



United States
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Congressional Record

PROCEEDINGS AND DEBATES OF THE 92^d CONGRESS, SECOND SESSION

SENATE—Monday, May 15, 1972

The Senate met at 12 noon and was called to order by Hon. ADLAI E. STEVENSON III, a Senator from the State of Illinois.

PRAYER

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

O God of creation, ruler of men and nations, in this quiet pause in the day's occupation, we turn from the clash and clamor of the world, from contentions and confrontations, from drab duties and dateline pressures, to open our hearts to Thy presence and our minds to Thy higher guidance. Spare us from such preoccupation with the burdens of the day that we fail to see the distant scene. Lift our vision beyond things as they are to the vision of a new world of things as they ought to be. Be especially with those who bear the suffering of war and with those who bear the burden of decision-making. Inspire us that we may inspire others. Renew us in mind and heart that we may bring renewal to others.

In Thy holy name, we pray. Amen.

DESIGNATION OF THE ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 15, 1972.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. ADLAI E. STEVENSON III, a Senator from the State of Illinois, to perform the duties of the Chair during my absence.

ALLEN J. ELLENDER,
President pro tempore.

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

ENROLLED BILLS SIGNED DURING ADJOURNMENT

Under authority of the order of the Senate of May 11, 1972, the Acting President pro tempore (Mr. METCALF), on May 11, 1972, signed the following enrolled bills, which had previously been signed by the Speaker of the House of Representatives:

S. 1379. An act to authorize the Secretary of Agriculture to establish a volunteers in the national forests program, and for other purposes; and

H.R. 13334. An act to establish certain positions in the Department of the Treasury, to fix the compensation for those positions, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the House had passed the following bill in which it requests the concurrence of the Senate:

H.R. 7130. An act to amend the Fair Labor Standards Act of 1938 to increase the minimum wage under that act, to extend its coverage, to establish procedures to relieve domestic industries and workers injured by increased imports from low-wage areas, and for other purposes.

HOUSE BILL REFERRED

The bill (H.R. 7130) to amend the Fair Labor Standards Act of 1938 to increase the minimum wage under that act, to extend its coverage, to establish procedures to relieve domestic industries and workers injured by increased imports from low-wage areas, and for other purposes, was read twice by its title and referred to the Committee on Labor and Public Welfare.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, May 11, 1972, be dispensed with.

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

WAIVER OF THE CALL OF THE CALENDAR

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

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

ARCTIC WINTER GAMES APPROPRIATIONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate pro-

ceed to the consideration of Calendar No. 756, S. 2988.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The assistant legislative clerk read as follows:

S. 2988, to authorize the appropriation of \$250,000 to assist in financing the Arctic Winter Games to be held in the State of Alaska in 1974.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is authorized to be appropriated to the Secretary of Commerce the sum of \$250,000, for the purpose of assisting the financing of the Arctic Winter Games to be held in Alaska in 1974. The Secretary shall provide for the disbursement of such funds (including the making of grants to appropriate persons or organizations) on such terms and under such conditions as he deems appropriate, including the submission to him of such reports from persons or organizations to which such funds are disbursed as the Secretary considers necessary to protect the interests of the United States and assure that such funds have been used for the purpose for which they were disbursed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92-788), explaining the purposes of the measure.

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

PURPOSE OF THE BILL

The purpose of the bill is to authorize the appropriation of \$250,000 to the Secretary of Commerce to assist in financing the Arctic Winter Games which are scheduled to be held in Alaska in 1974. The Secretary is authorized to provide for the disbursement of these funds under such conditions as he deems appropriate.

BACKGROUND OF THE LEGISLATION

The Arctic Winter Games, which were inaugurated in 1970, are international in scope, with the Northwest and Yukon Territories of Canada and the State of Alaska acting as joint sponsors. Twelve basic sports in the program include badminton, basketball, boxing, curling, figure skating, hockey, shooting, skiing, table tennis, volleyball, and wrestling. Additionally, there may be scheduled six Eskimo and Indian sports indigenous to the northern people, as well as native craftwork and cultural exhibits. The 1974 games will be their third occurrence and the first time they have been hosted by the United States. The

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Canadian Federal Government only contributes funds when the games are hosted by Canadian cities. They will not contribute when the games are hosted outside Canada and Alaska.

The successive \$250,000 Canadian contributions in the past have been used for:

1. Wages for 18 months for full-time general manager and staff.
- (a) Office rental and supplies.
- (b) Transportation and communications.
2. Janitorial services for game areas, offices and lodging during games.
3. Security patrols.
4. Insurance.
5. Food and lodging for 1,200 athletes and coaches for the 7-day game period.
6. Special events; that is, parades and cultural displays.

It is planned that the U.S. contribution for the 1974 games will be used similarly. These costs were contractual obligations of the host to the Arctic Winter Games Corp. The host must establish a nonprofit group to appropriate the funds. The international corporation monitors expenditures, and an audit is supplied to each participating government. These same procedures would be followed with the U.S. contribution.

For the past two games, the Canadian Federal Government expended substantial sums—approximately \$250,000 for the 1970 games held in Yellow Knife, Northwest Territories, and a like amount for the 1972 games held in Whitehorse, Yukon Territory. The U.S. Government has not contributed to this program in the past, although the State of Alaska has appropriated \$150,000 annually.

COST OF THE LEGISLATION

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91-510, 91st Congress) the committee estimates that the cost which would be incurred in carrying out this bill would be \$250,000. The committee is not aware of any estimates of costs made by any Federal agency which are different from those made by the committee.

CHANGES IN EXISTING LAW

The bill would make no changes in existing law.

PRESIDENT NIXON'S MAIL ON HIS MAY 8 SPEECH

Mr. SCOTT. Mr. President, as of Saturday, May 13, 1972, telegrams and letters received at the White House passed the 100,000 mark. It has not all been recorded and tabulated, but is running heavily in support of the President's speech at a rate of about 4 to 1.

Most letters and telegrams appear to come from a cross section of American families. It is noteworthy that many identify themselves as Vietnam veterans, young people, college professors, college students, members of minorities, and even one conscientious objector who believes the President's action will end the war. Many identify themselves as Democrats, or as persons who have never voted for Mr. Nixon.

One strong theme which recurs is the courage and honesty of the decision which placed the interest of the Nation above politics. Many stress the need for unity to support the President in order to end the war honorably.

Mr. President, I have some of these telegrams in my hand. Let me read one from Mrs. Leah Walcott, of 410 Campbell Avenue in Havertown, Pa. The telegram reads:

I am again proud to be an American. I am

proud you are our President. Your courage compares you to Harry Truman, the highest compliment I can give.

Mr. President, I ask unanimous consent to have these telegrams and letters printed in the RECORD.

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

KANSAS CITY, Mo.,
May 8, 1972.

President RICHARD NIXON,
White House,
Washington, D.C.

DEAR MR. PRESIDENT: I want to tell you that I'm behind you 150 percent. I'm 20 years old, a college student, a former Marine discharged honorably on the basis of conscientious objection and a former potential Democrat. If I'm needed to help your campaign of '72 please do not hesitate to have your party leaders contact me, I pray for you and our country. A copy of this telegram will be sent to the North Vietnam delegation and to the USSR Embassy in Washington. Pray for peace, kindest regards.

RICHARD C. BLANCHARD.

OVERLAND, KANS.
May 8, 1972.

President NIXON,
Washington, D.C.:

As an 18 year old voter, I fully support your decision to blockade North Vietnam to gain negotiating leverage to free our POWs and safely return our U.S. GI's.

BLANCHE BERRY.

LYNCHBURG, VA.,
May 9, 1972.

President NIXON,
Washington, D.C.:

I support you as an American mother of soldier who gave his life in Vietnam.

NELLIE SHANNO.

May 9, 1972.

President RICHARD NIXON,
Washington, D.C.:

Support your latest move against North Vietnam, have hope for first time in five years.

FAMILY OF POW KENNETH FISHER.

CHICAGO, ILL.,
May 11, 1972.

President RICHARD M. NIXON,
Washington, D.C.:

I am a student at DePaul University and am in complete support of your Vietnam policy.

GARY MARACH.

EPIPHANY APOSTOLIC COLLEGE,
Newburgh, N.Y., May 8, 1972.

President RICHARD NIXON,
White House,
Washington, D.C.

DEAR MR. PRESIDENT: I voted for you in the last two national elections and I will vote for you again if you continue to give the nation the kind of courageous leadership you manifested in your speech tonight. As an American, I was never prouder.

As a Catholic priest, (and I might add... a classmate of the Rev. Philip Berrigan, S.S.J. . . . Harrisburgh) I am anxious for world peace. And as a Josephite Father who has worked 17 years in Black America, I would like to see the money spent in Vietnam spent in the inner city. Yet I refuse to compromise with Communism. You never have and I hope you never will. Peace yes . . . and please God soon, but NOT at any price.

The days that lie ahead may be difficult. College campuses may explode. Your decisive action may even cost you the election. But I am confident that when your life is

written years from now brave men will recall that this was "your finest hour."

A very proud American,
Rev. JOSEPH V. TYSON, S.S.J.

TUCSON, ARIZ.,
May 8, 1972.

President NIXON,
Washington, D.C.:

Regards to your TV speech eve of May 8th, proud to be a naturalized American and concur with your philosophy.

RON BEAL.

OHIO UNIVERSITY,
Athens, Ohio, May 9, 1972.

Mr. RICHARD M. NIXON,
President, White House,
Washington, D.C.

DEAR PRESIDENT NIXON: Your actions of May 8, 1972 were those of an American exhibiting the conviction necessary for the future survival of this nation. At this most important period in the history of our country, I thank you for such conviction.

Sincerely,

BRUCE A. GROW,
Instructor of Engineering, Representing
Lance Cpl. G. L. Grow, U.S.M.C. killed
Quang Tri 11-30-67.

TULSA, OKLA.,
May 8, 1972.

President NIXON,
Washington, D.C.

DEAR MR. PRESIDENT: We are students at TU. We admire your firmness in resisting Communist aggression. We pray that God will continue to help you to stand for the freedom of the world and the honor of this country.

Respectfully yours,
STEPHEN McDONALD and DIEGO ABICH.

SCOTTSDALE, ARIZ.,
May 9, 1972.

President NIXON,
Washington, D.C.

We are behind you despite news media.
Mr. and Mrs. JACK C. WARE.

UNIVERSITY OF SCRANTON,
Scranton, Pa., May 9, 1972.

President RICHARD M. NIXON,
White House,
Washington, D.C.:

DEAR MR. NIXON: May I offer my congratulations on your courage in standing up for the people of South Vietnam rather than bowing to political expediency or military blackmail.

I believe the people of this country in the main support you in this enterprise.

If there is anything I can do to help, please do not hesitate to ask.

Sincerely yours,

Dr. WILLIAM J. PARENTE,
Dean of the College and Associate
Professor of Political Science.

WASHINGTON, D.C.,
May 9, 1972.

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

As lawyers, we support the position you announced on May 8, 1972, and your objectives of prisoners of war exchange followed by immediate and total withdrawal.

FRANK U. FLETCHER,
MARJORIE S. REED,
EDWARD W. HUMMERS, Jr.,
JOHN C. HARRINGTON,
VINCENT J. CURTIS, Jr.

OAKLAWN, ILL.,
May 9, 1972.

President RICHARD NIXON,
Washington, D.C.:

Mr. President, your action is a gallant one, brave, honorable, regarding your stand

against North Vietnam, you have our full support and confidence. We sympathize with you that some of our people and political leaders are trying to divide our country and have been giving a helping hand to our enemy by their statements. We are praying to God to give you help and wisdom to carry through our Nation in this critical period.

GUS STAPHIS.

ATLANTA, GA., May 9, 1972.

THE PRESIDENT,
White House, Washington, D.C.:

You have prayers and support of other fighter pilot son in Vietnam. Excellent speech.

Mrs. MYRTLE ELDER.

LIVONIA, MICH.

President, NIXON,
Washington, D.C.

DEAR MR. PRESIDENT: Congratulations on your doing what must be done. I am an electrical contractor and meet people often. Out of approximately 30 people I have talked to all but one felt as I do and the one was only mildly different in his opinion.

P.S. The age group of these people were 25 to 65 years old.

PHILIP J. NICHOLAS.

St. LOUIS, Mo., May 11, 1972.

President RICHARD M. NIXON,
Washington, D.C.:

Congratulations, better late than never, feel you just saved the lives of my eight sons.

SAM RAYBURN.

MT. RAINIER, MD.,
May 8, 1972.

President RICHARD M. NIXON,
The White House,
Washington, D.C.:

Thank you, Mr. President for protecting my son in Vietnam.

MARY ALLEN BERTRAM.

MARSHALLTOWN, IOWA, May 8, 1972.

THE PRESIDENT,
White House,
Washington, D.C.:

As an American and wife of a missing man, I stand behind your decision tonight.

Mrs. BRADLEY CUTHBERT.

JOHNSON CITY, TENN.,
May 8, 1972.

PRESIDENT OF THE UNITED STATES,
White House,
Washington, D.C.:

My husband is MIA. I support your decision on Vietnam.

Mrs. DOUGLAS AVERY.

FORT WALTON BEACH, FLA.,
May 9, 1972.

President RICHARD NIXON,
White House,
Washington, D.C.:

I completely agree with you on your latest courageous move.

Mrs. KEITH HALL,
A POW Wife.

FORT WORTH, TEX.,
May 8, 1972.

President RICHARD M. NIXON,
Washington, D.C.

DEAR MR. PRESIDENT: My husband has been missing in action since May 1968. While some groups seem to feel peace at any price may I take this opportunity to voice my strong support to the policy you have just taken on Vietnam. I believe in America and support what my husband was fighting for. Am very proud to be an Air Force wife and I feel he

too would be proud of the rough but fair and honorable stand you have taken to protect not only the prisoners of war, but all our men in uniform as well as the future of our country. We must not back down.

Sincerely,

Mrs. TOMMY E. GIST.

HAVERTOWN, PA.,
May 8, 1972.

President RICHARD M. NIXON,
Washington, D.C.:

I am again proud to be an American. I am proud you are our President. Your courage compares you to Harry Truman, the highest compliment I can give.

Mrs. LEAH WALCOFF.

SAN LUIS OBISPO, CALIF.,
May 10, 1972.

President RICHARD M. NIXON,
The White House,
Washington, D.C.:

Honor is not worth one more dead. May the Lord have mercy upon you.

RAYMOND H. DEGROOTE.

DAYTON, OHIO,
May 9, 1972.

President RICHARD M. NIXON,
The White House,
Washington, D.C.:

We totally oppose your disastrous action in Vietnam.

COBB FAMILY.

LAFAYETTE, CALIF.,
May 10, 1972.

President RICHARD NIXON,
The White House,
Washington, D.C.:

Please stop American invasion and blood bath in Vietnam. Stop the bombing and mining.

Mrs. EDITH LYNCH.

SOUTH LAGUNA, CALIF.,
May 9, 1972.

President RICHARD NIXON,
The White House,
Washington, D.C.:

We are unalterably opposed to your decision to mine Haiphong Harbor.

Mr. and Mrs. HAROLD O. ALLEN.

ARLINGTON, VA.,
May 9, 1972.

THE PRESIDENT,

The White House, Washington, D.C.

DEAR SIR: I would like to tell you, as a typical long haired, so called "anti-establishment" college student that I support your decision on Vietnam. I find this unusual since I have been opposed to the war for the last four years. One of the main reasons I was opposed to the war is that I felt America had been in Southeast Asia for too long. But now that you are taking a firm and positive position I feel that there is hope, and that you will get us out of there maybe even with victory and honor.

I ask you sir, please get us out of there but not on the same terms as Korea. Thank you for taking time to read my letter.

Sincerely,

CULLEN R. HUTCHINSON.

BERKELEY, CALIF.,
May 11, 1972.

President RICHARD NIXON,
The White House,
Washington, D.C.:

I vigorously condemn your stupid useless and asinine escalation of a sickening and murderous conflict.

HUDSON SHORTWELL.

RANCHO CORDOVA, CALIF.,
May 11, 1972.

President RICHARD NIXON,
The White House,
Washington, D.C.:

Admitting defeat is not dishonorable—continuing the bombing is. Stop the war now.

VIRGINIA and ELI KASSER.

WOODEBURN, OREG.,
May 12, 1972.

President RICHARD NIXON,
The White House,
Washington, D.C.

MR. PRESIDENT: How can you ask anyone to support continued killing? It is absolutely stupid to threaten Russia. Our honor is gone.

WALTER W. DREHER,
VIRGINIA DREHER,
GERALD DREHER.

NEW YORK, N.Y.,
May 9, 1972.

President RICHARD NIXON,
The White House,
Washington, D.C.:

Beg you not escalate war further. It would only divide us further.

DR. BENJAMIN SPOCK.

St. LOUIS, Mo.,
May 9, 1972.

President NIXON,
The White House,
Washington, D.C.:

Your decision to take military action against North Vietnam is not worth the risk involved. My family has always voted republican but we can no longer support your administration.

C. J. SULLINS.

EWTON, MASS.,
May 11, 1972.

President NIXON,
The White House,
Washington, D.C.:

Honor is not found in escalation, your sense of morality and ethical behavior is intolerable.

EMILY MCCLUNG.

SACRAMENTO, CALIF.,
May 11, 1972.

President NIXON,
The White House,
Washington, D.C.:

Get out, get out, get out, get out, get out, get out.

JAMES HOLDEN.

ARDMORE, PA.,
May 11, 1972.

President RICHARD NIXON,
The White House,
Washington, D.C.:

Blockade endangers peace with no possible positive results. Will support your impeachment defeat.

FRED BENCH.

CHICAGO, ILL.,
May 9, 1972.

President NIXON,
The White House, Washington, D.C.:

I am normally a dove but I applaud your speech tonight. Thanks for the courage.

Miss JEAN APPLEMAN.

SEBRING, FLA.,
May 10, 1972.

President RICHARD M. NIXON,
The White House, Washington, D.C.:

Support your latest move against North Vietnam. Have hope for first time in five years.

Family of POW KENNETH FISHER.

May 15, 1972

MARSHALLTOWN, IOWA,
May 9, 1972.

The PRESIDENT,
The White House, Washington, D.C.:
As an American and wife of a missing man
I stand behind your decision tonight.
Mrs. BRADLEY CUTHBERT.

HAGERSTOWN, MD.,
May 12, 1972.

President RICHARD M. NIXON,
The White House,
Washington, D.C.

DEAR PRESIDENT NIXON: As an ex-marine who fought in Vietnam for seventeen months and who vacated the jungle only upon leaving a leg on deposit there in April 1967, I thank you from the bottom of my heart for last night's courageous decision concerning Vietnam. In a nutshell, it means you are something more than a politician bent only on the next election; it means you are a statesman concerned with the freedom and honor of the next generation.

Politically of course, you may be in a little trouble—at least from the more vocal of my generation. But then you probably never had their vote anyway. Having actively campaigned for you as a freshman in a college wide debate, I want you to know that due to your decision tonight I will continue to support you whenever and wherever the opportunity presents itself.

Again, in behalf of myself and my fellow marines, some of whom lost much more than a leg, thanks. Your courage means that our sacrifices were not in vain.

Respectfully yours,

REUBEN DABBY.

FAYETTEVILLE, N.Y.,
May 8, 1972.

DEAR MR. PRESIDENT: I have just listened to your speech on TV concerning the situation in Vietnam. I am behind you 100%. I am proud to be an American. In spite of what the newspapers and TV newscast try to tell me I understand what you are saying. I also think I speak for the average little guy who knows how great this country is and can be.

Yours truly,

ROBERT J. MEISENHOLDER.

LYNCHBURG, VA.,
May 9, 1972.

President RICHARD M. NIXON,
The White House,
Washington, D.C.:

The affirmative stand you expressed last night is long overdue. Our previous no-win policy has been disgraceful.

RUTH PEEPLES.

BATON ROUGE, LA.,
May 9, 1972.

President RICHARD M. NIXON,
The White House,
Washington, D.C.

Sir: We of the Baton Rouge Overseas Waiting Wives Club support you in your latest stand on the Vietnam war.

WYOMING, PA.,
May 9, 1972.

President NIXON,
Washington, D.C.:

One who lost his brother on April 7, 1971 in Vietnam, your actions this evening is a blessing courage and totally without malice. I know my brother wherever he may be from this evening on will rest a lot easier. From myself as Korean war veteran and 18 months in a POW camp I send my love and I can sympathize with the tormented feelings that you are going through this evening.

Since you became President I followed you and at not one time have I ever lost faith in you.

Truly yours,

Mr. LEWIS MOIER.

TUCSON, ARIZ.,
May 9, 1972.

President NIXON,
The White House,
Washington, D.C.:

Mr. President, after many months of unhappiness with your Vietnam policy I am encouraged by latest move and support you 100 percent.

POW wife VERA VAN LOAN.

WACO, TEX.,
May 12, 1972.

President RICHARD NIXON,
The White House,
Washington, D.C.:

We Democrats not Hawks, but backing you all the way.

Mr. and Mrs. JUDSON D. WILLIAMS.

MORGANFIELD, KY.

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

DEAR MR. PRESIDENT: As a twenty-seven-year-old Vietnam veteran and a western Kentucky weekly newspaper publisher, I wholeheartedly support your decision to mine the Haiphong area and take other courageous military steps to bring Hanoi to its knees, while you Mr. President did not involve our country in the Southeast Asia. I admire your devotion to duty and respect your devotion to bring about an honorable end to the war.

JOHN MUNFORD.
Publisher Union County Advocate.

AVON, CONN.,
May 9, 1972.

DEAR MR. PRESIDENT: I have been chain dialing for over three hours to reach Western Union, but the circuits are all tied up. I'll try later, but just to be sure I get through I'm writing this letter.

We support you fully.

WILLIAM V. MCGUINNESS, Jr.,
Family of ten.

ST. LOUIS, MO.,
May 9, 1972.

President RICHARD NIXON,
The White House,
Washington, D.C.:

100 percent in agreement with your policy. Taxpaying Missouri Democrat.

CHARLES DENT.

CHICAGO, ILL.,
May 9, 1972.

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

The Polish American Congress wholeheartedly supports you and your plans for ending the Vietnam War. We concur and support.

ALOYSIUS A. MAZEWSKI,
President, Polish American Congress.

ORLAND PARK, ILL.,
May 9, 1972.

President NIXON,
The White House,
Washington, D.C.:

We wholeheartedly support your Vietnam decision. MCGOVERN and ELLSBERG are wrong. Faithfully yours,

ROGER and ROXANN PLICHTE.

GLENDAL, ARIZ.,
May 9, 1972.

The PRESIDENT of the United States,
Washington, D.C.:

We are behind you 100 percent on decision you made in Southeast Asia. We are sure our KIA son feels the same.

RALPH and EDITH ECKLUD.

AKRON, OHIO,
May 9, 1972.

President NIXON,
The White House,
Washington, D.C.:

Communists must be stopped. Our son is in Gulf of Tonkin.

Mr. and Mrs. ROBERT INGERSOLL.

OMAHA, NEBR.,
May 9, 1972.

President RICHARD NIXON,
The White House,
Washington, D.C.:

The men in Geputh and my husband at Utopia, Thailand are well behind your action.

T. Sgt. and Mrs. LARRY O. HANSON.

CHICAGO, ILL.,
May 9, 1972.

President NIXON,
The White House,
Washington, D.C.:

In this moment of great strife we the members of the Spanish American businessmen Association wish you to know that we agree with your position and that we wholeheartedly back you.

F. MITCHELL, Jr.
President.

HOLYOKE, MASS.,
May 8, 1972.

President RICHARD NIXON,
The White House,
Washington, D.C.

DEAR PRESIDENT NIXON: We applaud your stand tonight on TV. We are behind you 100%. This includes my family of 11 adults and 16 grandchildren.

We cannot let those poor people in S. Vietnam down. Today the communists are invading South Vietnam. Tomorrow they will be invading San Francisco. If we don't stop them. Now.

Pray the rosary
Sincerely,

Mrs. HARTIN FINN.

LEXINGTON, KY.,
May 9, 1972.

DEAR MR. PRESIDENT: Upon hearing your speech last evening, I wanted to stand up and cheer. I only wish that a man of your courage and conviction had been in the White House six years ago.

I support your actions without reservation. May God continue to watch and safeguard you and our country.

Sincerely,

TIMOTHY P. LENDMAN.

DALLAS, TEX.,
May 9, 1972.

The PRESIDENT of the United States,
The White House,
Washington, D.C.

Sir: Congratulations for having the guts to do what should have been done years ago. You have our support. Keep up the good work.

Very truly yours,

LEWIS H. BADER.

PEORIA, ILL.,
May 9, 1972.

President NIXON,
White House,
Washington, D.C.:

From a voter that voted against you twice, but will surely vote for you now. I back you all the way in your act of courage in these most trying times.

BILL LIVINGSTON.

RUSSELL, KANS.,
May 10, 1972.

President RICHARD M. NIXON,
The White House,
Washington, D.C.:

As parents of three servicemen, one of whom served in Korea and two in Vietnam, we wish to congratulate you on your brave efforts to end the conflict.

Dr. and Mrs. F. N. WHITE.

PENSACOLA, FLA.

President RICHARD M. NIXON,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As the mother of two boys, and the wife of a serviceman who has spent 12 years in the service of his country, with a tour of duty in Vietnam and the recipient of two purple hearts, and even though I know that my husband may have to return to Vietnam, I want you to know that you have my wholehearted support.

I feel your decision is the right decision. We can't abandon the people of South Vietnam to the fate that would be in store for them if the communists were allowed to take over their country.

I know it is hard for you to make this decision because it involves so many people in the United States and other countries.

We have to do what's right and more than anything else we have to fight for what we believe in, and we believe in "freedom."

My prayers will be with you and with all our boys.

Sincerely yours,

MARIA L. RECAEDE.

HOBBS, N. MEX.,
May 9, 1972.

MR. PRESIDENT: I heard your address on the radio last night and I am taking the liberty of writing this letter to let you know that millions of people have been waiting for you to take this type of action for a long time. I am certain that these millions are behind you 100 percent. It makes me proud again to be an American and a veteran.

I am a veteran of WW2 and Korea, my oldest son is a veteran of Vietnam and my youngest son is enlisting in the Navy as soon as he finishes school. Thank you, and God bless you and keep you.

Sincerely, yours,

J. C. BROTHERTON.

DELTA, PA.,
May 8, 1972.

The PRESIDENT of the United States,
The White House,
Washington, D.C.:

DEAR MR. NIXON: My family and I abhor war, but we commend you for the courageous decision you have made in dealing with the murderous government of North Vietnam.

We feel that most Americans are of the same opinion and that this is one of the most positive steps our government has ever taken in trying to bring an end to this horrible war.

Our prayers are with you.

Sincerely,

ROBERT W. BALDWIN.

MAPLE GLEN, PA.,
May 9, 1972.

PRESIDENT RICHARD M. NIXON,
The White House,
Washington, D.C.

DEAR PRESIDENT NIXON: We listened to your excellent speech on television last night. You asked for support on your new policy for Vietnam. You have ours . . . 100 percent.

Nine members of my family have served in Vietnam . . . one for two tours of duty. Two of the nine are there now. They are brothers. One is a chopper pilot; the other, infantry. I want them back alive. If this is the best way and I pray to God it is, then you have our support.

You're going to need the Lord's help on this one. We'll remember you in our prayers.

Sincerely,

CONSTANCE E. BECK,
HAROLD R. BECK.

LILLINGTON, N.C.,
May 9, 1972.

DEAR PRESIDENT NIXON: I am a college student, and I think you are very brave and intelligent man. I heard your speech last night and I want to tell you that my family and I are proud to be Americans. We shall stand by you and pray for you. May God bless you and your family.

An admirer,

HELEN M. ROGERS.

REDONDO BEACH, CALIF.,
May 8, 1972.

President NIXON,
White House,
Washington, D.C.

DEAR SIR: As a POW family, we are behind you 100% for the decision you have made and announced this day to blockade North Vietnam.

God bless you and we pray every day that you may be guided according to God's will.

Sincerely,

Mr. and Mrs. J. M. MOBLEY.

NEW YORK, N.Y.,
May 12, 1972.

President RICHARD NIXON,
White House,
Washington, D.C.:

You seem to this Columbia University professor right on Vietnam.

C. LOWELL HARRISS.

RICHMOND, CALIF.,
May 12, 1972.

President NIXON,
The White House,
Washington, D.C.:

As a responsible college student I am proud of my country and President. I commend you and stand behind you 100 percent. Your finest moment is at hand. God bless.

S. BROWN.

NEW ORLEANS, LA.,
May 9, 1972.

PRESIDENT OF THE UNITED STATES,
Washington, D.C.

MISTER PRESIDENT: For years I haven't felt this type of pride even with a son in the infantry. I feel better than before. You deserve a medal. God bless us all.

WILLIAM S. CALLAHAN, JR.

PORTLAND, OREG.,
May 9, 1972.

President NIXON,
White House,
Washington, D.C.:

Canvas of this area find 80 percent of people behind your move. Our family are all democrats, and we are all behind you 100 percent.

JOSEPH C. MILLER.

CLEVELAND, OHIO,
May 10, 1972.

