over the program or project may not accept such property unless such State agency has made all payments and provided all assistance and assurances, as are required of a State agency by sections 210 and 305 of this Act. Such State agency shall pay the cost of such requirements in the same manner and to the same extent as the real property acquired for such project, except that in the case of any real property acquisition or displacement occurring prior to July 1, 1972, such Federal agency shall pay 100 per centum of the first $25,000 of the cost of providing such payments and assistance.

STATE ACTING AS AGENT FOR FEDERAL PROGRAM

SEC. 208. Whenever real property is acquired by a State agency at the request of a Federal agency for a Federal program or project, such acquisition shall, for the purposes of this Act, be deemed an acquisition by the Federal agency having authority over such program or project.

PUBLIC WORKS PROGRAMS AND PROJECTS OF THE GOVERNMENT OF THE DISTRICT OF COLUMBIA AND THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

SEC. 209. Whenever real property is acquired by the government of the District of Columbia or the Washington Metropolitan Area Transit Authority for a program or project which is not subject to sections 210 and 211 of this title, and such acquisitions will result in the displacement of any person on or after the effective date of this Act, the Commissioner of the District of Columbia or the Washington Metropolitan Area Transit Authority, as the case may be, shall make all relocation payments and provide all assistance required of a Federal agency by this Act. Whenever real property is acquired for such a program or project on or after such effective date, such Commissioner or Authority, as the case may be, shall make all payments and meet all requirements prescribed for a Federal agency by title III of this Act.

REQUIREMENTS FOR RELOCATION PAYMENTS AND ASSISTANCE OF FEDERALLY ASSISTED PREGRAM; ASSURANCES OF AVAILABILITY OF HOUSING

SEC. 210. Notwithstanding any other law, the head of a Federal agency shall not approve any grant to, or contract or agreement with, a State agency, under which Federal financial assistance will be available to pay all or part of the cost of any program or project which will result in the displacement of any person on or after the effective date of this title, unless he receives satisfactory assurances from such State agency that—

(1) fair and reasonable relocation payments and assistance shall be provided to or for displaced persons, as are required to be provided by a Federal agency under sections 202, 203, and 204 of this title;

(2) relocation assistance programs offering the services described in section 205 shall be provided to such displaced persons;

(3) within a reasonable period of time prior to displacement, decent, safe, and sanitary replacement dwellings will be available to displaced persons in accordance with section 205(c)(3).

FEDERAL SHARE OF COSTS

SEC. 211. (a) The cost to a State agency of providing payments and assistance pursuant to sections 206, 210, 215, and 305, shall be included as part of the cost of a program or project for which Federal financial assistance is available to such State agency, and such State agency shall be eligible for Federal financial assistance with respect to such payments and assistance in the same manner and to the same extent as other program or project costs, except that, notwithstanding any other law in the case where the Federal financial assistance is by grant or contribution the Federal agency shall pay the full amount of the first $25,000 of the cost to a State agency of providing payments and assistance for a displaced person under sections 206, 210, 215, and 305, on account of any acquisition or displacement occurring prior to July 1, 1972, and in any case where such Federal financial assistance is by loan, the Fed-

eral agency shall loan such State agency the full amount of the first $25,000 of such cost.

(b) No payment or assistance under section 210 or 305 shall be required or included as a program or project cost under this section, if the displaced person receives a payment required by the State law of eminent domain which is determined by such Federal agency head to have substantially the same purpose and effect as such payment under this section, and to be part of the cost of the program or project for which Federal financial assistance is available.

(c) Any grant to, or contract or agreement with, a State agency executed before the effective date of this title, under which Federal financial assistance is available to pay all or part of the cost of any program or project which will result in the displacement of any person on or after the effective date of this Act, shall be amended to include the cost of providing payments and services under sections 210 and 305. If the head of a Federal agency determines that it is necessary for the expeditious completion of a program or project he may advance to the State agency the Federal share of the cost of any payments or assistance by such State agency pursuant to sections 206, 210, 215, and 305.

ADMINISTRATION—RELOCATION ASSISTANCE IN PROGRAMS RECEIVING FEDERAL FINANCIAL ASSISTANCE

SEC. 212. In order to prevent unnecessary expenses and duplications of functions, and to promote uniform and effective administration of relocation assistance programs for displaced persons under sections 206, 210, and 215 of this title, a State agency may enter into contracts with any individual, firm, association, or corporation for services in connection with such programs, or may carry out its functions under this title through any Federal or State governmental agency or instrumentality having an established organization for conducting relocation assistance programs. Such State agency shall, in carrying out the relocation assistance activities described in section 206, whenever practicable, utilize the services of State or local housing agencies, or other agencies having experience in the administration or conduct of similar housing assistance activities.

REGULATIONS AND PROCEDURES

SEC. 213. (a) In order to promote uniform and effective administration of relocation assistance and land acquisition of State or local housing agencies, or other agencies having programs or projects by Federal agencies or programs or projects by State agencies receiving Federal financial assistance, the heads of Federal agencies shall consult together on the establishment of regulations and procedures for the implementation of such programs.

(b) The head of each Federal agency is authorized to establish such regulations and procedures as he may determine to be necessary to assure—

(1) that the payments and assistance authorized by this Act shall be administered in a manner which is fair and reasonable, and as uniform as practicable;

(2) that a displaced person who makes proper application for a payment authorized for such person by this title shall be paid promptly after a move or, in hardship cases, be paid in advance; and

(3) that any person aggrieved by a determination as to eligibility for a payment authorized by this Act, or the amount of a payment, may have his application reviewed by the head of the Federal agency having authority over the applicable program or project, or in the case of a program or project receiving Federal financial assistance, by the head of the State agency.

(c) The head of each Federal agency may prescribe such other regulations and procedures, consistent with the provisions of this Act, as he deems necessary or appropriate to carry out this Act.

ANNUAL REPORT

SEC. 214. The head of each Federal agency shall prepare and submit an annual report to the President on the activities of such agency with respect to the programs and policies established or authorized by this Act, and the President shall submit such reports to the Congress not later than January 15 of each year, beginning January 15, 1972, and ending January 15, 1975, together with his comments or recommendations. Such reports shall give special attention to: (1) the effectiveness of the provisions of this Act assuring the availability of comparable replacement housing, which is decent, safe, and sanitary, for displaced homeowners and tenants; (2) actions taken by the agency to achieve the objectives of the policies of Congress, declared in this Act, to provide uniform and equal treatment, to the greatest extent practicable, for all persons displaced by, or having real property taken for, Federal or federally assisted programs; (3) the views of the Federal agency head on the progress made to achieve such objectives in the various programs conducted or administered by such agency, and among the Federal agencies; (4) any indicated effects of such programs and policies on the public; and (5) any recommendations he may have for further improvements in relocation assistance and land acquisition programs, policies, and implementing laws and regulations.

PLANNING AND OTHER PRELIMINARY EXPENSES FOR ADDITIONAL HOUSING

SEC. 215. In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of displaced persons who are displaced from dwellings because of any Federal or Federal financially assisted project, the head of the Federal agency administering such project is authorized to make loans as a part of the cost of any such project, or to approve loans as a part of the cost of any such project receiving Federal financial assistance, to nonprofit limited dividend, or cooperative organizations or to public bodies, for necessary and reasonable expenses, prior to construction, for planning and obtaining federally insured mortgage financing for the rehabilitation or construction of housing for such displaced persons. Notwithstanding the preceding sentence, or any other law, such loans shall be available for not to exceed 80 per centum of the reasonable costs expected to be incurred in planning, and in obtaining financing for, such housing, prior to the availability of such financing, including, but not limited to, preliminary surveys and analyses of market needs, preliminary site engineering, preliminary architectural fees, site acquisition, application and mortgage commitment fees, and construction loan fees and discounts. Loans to an organization established for profit shall bear interest at a market rate established by the head of such Federal agency. All other loans shall be without interest. Such Federal agency head shall require repayment of loans made under this section, under such terms and conditions as he may require, upon completion of the project or sooner, and except in the case of a loan to an organization established for profit, may cancel any part or all of a loan if he determines that a permanent loan to finance the rehabilitation or the construction of such housing cannot be obtained in an amount adequate for repayment of such loan. Upon repayment of any such loan, the Federal share of the sum repaid shall be credited to the account from which such loan was made, unless the Secretary of the Treasury determines that such account is no longer in existence, in which case such sum shall be returned to the Treasury and credited to miscellaneous receipts.

PAYMENTS NOT TO BE CONSIDERED AS INCOME

SEC. 216. No payment received under this title shall be considered as income for the purposes of the Internal Revenue Code of 1954; or for the purposes of determining the eligibility or the extent of eligibility of any person for assistance under the Social Security Act or any other Federal law.

DISPLACEMENT BY CODE ENFORCEMENT, REHABILITATION, AND DEMOLITION PROGRAMS RECEIVING FEDERAL ASSISTANCE

SEC. 217. A person who moves or discontinues his business, or moves other personal property, or moves from his dwelling on or after the effective date of this Act, as a direct result of any project or program which receives Federal financial assistance under title I of the Housing Act of 1949, as amended, or as a result of carrying out a comprehensive city demonstration program under title I of the Demonstration Cities and Metropolitan Development Act of 1966 shall, for the purposes of this title, be deemed to have been displaced as the result of the acquisition of real property.

TRANSFERS OF SURPLUS PROPERTY

SEC. 218. The Administrator of General Services is authorized to transfer to a State agency for the purpose of providing replacement housing required by this title, any real property surplus to the needs of the United States within the meaning of the Federal Property and Administrative Services Act of 1949, as amended. Such transfer shall be subject to such terms and conditions as the Administrator determines necessary to protect the interests of the United States and may be made without monetary consideration, except that such State agency shall pay to the United States all amounts received by such agency from any sale, lease, or other disposition of such property for such housing.