President RICHARD NIXON,
Washington, D.C.:

In the name of our fallen son we support you, Mr. President, and pray that God will bless and guide you.

Mr. and Mrs. HOWARD WEBER.

CHICAGO, ILL.,
May 12, 1972.

President RICHARD NIXON,
White House,
Washington, D.C.:

I am a student at DePaul University and am in complete support of your Vietnam policy.

GAARY MARACH.

HIGHLAND, CALIF.,
May 11, 1972.

President NIXON,
White House,
Washington, D.C.:

I am a Democrat and a disabled veteran but I support you as a loyal American and believe in you sincerely. My prayers are with you.

LOWELL SHEPARD.

IN SUPPORT OF PRESIDENT NIXON'S ACTIONS IN VIETNAM

MR. SCOTT. Mr. President, Representative William G. Robinson, Republican of Melrose, Mass., was the sponsor of a resolution in the Massachusetts House of Representatives in support of President Nixon's actions in Vietnam.

The resolution was introduced Thursday, May 11 and passed the House of Representatives 149 to 9.

Representative Robinson will be in Washington today to present copies of the resolution to Senator BROOKE and Senator KENNEDY at 11:30 and 11:50 respectively, and to the White House at 1 o'clock today, May 15.

The public opinion polls over the country, since the decision of the President, all show strong support of the President, most of them at the rate of about 75 percent in support, to about 20 percent against.

The Harris poll, usually the most conservative where any popularity of the President is concerned, comes in with a 59 percent approval.

In the newspapers, these polls usually get about three or four columns over a weekend.

Mr. President, in order better to inform the American people, I ask unanimous consent to have printed in the RECORD the material which I have discussed, and other material, with reference to some of these polls.

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

PUBLIC OPINION STRONGLY BEHIND PRESIDENT NIXON ON VIETNAM

The American people strongly support the President's bold actions to bring an early end to the War in Vietnam. Here's a sample of the evidence.

Polls

Opinion Research—"Three out of four Americans (74%) support President Nixon's decision . . ."

Harris Survey—"68% of those with opinion's support his dramatic decision." (Based on 1400 personal interviews)

Sindlinger—"Three quarters of the American people (76.4%) support the President's initiative in Vietnam."

California Field Poll—"Approval for Mr. Nixon's handling of the war went from 41% before to 53% after, his dramatic decision of May 8, 1972."

ABC Poll—"60% of the American people agree with the President's decision to mine North Vietnam's ports." 71% of those supporting the President's decision would support further military action.

WHITE HOUSE TELEGRAMS AND MAIL

Over 50,000 telegrams have been received thus far at the White House. It is running 4-1 in favor of the President's Vietnam actions. The same strong support (4-1 in favor) is found in the 40,000 letters that have been received by the President. Both telegrams and mail are still pouring into the White House.

OTHER INDICATIONS OF SUPPORT

Massachusetts House of Representatives—By a vote of 149-9, the Massachusetts House urged North Vietnam to withdraw its troops immediately from the South, and to accept President Nixon's peace terms immediately. The House earlier rejected anti-war resolutions on the same subject.

Petitions of support have begun to arrive in the White House. Organized groups, from professional associations to labor unions have sent messages of endorsement for the President's actions.

THREE QUARTERS OF THE AMERICAN PEOPLE SUPPORT THE PRESIDENT'S INITIATIVES IN VIETNAM AND THE MINING OF HAIPHONG HARBOR

Sindlinger asked the following question: "In his address to the Nation Monday evening, the President called for the support of the American people for his efforts to end the war in Vietnam. Would you say you support the President in his effort to end the war or would you say you do not support him?"

The replies were as follows:

	Total	Percentage
Sample.....	556	
Support.....	424	76.2
Do not support.....	128	23.0
No opinion/Won't say.....	4	.8

SEVENTY-FOUR PERCENT BACK MINING OF HAIPHONG HARBOR; U.S. BACKS PRESIDENT'S STRONG STAND

PRINCETON, N.J.—Three out of every four Americans (74%) support President Nixon's decision to mine the harbor at Haiphong and every other port along the coast of North Vietnam. Only 21% are opposed to the President's dramatic decision Monday night.

Almost an identical number—75% of the American people—support the President's proposal to withdraw all American forces from South Vietnam, within four months after the return of our POWs and an internationally supervised cease-fire.

These are the results of a national opinion survey taken on Tuesday, May 9 after the President's announcement of Monday night. The survey was taken by the Opinion Research Corporation of Princeton, New Jersey.

The results of this survey are based on 702 telephone interviews conducted among a nationwide representative sample of persons 18 years of age and over.

Below are the questions as asked and the results:

"To make sure that the supplies do not reach the North Vietnamese the President has taken the following actions:

- (A) Mined all North Vietnam harbors;
- (B) Having U.S. forces prevent any supplies from reaching North Vietnam by sea;
- (C) Cut off all rail and other communications in North Vietnam to the extent possible;

(D) Continued air strikes against military targets in North Vietnam.

Do you support the President's actions or don't you?"

Yes, support the President—74%.

No, don't support the President—21%.

No opinion—5%.

"President Nixon, in his speech Monday evening, agreed to stop all military action in Vietnam and to withdraw all U.S. troops within four months as soon as all our Prisoners of war are released and an international cease-fire has been established in Indochina. Do you agree or disagree with the President's position?"

Agree with the President's position—75%.

Disagree with the President's position—17%.

No opinion—8%.

ABC NEWS POLL

In a survey covering twelve major cities across the United States, ABC News reports the following results:

Do you agree with the President's decision to mine North Vietnam's ports?

Yes 59%.

No 28%.

Don't Know 13%.

A total of 71% of those favoring the President would support further military action. Of the 1,000 sample, this would mean that 42% of all the people would support additional military action.

Of those opposing the President's action, 71% want total withdrawal, regardless of consequences, 14% do not and 14% don't know.

THE HARRIS SURVEY—59 PERCENT OF PUBLIC BACKS NIXON VIET MOVES

(By Louis Harris)

In a special survey completed on May 9 and 10 the American people give decisive 59 per cent to 24 per cent approval of President Nixon's move in mining the harbors of North Vietnam. These results can be taken as a rallying of public opinion behind the President in a time of national crisis, with 68 per cent of those with opinions supporting his dramatic decision.

At the same time, a national cross-section of 1,385 persons interviewed indicated that it would be willing to go a substantial distance toward compromise at the negotiating table to achieve an end to the Vietnam war:

By 51 per cent to 31 per cent, the public favors a "standstill cease-fire," under which "both sides would keep their troops where they are now."

By a narrow 44 per cent to 36 per cent, it would back "an agreement to end the war, but to let North Vietnam keep the territory in South Vietnam it now occupies."

By a substantial 60 per cent to 14 per cent, it would favor having "president of South Vietnam resign from office, if that were the only way to get peace."

Previous surveys have indicated that upwards of 80 per cent of the public also wants a return of American prisoners of war as a key term in the settlement of the Vietnam conflict.

The cross-section of 1,385 was asked:

Do you approve or disapprove of President Nixon's order to mine all the harbors of North Vietnam?

	Percent
Approve.....	59
Disapprove.....	24
Not sure.....	17

Heaviest support for Mr. Nixon's step to mine North Vietnam harbors could be found among men, residents of the South and West, in smaller towns and rural areas, among those 50 years old and over, those with a high school education and persons with incomes of \$10,000 to \$13,000.

Opposition was strongest in the East, among those under 30, among Democrats and those with a college education.

The cross-section also was asked:

Considering the fact that the North Vietnamese now occupy much of the northern part of South Vietnam, would you favor or oppose:

A cease-fire in the fighting in which both sides kept their troops where they are now?

	Percent
Favor.....	51
Oppose.....	31
Not sure.....	18

An agreement to end the war but to let North Vietnam keep the territory it now occupies?

	Percent
Favor.....	44
Oppose.....	33
Not sure.....	18

Finally, people were asked:

Suppose the only way we could get peace in Vietnam were to have President Thieu of South Vietnam resign from office. Would you favor or oppose such a move?"

	Percent
Favor.....	60
Oppose.....	14
Not sure.....	26

Those who most favor allowing the North Vietnamese to keep the territories they now occupy are women, easterners, those under 30, the college educated and those with incomes of \$15,000 and over.

[From the Dallas News, May 10, 1972]

TEXANS IN CONGRESS BACK NIXON'S VIETNAM ACTIONS

(By Saralee Tiede)

WASHINGTON.—Texans in Congress Tuesday generally rallied behind President Nixon's decision to mine Haiphong Harbor. Some of their colleagues in the House and Senate were more critical.

Republican Sen. John Tower took the more dovish senators to task during lengthy debate on the President's action.

"It seems to me that the suggestion of much of what has been said here is that we should surrender South Vietnam to North Vietnam," he said.

"I can think of nothing more calculated to encourage military aggression."

Tower, who has long favored mining North Vietnamese harbors, said he considers the President's action "the most merciful and humane" means to end the war.

Sen. Lloyd Bentsen, a Democrat, gave a luke-warm endorsement to Nixon's decision when he said, "The President coupled the military action with the most generous peace offer yet advanced. I pray that it will work."

Bentsen said he doubted that the naval interdiction itself would end the war.

Republican Rep. Jim Collins of Dallas expressed similar doubts.

"I've got some apprehension about taking an action like this when we're down to 69,000 troops over there," he said, noting that he had supported Goldwater's similar proposals in 1964 and seen it roundly defeated at the polls.

Collins said he preferred to emphasize the President's peace offer—a definite withdrawal date—over the mining.

Meanwhile House doves and hawks debated the President's announcement in heated language and at one point, ordered anti-war demonstrators cleared from the galleries.

Reps. Bella Abzug and William Ryan, both New York Democrats, called for the impeachment of Nixon and majority whip, Rep. Thomas O'Neill, D-Mass., said that the White House "better show tremendous diplomatic skills in the next three days or we'll be in World War III."

Dallas Rep. Earle Cabell said he considered the harbor plan the proper step—the only positive, honorable thing that can be done.

"It's a calculated risk," he said. "But he's acting with the best judgment and the best advice."

Rep. Olin Teague of College Station, also a Democrat, said "If Kennedy and Johnson had had the guts to do this, the war would be over now."

There is more risk now than there would have been several years ago, he said.

"The greatest sin against the military is to commit them to combat and make them fight with their hands tied behind them," Teague said.

Rep. Clark Fisher, a San Angelo Democrat, said the President's action was justified by the need to protect American soldiers.

"In war everything involves some risk. The enemy takes a risk in making a massive, illegal action," he added.

Fisher, a high-ranking member of the House Armed Services Committee, said that the blockade will have no immediate effect militarily since supply lines are already in being.

[From the Los Angeles Times, May 12, 1972]
MAJORITY BACKS NIXON, SOUTHLAND SURVEY REPORTS

President Nixon's dramatic announcement Monday night that this country has taken new military steps to stop the flow of war materiel to North Vietnam has struck a responsive chord with Southern Californians.

A special telephone interview poll taken for Los Angeles television station KNXT by Field Research Corp. on Tuesday among a cross section of Los Angeles and Orange county residents found that 73% had seen or heard something about Mr. Nixon's speech Monday night.

A summary of results demonstrate public belief that the actions taken by Mr. Nixon will increase our military involvement in the Vietnam war, and that there is now greater danger of war with Russia or China as a result.

Notwithstanding, most of the public in the survey area supports Mr. Nixon's latest moves to blockade North Vietnam and interdict supplies coming in to that country overland.

Ten days ago, 50% of the public in the survey area disapproved of Mr. Nixon's handling of the Vietnam war while 41% approved. In this survey, approval of Mr. Nixon's management has gone from 41% to 53%. Disapproval had declined from 50% to 32%.

Further indications of the change in attitude about the Vietnam war is demonstrated by a comparison of findings to this question asked in both surveys: "We should pull out of Vietnam as soon as possible even if this step is seen by the rest of the world as a political and military defeat for the United States."

Ten days ago, 55% of the public agreed with that statement and 43% disagreed. Now agreement has dropped to 47% and disagreement has decreased to 40%.

FUNDING CUT

On the matter of whether Congress should cut off money for the Vietnam war, there is less agreement for that step now than there was 10 days ago. In the survey before Mr. Nixon's announcement, 53% of the public was in favor of cutting off money and 39% was not. At this point, the public is evenly divided—44% favoring and 44% opposing that step.

Substantial majorities of the public agree with Mr. Nixon's stand that his action is the only way to get the remaining troops out of Vietnam, that the United States made a commitment to South Vietnam which should be honored, and that the move increases the chances of getting prisoners of war returned.

There is little question that Mr. Nixon has virtually overnight won a large measure of confidence which he gradually lost in re-

cent months as it became apparent that his Vietnamization policies were not working.

Previous surveys have shown that in national crises, there is an instinctive rallying around the President. For example, this occurred when President Lyndon B. Johnson escalated the Vietnam war after the Gulf of Tonkin incident.

CUBAN CRISIS

In another instance, there was an outpouring of support for President John F. Kennedy during the Cuban missile crisis.

The question of whether Mr. Nixon has permanently halted the decline in public support for his policies will probably depend on how successful he is in these latest Vietnam moves.

In this survey, opinion was sharply divided between Democrats and Republicans and between young and old. Republicans were overwhelmingly supportive of the President and his actions. Democrats disapproved of Nixon's management, but by a smaller margin than previously. People in the 18- to 24-year-old age bracket were most disapproving and unsupportive.

In a special poll conducted by the Field organization for The Times in Los Angeles and Orange counties between April 15 and 17, a majority of persons approved of the renewed U.S. bombing attacks in Vietnam.

But they also said they believed the United States should withdraw from Southeast Asia as soon as possible, even if that step is seen as a political and military defeat.

[From the Chicago Tribune, May 12, 1972]
NIXON MAKES GAIN ON VIET IN CANADA
(By Eugene Griffin)

OTTAWA, Ont., May 11.—President Nixon's decision to mine the ports of North Viet Nam has been greeted with editorial respect in Canadian papers which usually are critical of him.

"Both Hanoi and Moscow now know that the President will not allow 60,000 American troops to be driven bloodily into the sea," the Toronto Star said today. "Not while America has the power to reduce North Viet Nam to a lifeless plain."

The Toronto Globe and Mail, a critic of American policy in Viet Nam, said that "The vague shaky outlines of peace can be seen."

"Whether they take firm shape will depend initially on the Russians, but finally on the Chinese," it said.

The Vancouver Province said: "President Nixon makes it clear that his country is not prepared to end the war by accepting defeat or the consequences of such capitulation. Among the consequences would be the exposure of 17 million South Vietnamese to the reprisals of their Northern conquerors."

In the House of Commons here, Mitchell Sharp, the secretary of state for external affairs, said he did not think it would be helpful for the Canadian government to make a statement on the situation in Viet Nam.

[From the Boston Globe, May 12, 1972]
MASSACHUSETTS FOES OF WAR LOSE IN HOUSE
(By Rachelle Patterson)

The Massachusetts House of Representatives yesterday rejected immediate US withdrawal from Vietnam on a vote of 149 to 9, and instead adopted a resolution urging North Vietnam to withdraw its troops immediately, release American prisoners of war and accept President Nixon's peace terms.

Forty-four representatives, conservatives and liberals alike, voted "present."

The House action repudiates the Senate's 36 to 1 vote Wednesday condemning the escalation of the Vietnam War and urging the immediate withdrawal of all American forces and material from Southeast Asia.

The vote by the Democratic-controlled House comes little more than two weeks after Democrats in the state voted overwhelmingly

for US Sen. George McGovern, a presidential candidate, who wants an immediate US withdrawal from Vietnam.

The House resolution calling on Congress to enact an antiwar amendment to end the conflict was briefly resurrected later on in the session by one of its sponsors, Rep. John Businger (D-Brookline), but to no avail. It was again defeated, 105 to 60, with 41 members voting present.

Although the Republican senators appeared sympathetic towards President Nixon during Wednesday's Senate debate, they finally voted for the resolution condemning his action after a specific reference to the President was deleted from the statement. Most Republicans voted against the resolution in the House.

During yesterday's House debate, Rep. Gerald P. Lombard (D-Fitchburg) said the Senate put on a "bizarre" performance. Noting that the Senate resolution was sponsored by Democrats, he said, "There are Democrats and there are Democrats—I'm one of the others. President Nixon has been patient beyond belief."

Rep. William G. Robinson (R-Melrose), who successfully substituted the resolution urging North Vietnam to withdraw for the immediate withdrawal resolution, said he supports the President's move "and it appears to be working."

Rep. Vincent J. Piro (D-Somerville), who wound up voting for the Robinson substitute resolution, opposed the measure in debate, noting "it seems ridiculous to waste our time talking about international politics."

Favoring the antiwar resolution, Rep. Alan D. Sisitsky (D-Springfield), said "some of the President's key advisers disassociated themselves from his policy of escalating the war without consultation."

Businger, one of the sponsors, said Robinson "is trying to cloud the issue," by his substitute resolution, noting that the "House is already on record for North Vietnamese withdrawal."

[From the Wichita Eagle, May 10, 1972]
KANSAS DELEGATION—NIXON'S VIET MOVES
DRAW PRAISE, FROWNS
(By Jerry Fetterolf)

James Pearson, Kansas' senior senator and candidate for re-election, said Tuesday afternoon he had "no comment at this time" about President Nixon's plan for the United States to mine North Vietnam ports.

The other six members of the Kansas congressional delegation, contacted by telephone in Washington, gave reactions varying from strongly favoring to mildly disapproving the latest action in the conflict.

In Topeka, Alf Landon, former Kansas governor and 1936 GOP candidate for president, wrote President Nixon the administration's Vietnam policies have received stronger backing than that given President Truman when he sent troops into Korea in 1950.

"Your comprehensive policies and their bold execution to meet the Indo-China problems are receiving the most gratifying popular support here in Topeka," Landon wrote Nixon.

"The only historical comparison is President Truman's decision between night and morning to enter Korea. The support you have today—here in Topeka, at least—is much stronger without reservation."

Sen. Bob Dole, R-Kan., national GOP chairman, termed Nixon's action "a bold move and a necessary move."

In comment about possible Russian reaction and a possible halt to Nixon's planned visit to Moscow this month and the Vietnamese consequences of the mining, Dole said "the option is theirs. We are in the same position with Russia that we are in the Middle East."

"The President took a grave political risk. But, in his mind, re-election was secondary

to maintaining the credibility of the United States."

Rep. Keith Sebelius, R-1st District, said: "I don't think we have any choice in the matter. We are still taking men out of Vietnam on schedule, and the package proposal the President made for the North Vietnamese is as it should be."

Rep. William Roy, D-2nd District, said: "I hope that what he is doing will work. But from what I know and from our experience, I have no great expectations that it will work. If this is an error, it will show up later, and all we can do is wait."

Rep. Larry Winn, R-3rd District, said: "It was a grim statement—but I don't know what could have been done differently. It (the statement) was what most of us knew had to be done. We've been sitting around hoping for years the thing would bounce our way—but it didn't. So, now we had to act."

Rep. Gardner Shriver, R-4th District, said: "I had a feeling Congress should be involved in such a grave step as that which was taken."

But he added, "I am pleased with the President's willingness to do everything possible to end the war."

Rep. Joe Skubitz, R-5th District, said the decision was "most courageous."

"Of course, it involves hazards," Skubitz added. "Whether it will prove right or wrong ultimately, only history will decide. In any event, this is a time when all Americans—doves and hawks alike—must show a united front to the world. In division lies danger, perhaps even disaster."

"The world must understand that we Americans can disagree but when our country's welfare is at stake we set aside policy differences and we become as one. There is no alternative."

[From the Detroit News, May 10, 1972]

DOVISH SENATORS PLAY POLITICS

To the Editor: The Democratic Party and some of its senators in particular have shown themselves to be true politicians by their anti-Vietnam war statements.

Senator Fulbright called the bombings of Hanoi and Haiphong "barbaric, inhumane and obscene." But does he classify Hanoi's invasion of South Vietnam as an act of mercy? It is an effort to force Communist doctrine upon an independent people.

The reasoning of some of the anti-war dogooders is incomprehensible. It is obvious Mr. Nixon's only course was to resume our air war and naval bombardment to try to stop the enemy.

Granted, we never should have become involved in the first place in this horrible war. But now we must do all we can to withdraw gracefully and with honor.

I'm not a Republican but I support Mr. Nixon's courageous choice of action and expect leaders of both political parties to do the same.

DAVID D. JONES.

I was shocked by Senator McGovern's vicious attack on Mr. Nixon over Vietnam. McGovern said Mr. Nixon's talk to the nation was political trickery and calculated deception. That sounded like propaganda from Hanoi.

It is frightening to think McGovern could be elected president.

C. THOMAS.

Senator McGovern is an ultra-liberal who appeals to peaceniks and radical youth. How can he look the other way when North Vietnamese troops with Russian tanks slaughter everyone in their path in South Vietnam?

Probably he is too busy condemning the bombing of enemy military targets to notice!

C. VOGEL.

The Vietnam war will never end if any of our dovish Democrats is elected president. Mr. Nixon is our only hope for ending the war—and he is bringing it to a close.

JIMMY DREYFUS.

[From the Indianapolis Star, May 10, 1972]

HOOSIERS CHEER, BOO NIXON ACTION IN VIET

Hoosier reaction to the Nixon decision to mine North Vietnamese harbors was varied yesterday.

State Senator Phillip E. Gutman (R-Fort Wayne), Senate president pro tempore, said yesterday he believes President Nixon "has silenced his critics by establishing his deadline for complete withdrawal of American troops from Vietnam within four months, contingent upon the release of American prisoners."

Gutman, a candidate for the Republican gubernatorial nomination, said Mr. Nixon's proposal "leaves the decision to prolong the war squarely up to the North Vietnamese."

"The blockade (announced by Mr. Nixon) is needed to discourage and prevent the needless, senseless slaughter of South Vietnamese and Americans," Gutman said.

Gutman said, "As a gubernatorial candidate, I feel it is imperative that all Hoosiers know that this is my position."

Indiana Attorney General Theodore L. Sendak telegraphed his support to the White House. Sendak's message said, "Every knowledgeable American who puts American security ahead of Communist aggression will support your continuing effective action in Southeast Asia."

American Legion National Commander John H. Geiger endorsed the President's action.

He said, "The security of our Asian allies, our POWs and our troops demand the action you have initiated."

Ten executives of the Christian Church (Disciples of Christ) sent a telegram to President Nixon urging withdrawal of American troops and a cease-fire so the people of Vietnam can begin rebuilding their country.

In Richmond, about 50 students peacefully protested in front of the city's Municipal Building while other students passed out flyers which accused Mr. Nixon of creating an international crisis.

The Hoosiers for Peace called the action of the President "manipulative, and simplistic." They added, "It is the action of a bully who would risk total annihilation to keep from being publicly humiliated."

Alvin F. Koltz, the Hoosiers for Peace executive secretary, said that Mr. Nixon is on an immoral course. He also said that the actions of the North Vietnamese could not be excused and are "just as wrong."

Senator R. Vance Hartke (D-Ind.) said that the President has elected to "bring us to the brink of mankind's last war" because "he could not admit his own failures in Vietnam." He urged Congress to reverse the Nixon decision.

Mrs. Helen Duart, Lafayette, Indiana chairman of the National League of Families of Prisoners of War-Missing in Action, said that she supported President Nixon. "He is still my commander-in-chief," she said.

She said that "we can't go on negotiating for 10 more years, because the prisoners won't last that long."

Mrs. Duart is the wife of Air Force Maj. David Duart who has been a captive in North Vietnam for the last five years.

Employees at the Indianapolis office of Western Union said that a large volume of messages has been sent to Washington since the Nixon announcement. The messages were heavily in favor of the President, sources said.

Indianapolis City-County Councilman Kenneth N. Giffin, a Republican and the youngest member of the Council, said that he would introduce a resolution at the May 22 meeting backing the President's decision and praising Mr. Nixon for his "strong defense of American lives and his desire to end the war."

Beurt R. SerVaas, Republican president of the City-County Council, said that it is in the "national interest to withdraw from Vietnam but with honor... Surrender is not acceptable to the majority of Americans."

Abbie Hoffman, antiwar activist and "Chicago Seven" conspiracy trial defendant, said yesterday at DePauw University, Greencastle, where he was scheduled for a speech, that "the idea of going to Russia to talk peace in 10 days after attempting to blow up Russian ships in North Vietnam harbors clearly has to be a sign of intense schizophrenia."

About 1,000 persons, mostly Purdue University students, gathered on the campus in West Lafayette last night to protest the Nixon move. They marched to the Tippecanoe County Courthouse in Lafayette.

Mr. SCOTT. Mr. President, the people are behind the President. I hope that Congress will get to work.

I yield back the remainder of my time.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the distinguished Senator from Kansas (Mr. PEARSON) is now recognized for not to exceed 15 minutes.

(The remarks Mr. PEARSON made on the submission of Senate Concurrent Resolution 80 are printed in the RECORD under Submission of a Concurrent Resolution.)

(The remarks of Mr. ROBERT C. BYRD when he submitted a resolution on behalf of Senators THURMOND and HOLINGS are printed in the RECORD under Submission of a Resolution.)

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 3 minutes.

RECOGNITION OF SENATOR GRAVEL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, on tomorrow, immediately after the two leaders have been recognized under the standing order, the able Senator from Alaska (Mr. GRAVEL) be recognized for not to exceed 15 minutes.

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

The Senator from West Virginia is recognized.

QUORUM CALL

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

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

The second assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT OF THE ATOMIC ENERGY ACT OF 1954

Mr. PASTORE. Mr. President, I should like to have the attention of the Senator from Tennessee, and also the distinguished assistant majority leader, regarding a calendar number which relates to a bill reported by the Joint Committee on Atomic Energy and passed by the House of Representatives.

It is Calendar No. 755, S. 3543.

It is a bill to amend the Atomic Energy Act of 1954, as amended, to authorize the Commission to issue temporary operating licenses for nuclear power reactors under certain circumstances, and for other purposes.

Mr. President, I realize the importance of the pending business and what it means to the Senate to expedite it. I do not want to do anything seriously to interfere with that. I realize, too, that in our conference the other day we suggested there be no postponement of the pending legislation because of its importance.

Now I would not expect a quick answer, but I was wondering whether we could not have at least one day allotted to us at some convenient time, in the judgment of the leadership, so that we could bring up this matter to see if we can dispose of it. I will tell you why, Mr. President, I say that.

We have been told in open hearings that there are many places in the country where, this coming summer, they expect a shortage of electric energy which might result in brownouts or blackouts. We have about 15 nuclear powerplants that have either been constructed or substantially constructed. But, because they have been contested with respect to permanent license applications, they are now in limbo. Tremendous amounts of money have been invested in these plants.

The proposed legislation would authorize the Atomic Energy Commission to grant a temporary, interim license so that we can meet the crisis in these various parts of the country. These plants happen to be located where shortages are expected. That is all the legislation amounts to.

It does not preclude, where a very serious question of safety or environmental effect is raised, going to a trial type of hearing. But in most cases where a crisis or an emergency exists, the commission would have authority to grant a temporary license.

Mr. President, I would hope that we could bring this matter up. I would not want to have it said that we could not meet the contingency of a brownout or blackout because this Senate could not consider the bill and do something about it.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. BAKER. Mr. President, I associate myself with the remarks of the distin-

guished Senator from Rhode Island, the chairman of the Joint Committee on Atomic Energy. This is a bill of first ranking importance in view of the possible emergency faced in this country this coming summer. There is a real threat of a blackout or brownout occurring unless we act. The House acted and acted very promptly.

I am very much hopeful that the Senate will consider the prospect of considering this bill. As the Senator from Rhode Island pointed out, it is a good bill. It is judicially balanced between environmental protection and nuclear power. It is essential that we act on this matter immediately.

I recognize the difficulties of the present procedural situation, and I honor them. However, I believe that it is of sufficient importance to warrant the leadership in trying to make an effort to schedule this bill for prompt action. None of us want to be said to be responsible or partly responsible for having caused a brownout this coming summer.

Mr. PASTORE. Mr. President, even if we do this on a two-track basis.

Mr. BAKER. The Senator is correct; even if we do it on a two-track basis. I suggest this is one of these unique pieces of legislation that requires extraordinary handling.

Mr. ROBERT C. BYRD. Mr. President, I am glad that the able Senator from Rhode Island (Mr. PASTORE) has brought this matter to the attention of the Senate at this time. He and I discussed the matter last week. I in turn discussed it with the distinguished majority leader. Efforts were made last week to schedule this bill for action today. Those efforts were not successful. We were able to get an agreement on the bill limiting the time thereon to 2 hours, 1 hour on the Schweiker amendment, and one-half hour on any other amendment. The majority leader is here and recognizes the exigencies of the situation. We are restricted, somewhat, by the caucus action. However, I feel that there should be a little flexibility reserved to the leadership to bring up critical measures such as the bill to which the Senator from Rhode Island addresses himself.

I will make every effort today, with the approval of the distinguished majority leader, to help schedule this bill perhaps on tomorrow afternoon after the vote on the Byrd amendment, or at the earliest moment possible. It could be handled in one afternoon.

Mr. PASTORE. I would think so. I would leave it up to the leadership. If it becomes too controversial, Senators could make up their minds whether they want to set it aside.

I think we should do something by unanimous consent. It is almost impossible to get that, I realize. However, I would hope that if we have to go on a two-track basis to consider this legislation, we will do so. I daresay that it would not take more than a day to do it.

We were off last Friday for reasons best known to the Senate. And if we had had this bill to consider then, we could have done it last Friday.

Mr. MANSFIELD. Mr. President, I want to assure the Senator that we will

try to see if we cannot get this bill considered on a two-track basis.

Mr. PASTORE. Mr. President, I thank the leadership for their cooperation. They have been very kind and cooperative.

QUORUM CALL

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

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

The second assistant legislative clerk proceeded to call the roll.

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

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

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. STEVENSON):

A resolution adopted by the Legislature of the State of Hawaii; to the Committee on Finance:

"HOUSE RESOLUTION 341

"Requesting the President and Congress of the United States to revise or repeal the foreign oil import quota program.

"Whereas, the foreign oil import quota system was established to safeguard United States national security by encouraging exploration and development of domestic oil resources; and

"Whereas, the mandatory controls on imports of crude and residual oils were established pursuant to Presidential Proclamation 3279 a little over a decade ago and many changes have occurred in the domestic and world petroleum markets since then; and

"Whereas, officials of the federal government, including the Subcommittee on Antitrust and Monopoly of the Judiciary Committee of the United States Senate and the United States Department of Justice, and many economists have questioned the need to protect national security through the oil quota system, and the effect of the oil quota system on the competitiveness of the United States oil and petrochemical industries in domestic and world markets; and

"Whereas, the foreign oil import quota system is unjust to consumers by maintaining the price of petroleum products at higher levels than would exist if unlimited or larger quantities of foreign oil were available for domestic consumption; and

"Whereas, the consumers and economy of Hawaii have suffered more than other states because Hawaii does not have any energy resources of its own and is wholly dependent upon oil; now, therefore,

"Be it resolved by the House of Representatives of the Sixth Legislature of the State of Hawaii, Regular Session of 1972, that the President and Congress of the United States be, and is hereby, respectively requested to review and revise or repeal the present oil import quota program in order to eliminate the inequities to the consumer and to provide and encourage greater competition among the petroleum and petrochemical industries; and

"Be it further resolved that duly certified copies of this Resolution be transmitted to President Richard M. Nixon, the President Pro Tempore of the United States Senate, the Speaker of the United States House of Representatives, Senator Hiram L. Fong, Senator Daniel K. Inouye, Congressman

Spark M. Matsunaga, and Congresswoman Patsy T. Mink."

A letter from the Railway Progress Institute relating to the urgent need of the railroad industry for financial assistance; to the Committee on Commerce.

A resolution adopted by the Louisiana State Bar Association relating to the subject of no-fault insurance; to the Committee on Commerce.

A resolution adopted by the city of Tucson, Ariz., concerning redistribution of Federal highway trust funds for use in developing mass transportation systems; to the Committee on Finance.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on May 12, 1972, he presented to the President of the United States the enrolled bill (S. 1379) to authorize the Secretary of Agriculture to establish a volunteers in the national forests program, and for other purposes.

CHANGE OF REFERENCE—S. 2772

Mr. STENNIS. Mr. President, I ask unanimous consent that the Committee on Armed Services be discharged from consideration of the bill, S. 2772, to authorize the Secretary of the Army to convey certain lands originally acquired for the Garrison Dam and Reservoir project in the State of North Dakota to the Mountrail County Park Commission, Mountrail County, North Dakota; and that it be referred to the Committee on Public Works. This bill covers conveyance of land acquired by the Army for the construction and maintenance of the Garrison Dam and Reservoir project in North Dakota and more properly comes under the jurisdiction of the Committee on Public Works.

The PRESIDING OFFICER. Without objection the Committee on Armed Services will be discharged from the further consideration of S. 2772, and the bill will be referred to the Committee on Public Works.

CHANGE OF REFERENCE—S. 3198

Mr. STENNIS. Mr. President, I ask unanimous consent that the Committee on Armed Services be discharged from consideration of the bill S. 3198, to authorize and direct the Secretary of the Army to convey the Andrew Jackson Lodge No. 5, Fraternal Order of Police, of Nashville, Tenn., certain lands of the United States of America at the Old Hickory lock and dam project, Cumberland River, Tenn.; and that it be referred to the Committee on Public Works.

The PRESIDING OFFICER. Without objection the Committee on Armed Services is discharged from further consideration of S. 3198, and the bill will be referred to the Committee on Public Works.

CHANGE OF REFERENCE—S. 3549 AND S. 3453

Mr. STENNIS. Mr. President, it has come to my attention that S. 3549 which was referred to the Senate Committee on Armed Services more appropriately falls under the jurisdiction of the Senate Committee on Veterans' Affairs.

This bill would amend title 38, United States Code, to provide coverage for the Reserves and National Guard under the Servicemen's Group Life Insurance program.

In addition, S. 3453 which was referred to the Veterans' Affairs Committee more appropriately falls under the jurisdiction of the Armed Services Committee. This bill would credit time in the ROTC and all the Academy programs for military pay purposes.

I therefore ask unanimous consent, Mr. President, that the Senate Committee on Armed Services be discharged from further consideration of S. 3549 and that the bill be referred to the Senate Veterans' Affairs Committee; also that the Veterans' Affairs Committee be discharged from further consideration of S. 3453, and that the bill be referred to the Armed Services Committee.

These proposed actions have been informally cleared with the sponsor of these bills.

The PRESIDING OFFICER. Without objection the Committee on Armed Services will be discharged from further consideration of S. 3549, and it will be referred to the Committee on Veterans' Affairs; and, without objection, the Committee on Veterans' Affairs will be discharged from further consideration of S. 3453, and the bill will be referred to the Committee on Armed Services.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. ALLEN:

S. 3602. A bill to amend the Federal Property and Administrative Services Act of 1949 to prohibit the making available of Government procurement sources to Federal grantees and contractors. Referred to the Committee on Government Operations.

By Mr. BOGGS:

S. 3603. A bill authorizing demonstration programs for beach erosion control at certain locations along the shores of Delaware Bay in the State of Delaware. Referred to the Committee on Public Works.

By Mr. BROCK:

S. 3604. A bill to provide for the establishment of safety standards for mobile homes in interstate commerce, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. ROBERT C. BYRD (for Mr. JORDAN of North Carolina):

S. 3605. A bill for the relief of Miss Catharina Van den Akker. Referred to the Committee on the Judiciary.

By Mr. BENTSEN:

S.J. Res. 232. A joint resolution to authorize the President to designate the period beginning April 15, 1973, as "National Plumbing Industry Week." Referred to the Committee on the Judiciary.

By Mr. BOGGS (for himself and Mr. ROTH):

S.J. Res. 233. A joint resolution authorizing and requesting the President to issue annually a proclamation designating the week beginning on the last Monday of May of each year as "National Natural History Week." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ALLEN:

S. 3602. A bill to amend the Federal Property and Administrative Services Act of 1949 to prohibit the making available of government procurement sources to Federal grantees and contractors. Referred to the Committee on Government Operations.

Mr. ALLEN. Mr. President, no segment of our economy is more vulnerable to unwarranted pressures and interference than is small business.

It is therefore, with great concern that we observe a major Federal agency taking over the job which has been traditionally performed by small business.

The General Services Administration was created by Congress in 1949 to serve the procurement and supply needs of Federal agencies. It was not established to enter into direct competition with local dealers and wholesalers. Therefore, when GSA began to offer its supply services to most major recipients of Federal funds, over 30,000 small businessmen throughout the Nation, including many in Alabama, protested. On examining the facts, it appears to me that the General Services Administration has not only entered into direct and indirect competition with small businesses, but may soon force a number of small firms out of business. Something must be done immediately to prevent these damages to small business.

Therefore, Mr. President, I am introducing a bill to amend the Federal Property and Administrative Services Act of 1949. This amendment would prohibit GSA from extending its supply services to grantees, subgrantees, contractors, and others outside the official Federal establishment.

The purpose of this bill is to protect the tens of thousands of small businessmen in America today who face severe, direct competition from the Federal Government.

Mr. President, I ask unanimous consent that a memorandum further explaining this bill be printed at this point in the RECORD.

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

MEMORANDUM IN SUPPORT OF THE PROPOSED AMENDMENT TO THE FEDERAL PROCUREMENT AND ADMINISTRATIVE SERVICES ACT OF 1949

The purpose of the Federal Procurement and Administrative Services Act of 1949, (hereinafter the "49 Act") is to simplify the procurement, utilization and disposal of government property, to reorganize certain agencies of government and for other purposes. The Act seeks to effect maximum efficiency, economy and service in the utilization and procurement of property for agencies in the executive branch of the federal government by centering responsibility therefore in the General Services Administration which this Act established. The Act further provides that the General Services Administrator shall, as far as practical upon the request of any agency in the legislative or judicial branch of the government, or of any mixed-ownership government corporations, or of the District of Columbia, purchase, warehouse and distribute personal property and non-personal services to meet their needs.

On April 17, 1971, the General Services Administrator, purporting to act under authority of the '49 Act, promulgated and caused to be published in the Federal Register, Federal Property Management Regulations, 41 C.F.R. section 101-26. In summary, these Regulations authorize other government agencies to, in turn, authorize contractors, sub-contractors, grantees and sub-grantees of such agencies, to buy from G.S.A. inventories, or order directly from manufacturers, supplies and equipment at prices and on other terms and conditions negotiated by G.S.A. with the manufacturers. On December 23, 1971, the Administrator promulgated and caused to be published in the Federal Register, Federal Property Management Regulations, 41 C.F.R. section 101-33, which expand the scope of the Regulations of April 17, 1971.

On January 7, 1972, a suit was filed in the United States District Court for the District of Columbia, N.A.W. et al v. G.S.A. et al, Civil Action No. 30-72, contesting the validity of these Regulations.

Without prejudicing the merits of that suit, it is the purpose and intent of the prohibit encroachment by the General Services Administration and its Administrator into the domain of the Congress. The proposed amendment merely states explicitly that which is already contained in the '49 Act, as amended, namely that the General Services Administration and its Administrator are not empowered to authorize other government agencies to, in turn, authorize contractors, sub-contractors, grantees and sub-grantees of such agencies to use G.S.A. supply sources and facilities. Procurement functions by federal agencies for contractors, sub-contractors, grantees and sub-grantees of such agencies may be authorized by Congress alone, and may be performed by G.S.A. only where such procurement functions are transferred to G.S.A. in accordance with Section 107(b) of the '49 Act (5 U.S.C. section 630e(b)).

By Mr. BOGGS:

S. 3603. A bill authorizing demonstration programs for beach erosion control at certain locations along the shores of Delaware Bay in the State of Delaware. Referred to the Committee on Public Works.

Mr. BOGGS. Mr. President, I am introducing today proposed legislation to authorize the Army Corps of Engineers to undertake demonstration projects to repair the severe beach erosion that has occurred along the Delaware Bay shore in the State of Delaware. This demonstration work would, of course, also seek to prevent further erosion damage.

Mr. President, the situation is dangerous along the Delaware Bay coast and it is continuing to deteriorate. The U.S. Army Corps of Engineers recently finished its national shoreline study, undertaken at the direction of Congress. In its regional inventory report, covering Delaware, the corps made this statement:

Along the beaches between Pickering Beach and Lewes, erosion of the Shoreline, with few exceptions, has been continuous since earliest surveys dating to 1843. During the 10-year period from 1954 to 1964, the loss of beach above mean low water between Kitts Hummock and Lewes totaled 532,000 cubic yards annually.

The study then added this discouraging point:

The reach of shore between Pickering Beach and Lewes experienced a net landward recession of the shoreline since 1843,

averaging from 3 to 9 feet-per-year between 1843 and 1964.

Quite obviously, the current damage is no cyclical problem. Nature is not repairing itself. This continuing threat must be met with new, innovative methods in order to reverse this damage.

This legislation I am introducing cites a number of specific locations along the Delaware Bay coast where this demonstration work is to be undertaken: Pickering Beach, Kitts Hummock, Bowers, Slaughter Beach, Broadkill Beach, and Lewes. Other sites would also be examined by the Corps of Engineers for potential demonstration work.

Because of continued deterioration at these beaches and others, I believe the coast of Delaware Bay would serve as an ideal location for demonstration work that is applicable to other beach erosion problems in other sections of the Nation.

There is one further advantage to this proposal. The beaches of Delaware Bay are relatively small. Therefore, such a demonstration project could be undertaken at a relatively modest cost. Yet it would yield benefits that can only be described as vast. It would give our Nation new information with which to lessen the loss of vital coastal and beach areas.

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

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

S. 3603

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Chief of Engineers, under the direction of the Secretary of the Army, is hereby authorized and directed to undertake the development of a demonstration program consisting of planning, constructing, operating, evaluating, and demonstrating shoreline erosion control devices and techniques at locations of serious erosion along the shores of Delaware Bay, particularly at those beaches known as Pickering Beach, Kitts Hummock, Bowers, Slaughter Beach, Broadkill Beach and Lewes in the State of Delaware.

SEC. 2. There is authorized to be appropriated for the fiscal year ending June 30, 1973, and each of the succeeding four fiscal years such sums as may be required to carry out the provisions of this Act. Sums appropriated pursuant to this Act shall remain available until expended.

By Mr. BROCK:

S. 3604. A bill to provide for the establishment of safety standards for mobile homes in interstate commerce, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

NATIONAL MOBILE HOME SAFETY LEGISLATION

Mr. BROCK. Mr. President, I introduce, for appropriate reference, a bill to provide adequate assurances to every potential mobile home buyer that the product he purchases is safe and constructed in such a way as to insure him a home which meets certain basic standards of quality.

This legislation, if enacted, will fill a serious void in State and Federal regula-

tion by instituting Federal standards in an industry which is the fastest growing housing provider in the Nation.

Mr. President, the increased cost of housing is a concern of every American. When I cast the lone dissenting vote against the omnibus housing bill, I expressed my deep concern that the average family finds it virtually impossible to own its own home without some sort of public subsidy. The cost of housing in this Nation has risen at an alarming rate. In the area of single family dwellings, the average rate of increase in the cost of such housing has risen an incredible 23 percent for the period 1967 to 1971. For those families who are unable to obtain Federal assistance, the price of a home has seen an even more precipitous climb. In 1965 the cost of a home was \$23,600; in 1970 the price had skyrocketed over \$32,500.

The housing bill the Senate passed on March 2, 1972, would allow Federal assistance to any family with an income of less than \$11,000. What this means is that in effect subsidies could be available for close to half of all Americans. But, of course, while legally support is available, in practice for every 10 Americans who could qualify for the program, only one will ever receive support because of limited appropriations.

Thus, in their search for low-cost housing, more and more Americans are choosing mobile homes. Over 7 million Americans live in mobile homes. Half of the one family homes built in the United States today are mobile homes and 95 percent of the houses sold for under \$15,000 are mobile homes.

The popularity of housing constructed offsite is rising steeply with no end in view. The failure of the conventional home construction industry and trades to institute reforms to encourage productivity is in a large part responsible for this growth.

Last year alone, over half a million mobile homes were manufactured. In Tennessee the number of mobile homes delivered in State rose an incredible 72 percent in just a year's time. Almost every area of the country is experiencing similar growth. In 1971, Florida the Nation's leader in mobile home shipments had slightly less than 50,000 mobile homes installed. This State has approximately 1,300 mobile home parks and over 165,000 individual lots.

Despite the phenomenal increase in manufacturing, sale, and purchase of mobile homes, there has been an apparent lack of effort by the States in the Federal Government to assure that the homes sold meet basic safety standards. With the increased demand for housing, particularly in the case of mobile homes, there has been and are bound to be more incidents of deficiencies in standards and quality of construction.

Therefore, because of the standardization of mobile home construction, the ability of this progressive industry to meet uniform Federal criteria is greatly improved. In fact, the Mobile Home Manufacturer's Association contends that one uniform standard and one enforcement procedure will enable the

manufacturer to know precisely what is required of him.

The following is a response to a question I posed to the Mobile Home Manufacturer's Association on why there should be a single construction standard for mobile homes?

A single standard for mobile home construction will allow manufacturers to market their products on a national basis without having to build to a variety of state and local standards. If states are permitted to promulgate standards which differ or exceed a Federal standard they are, in effect, forcing manufacturers to build as many different products as there are states. A single standard will allow producers to make a universal product. This approach accommodates the elimination of costly production line changes which otherwise add to the cost of the home. A preliminary benefit of any standardization is the resultant reduction of unit cost. Any Federal standards should seek to realize and pass this benefit to the home buying public.

Rather than face a myriad of State requirements and regulations with varying inspection and enforcement procedures, a uniform code will offer the consumer a quality, reliable product wherever he purchases.

Unlike site-constructed homes, mobile homes are not subject to local building codes. You now have at the community level some of the most incredibly archaic and out of date building codes ever designed by man to perpetuate special interests. Fortunately, mobile home manufacturers have not been caught in the bind facing the small homebuilder. However, it is important to remember that local building codes were originally drawn for the protection of the health and welfare of the public. For this same reason, new Federal legislation is needed to protect the interest of the mobile home buyer.

The distinction between standard homes and mobile homes is oftentimes meaningless, as many mobile home models are really not mobile at all. The average size is 12 feet wide and 60 feet long, and they can be purchased in double or even triple width. In most cases, the only time these homes are ever mobile is for the trip between the factory and the mobile home park. Even then, they must be moved by tractor or heavy-duty trucks.

Today, only about half of the States have adopted any direct standards or guidelines covering mobile homes. These standards were developed by the American National Standards Institute. Out of the 10 top manufacturing States, five have no code whatsoever—New York, Pennsylvania, Illinois, Michigan, and Ohio.

These same standards are utilized by the members of the Mobile Home Manufacturer's Association; however, like most self-regulatory activities, they lack teeth.

Moreover, criticism has been made of the ANSI code itself. The final report of the National Commission on Product Safety pointed up several significant deficiencies in the mobile home code.

In most States which have adopted the code, most only apply it to homes manufactured in the State and sold in the State. Mobile homes manufactured in

a State without any regulations or guidelines and sold in a State with a code or the reverse are in many cases not regulated at all. This is the situation in my own State of Tennessee.

Equally significant is the lack of enforcement in States which have adopted the code. In Florida, for example, there are three inspectors that handle all complaints against manufacturers of mobile homes and recreational vehicles in addition to inspection of the construction of all such vehicles. As the country's largest consumer of mobile homes, Florida is said to have one of the better enforcement programs.

Although both the Federal Housing Administration and the Veterans' Administration require that all mobile homes financed by either must meet the ANSI standards, there is no formal inspection by federally designated officials. The FHA employs a self-certification procedure and the VA has just begun a quarterly review of manufacturing plants by a person from each of their State offices. It should be recognized that a great deal of expertise is required to adequately inspect a mobile home and many nonprofit inspection companies presently employed by States do little to insure the soundness of a particular unit.

In late 1969, the Federal Home Loan Bank Board authorized a Federal Savings and Loan Association to make loans for purchase of mobile homes. Again, there is no requirement that these homes meet any safety standards whatsoever.

The lack of effective regulation of this rapidly expanding mode of living has resulted in property damage, financial ruin, human suffering, and in some cases even death.

It should be noted, however, that there are only a few manufacturers who fail to adhere to the ANSI code in order to beat the competition. Most violations occur as a matter of oversight and the incidents of malicious intent are almost unknown. Nevertheless, oversights from ignorance or simply the fact that no regulations exist are little excuse for the delivery of inferior, and in some cases unsafe, products.

Let us look at some recent statistics. A leading mobile home insurance company estimated that the average mobile home fire loss in 1971 was \$1,529 as compared to \$350 for a conventional home. The average mobile home fire loss increased from \$889 in 1966 to \$1,529 today. An analysis made by one insurance company of 5,543 mobile home fire in 1971 estimated that damage due to such fires amounted to \$6,780,972.34. The State of Oregon estimates that the average loss to a mobile home as compared to its value is 3.80 times as great as the same ratio for a standard home. The average age of mobile home that has a fire is 7½ years as compared to 40 years for a conventional home.

The mortality rate in mobile home fires has been estimated by the State of Arizona to be eight times higher than that of ordinary dwellings and 3.29 times greater in the State of Oregon. In one mobile home fire in Syracuse, N.Y., this past winter, five people died within 8 minutes after the fire broke out. A 2½-

year-old baby died as a result of a mobile home fire in Indianapolis, Ind. In all, 19.2 percent of all mobile home fires were due to faulty electrical wiring.

Another pressing safety problem relates to wind damage. Most States do not require that mobile homes be fastened on the site. Without foundations they are usually vulnerable to being overturned in windstorms. In January, a tornado swept through a mobile home park of Fort Rucker, Ala., killing five and injuring 80. The worst damage to nearby houses were a few roofs lifted but no personal injury.

In Boulder, Colo., 35 mobile homes were recently destroyed during a windstorm of 65 miles per hour—\$800,000 worth of damage was done. The cause of the destruction was threefold.

The turnbuckles used to fasten the cables was not adequate—they were three-eighths of an inch instead of five-eighths of an inch—the cable clamps which attach the cable to the turnbuckles were not properly tightened; and the ends of the cables were put 2½ inches into concrete rods which had no holding power.

Since the vast majority of mobile homeowners are either retired or young persons just getting started who have put their life savings and personal possessions in the mobile home, any fire or loss imposes an enormous hardship.

Warranties offered by mobile home manufacturers cover very few losses. The warranties are oftentimes a short duration and hard to comply with. Some companies, for example, require that the mobile home be returned to the point of purchase for repair under the warranty.

Moreover, insurance companies have become increasingly reluctant to insure certain models of mobile homes due to the high risk of loss involved. Insurance rates for mobile homes are considerably higher than those for standard homes. The insurance on the average \$6,000 mobile home is approximately \$100. This is equivalent to the insurance on a \$40,000 conventional home.

The legislation I am introducing today authorizes the establishment of enforceable uniform national safety standards that will provide protection to the elderly and the very young who purchase mobile homes. Undoubtedly, it will also result in the expanded use of mobile homes as a low cost, enjoyable form of living.

Throughout the country mobile home living has burgeoned and thousands of more Americans will soon find this low-cost form of housing a highly desirable alternative to site constructive homes. Senior citizens wanting to avoid apartment dwelling and young people seeking economical and comfortable housing are choosing the mobile home. If my legislation is enacted, I am confident that the mobile home industry will expand even more rapidly as prospective purchasers will have greater assurance that the home they purchase meets basic safety criteria.

The legislation being offered today is modeled to a certain extent on the Motor Vehicle Safety Act of 1970. It is a balanced, fair approach to the problem. The

thrust is to establish minimum, uniform, safety standards while at the same time promoting the use of the mobile home as a low cost, desirable form of housing.

As a member of the Housing Subcommittee of the Senate Committee on Banking, Housing and Urban Affairs, I believe that legislation relating to mobile home safety is imminent. The bill I introduce today is similar to a proposal already introduced by Congressman Lou FREY of Florida whose interest and concern about mobile home construction first drew my attention to the great need for effective and reasonable legislation in this area. This year both the House and Senate housing bills contain additional funds for mobile home programs. In view of this, I am hopeful that early action will be taken to require minimum standards of safety for all mobile homes.

The following is an analysis of the legislation; the Secretary of HUD shall through a National Mobile Home Safety Bureau establish Federal mobile home safety standards. In prescribing standards the Secretary shall consider: First, all relevant mobile home safety data; second, consult with the States; and third, consider whether any proposed standard is reasonable, practicable and will not place undue financial burden on the manufacturer or dealer or result in a substantial increase in the retail price of mobile homes.

The standards would be established no earlier than 180 days after enactment with revised standards at least 180 days later. A National Mobile Home Safety Advisory Council will be established. The majority will be representatives of the general public, including representatives of State and local governments, and the remainder shall include representatives of the American National Standards Institute Committee on Mobile Homes and Recreational Vehicles and representatives of the mobile home manufacturers, dealers, and insurers. The Secretary must consult with the Advisory Council before establishing or amending any standards. These standards shall not apply to the sale, offer for sale, or introduction or delivery for introduction in interstate commerce of any mobile home after the first purchase of it in good faith for purposes other than resale.

Once the standards have been promulgated, no person shall manufacture for sale, offer for sale, or introduce or deliver for introduction in interstate commerce or import into the United States, any mobile home manufactured unless it conforms to such standards.

The Secretary is further authorized to conduct research testing, development, and training for the development of new standards and to determine the relationship between mobile home performance characteristics and accidents involving mobile homes and the occurrence of death or injury from such accidents.

The Secretary is also authorized to conduct with the advisory council a thorough study of standards for used mobile homes and recommend additional legislation if he feels such is necessary within 1 year after this legislation is enacted.

Each violation of the prohibited acts

outlined in section 108 of the bill are subject to the civil penalty of \$1,000. Injunctive relief is also available in the U.S. district courts. In addition, if a mobile home does not conform to applicable Federal mobile home safety standards and it is prior to a sale by a distributor or dealer, the manufacturer or distributor shall either repurchase the home at his cost or furnish the parts and costs of installation to the distributor or dealer.

Provision is made for judicial review for any person adversely affected by an order—standard—issued by the Secretary.

Inspection and investigation is authorized as may be necessary to enforce the standards established. Designated employees may enter at reasonable times factories or warehouses for prompt inspection. Each manufacturer, distributor, and dealer shall establish and maintain such records and reports as the Secretary may require. The Secretary may also require each manufacturer to give performance and technical data to each prospective purchaser. Finally, each manufacturer shall furnish to each first purchaser and all dealers notification of any defect in a mobile home produced that relates to mobile home safety which he has discovered after manufacturing such home or which has been discovered through testing or inspection by the National Mobile Home Safety Bureau.

Certification that each mobile home conforms to the Federal safety standards shall also be given by each manufacturer to each distributor or dealer at the time of delivery.

Section 120 of the bill allows any State to assume responsibility for the development and enforcement of mobile home safety standards if the plan they submit to the Secretary for such provides for the development and enforcement of mobile home safety standards which are as effective in providing safe mobile homes as is the Federal program. Detailed reports would still be made by manufacturers, distributors, and dealers to the Secretary. And, the State agency will make such reports as the Secretary may require. The Secretary shall make a continuing evaluation of the way each State is carrying out its plan. Approval may be withdrawn at any time.

Grants will be made to States that have designated a State agency to assist them in identifying their needs and responsibilities in the area of mobile home safety standards or in developing State plans. The Federal share shall not exceed 90 percent. Grants of up to 50 percent can also be made to assist the States in administering and enforcing State plans for mobile home safety. Title II in the bill amends existing law to provide that loans made by the FHA, VA or a Federal savings and loan association for the purchase of a mobile home may only be made for a home that meets the mobile home safety standards established by this legislation.

Mr. President, I ask unanimous consent that the complete text of the bill be printed in the RECORD.

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

S. 3604

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress declares that the purpose of this Act is to reduce the amount of insurance costs, property damage, personal injury, and death resulting from mobile home accidents without any substantial increase in the retail price of a mobile home. Therefore, Congress determines that it is necessary to establish practical Federal safety standards for mobile homes in interstate commerce; to authorize mobile home safety research and development; to encourage and provide financial assistance for the development of State mobile home safety programs; and to provide that for the purposes of any Federal guarantee of a loan for the purchase of a mobile home or the making or investing in any such loan by a Federal savings and loan association, each such mobile home shall meet or exceed such Federal safety standards.

TITLE I—MOBILE SAFETY STANDARDS

SHORT TITLE

SEC. 101. This Act may be cited as the "National Mobile Home Safety Standards Act of 1972".

DEFINITIONS

SEC. 102. As used in this title, the term—

(1) "dealer" means any person who is engaged in the sale and distribution of new mobile homes, primarily to persons who in good faith purchase any such mobile home for purposes other than resale;

(2) "defect" includes any defect in the performance, construction, components, or materials of a mobile home;

(3) "distributor" means any person who is engaged in the sale and distribution of mobile homes for resale;

(4) "interstate commerce" means commerce between any place within a State and any place within another State, or between places within the same State through another State;

(5) "manufacturer" means any person engaged in manufacturing or assembling mobile homes, including any person engaged in importing mobile homes for resale;

(6) "mobile homes" means a factory-assembled structure designed primarily for use as a dwelling unit without a permanent foundation and manufactured and equipped with the necessary service connections so as to be readily movable as a unit on its own running gear;

(7) "mobile home safety" means the performance of a mobile home in such a manner that the public is protected against any unreasonable risk of the occurrence of accidents due to the design or construction of such mobile home, or any unreasonable risk of death or injury to the public if such accidents do occur;

(8) "mobile home safety standard" means a minimum, practicable standard for mobile home performance which meets the need for mobile home safety;

(9) "Secretary" means the Secretary of Housing and Urban Development;

(10) "State" includes each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Canal Zone, and American Samoa; and

(11) "United States district courts" means the Federal District Courts of the United States and the United States courts of the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Canal Zone, and American Samoa.