DISPLACEMENT BY A SPECIFIC PROGRAM

SEC. 219. Notwithstanding any other provision of this title, a person—

(1) who moves or discontinues his business, moves other personal property, or moves from his dwelling on or after January 1, 1969, and before the 90th day after the date of enactment of this Act as the result of the contemplated demolition of structures or the construction of improvements on real property acquired, in whole or in part, by a Federal agency within the area in New York, New York, bounded by Lexington and Third Avenues and 31st and 32d Streets; and

(2) who has lived on, or conducted a business on, such real property for at least one year prior to the date of enactment of this Act;

may be considered a displaced person for purposes of sections 202 (a) and (b), 204, and 205 of this title, by the head of the agency acquiring the real property if—

(A) the head of the agency determines that such person has suffered undue hardship as the result of displacement from the real property; and

(B) the Federal Government acquired and held such property for at least five years prior to the date of enactment of this Act.

REPEALS

SEC. 220. (a) The following laws and parts of laws are hereby repealed:

(1) The Act entitled "An Act to authorize the Secretary of the Interior to reimburse owners of lands required for development under his jurisdiction for their moving expenses, and for other purposes," approved May 29, 1958 (43 U.S.C. 1231–1234).

(2) Paragraph 14 of section 203(b) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2473).

(3) Section 2680 of title 10, United States Code.

(4) Section 7(b) of the Urban Mass Transportation Act of 1965 (49 U.S.C. 1606(b)).

(5) Section 114 of the Housing Act of 1949 (42 U.S.C. 1465).

(6) Paragraphs (7)(b)(iii) and (8) of section 15 of the United States Housing Act of 1937 (42 U.S.C. 1415, 1415(8)), except the first sentence of paragraph (8).

(7) Section 2 of the Act entitled "An Act to authorize the Commissioners of the District of Columbia to pay relocation costs made necessary by actions of the District of Columbia government, and for other purposes", approved October 6, 1964 (78 Stat. 1004; Public Law 88-629; D.C. Code 5-729).

(8) Section 404 of the Housing and Urban Development Act of 1965 (42 U.S.C. 3074).

(9) Sections 107 (b) and (c) of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3307).

(10) Chaper 5 of title 23, United States Code.

(11) Sections 32 and 33 of the Federal-Aid Highway Act of 1968 (Public Law 90-495).

(b) Any rights or liabilities now existing under prior Acts or portions thereof shall not be affected by the repeal of such prior Acts or portions thereof under subsection (a) of this section.

EFFECTIVE DATE

SEC. 221. (a) Except as provided in subsections (b) and (c) of this section, this Act and the amendments made by this Act shall take effect on the date of its enactment.

(b) Until July 1, 1972, sections 210 and 305 shall be applicable to a State only to the extent that such State is able under its laws to comply with such sections. After July 1, 1972, such sections shall be completely applicable to all States.

(c) The repeals made by paragraphs (4), (5), (6), (8), (9), (10), (11), and (12) of section 220(a) of this title and section 306 of title III shall not apply to any State so long as sections 210 and 305 are not applicable in such State.

TITLE III—UNIFORM REAL PROPERTY ACQUISITION POLICY

UNIFORM POLICY ON REAL PROPERTY ACQUISITION PRACTICES

SEC. 301. In order to encourage and expedite the acquisition of real property by agreements with owners, to avoid litigation and relieve congestion in the courts, to assure consistent treatment for owners in the many Federal programs, and to promote public confidence in Federal land acquisition practices, heads of Federal agencies shall, to the greatest extent practicable, be guided by the following policies:

(1) The head of a Federal agency shall make every reasonable effort to acquire expeditiously real property by negotiation.

(2) Real property shall be appraised before the initiation of negotiations, and the owner or his designated representative shall be given an opportunity to accompany the appraiser during his inspection of the property.

(3) Before the initiation of negotiations for real property, the head of the Federal agency concerned shall establish an amount which he believes to be just compensation therefor and shall make a prompt offer to acquire the property for the full amount so established. In no event shall such amount be less than the agency's approved appraisal of the fair market value of such property. Any decrease or increase in the fair market value of real property prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, will be disregarded in determining the compensation for the property. The head of the Federal agency concerned shall provide the owner of real property to be acquired with a written statement of, and summary of the basis for, the amount he established as just compensation. Where appropriate the just compensation for the real property acquired and for damages to remaining real property shall be separately stated.

(4) No owner shall be required to surrender possession of real property before the head of the Federal agency concerned pays the agreed purchase price, or deposits with the court in accordance with section 1 of the Act of February 26, 1931 (46 Stat. 1421; 40 U.S.C. 258a), for the benefit of the owner, an amount not less than the agency's approved appraisal of the fair market value of such property, or the amount of the award of compensation in the condemnation proceeding for such property.

(5) The construction or development of a public improvement shall be so scheduled that, to the greatest extent practicable, no person lawfully occupying real property shall be required to move from a dwelling (assuming a replacement dwelling as required by title II will be available), or to move his business or farm operation, without at least ninety days' written notice from the head of the Federal agency concerned, of the date by which such move is required.

(6) If the head of a Federal agency permits an owner or tenant to occupy the real property acquired on a rental basis for a short term or for a period subject to termination by the Government on short notice, the amount of rent required shall not exceed the fair rental value of the property to a short-term occupier.

(7) In no event shall the head of a Federal agency either advance the time of condemnation, or defer negotiations or condemnation and the deposit of funds in court for the use of the owner, or take any other action coercive in nature, in order to compel an agreement on the price to be paid for the property.

(8) If any interest in real property is to be acquired by exercise of the power of eminent domain, the head of the Federal agency concerned shall institute formal condemnation proceedings. No Federal agency head shall intentionally make it necessary for an owner to institute legal proceedings to prove the fact of the taking of his real property.

(9) If the acquisition of only part of a property would leave its owner with an uneconomic remnant, the head of the Federal agency concerned shall offer to acquire the entire property.

BUILDERS, STRUCTURES, AND IMPROVEMENTS

SEC. 302. (a) Notwithstanding any other provision of law, if the head of Federal agency acquires any interest in real property in any State, he shall acquire at least an equal interest in all buildings, structures, or other improvements located upon the real property so acquired and which he requires to be removed from such real property or which he determines will be adversely affected by the use to which such real property will be put.

(b)(1) For the purpose of determining the just compensation to be paid for any building, structure, or other improvement required to be acquired by subsection (a) of this section, such building, structure, or other improvement shall be deemed to be a part of the real property to be acquired notwithstanding the right or obligation of a tenant, as against the owner of any other interest in the real property, to remove such building, structure, or improvement at the expiration of his term, and the fair market value which such building, structure, or improvement contributes to the fair market value of the real property to be acquired, or the fair market value of such building, structure, or improvement for removal from the real property, whichever is the greater, shall be paid to the tenant therefor.

(2) Payment under this subsection shall not result in duplication of any payments otherwise authorized by law. No such payment shall be made unless the owner of the land involved disclaims all interest in the improvements of the tenant. In consideration for any such payment, the tenant shall assign, transfer, and release to the United States all his right, title, and interest in and to such improvements. Nothing in this subsection shall be construed to deprive the tenant of any rights to reject payment under this subsection and to obtain payment for such property interests in accordance with applicable law, other than this subsection.

EXPENSES INCIDENTAL TO TRANSFER OF TITLE TO UNITED STATES

SEC. 303. The head of a Federal agency, as soon as practicable after the date of payment of the purchase price or the date of deposit in court of funds to satisfy the award of compensation in a condemnation proceeding to acquire real property, whichever is the earlier, shall reimburse the owner, to the extent the head of such agency deems fair and reasonable, for expenses he necessarily incurred for—

(1) recording fees, transfer taxes, and similar expenses incidental to conveying such real property to the United States;

(2) penalty costs for prepayment of any preexisting recorded mortgage entered into in good faith encumbering such real property; and

(3) the pro rata portion of real property taxes paid which are allocable to a period subsequent to the date of vesting title in the United States, or the effective date of possession of such real property by the United States, whichever is the earlier.

LITIGATION EXPENSES

SEC. 304. (a) The Federal court having jurisdiction of a proceeding instituted by a Federal agency to acquire real property by condemnation shall award the owner of any right, or title to, or interest in, such real property sums as will in the opinion of the court reimburse such owner for his reasonable costs, disbursements, and expenses, including reasonable attorney, appraisal, and engineering fees, actually incurred because of the condemnation proceedings, if—

(1) the final judgment is that the Federal agency cannot acquire the real property by condemnation; or

(2) the proceeding is abandoned by the United States.

(b) Any award made pursuant to subsection (a) of this section shall be paid by the head of the Federal agency for whose benefit the condemnation proceedings was instituted.

(c) The court rendering a judgment for the plaintiff in a proceeding brought under section 1346(a)(2) or 1491 of title 28, United States Code, awarding compensation for the taking of property by a Federal agency, or the Attorney General effecting a settlement of any such proceeding, shall determine and award or allow to such plaintiff, as a part of such judgment or settlement, such sum as will in the opinion of the court or the Attorney General reimburse such plaintiff for his reasonable costs, disbursements, and expenses, including reasonable attorney, appraisal, and engineering fees, actually incurred because of such proceeding.

REQUIREMENTS FOR UNIFORM LAND ACQUISITION POLICIES; PAYMENTS OF EXPENSES INCIDENTAL TO TRANSFER OF REAL PROPERTY TO STATE; PAYMENT OF LITIGATION EXPENSES IN CERTAIN CASES

SEC. 305. Notwithstanding any other law, the head of a Federal agency shall not approve any program or project or any grant to, or contract or agreement with, a State agency under which Federal financial assistance will be available to pay all or part of the cost of any program or project which will result in the acquisition of real property on and after

the effective date of this title, unless he receives satisfactory assurances from such State agency that—

(1) in acquiring real property it will be guided, to the greatest extent practicable under State law, by the land acquisition policies in section 301 and the provisions of section 302, and

(2) property owners will be paid or reimbursed for necessary expenses as specified in sections 303 and 304.

REPEALS

SEC. 306. Sections 401, 402, and 403 of the Housing and Urban Development Act of 1965 (42 U.S.C. 3071–3073), section 35(a) of the Federal-Aid Highway Act of 1968 (23 U.S.C. 141) and section 301 of the Land Acquisition Policy Act of 1960 (33 U.S.C. 596) are hereby repealed. Any rights or liabilities now existing under prior Acts or portions thereof shall not be affected by the repeal of such prior Act or portions thereof under this section.

Approved January 2, 1971.

LEGISLATIVE HISTORY

House Report No. 91–1656 (Comm. on Public Works.

Senate Report No. 91–488 (Comm. on Government Operations).

Congressional Record:

Vol. 115 (1969): Oct. 23, 27 considered and passed Senate.

Vol. 116 (1970): Dec. 7, considered and passed House, amended.

Dec. 17, Senate agreed to House amendments with amendments.

Dec. 18, House concurred in Senate amendments.

SEWAGE POLLUTES AREA WELL WATER

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. ASPIN. Mr. Speaker, when the Water Pollution Control Act Amendment reached the floor recently, I proposed an amendment that would have treated the pollution of groundwaters the same as the pollution of navigable waters. Because the oil industry, and others opposed this amendment—which would have protected valuable drinking waters—it was defeated on the floor of the House.

On Tuesday, April 18, the Janesville Gazette, one of the excellent daily newspapers in my district, ran an article entitled "Sewage Pollutes Area Well Water." Those of my colleagues concerned with the vital problem of groundwater pollution will be interested in this well-written and informative article.

The article follows:

SEWAGE POLLUTES AREA WELL WATER

(By Dean Showers)

A preliminary draft on pollution in the Rock Valley Region says the entire reach of the Rock River Valley from Lake Koshkonong to Janesville suffers well water pollution due to inadequate septic tanks.

The report also says 80 per cent of the wells in western Beloit Township are polluted by septic tanks due to tight soils, small lots or direct septic tank seepage into bedrock.

The preliminary report takes a comprehensive inventory of pollution sources in the three-county region, comprised of Rock County in Wisconsin and Boone and Winnebago counties in Illinois.

The report was prepared by the Rock Valley Metropolitan Council and during this Earth Week, the report is in the hands of local officials for comment before a final draft is prepared for the federal government.

The report says all of the region's industries but the Chrysler Corporation plant in Belvidere are connected to municipal sewerage systems, and it says these industries produce a waste water flow of 25 million gallons per day.

It says this produces a pollution load equal to the wastes of 600,000 persons, but it also says 85 percent of this waster load is handled by sewerage systems. The rest flows into area surface waters.

THERMAL POLLUTION

Thermal pollution is contributed, says the report, mainly by the region's electric generating stations which have a total generating capacity of 508,000 kilowatts, requiring cooling water at the rate of 700 cubic feet per second.

"These plants are the major sources of thermal pollution to the Rock River in the region, with minor contributions from other industrial and air conditioning systems," the report says.

Describing pollution from septic tanks, the report says 20 per cent of the region's population use septic systems instead of public sewerage.

How do these septic systems pollute the region's waters?

A septic tank is a kind of holding tank, which holds household sewage while biological degradation of the solids takes place.

The effluent from a septic tank then drains into a leaching field where the soil filters the effluent, completing the treatment process.

However, if the soil is not sufficiently permeable, or if the water table is high, the tank will overflow, or partially treated sewage will seep through the soils into the water table.

If there is only a little soil between the tank and bedrock below, a septic tank can cause severe ground water pollution, such as in western Beloit Township, or around Lake Koshkonong.

SEPTIC TANK RULES

Septic tank use is regulated in Rock County by a sanitary code, a subdivision regulation and the shoreland zoning ordinance. In Boone County, such regulations are being formulated and they are scheduled also for Winnebago County, according to the RVMC report.

The report also lists what it calls the status of industrial waste discharges which do not enter municipal sewerage systems and it lists what it calls the improvement needs of each industrial discharge.

These are shown below:

Edgerton Sand and Gravel Co.—Suspended solids in wash water should be prevented from entering the Rock River.

Green Giant, Belvidere—Spray irrigation and ridge and furrow system are used satisfactorily for waste water disposal.

Chrysler Corporation—Industrial treatment plus aerated lagoons are producing good effluent but occasional surges of high biochemical oxygen demand cause problems.

Midwest Plating Co.—Heavy metal wastes and acids are hauled out of the region. The operation needs better inplant control of its wastes.

Armstrong Chemical Company—Only part of the waste water from this plant is connected to Janesville system. All of the waste water should be discharged to the municipal system, or properly treated prior to discharge.

Wisconsin Power and Light-Rock River Plant—Thermal discharges.

Wisconsin Power and Light-Blackhawk Plant—Thermal discharges.

Fairbanks, Morse & Company—Occasional oil wastes discharged to storm drains. Actions are being taken to correct this situation.

Beloit Box Board Co.—Some waste water with high suspended solids (fibrous materials) is being discharged to the Rock River. Actions are being taken to control these discharges.

Sonoco Products-Rockton—The effluent from waste paper processing operation is very poor. Modification of the existing system is needed since the Rockton municipal plant cannot handle this waste water.

Warner Electric Co.—Oil recovery and domestic waste treatment are provided. Better operation is needed.

Murman Co., Rockford—Aerated and anaerobic lagoons are the present form of treatment. Effluent is of very poor quality requiring additional treatment facilities.

Commonwealth Edison—Sabrooke Plant. Thermal discharges.

Dean Milk-Capron—No data.

Eden Fruit Co.—Treatment is by aerated lagoon, which also accepts effluent of Poplar Grove's Imhoff Tank. Effluent is unsatisfactory with high BOD and suspended solids.

National Foundries—Suspended solids are settled and effluent is periodically discharged to surface waters. Current plans are to provide water recycling with no discharges.

ACTIVITIES ON IVY LEAGUE CAMPUSES

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. MICHEL. Mr. Speaker, as the parent of two boys now at Yale and with another boy to enter this fall, I have been able to keep in close touch with activities on Ivy League campuses. I must confess that it becomes more than a little bit annoying to observe the administrators of some of these colleges constantly catering to the whims and fancies of a small but vocal minority of students on the Ivy League campuses.

Two examples of what I mean can be found in an editorial from the April 24, 1972, edition of the Chicago Tribune which refers to a joint statement about current developments in the Vietnam war signed by the presidents of the eight Ivy League schools and also an article from the May 5, 1972, edition of the National Review Bulletin discussing the problems of portfolio managers for these institutions.

I include both articles in the RECORD at this point:

"NONE OF US CAN SPEAK"—BUT . . .

The presidents of the eight Ivy League universities and of Massachusetts Institute of Technology have issued a joint statement about current developments in the war in Viet Nam. They know their own motives better than we do, and we do not presume to say what was their primary reason for this flier into controversy. Before they get to the presidential suite, university administrators usually have acquired habits of reticence on controversial topics outside the wide scope of their official responsibility. It is conceivable that the nine presidents spoke as they did more to placate campus characters intent on protesting President Nixon's policies than to satisfy any inner imperative.

If the presidents' motive was an expedient one, the results of their action are likely to be disappointing. Hotheads willing to dis-

rupt university schedules are looking for occasions to make trouble, not for occasions to calm down and be satisfied with their president's politicking.

In the long run at least, for the nine presidents to issue a statement of any kind on the war is more significant than what this particular statement said. The conduct of the foreign affairs of the United States is not vested in the presidents of Ivy League or other universities. Nor is the role of pronouncing, on behalf of their universities, on domestic issues. The impropriety of the recent presidential statement was partially conceded by its opening words: "Altho none of us can speak for his institution." So why speak jointly and officially? University presidents do better to express their personal views with disclaimers stating that their jobs are mentioned, if at all, only for purposes of identification.

One part of this recent Ivy League statement was relevant to the presidents' duties—the last sentence, which read, "We do not condone coercive action by individuals or groups seeking to impose their particular convictions or concerns on others." There has been too much coercive action on United States campuses, condoned to too great an extent by university administrators. The public can welcome that last sentence even if it must regret the preceding sentences as impertinent, and thus contrary to the best interests of the universities involved.

BUSINESS

Yale University is the latest of a series of big money institutions to stake out high moral ground for the operation of its $500-million investment portfolio. It used to be that portfolio managers had to grapple with a comparatively simple objective: as high a return as possible with maximum safety.

A simple objective that is very difficult in execution, and now made more difficult by the constraints that have been enunciated in colleges all over the country. Yale, for example, has decided that its trustees have a "moral minimum" responsibility, in approving investment policy, to try to "prevent or correct social injury."

It's all very well in theory. One wonders, though, how "morality" begins to infiltrate investment policy. A succession of nicely-nicely university types has been beating the drum on the issue lately, but there are times when political rather than moral overtones seem to burst through the percussion.

When they talk morality and investments, the theorists are making a political pitch to their prime constituents, the students. Students, of course, see nothing morally outrageous in the fact that tuition charges alone don't begin to cover the cost of educating them. It is a kind of free-loading, but *tant pis* for those old crocks who loved a university enough to leave it some money. That money picks up the tab, but what the hell, it probably came from some kind of rip-off: banking, insurance, or just plain entrepreneurial sweat.

One can also wonder about the morality of the students—bookburners and vandals—who rampaged through the Harvard Center for International Affairs the other day, and why investment policies have to be tailored to temper the prejudices of the activists. If you don't give the kid what he wants, he'll lie down on the dining room floor and kick his heels. Nobody wants that kind of scene.

The fact of the matter is that the students who are making the most noise about investment policy don't know what they're talking about. A couple of samples cited by Burton G. Malkiel and Richard E. Quandt in the *Harvard Business Review* illustrate that point.

A group of student proposals presented to the Harvard administration, for example, recommended that the university "invest in companies that have clearly progressive managements and socially useful products or services. Examples would be Xerox . . ."

"Conversely," Malkiel and Quandt reported, "Princeton University was requested to sell its shares in companies doing business in South Africa and thus allegedly supporting apartheid and racism. Included in the list of designated companies was Xerox, which does business in South Africa, as well as in most other parts of the world."