FEDERAL MOBILE HOME SAFETY STANDARDS

SEC. 103. (a) The Secretary shall establish by order appropriate Federal mobile home safety standards. Each such Federal mobile home safety standard shall be practicable, shall meet the need for mobile home safety, and shall be stated in objective terms.

(b) The provisions of sections 551 through 559 of title 5, United States Code, shall apply to all orders establishing, amending, or revoking a Federal mobile home safety standard under this title.

(c) Each order establishing a Federal mobile home safety standard shall specify the date such standard is to take effect, which shall not be sooner than one hundred and eighty days or later than one year from the date such order is issued, unless the Secretary finds, for good cause shown, that an earlier or later effective date is in the public interest, and publishes his reasons for such finding.

(d) Whenever a Federal mobile home safety standard established under this title is in effect, no State or political subdivision of a State shall have any authority either to establish, or to continue in effect, with respect to any mobile home, any safety standard applicable to the same aspect of performance of such mobile home which is not equal to the Federal standard.

(e) The Secretary may by order amend or revoke any Federal mobile home safety standard established under this section. Such order shall specify the date on which such amendment or revocation is to take effect, which shall not be sooner than one hundred and eighty days or later than one year from the date the order is issued, unless the Secretary finds, for good cause shown, that an earlier or later effective date is in the public interest, and publishes his reasons for such finding.

(f) In prescribing standards under this section, the Secretary shall—

(1) consider relevant available mobile home safety data, including the results of the research, development, testing, and evaluation activities conducted pursuant to this title, and those activities conducted by the American National Standards Institute Committee on Mobile Homes and Recreational Vehicles to determine how to best protect the public;

(2) consult with such State or interstate agencies (including legislative committees) as he deems appropriate;

(3) consider whether any such proposed standard is reasonable, practicable, and appropriate for the particular type of mobile home for which it is prescribed;

(4) consider whether any such standard will place an undue financial burden upon manufacturers and distributors of mobile homes;

(5) consider whether any such standard will result in a substantial increase in the retail price of mobile homes; and

(6) consider the extent to which any such standard will contribute to carrying out the purposes of this title. (g) The Secretary shall issue initial Federal mobile home safety standards upon the expiration of the one hundred eighty-day period which begins on the date of enactment of this Act. The Secretary shall issue new and revised Federal mobile home safety standards under this title upon the expiration of the three hundred sixty-day period which begins on the date of enactment of this Act.

NATIONAL MOBILE HOME SAFETY ADVISORY COUNCIL

SEC. 104. (a) The Secretary shall establish a National Mobile Home Safety Advisory Council, a majority of which shall be representatives of the general public, including representatives of State and local governments, and the remainder shall include members of the American National Standards Institute Committee on Mobile Homes and Recreational Vehicles and representatives of mobile home manufacturers, dealers, and insurers.

(b) The Secretary shall consult with the Advisory Council before establishing, amending, or revoking any mobile home safety standard pursuant to the provisions of this title.

(c) Members of the National Mobile Home Safety Advisory Council may be compensated at a rate not to exceed \$100 per diem (including traveltime) when engaged in the actual duties of the Advisory Council. Such members, while away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence as authorized by section 5703 (b) of title 5, United States Code, for persons in the Government service employed intermittently. Payments under this section shall not render members of the Advisory Council employees or officials of the United States for any purpose.

JUDICIAL REVIEW OF ORDER

SEC. 105. (a) (1) In a case of actual controversy as to the validity of any order under section 103, any person who will be adversely affected by such order when it is effective may at any time prior to the sixtieth day after such order is issued file a petition with the United States court of appeals for the circuit wherein such person resides or has his principal place of business, for a judicial review of such order. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary or other officer designated by him for that purpose. The Secretary thereupon shall file in the court the record of the proceedings on which the Secretary based his order, as provided in section 2112 of title 28 of the United States Code.

(2) If the petitioner applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the Secretary, the court may order such additional evidence (and evidence in rebuttal thereof) to be taken before the Secretary, and to be adduced upon the hearing, in such manner and upon such terms and conditions as to the court may seem proper. The Secretary may modify his findings as to the facts, or make new findings, by reason of the additional evidence so taken, and he shall file such modified or new findings, and his recommendation, if any, for the modification or setting aside of his original order, with the return of such additional evidence.

(3) Upon the filing of the petition referred to in paragraph (1) of this subsection, the court shall have jurisdiction to review the order in accordance with the provisions of sections 701 through 706 of title 5, United States Code, and to grant appropriate relief.

(4) The judgment of the court affirming or setting aside, in whole or in part, any such order of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28 of the United States Code.

(5) Any action instituted under this subsection shall survive, notwithstanding any change in the person occupying the office of Secretary of any vacancy in such office.

(6) The remedies provided for in this subsection shall be in addition to and not in substitution for any other remedies provided by law.

(b) A certified copy of the transcript of the record and proceedings under this section shall be furnished by the Secretary to any interested party at his request and payment of the costs thereof, and shall be admissible in any criminal, exclusion of imports, or other proceeding arising under or in respect of this title, irrespective of whether proceedings with respect to the order have previously been initiated or become final under subsection (a).

RESEARCH, TESTING, DEVELOPMENT, AND TRAINING

SEC. 106. (a) The Secretary shall conduct research, testing, development, and training

necessary to carry out the purposes of this title, including, but not limited to—

(1) collecting data from any source for the purpose of determining the relationship between mobile home performance characteristics and (A) accidents involving mobile homes, and (B) the occurrence of death, or personal injury resulting from such accidents;

(2) procuring (by negotiation or otherwise) experimental and other mobile homes for research and testing purposes;

(3) selling or otherwise disposing of test mobile homes and reimbursing the proceeds of such sale or disposal into the current appropriation available for the purpose of carrying out this title.

(b) The Secretary is authorized to conduct research, testing, development, and training as authorized to be carried out by subsection (a) of this section by making grants for the conduct of such research, testing, development, and training to States, interstate agencies, and nonprofit institutions.

(c) Whenever he Federal contribution for any research or development activity authorized by this title encouraging mobile home safety is more than minimal, the Secretary shall include in any contract, grant, or other arrangement for such research or development activity, provisions effective to insure that all information, uses, processes, patents, and other developments resulting from that activity will be made freely and fully available to the general public. Nothing herein shall be construed to deprive the owner of any background patent of any right which he may have thereunder.

COOPERATION WITH PUBLIC AND PRIVATE AGENCIES

SEC. 107. The Secretary is authorized to advise, assist, and cooperate with, other Federal departments and agencies, and State and other interested public and private agencies, including the American National Standards Institute Committee on Mobile Homes and Recreational Vehicles, in the planning and development of—

(1) mobile home safety standards; and

(2) methods for inspecting and testing to determine compliance with mobile home safety standards.

PROHIBITED ACTS

SEC. 108. (a) No person shall—

(1) manufacture for sale, sell, offer for sale, or introduce or deliver for introduction in interstate commerce, or import into the United States, any mobile home manufactured on or after the date any applicable Federal mobile home safety standard takes effect under this title unless it is in conformity with such standard, except as provided in subsection (b) of this section;

(2) fail or refuse access to or copying of records, or fail to make reports or provide information, or fail or refuse to permit entry or inspection, as required under section 112;

(3) fail to issue a certificate required by section 114, or issue a certificate to the effect that a mobile home conforms to all applicable Federal mobile home safety standards, if such person in the exercise of due care has reason to know that such certificate is false or misleading in a material respect; or

(4) fail to furnish notification of any defect as required by section 113.

(b) (1) Paragraph (1) of subsection (a) shall not apply to the sale, the offer for sale, or the introduction or delivery for introduction in interstate commerce of any mobile home after the first purchase of it in good faith for purposes other than resale. In order to assure a continuing and effective national mobile home safety program, it is the policy of Congress to encourage the adoption of State inspection of used mobile homes. Therefore, to that end the Secretary

shall conduct a thorough study and investigation to determine the adequacy of mobile home safety standards and mobile home inspection requirements and procedures applicable to used mobile home vehicles in each State, and the effect of programs authorized by this title upon such standards, requirements, and procedures for used mobile homes, and report to Congress as soon as practicable, but not later than one year after the date of enactment of this Act, the results of such study, and recommendations for such additional legislation as he deems necessary to carry out the purposes of this title. As soon as practicable after the submission of such report, but not later than one year from the date of submission of such report, the Secretary, after consultation with the Council and such interested public and private agencies and groups as he deems advisable, shall establish uniform Federal mobile home safety standards applicable to all used mobile homes. Such standards shall be expressed in terms of mobile home safety performance. The Secretary is authorized to amend or revoke such standards pursuant to this Act.

(2) Paragraph (1) of subsection (a) shall not apply to any person who establishes that he did not have reason to know in the exercise of due care that such mobile home is not in conformity with applicable Federal mobile home safety standards, or to any person who, prior to such first purchase, holds a certificate issued by the manufacturer or importer of such mobile home, to the effect that such mobile home conforms to all applicable Federal mobile home safety standards, unless such person knows that such mobile home does not so conform.

(3) A mobile home offered for importation in violation of paragraph (1) of subsection (a) shall be refused admission into the United States under joint regulations issued by the Secretary of the Treasury and the Secretary; except that the Secretary of the Treasury and the Secretary may, by such regulations, provide for authorizing the importation of such mobile home into the United States upon such terms and conditions (including the furnishing of a bond) as may appear to them appropriate to insure that any such mobile home will be brought into conformity with any applicable Federal mobile home safety standard prescribed under this title, or will be exported or abandoned to the United States.

(4) The Secretary of the Treasury and the Secretary may, by joint regulations, permit the temporary importation of any mobile home after the first purchase of it in good faith for purposes other than resale.

(5) Paragraph (1) of subsection (a) shall not apply in the case of a mobile home intended solely for export, and so labeled or tagged on the mobile home itself and on the outside of the container, if any, which is exported.

(c) Compliance with any Federal mobile home safety standard issued under this title does not exempt any person from any liability under common law.

CIVIL PENALTY

SEC. 109. (a) Whoever violates any provision of section 108, or any regulation issued thereunder, shall be subject to a civil penalty of not to exceed \$1,000 for each such violation. Such violation of a provision of section 108, or regulations issued thereunder, shall constitute a separate violation with respect to each mobile home or with respect to each failure or refusal to allow or perform an act required thereby, except that the maximum civil penalty shall not exceed \$400,000 for any related series of violations.

(b) Any such civil penalty may be compromised by the Secretary. In determining the amount of such penalty, or the amount agreed upon in compromise, the appropriateness of such penalty to the size of the busi-

ness of the person charged and the gravity of the violation shall be considered. The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the United States to the person charged.

JURISDICTION AND VENUE

SEC. 110. (a) The United States district courts shall have jurisdiction, for cause shown and subject to the provisions of rule 65 (a) and (b) of the Federal Rules of Civil Procedure, to restrain violations of this title, or to restrain the sale, offer for sale, or the introduction or delivery for introduction, in interstate commerce, or the importation into the United States, of any mobile home which is determined, prior to the first purchase of such mobile home in good faith for purposes other than resale, not to conform to applicable Federal mobile home safety standards prescribed pursuant to this title, upon petition by the appropriate United States attorney or the Attorney General on behalf of the United States. Whenever practicable, the Secretary shall give notice to any person against whom an action for injunctive relief is contemplated and afford him an opportunity to present his views, and, except in the case of a knowing and willful violation, shall afford him reasonable opportunity to achieve compliance. The failure to give such notice and afford such opportunity shall not preclude the granting of appropriate relief.

(b) In any proceeding for criminal contempt for violation of an injunction or restraining order issued under this section, which violation also constitutes a violation of this Act, trial shall be by the court or, upon demand of the accused, by a jury. Such trial shall be conducted in accordance with the practice and procedure applicable in the case of proceedings subject to the provisions of rule 42(b) of the Federal Rules of Criminal Procedure.

(c) Actions under subsection (a) of this section and section 109(a) may be brought in the district wherein any act or transaction constituting the violation occurred, or in the district wherein the defendant is found or is an inhabitant or transacts business, and process in such cases may be served in any other district of which the defendant is an inhabitant or wherever the defendant may be found.

(d) In any actions brought under subsection (a) of this section and section 109(a), subpoenas for witnesses who are required to attend a United States district court may run into any other district.

(e) It shall be the duty of every manufacturer offering a mobile home for importation into the United States to designate in writing an agent upon whom service of all administrative and judicial processes, notices, orders, decisions and requirements may be made for and on behalf of such manufacturer, and to file such designation with the Secretary, which designation may from time to time be changed by like writing, similarly filed. Service of all administrative and judicial processes, notices, orders, decisions and requirements may be made upon such manufacturer by service upon such designated agent at his office or usual place of residence with like effect as if made personally upon such manufacturer, and in default of such designation of such agent, service of process, notice, order, requirement or decision in any proceeding before the Secretary or in any judicial proceeding for enforcement of this title or any standards prescribed pursuant to this title may be made by posting such process, notice, order, requirement or decision in the Office of the Secretary.

NONCOMPLIANCE WITH STANDARDS

SEC. 111. (a) If any mobile home is determined not to conform to applicable Federal mobile home safety standards, or contains a defect which relates to mobile home safety, after the sale of such mobile home by a

manufacturer or a distributor to a distributor or a dealer and prior to the sale of such mobile home by such distributor or dealer—

(1) the manufacturer or distributor, as the case may be, shall immediately repurchase such mobile home from such distributor or dealer at the price paid by such distributor or dealer, plus all transportation charges involved and a reasonable reimbursement of not less than 1 per centum per month of such price paid prorated from the date of notice of such nonconformance to the date of repurchase by the manufacturer or distributor; or

(2) the manufacturer or distributor, as the case may be, at his own expense, shall immediately furnish the purchasing distributor or dealer the required conforming part or parts or equipment for installation by the distributor or dealer on or in such mobile home, and for the installation involved the manufacturer shall reimburse such distributor or dealer for the reasonable value of such installation plus a reasonable reimbursement of not less than 1 per centum per month of the manufacturer's or distributor's selling price prorated from the date of notice of such nonconformance to the date such vehicle is brought into conformance with applicable Federal standards, so long as the distributor or dealer proceeds with reasonable diligence with the installation after the required part or equipment is received.

(b) In the event that any manufacturer or distributor refuses to comply with the requirements of paragraphs (1) and (2) of subsection (a), then the distributor or dealer, as the case may be, to whom such nonconforming mobile home has been sold may bring suit against such manufacturer or distributor in any district court of the United States in the district in which such manufacturer or distributor resides, or is found, or has an agent, without respect to the amount in controversy, and shall recover the damage by him sustained, as well as all court costs plus reasonable attorney's fees. Any action brought pursuant to this section shall be forever barred unless commenced within three years after the cause of action shall have accrued.

(c) The value of such installations and such reasonable reimbursements as specified in subsection (a) of this section shall be fixed by mutual agreement of the parties, or failing such agreement, by the court pursuant to the provisions of subsection (b) of this section.

INSPECTION OF MOBILE HOMES AND RECORDS

SEC. 112. (a) The Secretary is authorized to conduct such inspection and investigation as may be necessary to enforce Federal mobile home safety standards established under this title. He shall furnish the Attorney General and, when appropriate, the Secretary of the Treasury any information obtained indicating noncompliance with such standards, for appropriate action.

(b) For purposes of enforcement of this title, officers or employees duly designated by the Secretary, upon presenting appropriate credentials and a written notice to the owner, operator, or agent in charge, are authorized—

(1) to enter, at reasonable times, any factory, warehouse, or establishment in which mobile homes are manufactured, or held for introduction into interstate commerce, or are held for sale after introduction; and

(2) to inspect, at reasonable times and within reasonable limits and in a reasonable manner, such factory, warehouse, or establishment.

Each such inspection shall be commenced and completed with reasonable promptness.

(c) Every manufacturer, distributor, and dealer of mobile homes shall establish and maintain such records, make such reports, and provide such information as the Secretary may reasonably require to enable him

to determine whether such manufacturer, distributor, or dealer has acted or is acting in compliance with this title and mobile home safety standards prescribed pursuant to this title and shall, upon request of an officer or employee duly designated by the Secretary, permit such officer or employee to inspect appropriate books, papers, records, and documents relevant to determining whether such manufacturer, distributor, or dealer has acted or is acting in compliance with this title and mobile home safety standards prescribed pursuant to this title.

(d) Every manufacturer of mobile homes shall provide to the Secretary such performance data and other technical data related to performance and safety as may be required to carry out the purposes of this Act. The Secretary is authorized to require the manufacturer to give such notification of such performance and technical data that the Secretary determines necessary to carry out the purposes of this Act, to—

(1) each prospective purchaser of a mobile home before its first sale for purposes other than resale at each location where any such manufacturer's mobile homes are offered for sale by a person with whom such manufacturer has a contractual, proprietary, or other legal relationship in a manner determined by the Secretary to be appropriate, which may include, but is not limited to, printed matter (A) available for retention by such prospective purchaser and (B) sent by mail to such prospective purchaser upon his request; and

(2) the first person who purchases a mobile home for purposes other than resale, at the time of such purchase, or in printed matter placed in the mobile home.

(e) All information reported to or otherwise obtained by the Secretary or his representative pursuant to subsection (b) or (c) which contains or relates to a trade secret or other matter referred to in section 1905 of title 18 of the United States Code, shall be considered confidential for the purpose of that section, except that such information may be disclosed to other officers or employees concerned with carrying out this title or when relevant in any proceeding under this title. Nothing in this section shall authorize the withholding of information by the Secretary or any officer or employee under his control, from the duly authorized committees of the Congress.

NOTIFICATION OF DEFECTS

SEC. 113. (a) Every manufacturer of mobile homes shall furnish notification of any defect in any mobile home produced by such manufacturer which he determines, in good faith, relates to mobile home safety, to the purchaser of such mobile home, within a reasonable time after such manufacturer has discovered such defect.

(b) The notification required by subsection (a) shall be accomplished—

(1) by certified mail to the first purchaser (not including any dealer of such manufacturer) of the mobile home containing such a defect, and to any subsequent purchaser to whom has been transferred any warranty on such mobile home; and

(2) by certified mail or other more expeditious means to the dealer or dealers of such manufacturer to whom such mobile home was delivered.

(c) The notification required by subsection (a) shall contain a clear description of such defect, an evaluation of the risk to mobile home safety reasonably related to such defect, and a statement of the measures to be taken to repair such defect.

(d) Every manufacturer of mobile homes shall furnish to the Secretary a true or representative copy of all notices, bulletins, and other communications to the dealers of such manufacturer or purchasers of mobile homes of such manufacturer regarding any defect in such mobile home sold or serviced by such dealer. The Secretary shall disclose so much

of the information contained in such notice or other information obtained under section 112(a) to the public as he deems will assist in carrying out the purposes of this title, but he shall not disclose any information which contains or relates to a trade secret or other matter referred to in section 1905 of title 18 of the United States Code, unless he determines that it is necessary to carry out the purposes of this Act.

(e) If through testing, inspection, investigation, or research carried out pursuant to this title, or examination of reports pursuant to subsection (d) of this section, or otherwise, the Secretary determines that any mobile home—

(1) does not comply with an applicable Federal mobile home safety standard prescribed pursuant to section 103; or

(2) contains a defect which relates to mobile home safety;

then he shall immediately notify the manufacturer of such mobile home of such defect or failure to comply. The notice shall contain the findings of the Secretary and shall include all information upon which the findings are based. The Secretary shall afford such manufacturer an opportunity to present his views and evidence in support thereof, to establish that there is no failure of compliance or that the alleged defect does not affect mobile home safety. If after such presentation by the manufacturer the Secretary determines that such mobile home does not comply with applicable Federal safety standards, or contains a defect which relates to mobile home safety, the Secretary shall direct the manufacturer to furnish the notification specified in subsection (c) of this section to the purchaser of such mobile home as provided in subsections (a) and (b) of this section.

(f) Every manufacturer of mobile homes shall maintain a record of the name and address of the first purchaser, other than a dealer or distributor, of each mobile home produced by that manufacturer. The Secretary may establish, by order, procedures to be followed by manufacturers in establishing and maintaining such records, including procedures to be followed by distributors and dealers to assist manufacturers to secure the information required by this subsection which will not affect the obligation of manufacturers under this subsection. Such procedures shall be reasonable for the particular type of mobile home for which they are prescribed.

CERTIFICATION OF CONFORMITY WITH SAFETY STANDARDS

SEC. 114. Every manufacturer or distributor of a mobile home shall furnish to the distributor or dealer at the time of delivery of each such mobile home by such manufacturer, the certification that each such mobile home conforms to all applicable Federal safety standards. Such certification shall be in the form of a label or tag permanently affixed to each such mobile home.

NATIONAL MOBILE HOME SAFETY BUREAU

SEC. 115. The Secretary shall carry out the provisions of this title through a National Mobile Home Safety Bureau (hereinafter referred to as the "Bureau"), which he shall establish in the Department of Housing and Urban Development. The Bureau shall be headed by a Mobile Home Safety Director who shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall be a citizen of the United States, and shall be appointed with due regard for his fitness to discharge efficiently the powers and the duties delegated to him pursuant to this title. The Director shall perform such duties as are delegated to him by the Secretary.

EFFECT UPON ANTITRUST LAWS

SEC. 116. Nothing contained in this title shall be deemed to exempt from the anti-

trust laws of the United States any conduct that would otherwise be unlawful under such laws, or to prohibit under the antitrust laws of the United States any conduct that would be lawful under such laws.

USE OF RESEARCH AND TESTING FACILITIES OF PUBLIC AGENCIES

SEC. 117. The Secretary, in exercising the authority under this title, shall utilize the services, research and testing facilities of public agencies to the maximum extent practicable in order to avoid duplication.

RULES AND REGULATIONS

SEC. 118. The Secretary is authorized to issue, amend, and revoke such rules and regulations as he deems necessary to carry out this title.

ANNUAL REPORT TO CONGRESS

SEC. 119. (a) The Secretary shall prepare and submit to the President for transmittal to the Congress on March 1 of each year a comprehensive report on the administration of this title for the preceding calendar year. Such report shall include but not be restricted to (1) a thorough statistical compilation of the accidents and injuries occurring in such year; (2) a list of Federal mobile home safety standards prescribed or in effect in such year; (3) the degree of observance of applicable Federal mobile home standards; (4) a summary of all current research grants and contracts together with a description of the problems to be considered by such grants and contracts; (5) an analysis and evaluation, including relevant policy recommendations, of research activities completed and technological progress achieved during such year; (6) a statement of enforcement actions including judicial decisions, settlements, or pending litigation during such year; (7) the extent to which technical information was disseminated to the scientific community and consumer-oriented information was made available to mobile home owners; and (8) a list of all State plans in effect pursuant to section 120 and an evaluation of each such plan.

(b) The report required by subsection (a) of this section shall contain such recommendations for additional legislation as the Secretary deems necessary to promote cooperation among the several States in the improvement of mobile home safety and to strengthen the national mobile home program.

STATE PLANS

SEC. 120. (a) Nothing in this title shall prevent any State agency or court from asserting jurisdiction under State law over any mobile home safety issue with respect to which no standard has been established pursuant to the provisions of section 103.

(b) Any State which, at any time, desires to assume responsibility for development and enforcement of mobile home safety standards relating to any safety issue with respect to which a Federal standard has been established under section 103, shall submit to the Secretary a State plan for the development of such standards and their enforcement.

(c) The Secretary shall approve the plan submitted by a State under subsection (b), or any modification thereof, if such plan in his judgment—

(1) designates a State agency or agencies as the agency or agencies responsible for administering the plan throughout the State;

(2) provides for the development and enforcement of mobile home safety standards which are or will be at least as effective in providing safe mobile homes as the standards promulgated under section 103;

(3) provides for a right of entry and inspection of all factories, warehouses, or establishments in such State in which mobile homes are manufactured, and which is at least as effective as that provided in section 112;

(4) contains satisfactory assurances that such agency has or will have the legal authority and qualified personnel necessary for the enforcement of such standards;

(5) give satisfactory assurances that such State will devote adequate funds to the administration and enforcement of such standards;

(6) requires manufacturers, distributors, and dealers in such State to make reports to the Secretary in the same manner and to the same extent as if the State plan were not in effect; and

(7) provides that the State agency will make such reports to the Secretary in such form and containing such information, as the Secretary shall from time to time require.

(d) If the Secretary rejects a plan submitted under subsection (b), he shall afford the State submitting the plan due notice and opportunity for a hearing before so doing.

(e) After the Secretary approves a State plan submitted under subsection (b), he may, but shall not be required to, exercise his authority under sections 106, 108, 109, 112, and 113 with respect to comparable standards established under section 103 for the period specified in the next sentence. The Secretary may exercise the authority referred to above until he determines, on the basis of actual operations under the State plan, that the criteria set forth in subsection (c) are being applied, but he shall not make such determination for at least three years after the plan's approval under subsection (c). Upon making the determination referred to in the preceding sentence, the provisions of sections 108, 109, 111, 112, and 113, and standards promulgated under section 103 of this title, shall not apply with respect to any mobile home safety issues covered under the plan, but the Secretary may retain jurisdiction under the above provisions in any proceeding commenced under section 108 or 109 before the date of determination.

(f) The Secretary shall, on the basis of reports submitted by the State agency and his own inspections, make a continuing evaluation of the manner in which each State having a plan approved under this section is carrying out such plan. Whenever the Secretary finds, after affording due notice and opportunity for a hearing, that in the administration of the State plan there is a failure to comply substantially with any provision of the State plan, he shall notify the State agency of his withdrawal of approval of such plan. Upon receipt of such notice by such State agency such plan shall cease to be in effect, but the State may retain jurisdiction in any case commenced before the withdrawal of the plan in order to enforce mobile home standards under the plan whenever the issues involved do not relate to the reasons for the withdrawal of the plan.

(g) Each State may obtain a review of each decision of the Secretary withdrawing approval of or rejecting its plan by filing in the United States court of appeals for the circuit in which such State is located within thirty days following receipt of notice of such decision, a petition to modify or set aside in whole or in part the action of the Secretary. A copy of such petition shall forthwith be served upon the Secretary, and thereupon the Secretary shall certify and file in the court the record upon which the decision complained of was issued as provided in section 2112 of title 28, United States Code. Unless the court finds that the Secretary's decision in rejecting a proposed State plan or withdrawing his approval of such a plan is not supported by substantial evidence the court shall affirm the Secretary's decision. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

GRANTS TO THE STATES

SEC. 121. (a) The Secretary is authorized to make grants to the States which have designated a State agency under section 120 to assist them—

(1) in identifying their needs and responsibilities in the area of mobile home safety standards; or

(2) in developing State plans under section 120.

(b) The Governor of each such State shall designate the appropriate State agency for receipt of any grant made by the Secretary under this section.

(c) Any State agency designated by the Governor of the State desiring a grant under this section shall submit an application therefor to the Secretary. The Secretary shall review and either accept or reject such application.

(d) The Federal share for each State grant under subsection (a) of this section may not exceed 90 per centum of the total cost of the application. In the event the Federal share for all States under such subsection is not the same, the differences among the States shall be established on the basis of objective criteria.

(e) The Secretary is authorized to make grants to the States to assist them in administering and enforcing programs for mobile home safety contained in State plans approved by the Secretary pursuant to section 120 of this title. The Federal share for each State grant under this subsection may not exceed 50 per centum of the total cost to the State of such a program. The last sentence of subsection (d) shall be applicable in determining the Federal share under this subsection.

AUTHORIZATION OF APPROPRIATIONS

SEC. 122. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

EFFECTIVE DATE

SEC. 123. The provisions of this title shall take effect upon the expiration of the one hundred eighty-day period which begins on the date of the enactment of this Act.

TITLE II—CHANGES IN EXISTING LAW

HOME OWNERS' LOAN ACT OF 1933

SEC. 201. The third paragraph of section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)) is amended by striking out clause (B) and inserting in lieu thereof the following:

"(B) any loan made for the purchase of a mobile home which meets or exceeds the mobile home safety standards established under the National Mobile Home Safety Standards Act of 1972."

NATIONAL HOUSING ACT

SEC. 202. The last sentence of the second paragraph of section 2(a) of the National Housing Act (12 U.S.C. 1703 (a)) is amended by—

(1) striking out "the livability and durability of the mobile home and" in clause (i);

(2) striking out "and" after the semicolon at the end of clause (i); and

(3) striking out the period at the end of clause (ii) and adding in lieu thereof "; and (iii) require that the mobile home meets or exceeds the mobile home safety standards established under the National Mobile Home Safety Standards Act of 1972."

TITLE 38, UNITED STATES CODE

SEC. 203. Section 1819 of title 38, United States Code, is amended by—

(1) striking out subsection (i) and inserting in lieu thereof the following:

"(i) No loan for the purchase of a mobile home shall be guaranteed under this section unless—

"(1) the mobile home meets or exceeds

the mobile home safety standards established under the National Mobile Home Safety Standards Act of 1972; and

"(2) the lot, if any, meets or exceeds standards prescribed by the Administrator for the planning, maintenance, and development of mobile home sites which are attractive residential areas and which are free from, and do not substantially contribute to, adverse scenic or environmental conditions.