So, what is a portfolio manager to do? Is Xerox a "socially responsible" corporation in the Harvard mold, or—as seen through some Princeton eyes—an "immoral investment"?

The reduction to absurdity goes on. If you are going to make a "moral"—really a political—judgment that dealing with South Africa is a form of oppression, where does the contamination stop? Every electric utility buys miles and miles of wire every year. Suppose some of the copper in the wire was mined in South Africa. Does that mean Long Island Lighting or Philadelphia Electric has to be purged from the portfolio?

What about the banks? Many own International Bank for Reconstruction and Development bonds. The International Bank, whose main job is to help underdeveloped countries reach economic takeoff—surely a laudably liberal purpose—lends money directly to South Africa. Does that mean you have to sell Chase Manhattan?

Malkiel and Quandt seem to have gone a lot deeper into the problem than most trustees have. The real question is not whether an investment is "moral," but the kind of muscle institutional investors ought to apply once they have made an investment in a company.

Some mutual funds, for instance, are using their holdings to go after managements that are clearly voting themselves overly generous salaries and bonuses. That kind of activism benefits all stockholders, including the universities, and leaves a cleaner taste in the mouth than all the "morality" rhetoric.

ILLEGAL ALIENS — CONVENIENT SCAPEGOATS FOR PRESENT ECONOMIC ILLS

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. BADILLO. Mr. Speaker, during this period of bankrupt economic policies and soaring unemployment, persistent efforts are being made to find the causes, real or imagined, for our present fiscal difficulties. All too frequently ill-informed crusaders point accusing fingers at one group or institution as the root cause of these problems. One of the seemingly most popular groups to serve as the scapegoat for our current economic ills are the illegal aliens.

Poorly paid, attempting to eke out an existence at hardly a marginal level, virtually living an underground experience out of fear of exposure and greatly exploited, these men and women have come to this country to seek some degree of economic security and stability for their families and themselves. They have become the victims of distorted and unproven claims and, as the momentum increases to ferret out and deport these hapless individuals, they are being humiliated and degraded. Particularly singled out in this campaign against illegal aliens are the Spanish speaking and, as I have commented in the past, the term "illegal alien" simply serves as a code word for Mexican Americans in the Southwest and other Latin Americans on the east coast.

Unfounded and irresponsible charges are made that these persons are swelling the welfare rolls, are destroying our balance of payments by sending money to their families back home and are taking jobs away from low-income citizens. Recently a well-written and perceptive article refuting these ill-conceived attacks appeared in the Nation. Written by a Columbia University School of Journalism student—Clay Steinman—this piece describes the manner in which the illegal aliens are being forced into the position of scapegoats for a number of current economic and social problems, especially unemployment and welfare increases, and how the half-truths and inneundos are being perpetuated by the press.

Because of the ramifications of this issue on our country's Spanish-speaking community and our relations with our Latin American neighbors I believe it is vital that these unsubstantiated claims and discriminatory attitudes be exposed. I commend Mr. Steinman's article to our colleagues' attention and urge that it receive careful consideration.

The article follows:

ILLEGAL ALIENS: SCAPEGOATS OF UNEMPLOYMENT

(By Clay Steinman)

Mr. Steinman is a student in the School of Journalism at Columbia University, who recently served a brief apprenticeship at The Nation. This is his first published work.

As the unemployment toll continues to rise, with no ceiling in sight, it becomes more and more apparent that Mr. Nixon's economic policy is not working as its proponents had hoped. Scapegoats have been sought to distract the minds of American workers from the spreading suspicion that the nation's economic problems may not be as readily solved as the President had said.

Ira Gollobin, legal counsel of the American Committee for Protection of Foreign Born, recently characterized the situation astutely: "If you can't solve the problem the real ways, you have to try the phony ones." The latest phony solution has trotted out a familiar scapegoat—the foreigners are the villains—in this case the illegal aliens, a group of people all too easily stepped upon and dismissed from public concern.

Most of the major newspapers and news magazines have been giving occasional space to complaints against the illegal aliens. It has been said that they have taken jobs away from American citizens, that they have burdened the public treasury by languishing on the welfare rolls while others work hard and pay taxes to support them. Those pressing the issue have been trying to describe in simple terms a situation that is not so easily defined. Because illegal aliens tend to shy away from authority, living an almost underground existence, there can be no accurate data about them. Claims as to their effect on the country are most difficult to document.

Acting on this issue in concert with a segment of the press—notably the New York Daily News, The Washington Post and The Christian Science Monitor—has been Rep. Peter Rodino (D., N.J.), chairman of the House Judiciary Committee's subcommittee on immigration. The subcommittee concluded hearings on March 24; it will review them now that Congress has reconvened, and will then consider an Administration-backed bill—HR 2328—dealing with immigration. Two sections of the bill, 26 and 28, would considerably affect the plight of the illegal alien in the country and could possibly erode

the civil liberties of everyone. Under Section 26, employers who knowingly hire an illegal alien—or fail to inquire into an employee's immigration status—would be subject to a fine of up to $1,000 and/or one year of imprisonment for each violation. Section 28 would similarly penalize any alien who illegally takes a job in the country. Either or both provisions could lead to a requirement that every person desiring work carry identification proving legal residence and the right to work.

The controversy is complex. Those involved include Mexicans who cross the border illegally, seamen who jump ship, immigrants who enter the country legally as visitors or students and stay beyond the limit of their visas. All have certain things in common with one another and with American immigrants throughout history; looking for a better life in this country, many have left their families behind, hoping to bring them later. They send back money when they can and they struggle to survive and make new lives for themselves in what they have been told will be a relatively promised land.

The problem with this problem is that no one knows exactly how big it is. As with most issues, partisans produce figures that support their views. Almost every published report on the subject contains new figures which dispute those previously announced. On May 5, 1971, the commissioner of the Immigration and Naturalization Service, Raymond F. Farrell, told the Rodino subcommittee that "last year [presumably fiscal year 1970] we located more than 343,000 aliens who had entered the United States illegally, and 97 per cent of these would be Mexican nationals within the Southwest region."

Paul Montgomery gave in the October 17th *New York Times* what seems to be a reliable figure for fiscal 1971: 420,176 apprehended illegal aliens. Montgomery also said, with no documentation, that in addition "hundreds of thousands and more find it easy to get away." According to his figures, some 320,000, or roughly 80 per cent, of those caught were Mexicans. Neither he nor anyone else whom I have encountered has tried to explain the drop in percentage of Mexicans from Farrell's figure of 97 per cent. Montgomery did not directly identify the source of his statistics, but it seems that he got them from the Immigration and Naturalization Service.

However, the number of illegal aliens caught in any one or two years tells little about the dimensions of the problem. How many were not caught? How many illegal aliens are there in the country? The AFL–CIO American Federation of Government Employees' National Council of Immigration and Naturalization Service Employees told the *Los Angeles Times* in October that at that time between 1.5 and 2 million aliens were illegally in the country. The union also claimed that these aliens cost Americans $5 billion a year in wages. Moreover, the union said, illegal aliens annually send $500,000 back home, "hurting the nation's balance of payments." Those are, of course, estimates.

The introduction to a two-part series on the issue in *The Christian Science Monitor*, published in November, described the situation as follows: "Some 2.5 million aliens are residing illegally in the United States. Many hold jobs of the sort sorely needed by low-income citizens. They pay little or no taxes on their income and ship millions of dollars 'back home' each year." In one of the articles in the series, the *Monitor's* Jo Ann Levine converted the 420,176 quoted by *The New York Times* into an "estimated 500,000." The usually careful *Monitor* was, in the case of these two stories, loose with minor facts. For example, 120,000 immigrants are admitted legally each year from Latin America, not 100,000 as Levine reported. The "2.5 million" figure was attributed to no one. Other charges were ascribed to the union of immigration employees with no critical analysis or statements to counteract the undocumented union propaganda. Even the otherwise careful Montgomery at times uncritically echoed the union's reckless charges. He went so far as to say, offering no evidence, that the "influx of aliens has had clearly deleterious effects on the economy and balance of payments, the labor market, immigration policy and social services such as welfare."

And the *Times* in February printed, with no competing analysis, the charges of the otherwise liberal New York City Councilman Andrew Stein (D., Man.) that "illegal aliens on welfare in New York City may be costing up to $100 million a year in relief grants."

The most sensational and distorted press coverage of the issue, however, came from the New York *Daily News* and *The Washington Post*. The *News* has frequently run and often featured articles quoting the scare stories of disgruntled union officials or their Congressional allies. The stories offer dramatic revelations of illegal aliens on welfare, illegal aliens taking jobs from able-bodied Americans, illegal aliens crowded together in the city. In an editorial of March 2, "Better Late than Never," the *News* said:

Since last September 30, Rep. Peter Rodino (D., N.J.) has been promising to bring his House Judiciary subcommittee on immigration to New York City for hearings on the subject of aliens slithering illegally into the United States and taking jobs at sub-standard pay....

Better late than never; and we trust the subcommittee will dig determinedly. This is a most serious business, and some remedy is needed more urgently by the day.

The Washington Post is supposed to know better. While their reporter, Stephens Isaacs, used no racial slurs and even commiserated at times with the plight of the illegal alien, his article, "Aliens Flood N.Y. Rolls Posing as Puerto Ricans," on page 1 of the October 19th issue, can easily be read as promoting fear, racism and ethnocentricity. It began:

Up to one million New Yorkers may not be New Yorkers at all.

They may be aliens from such places as the Dominican Republic, Haiti, Ecuador and Venezuela who have stolen into the United States, masquerading as Puerto Ricans, and now pass as American citizens.

Isaacs said, with no documentation: "Their numbers could help to explain the housing shortage in New York. The high unemployment rate among Puerto Ricans is an obvious result, as is the constant swelling of the city's caseload (1,206,973 as of the latest count)."

The invasion sounds pretty scary, even worth investigation, until you look at the charges one by one, examine the situation without hysteria, and then study the legislation that has been proposed to alleviate what is alleged to be a grave situation.

First, the nature of the problem in the Southwest. From 1951 until the mid-1960s, Mexicans who wanted to work as stoop laborers in that part of the country were admitted legally under the "bracero" program, which Congress eventually halted in response to what appear to be valid charges that the Mexicans were greatly exploited. Critics of the bracero policy also claimed that Mexicans were often used as strikebreakers to frustrate the union organizers of American migrant workers.

When the program ended, the growers found themselves without a legal source of cheap labor, though they continued to hire aliens. Reporters on the subject have quoted growers as believing Mexicans to be more efficient and more willing to accept poor working conditions than are the Mexican-Americans who support families in inflation-ridden America. The Mexicans are also less likely to demand better wages, hours or conditions, since their employers can call the border patrol and have them thrown out of the country at any time.

Some Congressmen, notably Robert Price (R., Tex.), have advocated a return to the bracero program. Yet indications are that the re-creation of that exploitive situation will not provide jobs for American nationals or stop illegal immigration in that area. The problem has its roots both in the living conditions in Mexico and the economic base of the involved portion of the agricultural industry. Mexicans smuggle themselves across the border and pay up to $300 to find work because they cannot support themselves at home. Mexican-Americans won't take the jobs because, by their standards and needs, the pay is much too low. Halting the Mexican immigration by laws such as the one the Rodino committee will consider would not provide employment for Americans who quite properly refuse to work in menial, back-breaking jobs for wages that doom them to poverty.

Food prices, high as they are, would soar much higher if the agricultural workers received decent wages. A doubling of the wage rate in oranges, for example, might put some marginal growers out of business. They can't pay fair wages and maintain their profits without pricing themselves out of the diet of the already rebellious American consumer. That is not an argument for inadequate wages; it just shows how dependent part of the American economic system is on exploited labor. Far from being a drag on the economy, the Mexicans who enter the country illegally—and others like them—help support our relatively high standard of living.

Despite this effect, California instituted in February a miniature version of the pending federal legislation on illegal aliens. In that state it is now illegal to hire knowingly an illegal alien, when such employment has "an adverse effect on lawful resident workers." The law, passed despite objections from the growers, provides fines of $200 to $500 for each offense. (Recently the law was declared unconstitutional by a lower court but the issue has not been finally resolved.)

The November 20th New York Times quoted unidentified Chicano organizations as denouncing the California law as "legalized racism" that will add "new hardships and horrors" to what they described as existing discrimination against that state's Mexican-Americans. Others have objected to the law on the ground that employers will be reluctant to hire any Mexican-Americans for fear they might be illegal aliens. The law is so new that no data are available on its effect upon the economy or the immigration situation in California. But, according to the Times, the growers who protested its enactment explained that American workers will not accept the jobs they offer as stoop laborers. It is extremely doubtful that the law will have much effect, except perhaps to make life rougher for the Chicanos.

If 80 per cent of the aliens caught last year were Mexicans, how large is the problem in the rest of the nation. As with the Mexicans, there is no telling how many illegal aliens there are elsewhere in the country. Undeniably there are some, and almost all of them have entered the United States in one of three ways:

First, since the imposition of immigration quotas on this hemisphere in 1966, a number of Latin Americans have used either real or forged visitor or student visas to enter the country. Once here, they have simply remained. Many keep their names on waiting lists in their home countries for regular immigration status. If that is received, they leave the United States and return legally. Some of them get married and/or have children here, hoping thus to speed the day when they will receive permission to live in this country permanently.

In his October 17th *New York Times* article, Montgomery analyzed immigration statistics to determine how many fall into this category. As he described it: "In 1965 [the last year when there was no immigration quota for Latin America] in the Western

Hemisphere excluding Mexico and Canada, the State Department issued 205,358 non-immigrant visas. The comparable figure for 1970 was 488,914. It is probable that illegal aliens account for most if not all of that increase."

A second group of Latin Americans arrives via Puerto Rico. They get real or forged visitors' visas to Puerto Rico, procure a forged Puerto Rican birth certificate, and then hop the first plane out for the States. Since Americans are for the most part unable to tell one Latin American from another, these illegal aliens easily pass for Puerto Ricans and stay in the country.

The final group crosses the Canadian border or jumps ship in an American harbor. Without citing a specific source, Montgomery said that "estimates run as high as 100,000 at any one time" of Canadians working illegally in America. He also claimed that "the border crossers also include aliens being smuggled into the United States, and seamen who have jumped ship in Canada." The New York *Daily News* of October 11 quoted unidentified immigration officials as saying that between 2,000 and 3,000 Greeks enter the United States illegally each year by jumping ship.

Again, no one really knows how many illegal aliens there are in each category. What is known is that much has been written about the damage done the country by the presence of these illegal aliens. Yet a little study shows that the charges against them are ludicrous and ignore the way of life of most illegal aliens. Here, with comment, are the most common allegations:

They hold jobs of the sort sorely needed by low-income citizens. This is the argument that distracts attention from rising unemployment. The Mexican illegal aliens take underpaid jobs in the Southwest that native Americans reportedly won't take. As for the other illegal aliens, anyone who reads the want ads or looks into restaurant windows knows that, even though there is high unemployment in the nation, menial jobs at low wages are abundant. Openings exist for maids and waitresses and dishwashers and floor sweepers. Most unemployed people will not take these jobs, preferring to stay on unemployment until the insurance runs out or until they can find jobs either at their level of competence or that pay reasonably well. Illegal aliens, fearful of being turned in and desperate for money, will take menial work at substandard wages. Perforce, they will accept a work week that Americans turn down.

They pay little or no taxes on their income. Again, that is improbable. Most illegal aliens are in jobs where their taxes are withheld by their employers.

They ship millions of dollars "back home" each year. While one may assume that illegal aliens do send money home, as immigrants have always done, it is unlikely that enough of them could afford to send home sums that would add up to "millions."

They are swelling the welfare rolls. Susannah Gross spends much of her time as a district assistant in Rep. William F. Ryan's New York City office. (Ryan, a member of the Rodino committee, has opposed the anti-alien legislation.) She said: "These people have a fear of anything official. They are afraid they'll be turned in." Even though illegal aliens are entitled by law to receive welfare, she added, they rarely do so. Most of them hope eventually to become permanent residents, and according to the immigration laws they automatically become ineligible for that status if they have ever received money from the government. Said Gollobin, "They shun authority like the plague.'

Gross opposed the suggested legislation because, she said, the "penalties currently available are sufficient," and the cost of enforcing such legislation would be "questionable" in terms of time and money. She also explained that, as reports from California already indicate, if employers knew they could be penalized for hiring illegal aliens, "there is some basis to believe that some employers would discriminate against foreign-looking or foreign-sounding employees." The opening of Social Security files to determine whether or not a person is an illegal alian would be "frightening," she said.

In addition to these objections, Gollobin said he was distressed by the prospect that every American might be forced to carry a card proving legal eligibility for employment. "The card is part of the effort for national surveillance. Even if they use Social Security cards, that would mean everyone would have to register with the government, everyone would have to have a number."

The issue of illegal aliens is important because it is intimately associated with the major crises now facing the country. With few exceptions, illegal aliens come to America because life for them is so hostile in their native lands—a condition arising in no small part from the imperialist relationship of the United States with much of the world. As long as there are "haves" in the world, the "have nots" will fight for their just share of the wealth. Immigration is only one reflection of that impulse.

Whatever the dimensions of the problem, it is not so serious nationally that it merits the time and attention it has been getting. Sections 26 and 28 of HR 2328 should be defeated, but, more important, they should not have been put there in the first place. Efforts to cloud ill-defined problems with misleading rhetoric only draw energy away from the need to overhaul the basis of the country's economic policies at home and abroad.

THE SOCIAL COSTS

HON. SEYMOUR HALPERN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. HALPERN. Mr. Speaker, Anthony Wolff, former environmental editor of American Heritage magazine has written a revealing article about the environment and industry which was published in this month's issue of Harper's magazine.

The article documents, in some detail, the social costs we are all paying for the use of electricity. Mr. Wolff points to a recent 500-page study released this month by the Council on Economic Priorities which has carefully examined several investor-owned power companies across the country who represent 30 percent of the total privately owned generating capacity in the United States.

Mr. Wolff reports that electric power is expensive, dirty, and scarce. Just like Karl Kapp did in 1950 when he wrote about the social costs of private enterprise, Mr. Wolff suggests that the price of technological advancement is sometimes greater in cost than what meets the eye.

I think Mr. Wolff has shed new light on the problem of industrial pollution and his article reports new facts and figures which I believe will be helpful to know if we are going to seriously tackle the problem of pollution.

I include this article in the RECORD:

THE PRICE OF POWER

(By Anthony Wolff)

A LESSON IN POISONOUS ADDITION

Electricity is paradoxical stuff: an invisible mover, power without substance. It responds silently to the flick of a switch; it is seemingly clean and cool, plentiful and cheap. But behind all the switches, at its source, electricity is none of these.

Electric power is expensive. It is the most capital-intensive of all industries, requiring a four-dollar investment to generate one dollar in sales. The nation's 212 major privately owned power companies represent one-eighth of all capital investment in the United States. Electric power is dirty: generating it produces wastes that poison the nation's air and degrade its water. And it is scarce. Blackouts, brownouts, and other symptoms suggest the virtual impossibility of appeasing an appetite that feeds on growth and grows on feeding.

More and bigger power plants are part of the solution to the power crisis—and part of the problem in the environmental crisis. The opposing factors in this conflict are the subject of a 500-page study released this month by the nonprofit Council on Economic Priorities, an independent, New York-based research organization. The Council's previous studies of the impact of corporate behavior on American society—including reports on the paper industry and defense contractors—have been recognized for objectivity and accuracy.

For its year-long electric power study, the Council focused on fifteen investor-owned power companies across the country, including the six largest. Together, the fifteen represent 30 percent of the total privately owned generating capacity in the U.S. At the heart of the study is a detailed analysis of each of the companies' plants producing more than 100 megawatts—131 power plants in all. By measuring the actual environmental protection efforts of each plant against the highest feasible standards of pollution control, the Council was able to assess the performance, good and bad, of each plant and company. Highlights of the Council's report follow.