For the purpose of assuring compliance with such mobile home safety standards, the Administrator shall from time to time inspect the manufacturing process of mobile homes to be sold to veterans and conduct random onsite inspections of mobile homes purchased with assistance under this chapter."; and

(2) striking out "standards prescribed by the Administrator" in clause (1) of subsection (j) and inserting in lieu thereof "safety standards required".

EFFECTIVE DATE

SEC. 204. The provisions of this title shall apply with respect to any loan application filed, pursuant to the provisions of the Home Owners' Loan Act of 1933, the National Housing Act, or section 1819 of title 38, United States Code, as the case may be after the effective date of title I of this Act.

By Mr. BOGGS (for himself and Mr. ROTH):

S.J. Res. 233. A joint resolution authorizing and requesting the President to issue annually a proclamation designating the week beginning on the last Monday of May of each year as "National Natural History Week." Referred to the Committee on the Judiciary.

Mr. BOGGS. Mr. President, last Saturday morning Senator ROTH and I had the honor to participate in the dedication ceremony for the new Delaware Museum of Natural History.

Our colleagues will be interested to know that this is the first new natural history museum in our country in more than half a century. I think this new museum, the gift of a young ornithologist from Delaware, John du Pont, symbolizes a new national interest in natural history.

All Delawareans are proud of this new museum. It has been suggested that the opening of the Delaware Museum is a fitting time to recognize the national importance of natural history studies.

President Nixon pointed out this great contribution in a letter he wrote last week extending his "congratulations for this important addition to the educational opportunities available to the American people."

The President went on to discuss in some detail the vital role that the collections in our natural history museums can play in creating a better environment for all Americans:

This event provides me with great satisfaction also because of the research the Museum anticipates with respect to the serious environmental problems of our Mid-Atlantic coastal zone. Its study collections, like those of other major natural history museums, provide the nation with historic insights into such problems, as well as the means for setting rational environmental standards.

Mr. President, Senator ROTH and I are introducing today a joint resolution that

will authorize the President to designate the week beginning the last Monday of May each year as "National Natural History Week."

Such a national week will give greater recognition to the important contribution of our Nation's natural history museums.

Mr. President, I request unanimous consent that the text of the joint resolution be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

In addition, Mr. President, I ask unanimous consent that several newspaper articles concerning the opening of the Delaware Museum of Natural History also be printed in the CONGRESSIONAL RECORD, along with welcoming remarks by Mr. du Pont.

There being no objection, the joint resolution and articles were ordered to be printed in the RECORD, as follows:

S.J. RES. 233

Whereas the study of natural history broadens our understanding of the environment;

Whereas the study of natural history gives mankind a greater appreciation of the need to protect rare and endangered species;

Whereas the Delaware Museum of Natural History opened in May of 1972; and

Whereas the Delaware Museum of Natural History is the first natural history museum to be opened in the United States in more than half a century: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue annually a proclamation designating the week beginning on the last Monday of May of each year "National Natural History Week", and calling upon the people of the United States and interested groups and organizations to observe such week with appropriate ceremonies and activities.

[From the Wilmington (Del.) Evening Journal, May 9, 1972]

NATURAL HISTORY MUSEUM WILL OPEN SATURDAY

U.S. Sen. J. Caleb Boggs will be the principal speaker at Saturday's dedication of the new Delaware Museum for Natural History on the Kennett Pike.

The museum is the first of its kind to be built in the United States since 1910 and is intended as a research center as well as to display various kinds of mammals, birds and sea shells.

The ceremony will be held in the auditorium of the museum at 10 a.m., one hour after the museum is opened to the public for the first time.

Dr. E. Berkeley Tompkins, director of the Division of Historical and Cultural Affairs, representing Gov. Russell W. Peterson, will also be a speaker.

John E. duPont, who started planning the museum in 1957 when he was still in college, will close the program with a brief history of the museum and a description of its aims and objectives.

More than one million bird eggs and thousands of sea shells, many of them collected by Du Pont himself throughout the world, are stored in the research area on the second floor of the museum which is not open to the public.

The visitor to the museum first sees a corridor lined with dioramas of birds in their native habitats, with water colors and other exhibits.

At the end of the corridor is a large circular area. In its center is a large craggy rock with several eagles' nests on top, with eagles perched nearby. There are large tree trunks with big birds at rest on the limbs.

Surrounding this central exhibit are more dioramas of different species of birds and mammals. Leading off this circular area is another corridor with displays of more birds, and one showing a wide variety of eggs from all parts of the world.

One striking exhibit is under the floor so that the visitor can look down as if he were peering into clear water. He will see various types of shells and coral as they appear on the floor of the ocean.

A large vertical exhibit of colored shells may be viewed through clear glass on one side and through rippled glass, simulating water, on the other.

At the end of this corridor is a huge reproduction of a waterhole on the lower slopes of Mt. Kenya in Africa. In this display are impala, a warthog, a bush pig, gnus and a secretary bird.

Along the walls surrounding the exhibit are dioramas of other mammals. One shows a Delaware stream with an otter with a fish in its mouth emerging from the stream while a blue jay flies overhead. The other shows a scene in a state forest with a deer and other animals.

These are among the 100 exhibits visitors will view starting Saturday.

The museum will be open Wednesdays through Saturdays from 9 to 4 and on Sundays from 1 to 5. It will be closed on Mondays and Tuesdays.

Admission is \$1.25 for adults and 75 cents for children through 16.

Du Pont is chairman of the museum's board of trustees. Other officers are Charles Robinson, vice president; J. H. Tyler, McConnell, treasurer, and Peggy Mahler, secretary.

Other trustees are J. Edgar Rhodas, Philip Williamson, Dean Amadon, John M. Martin, Robert C. Myers, Richard W. Thornton, Jr. and Mrs. Edmond du Pont.

[From the Philadelphia Inquirer, May 12, 1972]

WEEKEND WELCOMES A FINE NEW MUSEUM

A million seashells and 100,000 eggs. A giant clam and wild African animals which glower, un-caged, right beside you.

Part of the scenario for the next Stanley Kubrick science-fiction production? No. It's just some of the things you can expect to find inside the new Delaware Museum of Natural History, which opens its doors Saturday.

The institution, the first major museum of natural history to be constructed in the country since 1910, will open to the public at 10 A.M. Saturday (1 P.M. Sunday) in Greenville, Del., near Wilmington.

The multi-million-dollar institution houses the largest egg collection in the world—100,000 sets. It also features collections of rare seashells, birds and mammals.

Visitors to the public viewing areas on the first floor will see 100 exhibits. A glass floor reveals mollusks in their natural habitat. Nearby, the giant clam shell is three feet long and weighs 400 pounds.

In the center hall, devoted to birds, two wedge-tailed eagles from Australia perch menacingly on a boulder, surrounded by stuffed birds from species found throughout the world—many of them shown in their natural habitats.

"We hope to stimulate a renaissance of this kind of institution throughout the country," said John E. du Pont, a 33-year-old ornithologist and member of the wealthy Delaware family who first conceived of the museum when he was a teenager. He is now its director.

"Too frequently, we have seen significant collections neglected and even abandoned in the great museums of natural history here and abroad," duPont said, because scientific interest and financial support have flagged.

An African wildlife scene believed to be the only exhibit of its kind where the ani-

mals are shown without glass enclosures dominates the Hall of Mammals.

In the environment exhibit, the Delaware marshlands and local seashore exhibits illustrate the way in which the tiny state's coastal marsh system is being threatened.

Admission is \$1.25 for adults and 75 cents for children. Take Rte. 52 South off U.S. 1 South, past Rte. 202, to Greenville.

[From the New York Times, May 7, 1972]
DELAWARE GETS NATURE MUSEUM—INSTITUTE WILL STUDY ECOLOGY OF MARINE LIFE AND BIRDS

(By Donald Janson)

GREENVILLE, DEL., May 6.—The first major museum of natural history to be established in this country since 1910 will be opened to the public here next Saturday.

The multi-million-dollar institution, the Delaware Museum of Natural History, will be directed by John Eleuthere du Pont.

The 33-year-old Ornithologist said in an interview at the spacious buff-and-white museum that he hoped it would stimulate renewed interest in a science that has not had a new museum since the Los Angeles County Museum of Natural History opened 62 years ago.

Mr. Du Pont is not the first naturalist in his family. Eleuthere Irene du Pont de Nemours, his noted forebear, was a botanist when he came to the United States in 1800. But botany did not provide sufficient income for him, and in 1802 he founded the explosives company that bore his name and he manufactured black powder on the banks of the Brandywine River near the site of the new museum.

ECOLOGICAL SURVEYS

John du Pont told an interviewer that the Delaware museum would sponsor research on ecological problems, including surveys of mollusk and other life of the Delaware-Maryland-Virginia peninsula.

Gov. Russell W. Peterson, formerly a du Pont Company official, sponsored last year conservation legislation that prohibits heavy industry from Delaware coastal zones.

Mr. du Pont said that preservation of natural coastal areas was of crucial importance because marine life that breeds in marshy water would be destroyed by industrial development.

The museum, with one of the largest collections of birds' eggs in the world, has been serving government and other environmental researchers ever since construction of the just-completed two-story building was far enough along to move in the first collections of specimens.

PESTICIDE STUDIES SET

In studies on the effects of pesticides, for example, older egg shells at the museum are compared for chemical content and thickness with pesticide-damaged shells of today.

The museum has 100,000 sets of birds' eggs, principally from collections throughout the world acquired by Mr. du Pont for the non-profit education institution. The largest group came from a museum in Tring, England, that lacked space for its collection.

Other major displays in the Delaware museum are Philippine and Mexican birds and from the Indian and Pacific oceans.

The museum has a million seashells, one of the most extensive collections of its kind, particularly from the area stretching from the Indian Ocean to Hawaii.

Of 100 exhibits mounted for the opening, one of the most unusual is underfoot. Visitors walking on glass look down through it to see mollusks depicted in their natural habitat in Australia's Great Barrier Reef. The denizens include giant clams three feet long that weighs 400 pounds.

CHILDHOOD INTEREST

Mr. du Pont began collecting shells on Delaware beaches at the age of 12 and conceived the idea for the museum when he

was a teenager. He received a degree in marine biology at the University of Miami. He began traveling to the Philippines to collect specimens as early as 1958, and he is the author of a new book, "Philippine Birds," just published by the museum.

The museum will publish other books by staff members in the future. Among them will be a monograph on the kingfishers of the world and a book on the birds of the central Pacific.

The quarterly publication *Nautilus* will be edited at the museum. Scientific periodicals to be published by the institution include *Indo-Pacific Mollusca* and *Nemouria*, the occasional papers of the museum.

Students are expected to be frequent visitors to see permanent and changing exhibits. A plush, 300-seat auditorium will be used for showing documentary films.

"In creating Delaware's first museum of natural history we hope to stimulate a renaissance of this kind of institution throughout the country," Mr. du Pont said. "All too frequently we have seen significant collections neglected and even abandoned in many of the great museums of natural history here and abroad because scientific interest and needed financial support have been lacking."

REMARKS BY JOHN E. DU PONT, DIRECTOR, DELAWARE MUSEUM OF NATURAL HISTORY, AT DEDICATION CEREMONIES, MAY 13, 1972

My name is John du Pont, director of the Delaware Museum of Natural History. I am privileged to welcome you to our dedication ceremonies this morning. I am particularly pleased that Senator Boggs and Dr. Tompkins are here with us and we are all looking forward to hearing from them in a few minutes.

In dedicating this Museum today we are mindful of the increasing need to develop public understanding of the natural sciences. All too frequently there is a gulf between the daily lives and experiences of most people and the complexity of science and technology. Of course, many attempts have been made to bridge this ever-widening gap, including the publication of books and magazine articles and television programming and general science courses in schools. Although these techniques are most valuable, they do lack an important ingredient, and it is that ingredient we are attempting to supply in this Museum and in the other fine institutions of natural science throughout the country. We offer the props and the environment for the full appreciation of natural history. Teaching science without these props is like explaining the rudiments of horseback riding to an individual without ever letting him near a horse. And there is a great need for providing communities with the opportunity to see the kind of environments that will be available at this Museum.

As we formulated plans for the opening of this Museum, I was appalled to see how few natural history museums had been built in recent years. For example, this institution is the first to be built in this country since the Los Angeles County Museum of Natural History was built in 1910. Also, this Museum is the first institution of its kind in the State of Delaware. It is my hope that the Delaware Museum will help stimulate a renaissance in natural history museums throughout the country.

I say that because as collections are neglected and abandoned and the systematic classification of species is eclipsed by other scientific disciplines, all of the biological sciences begin to suffer. We all too often lose sight of the fact that in order to advance research in these areas, taxonomic studies must be encouraged and supported. Taxonomy, the study of species and classification, is the scientific discipline that is so essen-

tial to successful progress in biological and ecological research.

In order to bring about greater public understanding for the role of natural history museums in our society, I'd like to tell you about two different projects this Museum will be undertaking.

First, I have written President Nixon and requested that he declare a nationwide observance of Natural History Week on May 29 this year and every year thereafter. I am also calling upon the leaders of the country's natural history museums to join with the Delaware Museum in sponsorship of this public observance. I have already been assured by Senator Boggs that he will support us in this goal.

Second, I am establishing an annual award for the popular article that best furthers the understanding of natural history. We will call it the Delaware Museum of Natural History Writing Award. It is my hope that by encouraging writers to prepare articles on natural history we can impress upon the nation the significance of this science and its impact on mankind. In the next few weeks we will announce the details of the Delaware Museum of Natural History Writing Award.

As this Museum takes its place with the other fine institutions of natural history throughout the land, we are confident that it will contribute to our storehouse of knowledge of this immensely important discipline.

ADDITIONAL COSPONSORS OF A BILL

S. 3105

At the request of Mr. STENNIS, the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. JORDAN), and the Senator from South Carolina (Mr. HOLLINGS) were added as cosponsors of S. 3105, a bill to authorize the Secretary of Agriculture to develop and carry out a forestry incentives program to encourage a higher level of forest resource protection, development, and management by small nonindustrial private and non-Federal public forest landowners, and for other purposes.

SENATE CONCURRENT RESOLUTION 80—SUBMISSION OF A CONCURRENT RESOLUTION EXPRESSING THE SENSE OF CONGRESS THAT AN ASIAN PEACE CONFERENCE BE ESTABLISHED

(Referred to the Committee on Foreign Relations.)

Mr. PEARSON. Mr. President, I submit a concurrent resolution expressing the sense of Congress with reference to a new Asian Peace Conference which would be established under the auspices of the United Nations Security Council.

Mr. President, once again our Nation and its Congress divide themselves over the interminable war in Southeast Asia. Once again we are reminded of the human costs of battle. Once again we face the perils of armed conflict in a nuclear age. And once again a President of the United States has asked for the support of all Americans in his effort to end our involvement in Southeast Asia.

I believe that the President's desire to end the war is shared by all Americans. We have fulfilled our commitment to the people of South Vietnam and we must now fulfill our outstanding commitments to the people of America.

Whatever military action we take in

Vietnam must be for the purpose of protecting American troops there, securing the release of American prisoners of war, and preventing further death and injury to the people of Vietnam.

During this time of great international peril, I believe that responsible public officials, without regard to party or political aspirations, should pray that the President's dramatic efforts succeed. Their success would mean an end to our involvement and a renewed hope for an end to the fighting in Southeast Asia.

I say this with recognition of the great dangers involved in the current military actions. But now that they have been taken, we must hope that they yield the outcome which the President, his critics and the American people all share: An end to the war and the return of all our men.

The President's proposals to withdraw all our forces from Vietnam within 4 months of a cease-fire and the return of our men held captive by the North Vietnamese is a most generous and realistic offer. It is an offer which the North Vietnamese ignore only at the risk of continued deprivation and hardship for their people. It is a proposal to settle at the negotiating table the political issues which can never be resolved on the battlefield.

While we do not yet know what twists and turns the labyrinth of war and diplomacy will take, we can be certain of one point. If this war and our involvement in it come to an end soon, it will end at the conference table and not on the battlefield.

While we should not abandon any channels of negotiation so long as they offer hope of ending the war, it is apparent that we need a new forum for negotiations. And we must be certain to provide a forum in which to negotiate an end to the conflict throughout Southeast Asia. If present channels are not adequate, then we must create new ones. We need a forum acceptable to all parties involved in the war. We need a forum which can focus the attention of the world on those nations whose refusal to negotiate has led to a prolongation of this war.

In establishing this new forum, we must recognize two basic facts. First, the war is fundamentally an Asian affair. It is neither an American nor a Soviet war to win or lose. If the conflict is to end, it will end with a settlement in Asia by Asians.

But we must also understand a second basic fact. The war could not be conducted with its present scope and intensity if it were not for the assistance of three great powers: The United States, the Soviet Union, and the People's Republic of China. Those three nations are, then, inexorably linked to discussions to end the war.

In the light of these facts and the current international situation, I therefore propose for consideration by the Senate and the President that this Nation call for an Asian Peace Conference to be convened under the auspices of the United Nations.

I propose that the President should instruct our Ambassador to the United Nations to call for an urgent session of the United Nations Security Council to dis-

cuss the most feasible method for convening a new Indochina conference, to be held in a neutral South Asian nation, and to determine the best means of securing participation of all states involved in the conflict.

I believe that a conference held in Asia would provide the best forum for Asian nations to resolve Asian problems. Yet because it is held under the auspices of the United Nations Security Council, the three major powers involved in the tragic war in Southeast Asia would participate.

I believe this would be a forum which would offer the best hope for securing the release of our men held captive throughout Indochina. The purpose of this conference, in my view, should not be a narrow one limited only to the end of U.S. involvement. But the conference should address itself to the problem of ending the war and resolving underlying political conflicts in Indochina.

The question might be raised, what hope is there for such a conference to succeed? I would respond it is a civilized way to extricate the world from the present morass in Southeast Asia. It is a way to solve the problem of Vietnam with a minimum of further loss of life and destruction. It is a way to remove the focus of world energies from the challenge and response of escalation, and turn them toward the greater challenge of carrying out a peaceful settlement.

We must recognize that another cycle of invasion, bombing, and massive civilian sacrifices will not solve the Vietnam problem for anybody. Nor is the real question whether we should continue to help South Vietnam defend itself. The real question is how do we end this unending war?

I believe a conference of the kind I am proposing would take us from the battlefield to the conference table. It would move us from unwanted hostilities back to the underlying issues of this conflict: Is there to be a unified Vietnam? Can there be security for Laos and Cambodia? What is to be the role of the United States in Southeast Asia? What role does the Soviet Union have there? Can the great powers guarantee their noninvolvement in the affairs of Indochina? How can the aspirations of the people in that region be realized without perpetual war?

The American people want an end to this war. They want an end of our involvement. But they do not want a Communist victory in South Vietnam. Unless we are prepared to run a risk of increasing military escalation and all it implies for the climate of world trade, world security, and the requirements of our own national defense, we must find another way and we must find it now.

Finally, I want to emphasize this proposal is made in the spirit of an honest search for alternatives. I have no illusion that it offers a foolproof way to productive negotiations. I have no illusions about the outcome, if such a conference were convened. But I am convinced that a Senator has a responsibility to offer positive suggestions to the President on matters of such vital importance to our Nation. I am convinced the President and the people desire an end of involvement in Indochina. I advance

this proposal, because I believe it merits consideration as a chance for starting meaningful negotiations to end our own involvement in this tragic war, to secure the release of our prisoners of war and missing men, and to end the war itself.

Mr. President, I ask unanimous consent that the concurrent resolution be printed in the *Record* at this point.

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

S. CON. RES. 80

Whereas it is in the interest of the United States to seek a prompt end to the conflict in Southeast Asia and a repatriation of its men who are held as prisoners of war;

Whereas the United States should utilize every available means of seeking an end to the war;

Whereas no present negotiations encompass all of the parties now involved in the conflict;

Whereas a primary purpose of the United Nations as stated in Article 1 of its Charter is to "bring about by peaceful means, and in conformity with the principles of justice and international law, adjustment or settlement of international disputes . . .";

Whereas, according to Article 35 of the Charter, "Any Member of the United Nations may bring any dispute, or any situation of the nature referred to in Article 34, to the attention of the Security Council or of the General Assembly . . ."; and

Whereas Asian nations must assume a primary role in the resolution of Asian problems: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the President should seek to establish, under the auspices of the United Nations, a broad-based Asian Peace Conference to be held in a neutral nation in Southeast Asia, and that all participants in the hostilities, whether or not they are member of the United Nations, should be invited to participate in such conference.

SENATE RESOLUTION 301—SUBMISSION OF A RESOLUTION RELATING TO THE PRINTING AND DISTRIBUTION OF LEGISLATIVE PROCEEDINGS WITH RESPECT TO THE DEATH OF FORMER SENATOR JAMES F. BYRNES

(Referred to the Committee on Rules and Administration.)

Mr. ROBERT C. BYRD (for Mr. THURMOND and Mr. HOLLINGS) submitted the following resolution:

SENATE RESOLUTION 301

Resolved, That the legislative proceedings of the Congress relating to the death of the former Senator from South Carolina, James F. Byrnes, ordered by the Senate on May 1, 1972, to be bound and printed as a Senate document, shall be prepared, printed, bound, and distributed, unless and to the extent otherwise provided by the Joint Committee on Printing under chapter 1 of title 44, United States Code, in the same manner and under the same conditions as memorial addresses, on behalf of Members of Congress dying in office, are printed under sections 723 and 724 of such title, except that the number of copies to be printed and the distribution thereof are to be as follows:

- (1) 100 copies to the family of the said James F. Byrnes, bound in full morocco, with gilt edges, suitably lettered as may be requested by that family;
- (2) 100 copies to each Senator from the State of South Carolina;
- (3) 2 copies to the Vice President and each other Senator;
- (4) 10 copies to each Member of the House

of Representatives from the State of South Carolina; and

(5) 1 copy to each other Member of the House of Representatives, including the Resident Commissioner from Puerto Rico and each Delegate.

SENATE RESOLUTION 302—ORIGINAL RESOLUTION REPORTED AUTHORIZING SUPPLEMENT EXPENDITURES BY THE COMMITTEE ON FINANCE FOR THE PROCUREMENT OF CONSULTANTS (REPT. NO. 92-789)

(Referred to the Committee on Rules and Administration.)

Mr. LONG, from the Committee on Finance, reported the following resolution:

SENATE RESOLUTION 302

Resolved, That the Committee on Finance is authorized from the date of agreement to this resolution through February 28, 1973, to expend not to exceed \$5,000.00 for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(1) of the Legislative Reorganization Act of 1946, as amended).

SEC. 2. Expenses of the Committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the Chairman of the Committee.

ADDITIONAL STATEMENTS

THE U.S. NUCLEAR DETERRENT

Mr. STEVENSON. Mr. President, the U.S. nuclear submarine fleet can deliver about 3,504 nuclear warheads, as opposed to the 502 shorter range warheads for the Soviet fleet. Our fleet of 41 nuclear submarines is virtually immune to attack and will remain so in the foreseeable future. Now and in the foreseeable future its nuclear warheads will be capable of saturating any Soviet ABM defenses. In short, the United States has, and will have, a more than sufficient nuclear deterrent with its Poseidon armed submarines. The United States lead in deliverable nuclear warheads is, in fact, widening. And yet the administration proposes that to inflict a new generation of huge nuclear subs and missiles upon the taxpayers at a cost of about \$1 billion per submarine. This extravagant proposition, ULMS, was discussed on April 27 by Dr. Herbert Scoville in testimony before the Defense Subcommittee of the House Appropriations Committee. Dr. Scoville testified on behalf of the Federation of American Scientists. He was formerly Deputy Director for Research of the CIA and Assistant Director for Science and Technology of the Arms Control and Disarmament Agency. I ask unanimous consent that his convincing testimony about the extravagance and the dangers of ULMS be printed in the *Record*.

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

TESTIMONY OF THE FEDERATION OF AMERICAN SCIENTISTS BEFORE DEFENSE SUBCOMMITTEE, APPROPRIATIONS COMMITTEE, U.S. HOUSE OF REPRESENTATIVES ON THE FISCAL YEAR 1973 DEFENSE PROGRAM AND BUDGET PRESENTED BY DR. HERBERT SCOVILLE
Mr. Chairman:

I appreciate this opportunity to appear before this Committee to express on behalf

of the Federation of American Scientists our views on the FY 1973 Defense Program. I shall concentrate my attention today on ULMS, the largest proposed weapons program. However, attached to our statement on ULMS is a summary of our views on a number of other weapons programs and on the nature of the Soviet strategic threat to our security.

In this connection, I should just like to point out that, from statements of Secretary Laird and other senior defense officials, it is clear that the strategic threat is far less than had been forecast by administration officials three years ago. The predicted Russian big ICBM program has not materialized, only about 30 new large launchers have been started since the summer of 1969, and MIRV testing has not even begun. The accelerated deployment of large ICBM's armed with MIRV's was the primary basis for Secretary Laird's fears that the Russians were seeking a first strike capability.

STATEMENT ON ULMS

In testimony before Congress last year, the Federation opposed the fiscal 1972 request for \$110 million for ULMS. We argued that it went too far toward freezing the ULMS design and committed the U.S. to very large future expenditures. We noted that the threat to Polaris was not now visible. We suggested smaller expenditures devoted to a broad front of technology relevant to protecting our sea-based deterrent against a variety of possible threats. We called, for example, for R&D expenditures on small submarines, as well as large ones, until it was possible to see which approach was the best counter to any developing danger. We also recommended that any new longer range missiles to be designed should fit in the Poseidon launchers to avoid making the Polaris submarines prematurely obsolete.

Our worst fears about the undue acceleration of ULMS have been realized in this year's budget proposal. The military requirement for ULMS is still not visible, and there has been no increase in the estimated threat this year. In fact, it is evaporating fast. Yet the Administration now proposes to accelerate the ULMS program in order to have an operational submarine capability by 1978, and to spend five times as much on ULMS development (\$520.4 million). It has even further asked for \$394.5 million more for long leadtime items to support the production of the system. Along with military construction, \$942.2 million is asked. An additional \$35 million was asked in supplemental funds in FY '72, but this was disapproved until the overall program could be thoroughly reviewed. Thus, the Administration is now clearly proposing to go beyond the point of no return with ULMS.*

Little public information is available about the details of these expenditures. The project is in two parts: ULMS 1 involves a new missile which would have longer range (4500 nautical miles) than Poseidon but could be fitted into the Polaris submarines. Designing any new missile to make it compatible with the Polaris submarine is in accord with the recommendation of FAS last year. But the second part of the program, ULMS 2, calls also for the development of a still longer range missile and a totally new, very large, faster, and expensive submarine, containing 20-24 large missiles. At no point has the Administration publicly explained the rationale for freezing on a large submarine, as opposed to other alternative system designs. We hope this decision is not just another example of

the big battleship mentality which is already evident in the requests for large nuclear carriers. Perhaps, for once, we should consider emulating the Russians by building small and inexpensive naval vessels.

Secretary Laird's annual report is conspicuous for the absence of any strategic rationale for ULMS. Confirming our fears of last year, Dr. Foster, DDR&E, now uses as a justification for speeding up the program that "it is an already established development program." The foot in the door a year ago provides the excuse for a tenfold increase in funding now. The momentum of new technology apparently cannot be denied. This demonstrates the danger of authorizing first steps, even when relatively small, until the need for the final program cannot be visualized.

Defense witnesses in support of the program have not identified any current developments that even indicate a Soviet threat to our sea-based missile deterrent. In short, the Soviet threat can only result from long range technological developments, the nature of which we cannot yet define. The very bottom of the threat barrel is scraped when Dr. Foster opens an explanation of ULMS with this sentence, "The Soviets have expressed interest [Italics added] in developing a strategic ASW force that can effectively locate, identify, and destroy our Polaris force . . ." These are the phrases of a desperate intelligence analyst searching for some shred of evidence to support a parallel U.S. program.

Our admirals daily express an interest in developing ASW forces which can counter the Soviet missile submarines; yet, after spending tens of billions of dollars over the last twenty years, we see no light on the horizon leading toward the achievement of this objective. The U.S. is substantially ahead of the U.S.S.R. in ASW technology, so success is even more remote for the Russians. Admiral Levering Smith, the Director of the Navy's Strategic Systems Project, testified in 1969 that even the new generation of Russian ASW submarines will not be able to follow our Polaris ships and that they have no specific antisubmarine warfare methods that would make the Polaris fleet vulnerable to attack. This statement is as valid today as it was in 1969.

The simple fact is that there is no conception of how to design an ASW system which could be relied on to detect within wide ocean areas, to track continuously for long periods and then to destroy almost simultaneously our entire missile submarine deterrent. Countermeasures against ASW, which could be provided the Polaris fleet, would make this task even more difficult. The facts that we stated last year on the invulnerability of the Polaris deterrent are still true today and have never been denied. If we saw an ASW threat arising, and this could not be concealed, ULMS, or perhaps a more effective, and hopefully less expensive counter, could be deployed long before the ASW system could threaten the sea-based deterrent.

Furthermore, the U.S. has been strengthening the Polaris force anyway: it has replaced on 31 submarines the Polaris missile with the Poseidon, which provides a range of about 2500 nautical miles and places about 10 warheads with a yield several times that of the bomb that destroyed Hiroshima on each of the 16 missiles in a submarine. This produces a tremendous increase in its deterrent capability, far more than is actually needed for many years, even if no agreement on ABM's is reached at SALT. For example, Secretary of the Navy Nitze testified in 1964 that eight on-station old Polaris submarines could destroy 25 to 35 million Russians and most of the war-making capability of the Soviet urban industrial complex. With the MIRVed Poseidon, only one or at the most a few submarines would be required. The Russians would have to destroy almost si-

multaneously every submarine at sea (two-thirds of the fleet might be there at any one time) if they are not to be annihilated in a retaliatory attack.

If we were denied overseas bases for our submarines—bases presently in England, Spain, and Guam—we could still maintain an overwhelming deterrent force, 20-25 submarines on station, even if restricted to U.S. ports.

Meanwhile, the long range of the U.S. Poseidon missile has already given the submarines lots of room in which to maneuver. Within 2500 nautical miles of Moscow, there are about six million square miles of sea area, including the North Atlantic from the tip of Greenland to North Africa, the Mediterranean, and the Arabian Sea. Since all submarines do not need to attack Moscow, the area from which important industrial and population centers could be reached would be still greater. This area can be still further enlarged, and dependence on foreign bases somewhat reduced, by decreasing the payload of Poseidon and thereby extending its range. If the requirement to penetrate a large nationwide ABM is eliminated at SALT, as President Nixon indicates is likely, then the number of warheads could be reduced and perhaps even their "bus" dispersing mechanism eliminated on at least some Poseidon missiles. With a range of even 3000 nautical miles, missiles could reach Moscow from the Indian Ocean, as well as a large part of the North Atlantic, and also many Russian industrial centers from large areas on the Pacific side of the U.S.S.R. Will we really ever need a 6,000 mile missile, as proposed for ULMS?

ULMS is being proposed before we have even completed the ongoing improvement in the Polaris deterrent, for which there is as yet no current need. The Poseidon MIRV warheads are being installed to overwhelm a Soviet ABM that almost certainly will never be built. Admiral Moorer on February 15, 1972 stated: "The Moscow system, even with improved radars and more and better interceptors, could still be saturated by a very small part of our total missile force. In any event, the programmed Minuteman III and Poseidon forces, with their large numbers of re-entry vehicles, provide a hedge against a future large-scale Soviet ABM deployment." The Russians offered one and a half years ago at SALT a more severe limitation on ABM's than that sought by the U.S. This is hardly evidence of an intention on their part to build a large-scale system. If we were worried about this, we should have accepted this offer then, and not sought to allow larger ABM's and not delayed until at least May this year.

The ULMS request is also dangerously premature, because it commits the U.S. to a particular follow-on to Polaris before the threat to Polaris is visible. What will we do in a few years if the presently unforeseen danger to Polaris also happens to threaten ULMS? For example, if some day we believe that Soviet submarines or surface vessels might continuously trail our Polaris, why will we not also fear their shadowing ULMS? Extending the range of the missiles will not necessarily be relevant to countering this tactic. More submarines might be. But would we want to have even faster and bigger (and hence fewer) submarines such as ULMS, or would we want quieter and smaller submarines which we could buy in large numbers? We could procure two or three new Polaris-size submarines for each ULMS. Perhaps instead of increasing the number of missiles to 20 or more per submarine, it would be better to equip the submarines with ASW countermeasures. The proposed ULMS is a technological improvement in search of a problem. After \$30 billion is spent on it, ULMS may not be able to protect against a real threat, if and when it arises.

*In a briefing on the fiscal 1973 Defense Budget, Assistant Secretary of Defense Robert C. Moot answered queries on this point by saying, "It is \$42 million. The answer is that you do not move this fast unless you intend to build submarines and new missiles."

The ULMS proposal is wasteful. The ULMS submarine with associated systems may well cost \$1 billion or more each, and may be requested in numbers as high as 30. This involves enormous sums of money. Much of the expenditure would occur in the mid- and late Seventies, when, hopefully, the country would be at full employment and the expenditures would not provide jobs but be simply inflationary. Nor can the cost estimates of any major weapon system be considered final. Constant underestimation is the rule.

The Defense Department is not arguing that Polaris is wearing out; the Posture statement makes no such claim. If they are, we should not be spending \$5 billion to replace them. Yet Admiral Moorer has testified, "our present submarines are aging" and that "our first [italics added] Polaris submarines would be about 20 years old" when ULMS became available. This is misleading; in 1980, 34 of our 41 submarines will be less than 20 years old. In any case, what is sacred about 20 years? There is no evidence that they will not still continue to provide a reliable and efficient deterrent force when they reach their projected service life of 25-30 years. None of our current missile submarines will reach this point until 1985-90, so this cannot be used to justify a 1978 deployment date. Ships don't wear out as fast as airplanes. Yet the Air Force admits the B-52's will still be flyable in 1980, when they will be 25 years old. Of course, technology has advanced since Polaris was first built, but we can't afford to replace our submarines every day, just to incorporate new developments when our security does not require them. By waiting another five years, we could get a better idea of the ASW threat to be faced and the type of changes we might need to have.

But if, indeed, ULMS is to be justified as a replacement for Polaris, do we really want 30 bigger submarines to replace 41 smaller ones—each already big enough to fire 160 warheads? Is this moving forward or backward? If we cut our missile submarine force to 30 ships, we would have fewer on station at any one time than if we gave up our overseas bases now. This could be a replica of the F-14-Phoenix missile fiasco, whose costs have risen so high that we cannot afford enough of them to provide any real military capability!

Since the Defense Department cannot, and has really never even seriously attempted, to justify the expenditures for ULMS on military or strategic bases, they have been forced to fall back on political motivations. This is reflected in Secretary Laird's opening remarks about ULMS in his Posture Statement:

"The continuing Soviet strategic offensive force buildup, with its long term implications, convinced us that we need to undertake a major new strategic initiative. This step must signal to the Soviets and our allies that we have the will and the resources to maintain sufficient strategic forces in the face of a growing Soviet threat. It would be diplomatically and politically unacceptable for the U.S. to allow the Soviets to achieve a large numerical superiority in both land-based and sea-based strategic missiles."

In short, the Defense Department felt that the political requirement for a strategic initiative dictated advancing the timing of the ULMS program. Why worry about numerical superiority in numbers of missiles, when we already have an overwhelming superiority in warheads?

Furthermore, as President Nixon has stated, our submarines are qualitatively vastly superior to the Russian ones. Their missiles have no MIRVs and half our range, even though their submarines have to travel much further to their launch areas than do ours. In any case, even the irrational objective of numerical

parity in launchers cannot be achieved by ULMS, since the replacement of Polaris by ULMS is not the way to run a missile numbers race. A Soviet Y class submarine can probably be built for 1/3 the cost of an ULMS.

It is a dangerous and pernicious doctrine to spend very large amounts of money on strategic weapons for political purposes. The notion of bargaining chips for arms control negotiations was bad enough, since they only served to raise the level of agreed limits or foreclosed, as in the case of MIRV, the opportunity to get any limitation. But this bargaining chip approach has now degenerated into an expression of pique. The Soviets want more than 41 missile-firing submarines to fill out their deterrent. There are good geographical reasons why they might, since their vessels have to travel much longer distances to get to their operational stations. But even if their force were unnecessarily large, that is no reason for us to react in the absence of a military need. Since Soviet missile submarines are not a threat to Polaris in any way, buying new submarines is not an answer to their continued build-up. Their refusal to reach an agreement to stop at 41 ships should not make us waste money on unnecessary new submarines. Can a U.S. investment in overkill to dissuade them from strengthening their deterrent? No, ULMS will not make it harder in any way for the Soviets to have more missile-firing submarines. Why would it encourage them to stop? Instead, it may encourage them to still more expenditures. If we should have learned one lesson from our experiences of the Sixties, when we built up a tremendous superiority in numbers of ICBMs and SLBMs, it is that such actions don't force the Soviets to accept a position of numerical inferiority.

We ought to buy what we need. We will be ahead in some areas, and the Soviets will be in others. We cannot afford, and should not indulge in, expenditures that do not help us militarily or strategically. Political realities can be resolved in political ways. We ought to buy military forces only where there is a security need.

I should now just like to summarize our views on ULMS.

The authorization this year of about \$1 billion for ULMS commits the U.S. beyond the point of no return to a new strategic weapons system which could eventually cost \$30 billion dollars or more and for which there is yet no known military need. The Administration has failed to present any strategic rationale for a still further new submarine missile system. ULMS is not the answer to the build-up in the Russian SLBM force which does not in any way threaten Polaris Poseidon. Likewise, ASW technology is not available to endanger Polaris-Poseidon in the foreseeable future, and indeed the very nature of such a threat cannot even be defined.

The present Poseidon missile, with a range of about 2500 nautical miles, can reach Moscow from 6 million square miles of sea area and attack key Russian targets from 15 million square miles on all sides of the U.S.S.R. There is no early requirements to deploy new missiles with ranges of 4,500 and 6,000 miles, since no ASW threat exists in the present operating areas. Freezing now on the design of a larger and higher speed submarine instead of maintaining an option for a smaller and quieter ship may in the long run result in increased vulnerability for a future Soviet ASW threat, if it develops. Authorizing ULMS construction creates the likelihood that the U.S. will be saddled with a very expensive white elephant. Although more justifiable than a new submarine, we do not even need to procure a new longer range missile at this time. Instead of a large commitment now of funds to a new ULMS submarine or even a new missile, we recommend a much smaller R&D program which covers a wide variety of options to deal with possible future threats.

MISREPRESENTATIONS BY REPRESENTATIVE HATHAWAY, OF MAINE

Mrs. SMITH. Mr. President, in a story headlined "HATHAWAY Hits Senator SMITH on Land Funds," published in the Portland, Maine, Press Herald of May 11, 1972, that newspaper reported that Representative HATHAWAY "said funds are already available by law for the land retirement program, but the Nixon administration 'has refused to spend the money Congress has already appropriated for the program.'"

If the newspaper accurately quoted Representative HATHAWAY, then this constitutes the third misrepresentation that he has made within the past 3 weeks in derogation of my efforts to get funds for the land retirement program.

Contrary to his reported statement that the Nixon administration has refused to spend money already appropriated by Congress, the Under Secretary of Agriculture has stated flatly that—

The Administration is not withholding funds for this program since no new funds have been appropriated by Congress since fiscal years 1966 and 1967.

Further, in a letter to me, the Under Secretary states:

As you know, the House conferees on the Second Supplemental Appropriation Bill deleted your amendment that would provide \$10,000,000 in new funding. This particular program has not been funded insofar as new contracts are concerned since the 1966-1967 programs.

This same press story reported that Representative HATHAWAY had "admitted that he wrote a constituent telling him that the Appropriations Committee had no knowledge of Mrs. SMITH's plans to ask for the funding and predicted no such action." The letter referred to was dated April 20, 1973.

This is another serious misrepresentation by Representative HATHAWAY, first, notice was given to the Senate Appropriations Committee in late January as early as 3 months prior to Representative HATHAWAY's letter of April 20, 1972 that I would offer my proposal at the earliest possible time, second, I offered it unsuccessfully on March 14, 1972, to the urgent supplemental bill, and third, later I offered it successfully to the second supplemental bill.

I think it is incumbent upon Representative HATHAWAY to identify the person or persons affiliated with the Senate Appropriations Committee he claims told him such a misrepresentation upon which he based his letter of April 20, 1972. In a letter dated May 12, 1972, the Chief Clerk of the Senate Appropriations Committee denied that any member of the committee staff had made such a misrepresentation. He wrote specifically:

I have talked to all members of the staff of this Committee, regular as well as Minority, who would have knowledge of Agricultural appropriations, and there is no one on this staff who has advised anyone that "no action had been taken and none is planned" with respect to your amendment for the \$10,000,000 for this program.

This same press story further quoted Representative HATHAWAY as representing that my proposed funding would

cover only fiscal year 1972, which is almost over, because it was proposed in the supplemental appropriation.

This constitutes a third serious misrepresentation by Representative HATHAWAY in this matter since my amendment specifically guarded against such a June 30, 1972, cut-off by having the words of "to remain available until expended." Such language in my amendment was to insure that funds would be available to be spent before and beyond June 30 for an indefinite time. And Representative HATHAWAY cannot plead ignorance of these words since they were adopted and in the printed form in the bill and available 2 weeks prior to his misrepresentation.

Thus, there are three serious misrepresentations made by Representative HATHAWAY in this matter—the first being that I had sought no action—the second being that the funds in my proposal would be cut off on June 30—and the third being that there were available funds for Aroostook County farmers but that the administration had refused to spend available money appropriated by Congress.

One error might be understandable—but surely not a pattern of three misrepresentations over a period of 3 weeks.

THE SOUTH: YESTERDAY, TODAY, AND TOMORROW

Mr. ALLEN. Mr. President, on April 22, 1972, in Birmingham, Ala., the distinguished chairman of the Committee on Agriculture and Forestry (Mr. TALMADGE) made a speech to the third annual symposium of the L.Q.C. Lamar Society.

I believe it was an important speech because it should lay to rest some of the regional bigotry about the section of the country where Senator TALMADGE and I are privileged to reside and serve.

It also focuses on a subject of immense importance, not only to the South, but to the entire Nation—rural community development and the need for balanced national growth.

I have been privileged to serve with Senator TALMADGE and assist him in his efforts to bring a new life to the American countryside that will have a great influence on the future of major American cities.

Mr. President, I ask unanimous consent that the Senator's speech be printed in the RECORD.

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

ADDRESS OF U.S. SENATOR HERMAN E. TALMADGE

I am honored indeed to take part in the Third Annual Symposium of the Lamar Society.

Yours is still a very young organization. But I am very much impressed by your goals, and the splendid work you already have done to promote social and economic advancement of the South.

The Lamar Society brings together some of the brightest and the most imaginative minds in the South. Your record already shows that you are interested in doing, rather than just talking. You aspire to positive action instead of negative reaction.

There are problem areas in the South... in human relations... in the economy...

in education... in the environment... and in unemployment and poverty.

But—in recognition of the fact that our region is rich in human and natural resources, and plain true grit—the Lamar Society is to be congratulated for its recognition of the ideal that it is better to light one candle than to curse the darkness.

The man in whose honor your society was named is listed in your program as "A nineteenth century Mississippi Statesman." If you will pardon my Georgia chauvinism, I hasten to point out with some pride that L.Q.C. Lamar was a native Georgian... born in Putnam County, Georgia... educated in Georgia... and served at one time in the Georgia House of Representatives. He did bring honor and credit to the State of Mississippi as a member of the United States Senate from that state, and on the U.S. Supreme Court. But once a Georgian always a Georgian... especially if they go on to greatness.

You have chosen "Redevelopment of the Rural South" as the central theme of this symposium. I regard rural development as one of the major challenges facing our country for the remainder of the Twentieth Century. I have been very close to the subject for several years. I can say without exaggeration that you have undertaken a monumental task of tremendous importance.

I might also warn you that we are getting into this major problem area at least 25 years too late. For a quarter of a century—and even longer than that—people talked about the mass migration to cities and the metropolitan areas. We saw urban areas getting larger and larger. We witnessed the decline of small towns and agricultural communities. We talked about it some more. But no one did much of anything about it. In fact, only a few had the foresight to see what was happening and to predict its consequences. But their warnings went unheeded.

In the mid-1960's there came the "Great Society" war against poverty in the United States. Immediately, attention focused on our cities. Combat plans—mainly involving the huge expense of billions of dollars—were drawn up to fight what we call the urban crisis today.

Then, in 1967, came a Presidential commission report that shocked the nation. I have no doubt that that report is largely responsible for the widespread support we have today for rural redevelopment.

That Presidential study declared: "Rural poverty is so widespread, and so acute, as to be a national disgrace, and its consequences have swept into our cities, violently... A high proportion of the people crowded into city slums. This fact alone makes it clear how large a stake the people of this nation have in an attack on rural poverty."

The report brought these unsavory facts to our attention:

Two-thirds of the nation's substandard housing is in rural America. Nearly 20 million rural houses lack plumbing.

Infant mortality in rural areas is higher than the national average.

Education is of a far lower quality. Health care is woefully inadequate.

In short, here is where we find the worst housing, the worst schools, the lowest health standards, the least adequate community services, and the greatest absence of existing opportunities for improvement.

This is the sad condition of rural America today. It is especially true of the rural south. From this standpoint, one could say that the rural south has not advanced too far from the 1930's, when President Roosevelt said the South was the nation's "Number One Economic Problem."

But that is only one side of the picture.

The other side shows the South to be a booming land of prosperity. It is not enough just to say that the South is prospering. Our region is growing faster, gaining more people, and making educational and economic advances faster than any other section of the country.

The decade just passed shows the South to be the nation's leading gainer in just about every area of social and economic activity.

One of the most important indicators was the fact that more people moved into the South during the 1960's, than out of it, for the first time since the 1870's.

During the decade, per capita income rose 14 per cent faster in the South than elsewhere.

Family income increased 48 per cent, compared with 9 per cent for the nation.

Construction of new housing was 37 per cent higher, compared to a 7 per cent increase outside the South.

New car registration rose 65 percent, against 36 per cent for the rest of the nation.

Of the nation's four regions, the South was the most populous in 1946. However, during the two decades leading up to 1960, it lost some 3.5 million people through massive outmigration. Many of these were poor people—black and white—seeking better schooling and job opportunities in the North. However, many of them were also the highly educated and skilled who sought better opportunities outside the South in which to pursue their professions.

This constituted a tremendous brain drain. It has now not only been stopped, it has been reversed. In the last decade, immigration into the South totaled about a half million people. Many of these have been persons with college degrees who have come to work in new industries in the South.

Thus, in terms of social and economic progress, it would appear that the remaining third of the Twentieth Century belongs to the South. Continued prosperity is virtually guaranteed. Our problem now is how best to manage this growth.

As the Wall Street Journal recently pointed out in a front page article on the South's economic growth:

"Dixie leaders worry less about achieving future economic developments than about controlling the region so that it will be livable for the 50 per cent larger population foreseen by the year 2000."

This in essence, states the purpose of this meeting. Rural redevelopment is the key to balanced growth—and quality living—in the years ahead.

Insofar as the South is concerned, we can learn from the mistakes of other parts of the country, especially some of the huge metropolitan areas which have become both unlivable and ungovernable.

This is the purpose of the Rural Development Act of 1972—which I have been pushing in the Senate for more than a year now, and in which I have been involved for longer than that.

This is landmark legislation. It will provide a strategy for survival of rural areas throughout the nation. It can truly be a Magna Carta for rural America.

A main thrust of the legislation is toward providing better economic opportunities. By that I mean more jobs. People abandon rural areas primarily because they cannot find work or are underemployed.

The legislation is ambitious, containing several titles to provide a comprehensive approach to the problem of rural revitalization. It was designed to accomplish two goals:

1. Credit that is needed to build and improve facilities and to finance commercial and industrial expansion in rural areas.

2. Grants and other investment incentives to complement this credit.

Reduced from its legislative technicalities, our bill is designed to provide the necessary

financing and incentives to rebuild and revitalize rural areas in every way possible. This includes financing for business and industrial development . . . for new payrolls and new jobs . . . for better schools . . . for medical centers and hospitals closer to the people . . . for parks and recreation areas . . . for improved transportation . . . for day care facilities and desperately needed housing.

It would promote development of industrial parks . . . water and sewer systems . . . waste disposal plants . . . community colleges . . . rural slum clearance . . . streets and highways . . . police and fire protection . . . more libraries . . . and many more services that now are so sadly lacking in these areas.

I contend that rural redevelopment is not an optional program. It is no longer something we can simply just talk about. We have reached the point in our society—and especially here in our own rapidly growing region—that action is imperative.

Rural development legislation of one kind or another has been adopted before. But never has there been a program broad enough in scope and sufficiently designed to tackle the problem on a comprehensive basis.

We have been attempting to solve a growing national problem with halfway measures. The fact that hundreds of thousands of rural people are still jamming themselves into cities every year illustrates the fact that present programs are not good enough.

The fact that cities are plagued more than ever by congestion, crime, pollution, inadequate housing, and a multitude of other problems that defy description, indicates that what we have been doing is not nearly enough.

We are privileged to live in the most exciting period of American history. Nowhere is this more true than in the South.

From the depth of the depression of the 1930's our nation and our region have risen like a Phoenix.

Not content to merely promote progress here at home, this nation brought much of the world along with it—even former enemies at war—building the economies and enriching the lives of nations and millions of people all over the world.

But despite the growth, despite all the things we have produced to make the lives of our people easier, we have begun to perceive that this new society of ours is held together in many places with baling wire and library paste.

Our society today doesn't always work the way it was designed to. It is beginning to make some strange sounds. It is time for us to listen to those sounds, and take stock of where we have been and where we want to go.

With a deplorable absence of planning, we have built a society of cities. Still not satisfied with our creation, we started a ripple effect, building mile upon mile of look alike suburbs in a directionless search for something called "The Good Life."

In other words, fun city isn't fun anymore. A tortuous ride over roads we mistakenly call expressways, and a visit to the inner core of our cities, unveils desperate problems of unplanned growth that belie the peaceful chug of power mowers in the suburbs.

Since the conclusion of World War II, we have been on a national joy ride that has produced the greatest migration of human beings in the history of mankind.

Thirty million people have deserted small towns and the countryside, turning our cities into overloaded pressure cookers . . . unable to cope with the social and economic stew we just threw together.

We have shoved untold millions of people into cities because we failed to commit ourselves to the need for a balanced national growth.

Rural people couldn't find jobs, or they were woefully underemployed, so they left.

They lacked clean water to drink, or couldn't get sewer systems, telephone service, or natural gas. So they left.

Agricultural communities and small towns, struggling for existence, could no longer find places for their young people. So they left.

Rural decay set in. Institutions that hold communities together fell apart. Not only were no new jobs created, existing jobs began to disappear.

Now the migration is beginning to slow down. More than one-third of our people still remain in towns of less than 50,000. If we are going to do something to renew rural America, then we had better act quickly while we still have a base from which to work.

Many communities in the South, through inspired local government and effective regional planning commissions, are already hard at work. Some of them have literally succeeded in pulling themselves up by their own boot straps. But they need all the help they can get.

I don't propose a national policy of "back to the farm." I do advocate a sensible policy of balanced national growth to strengthen rural America, and take pressure off our cities.

In the thirteen years between 1961 and 1973, the federal government will have spent \$160 billion to help metropolitan areas solve their problems. I do not deplore the expenditure of this money. But we must all admit that urban problems are worse today than when we started.

This should make it clear enough that we need new direction. Are we going to continue to pour billions and billions of dollars into cities in apparently futile pursuit of solutions to the urban crisis? Or are we going to broaden the battle and open up a new front by attacking the urban problem where most of it began in the first place?

In 1970, through an amendment to the National Farm Bill, which I introduced, Congress committed itself to a sound balance between rural and urban America. The Congress adopted a policy that this balance is so essential to the peace, prosperity, and welfare of all our citizens that it must be given the highest priority.

Now, in the years that lie ahead, we must keep that commitment.

Rural development is an idea whose time has come. I submit that never before has a nation had such an opportunity to raise the quality of life for all Americans, whether they live on the farm, in the small town, or in the big city.

In the final analysis, what we aim to accomplish is assurance that every citizen will have the right to live and work in comfort and economic security, wherever he pleases.

ALTERNATIVE STRATEGIES FOR THE 1980'S

Mr. GOLDWATER. Mr. President, a great student of strategy and foreign affairs whom I have known for years, Gen. Robert Richardson III, retired, prepared a paper in February for the Stanford Research Institute entitled "Alternative Strategies for the 1980's." General Richardson has been right more than most people I have followed in their delineations of world affairs. Therefore, I can recommend this paper to Senators who are interested in this general field. I ask unanimous consent that it be printed in the RECORD.

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

ALTERNATIVE STRATEGIES FOR THE 1980'S

(By R. Charlwood Richardson III)

Much has been said and written about national security. Experts in and out of uniform are legion. The range of disagreement among authorities of acceptable repute is so wide that one wonders whether there is even room for agreement on the definition of "National Security," let alone on the threat or on how best to deal with it.

Against this background a rational debate on alternative strategies is hard to stage. There are no common points of departure and no common base lines. This has been true for the past decade. It started with the introduction into the military requirements equation of other considerations than the threat and how best to cope with it. Some now disagree as to whether there is a communist threat to the U.S. in the first place. Others consider slowing down the arms race more important than assuring success in the event of war. To this we must add a web of moral concerns, treaty prohibitions, and Hiroshima complexes to further perturb the decision process.

In the early 1960's the then new administration expressed complete agreement with NATO's well documented requirement for missiles with which to defend Europe in the event of war. They then denied these to SACEUR, not so much because they disagreed with the military need but because they did not consider that the effective defense of Europe in a possible war was more important than implementing arms control concepts or political deals.¹

Some Congressional and Academic "experts" now claim we can cut defense spending by 25 billion dollars more and still have adequate security.² Others now view with alarm our growing inferiority vis-a-vis the U.S.S.R. and advocate increased spending merely to retain parity. Meanwhile, some on both sides of this argument disagree with one another as to whether the U.S. could, or could not effectively intervene to defend Israel from the posture they advocate! Nor can they agree on whether or not we should if we could.

To refresh the classic arguments for more or less defense spending would only add paper to the archives. A new approach to the problem of providing for our future security is needed. The solution cannot call for more money or bigger and better programs. It must not only deal with the question of how much is needed for defense, but also with the question of how the job will be done. It is now clear that we can no longer afford the strategies of the 1960's. We need to define and implement a new method of doing the "business." One that we can afford in this day and age, and that will still provide adequate protection from any foreseeable threats. This is what we must do. How do we do it?

Fortunately, the need for change has been recognized. The Nixon doctrine and its associated concept of realistic deterrence have opened the door to changes. The problem now is to walk through the door and take the right road in terms of both U.S. strategic and allied defense strategies. To do this requires that we first back off from the overall problem and review some fundamental building blocks. If we can agree on these, after suitable debate, we might then establish a sound foundation on which to build towards defensible and achievable strategies for the late 1970's or early 1980's.

It is now too late to do much for the 1970's. The lead time in conceptual change is about ten years. It's harder to change peoples ideas and ways of doing things than to change

¹ Withdrawal of U.S. IRBM's following the Cuban Missile crises.

² Seymour Melman, University of Chicago, 3 December 1971.

hardware. The most that can now be done for U.S. security in the 1970s—in terms of strategy—is to put patches and quick fixes on the more glaring errors of the 1960s. What we can and must do in the 1970s is to define, enunciate, and initiate movement towards the ultimate solution. . . . always providing we can agree on one.

The purpose of this paper is to surface in clear, if somewhat over simplified, form the situation we are faced with in the national security area, and discuss some of the fundamental issues that need to be decided as a prerequisite to selecting a strategy. We will suggest a solution based on our conclusions with respect to the issues discussed. But this is only a straw man.

THE PROBLEM IN BRIEF

Before we can discuss defense building blocks, let alone come up with a strategy we need to agree on what the problem is. Let's first define it.

The response of the United States, politically, economically, and militarily to the international order of protracted conflict that emerged after World War II, was based on a broad concept of "containment." Containment rested on three major propositions:

(a) U.S. strategic nuclear superiority—to deter attack on the U.S. proper, and to back up overseas defense postures.

(b) Multilateral military alliances—to protect our allies, and to deal with local acts of aggression locally and,

(c) Foreign military and economic assistance programs to provide our allies the initial means for their defense while eventually reducing their dependence on U.S. forces and arms.

The zenith of the "containment concept" was probably reached in the mid 1950s with the signing of the Baghdad Pact and the creation of the Middle East Treaty Organization (CENTO). An agreed strategy for containing Russia had evolved. It ringed the Sino-Soviet Bloc with a contiguous series of multilateral security alliances, bilateral security pacts, and U.S. and allied tactical air and naval bases. These were backed up by an unprecedented strategic atomic capability retained under unilateral U.S. control. The only signatory to all of these postwar international security arrangements was the United States.

The erosion in the concept of containment by multilateral alliances and U.S. strategic superiority started in the mid-1950s.

The advent of a direct Soviet strategic missile threat to the U.S. reduced both the U.S. "will" to use—and the allied confidence in—our strategic nuclear forces. In the early and mid 1960s frantic U.S. efforts to decrease reliance on these capabilities by "selling" our allies on "pause," limited war, flexible response, prior consultation, and other similar concepts aggravated and confirmed these trends. Finally the unilateral rejection of a strategic counter force posture—the only meaningful strategic deterrent to limited aggression—and the increasing acceptance of the parity concept completed the decoupling of the old sword and shield. By the mid-1960s military planners recognized that the defense of overseas areas, and allied countries, against local acts of aggression would no longer count upon U.S. strategic nuclear capabilities. We knew this, our allies knew it, and the Soviet knew it, regardless of pious statements or paper undertakings to the contrary. The same was probably the case for Russia's allies. England, France, and China saw this coming and built their own strategic forces. Others no doubt would have if they could have, economically or politically. Some may yet.

The decline in the capability of U.S. strategic forces to contribute to deterrence of acts of aggression other than against the U.S.

homeland had a profound impact on overseas force requirements, allied security policies, and foreign aid.