Air pollution is the major insult to the environment from electric power porduction. Most of the pollution results from the burning of coal, which is used to generate half of all U.S. electric power.

The burning of coal, oil, and natural gas to produce electric power accounts for approximately 20 per cent (5.5 million tons per year) of the particulates, or soot; 20 per cent (4 million tons) of the nitrogen oxides; and 50 per cent (17 million tons) of the sulfur oxides polluting the air we breathe. These are three of the five most serious air pollutants certified by the U.S. Environmental Protection Agency, and all three have been convincingly indicated as threats to human health and longevity. In addition, sulfur oxides attack vegetation, and combine with water vapor into sulfuric acid to corrode a wide range of materials from nylon to limestone. Nitrogen dioxide is best known as a key ingredient of photochemical smog.

For each of these pollutants, some degree of control is within the state-of-the-art. The technology for reducing soot emissions by more than 98 per cent has been available for at least ten years. The same goes for as much as 80 per cent of nitrogen oxides from oil or gas combustion. Sulfur-dioxide control is still experimental, but meanwhile low-sulfur fuels are usually available.

Even so, the CEP study casts serious doubts on the industry's antipollution efforts. Only forty-five of the 125 fossil-fuel (oil, coal, and gas) plants in the study—including just 14 per cent of coal burners—measured up to particulate state-of-the-art standards. All others

ranged from relatively "clean" to absolutely "dirty." While some companies averaged better than others, not one of the fifteen companies is up to the state-of-the-art air standard at all locations. Examples:

The American Electric Power Company, the biggest investor-owned electric-power producer in the country and the second biggest polluter in the study, burns coal—over 25 million tons per year—in all seventeen of its major plants. Not one of them, including two started upon since 1970, achieves state-of-the-art particulate control.

The worst single polluter among the plants in the study is Harllee Branch, in Putnam County, Georgia, the largest plant (1,746 megawatts) of the vast Southern Company. At full tilt, the plant exhales up to 58,000 pounds of soot every hour. With the second largest generating capacity of any company in the study, Southern is the biggest polluter.

On the other hand, the cleanest large companies in the study—Southern California Edison and Pacific Gas and Electric—operate mostly in California, which has the nation's strictest air-pollution regulations. Two plants partially owned by SoCalEd outside the state's jurisdiction, part of the infamous Four Corners project in the Southwestern desert, do not observe the same standards.

Two other notably clean companies—Houston Lighting and Power, and Oklahoma Gas and Electric—take advantage of local natural gas, which produces virtually no soot or sulfur dioxide. But neither company has made a real effort to control invisible nitrogen oxides.

Many companies that have achieved a substantial reduction of emissions by converting from coal to cleaner oil have forgone other pollution controls. In New York City, for instance, two-thirds of Consolidated Edison's oil-burning capacity has no emission controls at all and adds up to two tons of soot per hour to the urban air.

Thermal pollution results from the diversion of large quantities of water through power plants to absorb waste heat and carry it back to the waterway, where it raises the ambient temperature. The well-documented ill effects of even small temperature changes on aquatic life in experimental situations argue strongly for caution. In general, however, the industry has pointed to the lack of data from actual field experience to justify continued unrestricted dumping of waste heat.

A single 1,000-megawatt fossil-fuel plant operating at today's maximum thermal efficiency wastes at least 60 per cent of its heat. This heat could raise the temperature of 30 million gallons of water per hour—the total low flow of many sizable rivers—by 15° F. Nuclear plans have a maximum thermal efficiency of only 33 per cent, and require 50 per cent more cooling water per unit of electricity.

Overall, the electric power industry currently uses 10 per cent of the nation's total fresh water runoff for cooling, and accounts for 80 per cent of the heat added to the nation's waterways by all industry.

A variety of cooling systems are available to return the heated water to its source at ambient temperature, or recirculate it in a closed system. Oklahoma Gas and Electric has used nonpolluting closed-circuit cooling since 1924. Nevertheless, of the 131 plants in the Council's study, only twenty-five had complete, year-round control of thermal waste. Two more had part-time control.

Nuclear pollution—the escape of radioactivity to the environment from the primary cooling system of a nuclear reactor—is not yet a major threat. A few years ago, nuclear power was touted as an imminent alternative to fossil-fuel combustion. But the advent of nuclear power on any large scale has been stalled by public protest, cost factors, and technological delays. Of the 131 plants in the Council's study, which included several large companies dedicated to nuclear power, only six were nuclear. As of the end of 1971, only about 2 per cent of U.S electric power was generated in nuclear plants—but this figure is expected to exceed 50 per cent by 1990.

Permissible levels of "routine" radioactive emissions from nuclear power plants, set by the Atomic Energy Commission, have long been challenged by scientists and others. Meanwhile, technical advances have made it possible to reduce radioactive emissions to virtually zero, and in July 1971 the AEC proposed to tighten its standards to less than 1 per cent of the existing ones. This proposal is still is the hearing stage. Meantime, of the four nuclear plants in the study for which radioactive emission data were available, not one can meet the proposed AEC standard.

The cost of environmental virtue—of making power production as clean as possible—varies from plant to plant and from company to company, according to size, present state of grace, and other factors. Examples:

Oklahoma Gas and Electric, a small gas-burning company and already the cleanest in the study for its size, could buy state-of-the-art control for $3.8- to $5.1 million.

Houston Lighting and Power would have to spend from $44- to $78 million—mostly for thermal controls—to reach state-of-the-art in its nine plants.

The Southern Company's seventeen coal-burning plants would face a cleanup bill of from $216- to $370 million—considerably more than the $82 million already committed by the company for the period of 1971–73.

The total fifteen-company investment is estimated to be $1.2- to $2.2 billion. Overwhelming though this might seem in absolute terms, the Council calculates that *the cost to the consumer for state-of-the-art control of all air and thermal pollution would add at most 10 per cent to monthly electric bills.* This compares favorably with the $80 the Public Health Service estimates is the annual average cost imposed on a family of four by air pollution from electric power production.

To assess the industry's commitment to cleaning up its own pollution, the Council offers a simple index—a comparison between outlay for research and development and its budget for advertising.

In 1970, the 212 privately owned electric power companies spent $46 million on all research and development, only a part of which involved the design of better emission controls and cleaner generating technology. The overall R&D figure represents approximately 0.23 per cent of gross revenues, "a remarkably small percentage by most industry standards," according to the President's Office of Science and Technology.

At the same time, the industry spent almost twice as much—$88.7 million—directly on advertising to stimulate acceptance and use of electric power. In addition, some part of $306.3 million spent on sales should be charged to promotion. To be sure, this pattern is changing. American Electric Power, for example, stopped all consumer advertising in 1971. Four other companies in the study have done the same, or switched to energy-conservation campaigns. But of the five abstaining companies, three plan to return to normal advertising practices as soon as possible. Says Baltimore Gas and Electric's chairman of the board and president, C. E. Utermohle, Jr.: "We feel advertising is a fundamental part of any business and intend to resume as soon as reserves are built up."

JIM FARLEY NEARS 84

HON. JOHN J. ROONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. ROONEY of New York. Mr. Speaker, I am pleased to be able to tell my colleagues that our friend, the Honorable James A. Farley, is reported to be in satisfactory condition and improving in St. Clare's Hospital in New York. Jim was hospitalized Friday after having suffered a heart attack. I am sure that all my colleagues join me in wishing Jim a speedy recovery. Up until the time of his attack, Jim was still leading the full, active life that he has always led. In fact, a recent article by Joseph Kaye, published in the Kansas City Star of April 12, 1972, taking note of Jim's approaching 84th birthday, goes into his life in detail and I would like to share it with my colleagues. Under the permission heretofore unanimously granted me, I include the article at this point:

[From the Kansas City Star, Apr. 12, 1972]

JIM FARLEY ON THE GO AT 83

(By Joseph Kaye)

NEW YORK.—James A. (Jim) Farley, the famous politician of the Roosevelt era, will be 84 May 30. Does he sit before a symbolic fireside dreaming about the past? Not at all. He sits in an office on the 18th floor of a Madison Avenue building officiating as the board chairman of the Coca-Cola Export Company, a post he has held for more than 30 years.

Farley's office is unique. It has probably more photographs on its walls than any chamber in the country. There is not a foot of space on its walls that is not covered by pictures of political celebrities in and out of this country and of kings and queens and lesser officials of states of the world. Affectionately autographed portraits and snapshots of 7 American presidents are there and opposite his desk is the largest portrait of them all of Franklin D. Roosevelt whom he served as postmaster general and whom he helped win his 1932 and 1936 campaigns. (He was also national Democratic Committee chairman during that time.)

Though he has been out of political office for many years Farley is one of the men most in demand as a dinner and luncheon speaker—he attends about 200 a year it is estimated most of them in the interests of foreign trade promotion.

Farley goes to his office every day at 9 a.m. and he comes in on Saturdays "to catch up on my phone calls" he says. He lives at the Waldorf Hotel and walks to work (six blocks). Farley has been the super Coca-Cola salesman for international export and has made global contacts to promote business.

He can come up with some interesting statistics: India, Japan and Taiwan are the biggest customers for his product. Before the Communist take-over in China that country too was big in sales.

Asked if he thought China again would be a consumer of U.S. goods Farley observed that this was a difficult question to answer now which probably reflects the views of other businessmen he has met.

He lives alone in the residential section of the Waldorf, the Tower. His wife, Elizabeth, died 17 years ago. He has three children, two daughters and a son, James Jr., who is president of the Central State Bank

in New York. Every Sunday, Farley said, the grandchildren phone him. All ten? Yes, all ten, he said, and those who for some reason miss the call, telephone the next day.

Reminiscing about some of his experiences, Farley recalled having met Andrei Gromyko, the Soviet Union foreign minister, in San Francisco, at the founding the United Nations. "He must be a smart fellow to have remained where he is," Farley commented.

"Whenever we meet," Farley said 'He always greets me with 'How are you, Farley?' " This is an unusually intimate greeting for the stern-faced Russian.

Farley has traveled all over the world and is happy to know that people recognize him everywhere.

"I was in India several years ago," he recalled, "and I was recognized in a restaurant by visitors from New Jersey, who asked for my autograph."

With all his manifold experiences, Jim Farley has reached certain conclusions regarding what is best for man in this complex world.

"Well," he remarked, "I don't like to philosophize, but I think there should be these fundamentals for us. First, one must be honest and tell the truth, although it is no credit to anyone to be honest, for if you're not, there must be something wrong with you. I get annoyed when I hear someone say, 'He is honest.' You've got to be honest.

"Second, one must be loyal, loyal to your family, to your country, to people, to your church." Did he mean loyal in that order? No, he replied. Loyal in any order.

MARTYR'S DAY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. DERWINSKI. Mr. Speaker, the people of many nations throughout the world pause from time to time to observe special days. These observances may be the anniversaries of the days they obtained their freedom or the days on which their constitutions took effect, or they may be the birthdays of their national heroes.

While it is often a day of rejoicing and thanksgiving, an anniversary is sometimes an occasion for mourning. Such a day is April 25, which the Armenian people observe Martyr's Day. This sad anniversary recalls the period when an attempt was made to exterminate the entire population of Armenia. In 1915, Turkey, which had allied itself with Germany and Austria-Hungary during the First World War, was anxious to prevent the Armenians from aiding Russia, which was allied with Great Britain and France.

The majority of the inhabitants of Armenia were driven into the Iranian Desert, where hundreds of thousands of them died from starvation, exhaustion, and sunstroke. Over a million others died before the war ended, hundreds of thousands were deported, and other thousands fled for their lives. Many Armenians made the long journey to America, where they and their descendants have made important contributions to their adopted country.

When the czarist government collapsed, the Armenian people declared their independence of both Turkey and Russia and fought to establish an independent government of their own. Eventually, the military power of the Soviets overwhelmed them, and today Soviet-Armenia is one of the captives of communism while the land area in Turkey, which was historically Armenian territory, is almost barren of Armenian residents.

Mr. Speaker, throughout history many peoples have lost their lives because of man's inhumanity to man, but it is all but impossible to completely destroy an entire nation. One of the oldest peoples in the world, the Armenians have survived many centuries of subjugation, persecution, and genocide. Let us hope and pray that their indomitable spirit will prevail and that they will eventually regain their independence.

INCREDIBLE DEAL

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. ZABLOCKI. Mr. Speaker, an editorial in the April 14 edition of the Milwaukee Sentinel discusses Secretary of Agriculture Earl L. Butz's recent trip to Moscow to negotiate the U.S. sale of feed grains and soybeans to the Russians.

The editorial raises serious questions about the proposed sales agreement and has evoked grave concern and even displeasure from citizens in my district.

In order not to create a "credibility gap" on this matter, I urge the President or the Secretary of Agriculture to spell out the details of the proposed grain sale agreement.

The editorial follows:

INCREDIBLE DEAL

North Vietnam's invasion of South Vietnam would not have been possible without Russian supplied tanks and other equipment.

It defies reason, therefore, that the United States, at the same time it is trying to help the South Vietnamese people keep from being overrun by the Communists, would be trying to help the Soviet Union.

Yet this is precisely what is happening. Secretary of Agriculture Earl L. Butz and a six man marketing team have been in Moscow working on a deal to supply the Russians with US feed grains and soybeans.

Butz, who topped off his visit with a 90 minute meeting with Communist Party Chief Leonid Brenzhnev, sees prospects of sales of up to $200 million a year in feed grains and soybeans. If this were a cash deal, as previous Soviet grain purchases were, it might be tolerable enough to overlook Russia's support of Hanoi.

But apparently the Russians are interested in buying only on extended credit terms. That the US would give the Russians such a favorable deal—and Butz indicates that we are about to do just that—while the Russians are, through the North Vietnamese, escalating the killing in Indochina is nothing short of madness.

The Russians need the grain because their economic system is chronically incapable of providing enough food to sustain their own people, let alone help fend off starvation in other areas such as Bangladesh. And speaking of Bangladesh, not so incidentally, the Kremlin assumed, through its military backing of India, the obligation to support the peoples in that depressed area. You can be sure, however, that it will be Uncle Sam who will be stuck with the job of feeding those masses—at the same time he is giving generous credit terms to the masters in the Kremlin so they can feed their own people.

Of course, the large sales of feed grains and soybeans to the Russians will be of immediate benefit to American farmers, which may in turn benefit President Nixon's reelection chances. It might even help produce an agreement of some sort in the Strategic Arms Limitation Talks which, with suitable fanfare, could be unveiled during Mr. Nixon's historic visit to Russia starting on May 22.

Anyone who is profiting from this grain deal with the Russians should have to explain to the 12 Americans killed in the war last week—not to mention the more than 45,670 others who died in battle previously—how it makes sense to aid those who supplied the enemy with the weapons that did the killing.

TELEPHONE PRIVACY—XVII

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. ASPIN. Mr. Speaker, I am presently circulating a "Dear Colleague" letter on the telephone privacy bill (H.R. 13267), which has already been cosponsored by 28 Members.

This bill would give individuals the right to indicate to the telephone company if they do not wish to be commercially solicited over the telephone. Commercial firms wanting to solicit business over the phone would then be required to obtain from the phone company a list of customers who opted for the commercial prohibition. The FCC would also be given the option of requiring the phone company, instead of supplying a list, to put an asterisk by the names of those individuals in the phone book who have chosen to invoke the commercial solicitation ban.

Those not covered by the legislation would be charities and other nonprofit groups, political candidates and organizations, and opinion polltakers. Also not covered would be debt collection agencies or any other individuals or companies with whom the individual has an existing contract or debt.

As I noted in a statement on March 9, I have received an enormous amount of correspondence on this legislation from all over the country. Today, I am placing a 15th sampling of these letters into the RECORD, since they describe far more vividly than I possibly could the need for this legislation.

These letters follow—the names have been omitted:

DAYTON, OHIO,
April 22, 1972.

Representative LES ASPIN,
U.S. Congress,
Washington, D.C.

DEAR SIR: I strongly endorse your efforts to require the telephone company to include asterisks next to names of people who do not want telephone solicitations. I suggest that the footnotes say:

"Absolutely nothing bought from telephone solicitations."

Attached are copies of complaints I have made along this line. Note the response.

With some publicity I am sure that you will gain the support of almost everyone. Best of luck with your bill!

Sincerely,

———— ————.

AUSTIN, TEX.,
April 11, 1972.

Representative LES ASPEN,
House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE ASPIN: It was with great interest that I read in a recent issue of the Christian Science Monitor of your bill to control telephone soliciting, I don't know how much publicity it has received as I never saw it mentioned in our local paper—I can only hope that it has received nation-wide attention.

Telephone soliciting has become a real problem here in Austin and it was only a few weeks ago that I became disturbed enough about it to see if anything could be done to curb it. My first inquiry was to the phone company, where I was told that nothing could be done at this time except for us to get an unlisted number. This did not appeal to my family, but we may be forced to resort to it yet! The woman at the telephone company suggested I make an inquiry to the Better Business Bureau, which I did—needless to say, they are also powerless to do anything. They suggested people contact members of the City Council to see if local ordinances could control this problem but we have not proceeded with that as yet. This may be a future approach if your bill becomes buried in committee!!

Everyone I know has become completely fed up with these nuisance calls and invasions of privacy and please know we support your bill 100%. The majority of calls come from companies selling land. Something must be done to stop these intrusions and we thank you so very much for your efforts—I am writing our local Congressman, Jake Pickle, urging him to support this legislation.

Sincerely yours,

———— ————.

RACINE, WIS.,
April 10, 1972.

Representative LES ASPIN,
Racine, Wis.

DEAR MR. ASPIN: I am writing in regard to your proposed "Telephone Privacy Act." As a service representative for the Telephone Co., I receive numerous complaints from our subscribers about the solicitous calls you seek to control. Therefore, I agree that something needs to be done. But, I believe that a large majority of our customers do not wish to be bothered with these calls, so rather than providing lists of these people or marking them in the phone book, would it not be better to ban telephone soliciting altogether? Many of the people doing this type of work do not know the names of the people they are contacting; they are apparently just given a block of numbers to call. Companies who practice this would undoubtedly be upset at the loss of this cheap form of advertising, but if your bill is passed in its present form I am sure a large part of their potential market will disappear anyway. As time passes and more and more people were added to this list, those not on it would probably receive solicitous calls more frequently than ever. Also, the book work involved for the telephone company would be immense and, of course, cost money. I hope you will consider a more comprehensive solution to this problem than the current proposal.

Sincerely,

———— ————.

SEATTLE, WASH.,
April 8, 1972.

The Honorable LES ASPIN,
House Office Building,
Washington, D.C.

DEAR MR. ASPIN: I was pleased to learn of your sponsorship of a bill that would prohibit unsolicited commercial telephone calls to those persons who inform the telephone company they do not wish them. I have written my Representative, Mr. Pelly, telling him of my interest and urging him to support this legislation.

I believe that such regulation would in no way interfere with businesses which use telephone salesmen or solicitors, since only those people who are willing to listen to such calls are prospective customers anyway. I can hang a "No peddlers or solicitors" sign on my door, with great effectiveness. I can also refuse to talk to a telephone solicitor, but only *after* my privacy has been invaded.

In our area, Pacific Northwest Bell, will, after persistent demand, grudgingly agree to strike a customer's name from the "reverse directory" used by solicitors. However, the company keeps this little-known "out" a secret from the public, contending that the only remedy for unwanted calls is an expensive unlisted number.

Very sincerely,

———— ————.

HOUSTON, TEX.,
April 10, 1972.

Hon. BILL ARCHER,
U.S. Congress,
Washington, D.C.