Even before any real questions arose about the U.S. "will" to use its strategic might on behalf of its allies, the minimum forces required to prevent the overrunning and capture of NATO territories in Europe—pending the outcome of the U.S. strategic effort—could not be provided by combined U.S., allied, and aid efforts.³ This was serious enough to lead NATO to accept a tactical nuclear strategy⁴ but not serious enough to challenge the defense purpose of the alliance per se so long as the shortfalls in local force levels remained offset by the real, or imagined, U.S. strategic nuclear umbrella.

By the mid-1960s the usefulness of the "umbrella" to allied security had all but disappeared. Meanwhile the prospect of substituting effective tactical nuclear forces—U.S. or national—declined in the 60s partly due to anti-nuclear Hiroshima complex attitudes and partly to anti-Nth country arms control policies which culminated in the anti-proliferation treaty and test ban agreements.

In the 1960s alliance security became increasingly dependent on theater force levels and these, in turn, were made more and more dependent on conventional forces by anti-nuclear attitudes. The prospects of developing viable strategies for the defense of forward areas, even within these constraints, was further reduced by two other factors.

First, there was a steady increase in cost of weapon systems and military manpower—the "means" to wage war. This made it more and more difficult, if not impossible, to raise the force levels (mass) required for a credible conventional defense.

Second, there was a decline in the U.S. ability or inclination, to provide more military aid. While major allies no longer needed this aid to maintain established force levels, many others—ranging from Greece and Turkey to SEA—were never able to acquire sufficient wealth or industry to take over the upkeep of the forces we originally equipped, for them, let alone any increase in these.

As a result of these developments the U.S. is now faced with the problem of defining, and implementing, a viable strategy for the defense of allies, and allied areas, out of the old essentially bankrupt and over-extended alliance strategy of containment by conventional flexible response. The problem is aggravated by a growing technological and manpower cost squeeze, and by the loss—or near loss—of U.S. strategic superiority which in the past covered up, at least psychologically, for local inferiority.

I have not referred, so far, to the war in Vietnam as being a factor of consequence in our present strategic dilemma. It changed little or nothing in the fundamentals of the overall U.S. security picture. Vietnam only confirmed the fact that tactical nuclear, let alone strategic nuclear, forces would not be used by the U.S. on behalf of most allies. It also raised serious doubts as to the likely future use of conventional U.S. forces overseas in many areas.

Vietnam aggravated the impact of the cost squeeze, thereby expediting conventional U.S. force reductions elsewhere confirmed the political and human resource unsoundness of attempting to fight "controlled wars"; and expedited the advent of U.S. strategic inferiority by drawing resources away from force modernization in the 1960s. To the theoretician, Vietnam was a test tube in which fallacious concepts were demonstrated, and inevitable trends expedited. It

produced costly but useful lessons and moral problems but made little or no contribution to this development of defense strategy.

RECOGNITION OF THE NEED FOR CHANGE

The problems outlined above were perceived by many, in and out of the present administration, even before President Nixon took office in 1968. How to deal with them was another matter.

The Republican Policy papers, in "A Choice for America" July 1968, recognized most of the above trends as well as the technology cost squeeze problem. No one needed to prove we were in the wrong war, with the wrong strategy, in Vietnam. The question was how to disengage gracefully, and as we have seen the disengagement is a most difficult maneuver in war as in love.

The threat to U.S. technological and strategic superiority was voiced by military leaders as early as 1962. By 1966 reports began appearing expressing alarm.⁵ In 1970 Mr. Nixon himself expressed concern.⁶ In September 1970 a prestigious committee of non-government leaders headed by Mr. Lewis F. Powell, now a justice on the U.S. Supreme Court, rendered a report to the President on the Strategic Balance of Military Power.⁷ In the spring of 1971 some of the implications of this shift were becoming apparent to students of international trends and were reported in the FPRI Study on "Soviet Military Trends, Implications for U.S. Security." Most recently the Budget Message indicated concern.

The problem was, and is still, not an easy one. More money for defense, while possibly essential for certain quick fixes, is not the long term answer. The U.S. must define a strategy and defense policy that can be implemented at a reasonable cost considering both the rise in cost of men and machines, and the increasing commitments to let alone demands of—the domestic sector. This means that the solution must at minimum:

(a) Emphasize force and weapon "quality"—hence the products of technology—to reduce "quantity," and

(b) Spread the burden—both the job and its costs—among all that benefit from it—our allies.

Both these prerequisites call for major change in past U.S. policies and concepts. The former can only mean ultimate abandonment of conventional capabilities, and multiple options—so-called flexibility—for reasons of cost/quantity if no other. The latter means that the U.S. must cease to unilaterally try to defend all the free world along with dictating the security policies weapon systems, and defense postures of its allies. It will also affect trends in U.S. aid if the new Nixon doctrine is to be effectively implemented.

THE NIXON DOCTRINE AND STRATEGIC CHANGE

The Nixon doctrine is a sound first step towards a solution. It recognizes the second need above and starts the move towards greater reliance on allied capabilities for allied defenses.

The concept of Realistic Deterrence is, as I understand it, the initial effort to translate the Nixon doctrine into a new U.S. defense strategy and posture. It also recognizes the need to move the U.S. out of the position of being solely responsible for free world defenses, and to move towards less of a bipolar power situation in both strategic and alliance arenas.

The stage is now set for the necessary strategic changes in terms of major policy decisions. The door has been opened by the

³ Lisbon goals versus Temporary Council Committee Findings 1952/53.

⁴ 1956 NATO political directive Strategic Concept mc 14/2.

⁵ American Security Council for the Armed Services Com. on the "Shifting Balance."

⁶ New York Times, 10 March, 1971.

⁷ Blue Ribbon Panel Supplemental Statement.

Nixon doctrine and Laird posture statement of 1971. The details of the new roads to follow remain to be defined. Within the guidelines now provided there are alternative strategies that can be pursued—both in nature and extent. This is what this discussion is all about.

The one alternative no longer open to the U.S. is: "more of the same." Now that the Nixon doctrine has recognized the need for change, and pointed in at least one direction—greater allied self-sufficiency and less U.S. responsibility for the security of others—we can seriously examine alternative ways and means of achieving these goals. We can also propose other steps and decisions that will be required to implement or complement them.

THREE FUNDAMENTAL QUESTIONS

In addition to cutting costs by trading advanced performance (quality) for mass (quantity); and to sharing the burdens and responsibilities of Free World security with our allies there are 3 other basic decisions that need to be made before we design any new strategy. Without prior agreement on these three questions there can be no consensus on any overall proposals.

(1) On Allied Nuclear and Space Capabilities:

First, is the future U.S. attitude towards allied acquisition, and use of, advanced weapons and space systems.

The U.S. no longer enjoys a monopoly of nuclear weapons or space systems among Free World nations. England has had its own nuclear capacity for many years. France has built strategic nuclear weapons and has initiated a program for tactical nuclear weapons development. China joined the nuclear club several years ago and is rapidly expanding her arsenal. Many other countries are studying the problem and some will certainly follow in the steps of France, China, and England notwithstanding the anti-proliferation treaty if this turns out to be a prerequisite to their security. The development of space systems, first for peaceful uses and later, if necessary, for military purposes will follow the same pattern. To deny this is wishful thinking for restraint by treaty will remain valid only so long as the nation concerned has a choice of other acceptable means to insure its independent survival.

When the U.S. is no longer willing or able to underwrite an allied nation's defense, and when the minimum classic conventional systems required for this are either beyond that nations reach, cost-wise, or else clearly ineffective against the obvious threats to it, then its choice becomes surrender or modernize with weapon system it can afford and that are credible. Given this choice it is hard to believe that those who could—such as Japan, India, Israel, Germany, etc.—would sacrifice their security, and possibly the freedom of their people, in order to honor a non-proliferation or peaceful use of space, treaty signed by some under duress. This is an important consideration in our choice of future U.S. strategies. Those that reduce the U.S. commitment to defend its allies, coupled with the technological cost squeeze phenomena, could set up just such a choice for several countries by the mid 1970's.

The U.S. has only two choices: We can continue to resist allied atomic and space aspirations and refuse to assist them even when and where the nation has demonstrated a capability, as we have done with the French. The goal here would seem to be to delay the realization of a valid operational deterrent forces by others. The cost of this goal would seem to include the loss of allied solidarity; the weakening of our alliances; wasteful unnecessary, allied nuclear expenditures at the expense of their other contributions; and the development of unilateral strategic deterrents neither de-

ployed, employed, or built-in consonance with a common plan for Free World defense. France is a perfect example of this.

Our other choice would be to accept each "fair accompli" when it occurs and seek by providing, from that point on, assistance in delivery vehicles, warhead development, and technical know-how, to reap maximum economic and military benefit from any capabilities that emerge. The truth is that the U.S. can no longer afford the luxury of paying vast sums in the pursuit of questionable arms control theories and concepts which is what we have been doing until now.

Active assistance to other nuclear powers seems desirable if we really wish to see the Nixon doctrine and realistic deterrence fully implemented. Our strategy for the 1980's should seek to channel any and all new allied nuclear and space capabilities into coordinated but independent defense efforts. Only by doing this can we:

(a) Insure some stability in an Nth country environment through regional coordination and the sharing of safety and technical experience.

(b) Exploit the new and inevitable allied nuclear or space capabilities to free the U.S. from foreign defense commitments.

(c) Minimize the waste and duplication that can only result from unaided Nth country programs in advanced weapons.

Much has been written on the implications of atomic proliferation and the arguments need not be repeated here. The point of concern now is to provide logically for this inevitable trend when and where it develops, and for whatever reasons, rather than to continue to fight the inevitable to the detriment of our own independence and capabilities.

(2) On the Need for a Strategic Mix:

Second, is the importance of diversified and secure strategic weapon systems. This is a fundamental consideration in the selection of a U.S. strategy for the 1980's, due to the high risk of technological breakthroughs, that can obsolete a supposedly invulnerable system almost overnight, versus the long lead times (10 to 15 years) required to develop and field any alternative or substitute system.

It is also a matter of concern that the importance of both redundancy and survivability be recognized. There is a simplistic view that economy and security could be both served by putting all the U.S. strategic eggs in one basket at sea. It is also claimed this would draw fire away from U.S. cities in the event of war.

Any argument to limit U.S. strategic forces to submarine or sea-based systems must be examined within one of the following three possibilities.

(a) The U.S. policy of deterrence of major war is successful.

If this occurs there is no war and the question of location of the deterrent force versus collateral damage is not pertinent.

(b) Deterrence fails, a war ensues, and the Soviets attack the U.S. military forces (missiles) and the major U.S. industrial and political centers simultaneously.

In this case any collateral damage prevented by at sea deployment of all strategic systems would be insignificant compared to the losses which would result from the direct and premeditated attack of the U.S. industrial capability and other important targets of military significance co-located with population centers.

(c) Deterrence fails, a war ensues, but the Soviets attack only U.S. strategic forces, all of which are deployed outside the U.S. at sea.

This is the only scenario that could conceivably validate the argument for deploying these systems at sea, and then only if one can rationalize such a Soviet strategy. Let us examine this.

LIKELIHOOD OF AN ATTACK LIMITED TO SYSTEMS AT SEA ONLY

The U.S. strategic forces are designed to respond to a Soviet attack by retaliating against the U.S.S.R. The rejection of counter force and adoption of a counter value strategy and capability in the mid 1960's precludes any other use by target. Unless the U.S.S.R. deployed all its forces at sea, and the U.S. adopted a counter force strategy alone, it is hard to visualize a situation where the Soviet would be willing to leave the U.S. undamaged while accepting retaliation against the U.S.S.R. proper.

A Soviet attack on our strategic force at sea alone, could only occur if the Soviet had absolute confidence the attack would prevent any U.S. retaliation; or if it could be assumed that we would surrender rather than retaliate with what we had left and suffer the consequences of a subsequent nuclear attack on the U.S.

The first possibility, total destruction of our retaliatory forces by surprise attack, goes contrary to all efforts to achieve warning and survivability. It assumes every unit at sea as vulnerable to sudden surprise attack thus contradicting the main argument for sea-basing in the first place.

The second possibility accepts defeat as the inevitable outcome of any Soviet first strike no matter where our forces are. If this idea were agreed, preventive war would be the only counter to an enemy with known aggressive intentions.

In actual war, therefore, it must be assumed that deployment of strategic forces at sea would protect the U.S. from damage of consequence only if we admit complete vulnerability to a Soviet first strike, or the willingness to surrender before retaliating. Both assumptions are preposterous. One can hardly envision the Soviet Union accepting an attack by U.S. forces without responding against the U.S. Therefore, we must conclude that, if we fight at all, the U.S. will be hit one way or another and the fact that our main effort is at sea won't reduce the damage to the U.S.

ON CREDIBILITY OF A SEA BASED DETERRENT

What about the relative deterrent value of deploying forces at sea versus both at sea and on land. I suggest that deployment of all strategic retaliatory forces at sea would greatly reduce the credibility or our deterrent.

Obviously, the Soviets know that the U.S. would respond with an all-out attack against the U.S.S.R. if they were to attack U.S. population centers and industry. The same is equally true if the Soviets were to attack missile sites within the continental U.S. On the other hand, an attack directed solely against missile and systems outside the U.S.—with no concurrent attack on the continental U.S.—could seriously raise a question of doubt as to whether or not we would respond against the Soviet Union and thereby invite subsequent attack of the U.S. The decision to initiate massive destruction within both the U.S. and USSR following an attack of missiles at sea would then become ours and ours alone.

While at first glance one would be inclined to say that we would automatically respond to an attack against our strategic systems no matter where they were based, on second thought this might not necessarily be the case. Would we really attack targets in the USSR, if the Soviets subjected our submarine fleet to "slow attrition," if the Soviets hunted down our submarines on a day-to-day basis? Is massive retaliation the answer to the loss of a few submarines? Or would we engage in a limited naval war in which we would risk and lose all elements of our primary strategic retaliatory forces while the most the USSR risked were some ASW units? Clearly, such a trade (hence war) would be highly advantageous to the U.S.S.R. It is . . . what

could occur if we place undue reliance on submarines for national survival.

(3) On Counter Force vs. Counter Value Targeting:

Third, we need to make a conscious decision to pursue a counter force capability to the extent that funds and technology will permit. This is a fundamental building block in any decision on strategy. It is also an area of much misunderstanding and even more information. At the very least we should neither announce, nor take steps that suggest, that we do not have the option of striking any and all types of targets.

Opponents of counterforce targeting are motivated by arms control considerations. They consider a counter force posture to be provocative, and since inherently most do not believe war will, or could, occur they have no interest in either the deterrent or war waging merits of either concept.

To many people, it seems impossible that one side could win a thermonuclear war, given the power and destructiveness of modern weapons. Certainly there could be situations in which neither side won. There could, however, be situations where one side emerged with a clear-cut victory (e.g.), if its residual military capabilities far surpassed that of its opponents, while damage at home was limited by an effective counterforce and ABM combination.

Victory in general war is achieved when the enemy's military forces have been destroyed and there remain adequate friendly military, political and economic capabilities to permit the victors to control the international situation. To build such a war-winning capability, a nation must adhere to a military strategy aimed at destroying the enemy's military forces rather than his country or population. That is what is meant by "counterforce" or "counter-military" strategy—using military forces to selectively and decisively destroy enemy military forces that could otherwise destroy you.

COUNTERFORCE IS TRADITIONAL

In broad historical terms, there is nothing new in a counterforce concept. As a matter of fact, it was a traditional military concept until the 20th century. The two World Wars, however, added a new ingredient essential to victory—the destruction of the enemy's war-making capabilities.

The military technology of that time was such that the decisive phase of war came after two to three years of hostilities, when the production lines began to turn out weapons and equipment for use by massive ground armies. Because of the central importance of war production, certain pivotal industries, e.g., fuel and transportation centers, had to be attacked. Destruction of these facilities destroyed the capability of armies. Even this was a form of counter force.

Nuclear weapons and aerospace forces have erased the validity of mobilization concepts in general war. These two instruments of war, joined together, have forced the decision point of war to come at the beginning of hostilities. Consequently, the required war-winning capability must be extracted from the industrial base prior to the initiation of hostilities. The decisive force thus created must concentrate on immediately destroying the fundamental military strengths of the enemy.

The most essential element to be destroyed is the enemy's nuclear delivery systems. Once the enemy's nuclear forces have been defeated access is gained to all other military forces. With this access, the capability to destroy the enemy's remaining forces and otherwise exert pressure on him becomes self-evident and leads to his surrender.

In modern warfare there is no longer any requirement to destroy enemy cities nor is there a need to destroy industries which make no vital contribution after war begins. Under such conditions, striking cities with nuclear

weapons would signal an irresponsible act of desparation and revenge, calculated to bring about the spiteful destruction of civilizations rather than military victory. Is this really the U.S. desire?

To implement a counterforce strategy demands a well-integrated national military structure. It requires, first of all, strategic offensive forces to destroy enemy strategic strike forces at their source. Next, strategic defensive forces in depth are needed to destroy enemy strategic weapons in flight, as far from the United States as possible, but as close-in as necessary. Thirdly, we need military forces to conduct a holding action to prevent the overrun of friendly territory. And, finally, there must be accurate information on the status and location of the enemy's residual forces which must be destroyed. With these ingredients, the United States will be able to use its military power with discretion in general war just as it plans to do in limited wars.

The feasibility of a counterforce strategy today varies with the conditions prevailing at the time U.S. forces are launched.

If our forces are launched after a surprise attack by the U.S.S.R., their capabilities to carry out counterforce tasks will be handicapped but not eliminated. At the minimum, those forces on airborne alert, or at sea, will be able to strike enemy targets, and U.S. air defense aircraft and ABM's could degrade seriously the attacking forces.

On the other hand, if U.S. forces are launched in response to an all-out attack on our major allies or on certain knowledge of an impending attack on the United States, a good counter-military capability would insure U.S. victory.

Regardless of the conditions under which hostilities may begin, a counterforce strategy, more than any other, will minimize the enemy's ability to inflict damage on the United States. This should be a prime goal of any U.S. strategy.

Critics of counterforce argue that since implementation of a counterforce strategy requires destroying all enemy strategic capabilities early in the war, it is not an acceptable strategy when the United States responds to a Soviet attack. In such a situation, they contend, the United States would not know which targets to strike and it would not be militarily sound to hit all missile sites after some missiles have been fired.

Critics also point out a valid counter force capability would be too costly to achieve in the present economic environment. This is true, but much of the deterrent benefits of counterforce can be had by keeping our targeting options open, pursuing pertinent developments, and leaving the Soviets in doubt as to actual capabilities.

These difficulties notwithstanding, sound logic demands that the United States strike all enemy missile sites. Unless its military forces plan to go after these targets, the United States cannot launch a strategic blow against the Sino-Soviet bloc to come to the aid of an ally. It cannot strike because it cannot hope to win. Even in a situation where the United States responds to a Soviet attack, the United States must hit missile sites.

Another argument often raised against striking missile sites is basically an economic one. It is said it is too "costly" to hit missile sites after some of the missile may have been launched. This argument, however, does not consider the correct costs. The costs to consider are those of not striking missile sites which house missiles that could be used to defeat the United States. In other words, in terms of U.S. survival potential, it is much more costly *not* to strike all known missile sites.

Moreover, if the Soviets attack the United States, not all their missiles will be launched on the initial strike. Intent on winning the war while minimizing damage to the U.S.S.R., they will have to concentrate initially on

military targets. They will retain a sizeable residual force after the initial attack to continue to threaten U.S. industrial and urban areas; to strike additional lower priority targets or high priority targets attacked but not destroyed in the initial attack; to retain a reserve to meet other possible threats from third parties; and to negotiate with or to blackmail. These missiles will be at their launch sites when the United States strikes back. In addition, because of malfunctions, unready missiles, failures in command and control, and reloading of certain missile sites, still additional missiles will be in place.

All these factors might result in as high as 25-30%, or more, of the missiles being on site when the United States strikes back. The United States must have the means to destroy these targets.

Deterrence is man-made, a situation the United States has created in the past by maintaining superior military forces in being. If the United States does not maintain credible war fighting forces, the Sino-Soviet bloc will realize that, by threatening to raise the level of any limited military conflict to a higher scale, it can bend the United States and the Free World to its will. For these reasons, a counterforce capability is a fundamental precept of any effective national policy of deterrence.

Under the Nixon doctrine, and with our current or prospective loss of strategic superiority, counterforce capabilities are even more important than in the past. As we withdraw from forward areas the possible intervention with our strategic umbrella is a risk to the U.S.S.R., hence, a deterrent, *only* if, given the initiative in such a situation, the U.S. could conceivably blunt an effective Soviet response. The assumed U.S. initiative would in this case offset quantitative force inferiority thus making our lesser force again a valid deterrent to limited aggression.

SOME ALTERNATIVE STRATEGIES FOR CONSIDERATION

Any new strategy to be acceptable must take into account the shift in strategic power that has now, or will soon occur; the U.S. economic and budget situation with its heavy commitment to domestic spending; the likely emergence of more atomic powers; and the demise of the old strategic concept that relied on the ability and will of the U.S. to retaliate with strategic forces, if necessary, in response to major acts of aggression other than against the continental U.S. The solution must also allow for an evolutionary transfer from the present.

There are essentially four strategic variants, or options, to defend the free world from major acts of aggression. Of these, the first and concurrent one: "U.S. strategic support of integrated forward defenses" can no longer be sustained cost or credibility wise. This leaves the following three to choose from:

1. A Supranational Strategic Capability supporting national and/or alliance forward defense forces. This would require that we provide some Free World body, or the U.N., a strategic nuclear capability with which to, at minimum, protect non-nuclear nations from nuclear attack or blackmail. This is a far fetched concept but theoretically it is an option that would free the U.S. from the task of providing the strategic umbrella for others.

2. The establishment of Regional Strategic nuclear capabilities each supporting its own regional forward defense forces, which could be national, allied, or both. The end result would be a multi-polar situation. It could work out to two strategic forces on the communist side . . . Russia and China . . . and three or more on the Free World Side . . . the U.S., European, and some Far East grouping as yet undefined.

3. The abandonment of the defense problem to independent national solutions. Under this formula the U.S. withdraws from

forward commitments in varying degrees leaving it to each nation, with or without U.S. help, to work out their own long term security problems. This might be called a: "suave qui peu" approach that leaves it up to each country to proliferate, accommodate or "hold the faith" in uncertain U.S. support in an hour of peril.

On the surface our choice would seem to lie between the last two options. The last solution is no doubt what will emerge as our basic strategy if we make no positive effort to change the trend in events. The Nixon doctrine ordains reduced involvement in the defense of forward areas but as yet does not indicate what, if anything, we suggest be substituted for the U.S. strategic umbrella and/or major U.S. bases and forces overseas that either provided an alternative to, or insured its use—depending on your point of view.

Any one of the three options will meet our principal requirements. They also appear to fall within the guidelines of the Nixon doctrine and realistic deterrence in that they will reduce our responsibility for the defense of others and our force deployments overseas. In simple terms they all put the "strategic monkey" on someone else's back, though in varying degrees. Before making a choice we might briefly look at some of the pros and cons of the alternatives.

ON THE SUPRANATIONAL FORCE APPROACH

This concept would be a Free World variant of the old NATO multinational or multilateral force that was advocated in the early 1960s. To cover the Nixon doctrine requirements it would have to be Free World wide in its commitment. It would have to have some form of supranational decision mechanism, its own forces and weapons that could not be unilaterally withdrawn by one or more nations, and sufficient capabilities to be credible. Eventually it could become the custodian of all advanced weapons, and possibly the forerunner of a U.N. worldwide police force.

The idea has been advanced from time to time. It has never been seriously studied since on initial analysis it seems unlikely that any nation would agree to surrender control over any of their strategic capabilities to a supranational authority. The Command and Control problem would be tremendous not to mention U.S. national atomic law issues.

The concept has merit as a long range goal if one believes that the future safety of the world depends on increasing collaboration in defense matters as a step towards; first an atlantic community, then a Free World community, and ultimately a U.N. police force. It would be favored by those who consider that any alternative is better than to permit the emergence of independent national or even regional, nuclear forces—which will occur as nations realize that the U.S. and U.S.S.R. cannot forever remain the custodians of all advanced weaponry. The concept had better chances of acceptance in the late 1940s than today.

Most nations have always resented the unilateral control enjoyed by the U.S. and U.S.S.R. over the world's principal strategic forces. The British, French, Chinese and others have from time to time indicated that they wanted some say in the employment, deployment, and use of these capabilities. The MLF^{*} idea was an effort to meet this desire in NATO. The argument is that since world war could result from any use of these forces other nations could be affected as well as the powers concerned. The fact that the U.S., and no doubt on its side the U.S.S.R., has always resisted any efforts to diversify control over these forces was the major factor in the development of other national nuclear capabilities where this has

occurred. It can be argued therefore that were the U.S. to surrender control of any of its strategic capabilities, even nominally, to a supranational or allied group, allied solidarity and relationships would improve.

Purely from a military effectiveness point of view, the establishment of an International Strategic Force, which would group all resources for strategic war, is sound. It would place strategic targeting, as well as operational control of the strategic forces of all services and free nations under one commander and in one staff. It would, therefore, maximize coordination, dispersed possibilities, and operational effectiveness and minimize duplication and waste, particularly in targeting, and in the development of weapon systems. Others would share in the cost.

From a psychological and public relations point of view the pooling of Free World strategic resources under some form of supranational control could be a popular move. On the other hand, it could well be construed as reducing the security of uncommitted nations not included in the initial grouping. These would not have a say in the use of the strategic effort of either side.

The principal advantage of the establishment of overall Allied Strategic Force would seem to be the long term impact this could have on the so-called Nth Country problem. Obviously, such a force could not be established unless all major Free World nuclear countries agreed to pool sufficient strategic resources. This would mean, for practical purposes, the elimination of the so-called Nth Country prospect, and the establishment of maximum stability over the use of nuclear forces. It would also perpetuate the bipolar power situation unless, and until it became worldwide.

The principal U.S. national objective is to deter wars, both general and limited. (The U.S. military objective must be to defend the U.S. if deterrence fails.) The placing of our strategic forces under collective political control would weaken the free world's ability to both deter and wage war since it would dilute the decision mechanism.

If ever the Russians entertain a plan for a limited act of aggression, they have to consider the response the U.S. is likely to make. While they may feel that we would not respond with our strategic atomic forces to say—an attack in Europe or against Israel, they must remember that they also felt we would not respond in Korea, in Greece, and in Lebanon. Based on these experiences, they must think that even though it may seem illogical, our immediate response to any soviet act of aggression is within the powers of one individual, the President, and this individual could well decide that the time had come to honor our commitments to our allies and order the strategic effort to retaliate, but only provided we had a counterforce capability which given the initiative could reduce the inevitable soviet response to acceptable limits.

On the other hand, should the strategic forces be under multinational control, the Soviets could be reasonably certain that their use in response to many limited acts of aggression would only take place after extensive consultation. Under these conditions they could logically assume that those nations not directly threatened by the limited act of aggression would actively oppose the use of the strategic means. The resulting debates and delays would open the question of use, or non-use, to the public. Under these circumstances, there would be little or no risk from the Soviet point of view of sudden and quick act of retaliation which would give the allied strategic effort the advantages of a preemptive strike on the Soviet nuclear forces.

It seems quite clear, therefore, that were the U.S. to surrender unilateral U.S. control, over the use of its strategic forces to multinational direction, we would greatly weaken their deterrent to limited aggression even with a counterforce posture.

The establishment of a supranational strategic capability would probably lead to unduly weakening the local defense forces in all areas. This would result from the fact that many countries maintain their own defense forces at a high level due to the realization that the probability of the U.S. using its strategic forces on their behalf would vary with the size and intensity of the act of aggression. This being true, a certain level of local force is required to trigger the U.S. effort.

If all nations participated in the direction of the Free World strategic capability, many would quickly rationalize that they could risk to reduce their local forces to roughly the equivalent of the lowest common denominator level, since in the last analysis they would have a say in whether or not the strategic forces were committed in their defense. As such, they would not have to hedge against this possibility by providing more local force than they desire to fund and support for economic and political reasons. This would lead, in effect, to the adoption of a collective massive retaliation strategy and to reductions in local defense forces to an unsafe level with undue reliance on strategic nuclear retaliation for even minor acts of aggression.

But the decisive argument against moving towards an international strategic capability is the resulting loss of unilateral U.S. control over forces which we require to insure our basic survival.

It seems highly unlikely that the U.S. Government, or the Congress, would agree to surrendering its authority over these forces in time of peace. Therefore, even if one could make a theoretical case for this concept as being a valid solution to future Free World defense problems, it does not appear to be a practical solution.

ON A REGIONAL DETERRENCE APPROACH

The concept of regional deterrence continues the formerly successful "Sworn and Shield" relationship, but accepts the gradual evolution of the strategic retaliatory "sword" element from a solely U.S. effort into a hopefully coordinated but, separately controlled allied effort. Each new strategic deterrent force would be committed to, and related with, its own shield effort in the same manner as is now the U.S. effort vis-a-vis NATO.