HONORABLE SIR: I am very much in favor of Representative Les Aspin's bill proposing that a "No Solicitors" sign be placed on home telephones. I do not, on the other hand, approve of his exemption of non-profit groups, political candidates, poll takers, and debt collecting agencies from the "No Solicitors" prohibition. These groups constitute the most frequent and most repetitive disturbers of people's homes. Regardless of the "good" these agencies do, the raucous ringing of the telephone for their causes is as disturbing and as undesirable as others.

I do approve and recommend that, in addition, a requirement be added to the bill requiring the telephone company to provide all telephones with a cut-off that prevents the telephone from ringing at all, and which will give to dialers a "Do-Not-Disturb" tone. The telephone should be for the convenience of the householder, not for outsiders and for the telephone company.

Yours truly,

———— ————.

HOUSTON, TEX.,
April 11, 1972.

Representative LES ASPIN,
House of Representatives,
Washington, D.C.

DEAR MR. ASPIN: The Houston Post had an article in Sunday's paper about your crusade against unwanted telephone solicitation. *Please* don't be persuaded by anyone that this is not worth your time. As far as I'm concerned (and lots of people agree with me) you could run for president and maybe even get elected on this issue!

I don't like the idea of an unlisted phone number but I certainly am not paying to have a phone in my house so I can listen to sales pitches ad infinitum.

Ths is definitely an invasion of privacy. Good luck and more power to you.

Sincerely,

———— ————.

PETER FLANIGAN GAINS SPOTLIGHT AS TOP ENERGY SPOKESMAN

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. HARRINGTON. Mr. Speaker, it is with a great deal of concern that I read a recent article in the Oil Daily concerning White House aide Peter Flanigan's assumption of the role of top energy spokesman for the Nixon administration.

As the recent House hearings on the subject indicate, the energy crisis could rapidly become the Nation's No. 1 domestic problem. It is an incredibly complex problem, both from the viewpoint of providing adequate energy to run our industrial economy, and from the viewpoint of protecting our environment.

At the present time, responsibility for determining energy policies rests in a number of Federal departments and agencies. Each of these agencies is responsible both to Congress and the people. As the recent ITT case makes clear, Peter Flanigan is responsible to no one but the President, and cannot be held accountable for his actions even to the Congress, except under a severe set of limitations and restrictions.

In addition, Mr. Flanigan is a self-admitted conduit to the Nixon administration for big business interests. To entrust a man with these credentials with responsibility for shaping the Nation's entire energy policy, is an affront both to environmental interests in this country, to consumer interests, and, as the article points out, to some Cabinet officers presently responsible for energy policy.

The article, which I commend to the attention of my fellow Members, was reported in the April 11, 1972 edition of the Oil Daily:

PETER FLANIGAN GAINS SPOTLIGHT AS TOP ENERGY SPOKESMAN

(By Jim Collins)

WASHINGTON.—Peter Flanigan, President Nixon's top business and international trade advisor, has now emerged as the "strong man" of the Nixon administration on energy—in fact, as well as by reputation.

Flanigan, who is now chairman of the White House Domestic Council on Energy, is preparing to make a new, complete investigation—internally, within the federal government—of the nation's energy situation and outlook.

The answers that he comes up with—after other Cabinet agencies provide him with the facts and opinions he is seeking—will probably form the basis for another energy program by President Nixon, prospectively in 1973, for implementation by Congress and the administration—if Nixon is reelected.

Flanigan's role as "top dog" on energy in the administration was nailed down at the last oil policy committee meeting in mid-March.

At that time, the only Cabinet member present was Interior Secretary Morton (accompanied to the meeting by his top

aides in the Interior Department), who went to the meeting hoping to redraw the jurisdictional lines on energy coordination within the administration.

Morton, who went to that meeting believing other Cabinet members would be present, and where "decisions" would be made on the issue of liquid imports for domestic SNG gasification, expressed some irritation at the fact he was the ony Cabinet member there.

However, his main pitch was that the Interior Department, traditionally, had been the Cabinet agency that has been most intimately involved with resource development in the U.S. and it should be the coordinator now of energy issues within the government.

Flanigan's stand-in at the meeting (James B. Loken, an assistant to Flanigan) made it clear, however, that Flanigan was the coordinator of energy policy—and that he intended to be an activist in that post.

Flanigan, it is understood, is now planning to circulate requests to every Cabinet head, whose agency has an interest in energy, seeking not just their opinions and recommendations—but facts, as well, on the energy situation.

Flanigan, apparently, intends to do a government counter job to the National Petroleum Council's "energy outlook" study, which already has spawned volumes of facts and opinions by oil executives, in task-force reports to the Interior Department.

Thus, Flanigan will want to know each agency's views—and the facts they have—on supply and demand, domestic potentials for development of all types of energy, possible incentive programs to stimulate development (including tax incentives), security storage (for oil), and many other facets of the energy picture.

The prime agencies involved will be Interior, Defense, State, Commerce and the Office of Emergency Preparedness.

Just how long Flanigan intends to take in gathering facts within the government is not known—but the agencies will be expected to respond promptly and fully.

Indications are that Flanigan wants to have ready, for President Nixon, solid programs that he can support—perhaps during the campaigning next fall (and for inclusion in the Republican platform for the campaign), and for implementation, as required, in legislative recommendations to Congress early in 1973.

Flanigan, it is believed, is tired of criticism that the administration is "doing nothing, just wringing its hands" over the emerging energy crisis in the United States—and wants to get moving with programs that will alleviate the shortage of natural gas, and prospective rising shortages of domestic oil, which can only be filled with ever-increasing imports.

In the oil-gas area, Flanigan is believed to be looking at the next 10 to 20 years—the period when the crunch on oil and gas will hit the nation hardest, before other forms of energy, or synthetic fuels, can be developed, in quantity.

The long-range outlook—for nuclear power, "synthetic" fuels from shale and coal, and other more exotic forms of potential energy—will not be ignored, however. But, these will have longer-run implications for the nation, as compared with the pressing immediate problems involving gas and oil.

Secretary Morton could become the strong man on energy policy and coordination—but only if President Nixon should decide to delegate to him such authority, by executive order, or if Congress should enact Nixon's program for making the Interior Department an enlarged "department of natural resources" under a reorganization plan which has been on file on the hill for more than a year, but on which only one brief hearing was held by the Senate Interior Committee.

There is little chance this bill can pass this year, although Nixon has been pressing, in recent weeks, for action on this and other reorganization plans.

The President has also made it clear to GOP hill leaders that he intends to call Congress back into session this fall—if it adjourns sine die early after the nomination conventions and if the Democrats have not made more progress on the President's legislative program.

It is possible heavy pressure by Nixon might spur action on his DNR proposal, as well as other legislative programs now moldering on the hill—but it is not likely.

Thus, Flanagan is expected to remain the top man on energy policy within the White House, and, as an overseer of Cabinet department activities and policies in the energy field, at least for the rest of 1972.

ORION ON THE MOON

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1972

Mr. TEAGUE of Texas. Mr. Speaker, Apollo 16 is on its long way home after having added not only knowledge of the lunar surface, but added skill in mastering the difficulties of space. Only one lunar mission remains and all have been conducted with determination while being well balanced with a consciousness of safe operation. The New York Times editorial of April 22 discusses the fine line between overconservatism and high risk. This editorial aptly points out that the leadership and organization of Apollo has been well done. As the last flight—Apollo 17—approaches in December of this year, the experience of the current Apollo 16 and the previous flights will undoubtedly help the leadership of Apollo continue in this same outstanding mode of operation. The editorial follows:

ORION ON THE MOON

For the fifth time in all history men are working on the moon this weekend. The superb television pictures sent back by the crew of Orion, astronauts Young and Duke, were sharper and clearer than any previous televised views of the lunar surface. And the austere, craterpocked, rock-strewn landscape of the Descartes area seen yesterday was also different in quality from the earlier vistas of other lunar regions visited by Orion's predecessors.

Even a layman could see that this first visit to the lunar highlands had brought men to a significantly different region of the moon than any explored previously. Most important, yesterday's initial activity outside the lunar module provided every reason for expecting major scientific gains from this expedition despite the unfortunate accident that ruined the important heat probe experiment.

The worth of the extensive back-up facilities created by NASA was dramatically demonstrated in the tension-filled hours Thursday when the world held its breath while Project Apollo officials debated whether to abort the mission in the wake of indications of trouble in the engine control system of the command module. Hundreds of scientists and technicians in Texas and California, working feverishly under great time pressure, determined that the indicated malfunction was of no importance and could be disregarded. Had the project been less well prepared for emergencies, the decision might have been made not to land on the moon and the vast cost and effort of Apollo 16 rendered valueless.

The safety of the astronauts must be and is the first priority on the Apollo flights. Yet Thursday's dilemma and its solution were particularly useful in reminding all concerned that there are two kinds of errors that can be made in situations of this type. The possibility on which most attention, understandably, has been focused is that of an Apollo expedition's directors deciding to continue the journey in the face of a danger that brings disaster. Against that is the alternate risk of being overly cautious and aborting a mission unnecessarily, at huge financial and scientific loss. It is a delicate dilemma, and it is a tribute to the Project Apollo leadership and organization that to date these voyages have foundered on neither rock.

HOUSE OF REPRESENTATIVES—*Wednesday, April 26, 1972*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Lift up your heads, O ye gates; and be ye lifted up ye everlasting doors; and the King of Glory shall come in.—Psalms 24: 7.

Help us, we pray Thee, to lift up our heads and to open wide the doors of our hearts that the King whose glory is ever about us may come in and live in us, that we may render unto Thee a faithful service and give to our fellow men the best that is within us.

By Thy Spirit may we take up the work of this day with good hearts and generous minds, that Thy purposes may be fulfilled in us and in all men; for Thine is the kingdom and the power and the glory forever. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2013. An act to amend chapter 21 of title 38, United States Code, to increase the maximum amount of the grant payable for specially adapted housing for disabled veterans;

S. 3343. An act to amend chapter 21 of title 38, United States Code, to increase the maximum amount of the grant payable for specially adapted housing for disabled veterans; and