The development of more than one strategic "Sword" within the Free World has many advantages:

(a) It is a logical follow-on, as other nations acquire a nuclear capability of their own, to the sound security policies adopted by the U.S. in the past.

(b) It solves the credibility problem for most nations by, in effect, giving those directly threatened a finger on the strategic trigger.

(c) It precludes any need to attempt to match each level of local threat with an equivalent local, or U.S. mobile, capability at the expense of the U.S. general war and space efforts, or at great additional cost.

(d) It allows the local forces to be maintained at a "minimum" essential strength to insure that any aggression warrants strategic retaliation by those regional entities under attack.—(cost factor)

(e) It greatly increases deterrence of a Soviet surprise attack as a result of diversifying the political decision mechanisms controlling retaliation and the same time deployed the Free World's retaliatory forces on a global basis.

(f) It will improve the survivability of free world strategic deterrent forces by exploiting land areas outside the Western Hemisphere for many elements.

(g) It can be initially implemented without unduly liberalizing U.S. atomic energy laws, since the additional forces could be built around U.S. boosters but with French and U.K. warheads.

(h) Regional deterrence would probably be acceptable as a Free World security policy

* Multilateral Force proposed at Nassau in 1962.

to both the French and British would help them develop their nuclear production facilities.

(f) It will improve the survivability of free and increased prestige, to those allies who participated such as Italy, Canada, Australia, Japan, etc. It would reduce their incentives to build national nuclear forces.

(j) Finally, it in effect would implement the Nixon doctrine in the strategic arena, and allow major reductions in U.S. defense commitments to, and involvement with, allies.

There is also the importance of responsible, powerful, independent, third power centers to offsetting the U.S. loss of superiority in the current essentially bipolar world. So long as the members that count in the nuclear balance are limited to two, any unbalance can be readily assessed and invites its exploitation by the stronger. With multiple capabilities under separate control classic realignment can preserve balance and deterrence. A world-wide aggression then has to take on all comers, or figure out how to deal later with powerful non-participants. Even dogs know better than to fight before a third one waiting to pounce on the wounded victor!

As other nations acquire a capability to produce nuclear weapons, we can expect that these weapons will be channelled initially into strategic systems, as we ourselves did. The fact that France and England now have this capability suggests that these new national forces could be integrated on some basis other than within a NATO that was designed for shield force control only.

Now that two other Free World nations possess sources of atomic production, with others soon to follow, the United States no longer has to face the problem of surrendering its warheads, as a prerequisite to adoption of a Free World security concept which accepts the fact that our nations can unilaterally decide to launch strategic nuclear strikes at the U.S.S.R. proper.

Specifically, today and under present strategic deployment plans, the obliteration of the United States proper by a surprise Soviet attack would eliminate almost all of the Free World's strategic retaliatory capability, with the possible exception of the submarine forces which, even when fully deployed, account for only a small percent of the total megatons in the strategic inventory. On the other hand, if hardened ICBMs, were deployed in Europe, European island possessions, Australia, New Zealand, and perhaps elsewhere—in the Pacific, not as part of the U.S. effort but as elements of regional defense forces—the Soviets would have to attack simultaneously many dispersed areas of the world to deal decisively with the Free World's retaliatory punch.

Even if it could be argued that the individual regional strategic capabilities would not individually match the Soviet capability, it seems quite obvious that the U.S.S.R. could not risk an exchange with any one group of strategic powers while the others remained untouched on the sidelines free to combine and exploit the results.

Considering the cost of Minuteman boosters, now that their R&D is retired and that the initial U.S. strategic requirements are met, the capital investment in missiles and hardened sites required for a Minuteman Squadron does not exceed by much—if at all—that required for a modern jet fighter squadron, not counting the fighter base. Maintenance and operation costs, once the ICBM squadrons are in place, are negligible in comparison with those of a bomber force. Manpower requirements are also very small by comparison. Allies can therefore afford to purchase the necessary delivery systems from the U.S. if we encouraged them to do so.

The fact that the regions of many are all close to Soviet target systems will allow the use of very large high-yield warheads suit-

able for counterforce targeting. By coordinating the targeting employed in a simultaneous Free World strategic retaliation effort, a fully effective pre-emptive counterforce punch should be easily realized. Likewise, the effectiveness of a second strike counterforce capability would be:

a. Assured if the initial attack was limited to only one of the several strategic powers and

b. Much improved by virtue of the global deployment of the forces, if the Soviet could ever rationalize and mount a simultaneous attack against the entire Free World effort.

By creating regional strategic capabilities within the zones of influence of the United States, United Kingdom, and France, we would be building these around the three existing or potential sources of nuclear weapons production. This means that the principal U.S. contribution could be limited to delivery vehicle development and production assistance. The knotty problem of surrendering control of atomic warheads to our allies need not arise initially except possibly in the Far East. Even here U.K. warheads to Australia and New Zealand could provide the backbone capability. Assistance along technical lines to produce allies might prove essential.

If we could group the various swords under regional direction—e.g., Western Europe—an Australian led F.E. alliance—etc.—other Free World countries could associate themselves in due course with a regional entity whose geographical interests were equally jeopardized. Since in this area a threat against one is credible as a threat against all, response would be assured.

On the "Go it Alone" National Approach: Unless the U.S. supports the inevitable trend towards the acquisition of strategic and tactical nuclear defense capabilities by providing these in either a U.S. or Regional context it seems likely that national capabilities will emerge in due course. This will tend to destroy the solidarity of such alliances as are still viable.

I suggest that proliferation will occur regardless of the anti-proliferation treaty. When nations are faced with a choice between providing their people and territories with no valid defenses, or abrogating the treaty most will rationalize a reason to take the latter step. Proliferation will occur gradually except at first. When the next tier of nuclear nations emerges into daylight, the process will mushroom. Protection from public and international criticism will be obtained through the principle of "safety in numbers". The problem is not if it will occur, but when it will occur. To date the major inhibiting factors have been:

(a) Confidence in the U.S. nuclear umbrella (rapidly declining)

(b) Lack of technical capability. (no longer a problem for many)

(c) Cost of production. (which can be reduced with new techniques)

(d) Public opinion. (will change if the choice is clear)

(e) Treaty. (a paper tiger)

All the above road blocks are falling. Cost of production is still a major hurdle but with the perfection of centrifuge systems, and the advent of a fast flux power plants (breeders) plus more nuclear powers to shop in, I would not give this constraint a life of more than 8 years.

In brief, while it may be unpopular to say so, the U.S. cannot expect to prevent proliferation in an environment of declining U.S. power to provide an alternative or influence other governments. Even NATO is approaching a crossroads. Force levels are at the threshold of credibility for an effective local defense effort . . . even given the U.S. tactical stockpile in Europe. Any major reductions in forces or weapons will raise the question of security in most of the capitals of Europe. Some are now asking themselves:

(a) Is what's left in NATO now valid?

(b) Can we count on U.S. nuclear support? SAC? TAC?

(c) What will the Nixon doctrine do to b above?

(d) Should we plan to go it alone? How could we?

(e) If we can't go it alone, should we move towards accommodation?

These questions are being asked. Quietly for the moment but increasingly. Allied authorities want to know what the Nixon doctrine and realistic deterrence will mean, not in theory but in practice on the ground. They have not had clear answers as yet. They hear it said that part of the concept is that they should do more to protect themselves. Most are caught in the same weapons/manpower cost squeeze that the U.S. is and cannot do much more in terms of quantity of forces. They do not read into the Nixon doctrine that the U.S. is prepared to help them acquire nuclear capabilities to substitute for mass, or reduced U.S. commitments.

Our allies understand that Realistic deterrence means a change in strategic strategy. They also see the shifting balance of power in the strategic area. If realistic deterrence clearly does not mean a greater U.S. commitment of strategic forces to allied defense then it can only mean a lesser one. These questions have not been answered to their satisfaction. They will soon have to be answered particularly if Congress or the budget should force a major force reduction in the NATO area.

Clearly the easiest course of action for the U.S. to take is to adjust our defense policy to our budget, and our strategic commitment to the level of risks we are willing to take, and let our allies do as they please. This is a risky course of action. Even if salted with promises and a few token deployments of weapons and forces—under U.S. lock and key—most of the major countries will eventually get the message and realize they have to go it alone. The preliminary signals can now be read in Japan, Germany, Israel, and in alliance discussions. The French theoreticians seldom miss an opportunity to say "I told you this would happen."

The U.S. in the 1970's can no longer offer security for obedience. Our credit rating is not what it used to be when we had unchallenged strategic superiority, or before our will to win on behalf of an ally was put to test in Vietnam. U.S. commitments in the late 1970's and 1980's will have to be "paid in cash" to be credible and influential. This means promises of protection from, say, nuclear blackmail or aggression will have to be validated by deployments or weapon control arrangements that pretty well ensure they can't be reneged upon. This is a new situation we have not yet fully understood. It is one that must be taken into account in any strategy we adopt.

Either our strategy in the future provides for the defense of Allies with means they do not have, and demonstrates we mean it in practice, or we must help them get the means to do the job themselves. This should preferably be in the best and safest way which is to say not on a random national basis.

There is no way in today's world that non-nuclear nations can be assured of their long term security and survival without access to nuclear means. The same may later prove true for space systems and other advanced weapons on the drawing board. No nation can afford a conventional capability adequate to offset a nuclear threat. If NATO could never meet its minimum conventional force requirements . . . as has been the case since the early 1950's how could others ever expect to? The truth is that technology has priced the world out of conventional warfare in major conflicts.

To allow nations to go it alone without guidance or help from the U.S. cannot but lead to proliferation in some cases and ac-

commodation in others. This is easy to do but by no means necessary. The U.S. still has leverage in its free world leadership in the field of strategic and tactical weapon system technology and production. Many, if not most nations, don't want to have to face their long term security problem alone. The collective approach is a way of life in many areas such as NATO. It can be instilled in other areas such as the Far East. The U.S. still has the candy if not the stick.

Unless we want to see random proliferation and/or accommodation on a national basis by 1980, we should adjust our strategy to further the development of Regional defense capabilities that will be both credible and effective. These may come about on their own in due course but to count on this is risky. Positive U.S. leadership, and some candy, will be required . . . particularly in areas other than the European Community where there is already an organization and momentum.

PROPOSED STRATEGY FOR THE 1980'S

Based on the above considerations I would recommend a strategy of gradual U.S. disengagement from overseas deployments and commitment, accompanied by positive steps to create and substitute independent regional defense capabilities. BOTH strategic and tactical to include nuclear.

Western Europe should be encouraged to create some form of combined strategic deterrent force around the national capabilities there at present. The U.S. candy should be to offer to sell to the collective entity strategic boosters, and provide to existing nuclear powers technical assistance for their own warhead developments.

In the East our strategy should seek to create a defense alliance around Japan and/or Australia. We might consider selling to Australia and New Zealand some strategic boosters, if U.K. would agree to provide them the warheads. This would start the nucleus of an effective Far Eastern regional deterrent to counter the Chinese threat. The U.S. could then pull its umbrella commitment real or implied, back from these forward areas while leaving something valid behind.

With respect to U.S. strategic strategy we should claim to have and seek to develop a reasonable counterforce capability. Counter value targeting is both immoral and ineffective as a deterrent to aggression anywhere except against the U.S. proper. Even in this role it is only a deterrent so long as the aggressor has not figured out how to destroy our response on his first strike, and if he has figured that out it is useless in any configuration. If he has not figured it out, he is not likely to make a first strike no matter how provocative our posture. From the point of view of maximizing deterrence, one should in any event not admit to an inability to hit any target at any time.

Our strategy must emphasize force survivability. This will require both hardening and dispersal. It will also require that we maintain a mix of strategic systems. The greatest threat to survivability is a breakthrough against the main survival measures used by any given system. The sudden ability to locate submarines in real time; intercept any and all ballistic trajectories; destroy satellites with ease and certainty; or black out missile control systems (using different access techniques and delivery technologies being obtained) at the same time is very low. Whether our strategy calls for fielding three or only two variants at a time is a matter for debate but two should be the minimum, out of the four options available today: Ballistic land-based systems, space systems, submarine-based systems, and air breathing systems.

Finally, the key question . . . since it influences cost . . . is relative force quantity.

The so-called balance question. Should our strategy seek numerical superiority or even parity in the 1980s. Is this essential for our purposes? Is it possible to have an effective deterrent and war waging force somewhat independently of relative numbers of units?

My conclusion is that IF: We can bring about a multi-polar strategic situation with truly independent decision making and each having a minimum valid and diversified capability, then: "Within reasonable limits quantitative comparisons are no longer important."

If, by substituting regional or other strategic capabilities for the U.S. umbrella over non-nuclear allies we can unequivocally limit our strategic force role to defending the U.S., then: "We can design an effective, realistic, deterrent force based on technological superiority rather than quantitative superiority."

Lastly, our strategy should provide for mobile forces for minor conflicts and police actions. These should be air and sea born, and, while nuclear backed, should be built to exploit non-nuclear technology to optimize their control and firepower capabilities and thus minimize unit quantity requirements.

TREATIES AND THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, as of August 30, 1971, there were 934 treaties and conventions in force between the United States and various other nations of the world. They cover such diverse subjects as trade, communication, and cultural and scientific exchanges. Some deal with crimes—piracy, slavery, killing seals—and call upon the United States to enact appropriate enforcing legislation. Twenty-seven of them contain provisions for the International Court of Justice to hear and decide disputes—provisions which are outside the scope of the Connally and Vandenberg reservations.

Most of the major substantive articles of the Genocide Convention, those establishing the crime, defining the crime, calling upon the United States to enact appropriate legislation in accordance with our Constitution, and asking for extradition in accordance with the laws and treaties in force, have been included in principle in many of the treaties to which the United States is a party. These other treaties have not hurt the United States. They have not denied our citizens their rights under our Constitution. They have not given other nations control over our domestic affairs.

Consequently it is reasonable to assume that these same provisions in the Genocide Convention will not cause any harm to America or American citizens. Some people who oppose our ratification of this important treaty treat it as if it were unique in the history of American treaties. But this is not the case. There is ample precedent for most of its provisions in the 934 treaties that are presently in force for the United States.

Mr. President, American ratification of the Genocide Convention will put us on record as being unalterably opposed to this horrible crime. It will show the world that we are serious in our desire to prevent the reoccurrence of genocide. I call upon the Senate to ratify the Genocide Convention.

DRUG ABUSE PREVENTION WEEK

Mr. HRUSKA. Mr. President, some 2 years ago, President Nixon designated the week beginning May 24, 1970, as the first National Drug Abuse Prevention Week. In a proclamation that spoke eloquently of "the personal tragedies, the human disasters that tell the real story of what drug abuse does to individuals and can do to our Nation," the President called upon Federal officials, educators, and various groups throughout the land to explore new methods by which the potential dangers of drug experimentation could be communicated to the Nation.

The initial success brought about by the observance of this event moved the President once again to designate a National Drug Abuse Prevention Week in 1971, this time for the week beginning October 3. Once again highly favorable reports were received on the scope and effectiveness of activities in commemoration of this week.

Mr. President, the problem of drug abuse is still very much with us. In spite of the outstanding and widespread efforts of the Nixon administration to combat this national threat—and I have spoken at length in this Chamber on these efforts and the heartening progress they have brought about—drug abuse will be a fact of life to be faced by Americans for several years to come. For this reason, we can readily anticipate the need for further national drug abuse prevention weeks. President Nixon is to be highly commended for initiating this event.

Congress has been anything but idle since the celebration of the first National Drug Abuse Prevention Week in May of 1970. In December 1970, the Comprehensive Drug Abuse Prevention and Control Act of 1970 became law. The enactment of this statute, in which this Senator is proud to have played a role, provided the first modern and coordinated approach to drug abuse control since the early years of this century when the first narcotics laws were enacted. Also passed by Congress in 1970 was the Drug Abuse Education Act, which along with the Comprehensive Drug Abuse Prevention and Control Act provides for an extensive Federal grant program to assist in the education of Americans throughout the land on all aspects of the drug abuse problem.

During the current 92d Congress, another major law has been enacted which will have a far-reaching effect on drug abuse in America. On March 21, 1972, the Drug Abuse Office and Treatment Act of 1972 became law, capping much hard work on the question of Federal coordination in this area which began with President Nixon's comprehensive drug abuse message to Congress on June 17, 1971. By means of this act, the Special Action Office for Drug Abuse Prevention proposed by the President was established under a director having broad supervisory powers over the conduct of drug abuse treatment, rehabilitation, education, and research programs in the Federal Government. The act also amended current law in several respects

to insure that various national programs in the health field pay due recognition to the drug abuse situation in America.

Adequate funding of this legislation is of course a must, Mr. President, and I am certain that Congress will continue to meet its obligations in this respect as well. We must give the President all the assistance we reasonably can in his efforts to implement the laws we have enacted.

There is an additional way we can further our joint efforts with the President in attacking drug abuse. The proclamations for the two previous National Drug Abuse Prevention Weeks have been issued without congressional authorization. While the President can certainly do this legally, I believe it is time for Congress to express its support for the observance of this week as a significant national event. Accordingly, I am today announcing that it is my intention to introduce in a week or so a joint resolution which would authorize and request the President to proclaim the week beginning October 15, 1972, as National Drug Abuse Prevention Week for 1972. This expression of congressional support and encouragement should provide an additional constructive step in the national drive to eliminate drug abuse. It is my hope that the joint resolution will be speedily approved by both Houses of Congress.

QUEEN ISABELLA DAY

Mr. ALLEN. Mr. President, the late Gov. Lurleen Wallace, of Alabama, was the first Governor in the United States to issue an official proclamation designating April 22 Queen Isabella Day to perpetuate and honor the memory of the birthday anniversary of Queen Isabella of Castile on April 22, 1451.

This year, 46 State Governors issued Queen Isabella proclamations in recognition of the important role she played in financing the expeditions of Christopher Columbus and in the subsequent development of the Western Hemisphere.

Mr. President, I ask unanimous consent that the Queen Isabella Day proclamation issued by Gov. George C. Wallace designating April 22, 1972, as Queen Isabella Day in Alabama be printed in the RECORD.

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

PROCLAMATION

Whereas, the enthusiasm and support of a single ruler led to the discovery of America and the resounding effect this discovery had upon the history of the world; and

Whereas, this great ruler, Queen Isabella of Castile, was the sole backer of Christopher Columbus, whose proposed expedition to the New World was contrary to the 15th century concept of the world; and

Whereas, the shrewd intuition of Queen Isabella, as well as the financial support and risk taken by Her Majesty on behalf of Spain, was responsible for uncovering the unknown riches of the Western Hemisphere; and

Whereas, the history of America has direct linkage to the birth of Queen Isabella on April 22, 1451;

Now, therefore, I, George C. Wallace, Governor of the State of Alabama, do hereby proclaim Saturday, April 22, 1972, as "Queen Isabella Day" in Alabama and urge all citi-

zens to honor this Spanish Queen who was solely responsible for America's Discovery.

ESSENTIALS OF INTERNATIONAL MONETARY REFORM

Mr. JAVITS. Mr. President, the distinguished and highly respected Chairman of the Board of Governors of the Federal Reserve Board, Dr. Arthur Burns, made a highly significant speech before the 1972 International Banking Conference in Montreal, Canada, on May 12.

Dr. Burns' words reveal clearly the purpose of this major address—namely, to get the negotiations on the reform of the International Monetary System underway on an urgent basis. Dr. Burns' concluded his speech by stating:

Indeed, I feel it is an urgent necessity to start the rebuilding process quite promptly. It is not pleasant to contemplate the kind of world that may evolve if cooperative efforts to rebuild the monetary system are long postponed. We might then find the world economy divided into restrictive and inward-looking blocs, with rules of international conduct concerning exchange rates and monetary reserves altogether absent. As we learned last fall, a world of financial manipulations, economic restrictions, and political frictions bears no promise for the future. It is the responsibility of financial leaders to make sure that such a world will never come to pass.

Dr. Burns clearly is not setting up a strawman. Negotiations regarding the reform of the International Monetary System are increasingly urgent, as a recent report of First National City Bank of New York makes clear. Exchange controls are proliferating throughout the world in response to continuing monetary uncertainty and the continuing U.S. international deficit position which is likely to worsen over the short term because of events in Vietnam.

I ask unanimous consent that the First National City Bank's listing of these proliferating foreign exchange controls be printed at this point in the RECORD.

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

[From the First National City Bank's International Economic Newsletter of March 1972]

MISPLACED HOPES

Since European interest-rate policy failed to strengthen the dollar and domestic economic conditions ruled out any further revaluations, some countries resorted—or returned—to various exchange restrictions to stop further inflows of inconvertible dollars:

On March 1, the Germans put into effect a 40% interest-free cash deposit requirement for corporations in Germany borrowing abroad, retroactive to January 1.

The Swiss National Bank signed an agreement with commercial banks to limit foreign holdings of private note issues and to increase the exchange costs of notes and foreign loans on the Swiss market.

The Bank of Japan reimposed controls to eliminate advance payment for exports, and prohibited foreign banks from converting dollars into yen over the amount of balances outstanding at the end of February.

The Dutch central bank reimposed a ban on interest payments on foreign bank accounts in the Netherlands.

The Belgian central bank reinstated limits on banks' net external positions.

Hopes that these measures—and imminent

U.S. Congressional approval of the formal devaluation of the dollar—would slow the conversion of dollars into other currencies were bound to be dashed, for they missed one essential reason for the dollar's weakness: its degraded status and a reserve and transactions currency. Thus, each restrictive measure serves to weaken the dollar further, because restrictions limit the dollar's usefulness as private international money, and so tend to reduce the desire to hold it.

Mr. JAVITS. Mr. President, in reviewing Dr. Burns' speech, two points must be recalled:

First, that months continue to slip by without any substantial real progress in terms of the negotiations outside of some talk about the "shape of the negotiating table."

Second, that Dr. Burns chooses his words and timing carefully.

This is only the second time that Dr. Burns has outlined a major economic program during his tenure as Federal Reserve Chairman. The first time was at Pepperdine College, on December 7, 1970, when he put forward his thoughts regarding an "incomes policy" and "productivity," among other matters. That speech was ahead of its time, but it had an enormous influence on the course of our domestic economic policy.

I expect that the Montreal speech will have a similar effect, since those who see clearly the road the United States should follow in international monetary reform have a great advantage over the naysayers who have no positive program other than continuing international uncertainty and tension between nations.

Dr. Burns' speech has moved the negotiations a step forward, and by this action a creative step has been taken toward strengthening the ties between the nations of the free world at this very difficult time in our international relations.

I ask unanimous consent that Dr. Burns' address of May 12, entitled "Some Essentials of International Monetary Reform"; an editorial from the New York Times of May 14; and a Wall Street Journal article dated May 15, be printed in the RECORD.

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

SOME ESSENTIALS OF INTERNATIONAL MONETARY REFORM

(Remarks of Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the 1972 International Banking Conference, Montreal, Canada, May 12, 1972)

On August 15 of last year in the face of an unsatisfactory economic situation, the President of the United States acted decisively to alter the nation's economic course. The new policies, especially the decision to suspend convertibility of the dollar into gold or other reserve assets, were bound to have far-reaching consequences for international monetary arrangements. New choices were forced on all countries.

The next four months gave all of us a glimpse of one possible evolution of the international economy. Since exchange rates were no longer tied to the old par values, they were able to float—a prescription that many economists had favored. However, last fall's floating rates did not conform to the model usually sketched in academic writings. Most countries were reluctant to allow their

exchange rates to move in response to market forces. Instead, restrictions on financial transactions proliferate, special measures with regard to trade emerged here and there, new twists crept into the pattern of exchange rates, serious business uncertainty about governmental policies developed, fears of a recession in world economic activity grew, and signs of political friction among friendly nations multiplied.

Fortunately, this dangerous trend toward competitive and even antagonistic national economic policies was halted by the Smithsonian Agreement. Despite recent developments in Vietnam, which may cause some uneasiness in financial markets for a time, the Smithsonian realignment of currencies is, in my judgment, solidly based. It was worked out with care by practical and well-informed men, and I am confident that the central banks and governments of all the major countries will continue to give it strong support.

Developments in the American economy since last December have been encouraging. Aggregate activity in the United States has begun to show signs of vigorous resurgence. Price increases have moderated, and our rate of inflation has recently been below that of most other industrial countries. Moreover, the budget deficit of the Federal Government will be much smaller this fiscal year than seemed likely three or four months ago. These developments have strengthened the confidence with which businessmen and consumers assess the economic outlook. International confidence in turn is being bolstered by the passage of the Par Value Modification Act, by the convergence of short-term interest rates in the United States and abroad, and by some promising signs of improvement in the international financial accounts of the United States.

With the Smithsonian Agreement and other indications of progress behind us, it is necessary now to move ahead and plan for the longer future. The Smithsonian meeting was pre-eminently concerned with realigning exchange rates. It did not attempt to deal with structural weaknesses in the old international monetary system. Yet they must eventually be remedied if we are to build a new and stronger international economic order.

We all have to ponder this basic question: Given the constraints of past history, what evolution of the monetary system is desirable and at the same time practically attainable? For my part, I should like to take advantage of this gathering to consider some of the elements that one might reasonably expect to find in a reformed monetary system.

First of all, a reformed system will need to be characterized by a further strengthening of international consultation and cooperation among governments. Our national economies are linked by a complex web of international transactions. Problems and policies in one country inevitably affect other countries. This simple fact of interdependence gives rise to constraints on national policies. In a smoothly functioning system, no country can ignore the implications of its own actions for other countries or fail to cooperate in discussing and resolving problems of mutual concern. The task of statesmanship is to tap the great reservoir of international goodwill that now exists and to make sure that it remains undiminished in the future.

Sound domestic policies are a second requirement of a better world economic order. A well constructed international monetary system should, it is true, be capable of absorbing the strains caused by occasional financial mismanagement in this or that country—such as are likely to follow from chronic budget deficits or from abnormally large and persistent additions to the money supply. But I doubt if any international monetary system can long survive if the major

industrial countries fail to follow sound financial practices. In view of the huge size of the American economy, I recognize that the economic policies of the United States will remain an especially important influence on the operation of any international monetary system.

Third, in the calculable future any international monetary system will have to respect the need for substantial autonomy of domestic economic policies. A reformed monetary system cannot be one that encourages national authorities to sacrifice either the objective of high employment or the objective of price stability in order to achieve balance-of-payments equilibrium. More specifically, no country experiencing an external deficit should have to accept sizable increases in unemployment in order to reduce its deficit. Nor should a surplus country have to moderate its surplus by accepting high rates of inflation. Domestic policies of this type are poorly suited to the political mood of our times, and it would serve no good purpose to assume otherwise.

I come now to a fourth element that should characterize a reformed monetary system. If I am right in thinking that the world needs realistic and reasonably stable exchange rates, rather than rigid exchange rates, ways must be found to ensure that payments imbalances will be adjusted more smoothly and promptly than under the old Bretton Woods arrangements.

The issues here are many and complex. There was a consensus at the Smithsonian meeting that wider margins around parities can help to correct payments imbalances, and should provide especially helpful in moderating short-term capital movements—thereby giving monetary authorities somewhat more scope to pursue different interest-rate policies. Our experience has not yet been extensive enough to permit a confident appraisal of this innovation. It is clear, however, that no matter how much the present wider margins may contribute to facilitating the adjustment of exchange rates to changing conditions, the wider margins by themselves will prove inadequate for that purpose.

We may all hope that at least the major countries will pursue sound, noninflationary policies in the future. We should nevertheless recognize that national lapses from economic virtue will continue to occur. In such circumstances, changes in parities—however regrettable—may well become a practical necessity.

Moreover, even if every nation succeeded in achieving noninflationary growth, structural changes in consumption or production will often lead to shifts in national competitive positions over time. Such shifts will also modify the pattern of exchange rates that is appropriate for maintaining balance-of-payments equilibrium.

In my judgment, therefore, more prompt adjustments of parities will be needed in a reformed monetary system. Rules of international conduct will have to be devised which, while recognizing rights of sovereignty, establish definite guidelines and consultative machinery for determining when parities need to be changed. This subject is likely to become one of the central issues, and also one of the most difficult, in the forthcoming negotiations.

Let me turn to a fifth element that should characterize a reformed monetary system. A major weakness of the old system was its failure to treat in a symmetrical manner the responsibilities of surplus and deficit countries for balance-of-payments adjustment. With deficits equated to sin and surpluses to virtue, moral as well as financial pressures were very much greater on deficit countries to reduce their deficits than on surplus countries to reduce surpluses. In actual practice, however, responsibility for payments imbalances can seldom be assigned unambiguously to individual countries. And in any event,

the adjustment process will work more efficiently if surplus countries participate actively in it. In my view, all countries have an obligation to eliminate payments imbalances, and the rules of international conduct to which I referred earlier will therefore need to define acceptable behavior and provide for international monitoring of both surplus and deficit countries.

Sixth, granted improvements in the promptness with which payments imbalances are adjusted, reserve assets and official borrowing will still be needed to finance in an orderly manner the imbalances that continue to arise. Looking to the long future, it will therefore be important to develop plans so that world reserves and official credit arrangements exist in an appropriate form and can be adjusted to appropriate levels.

This brings me to the seventh feature of a reformed international monetary system. It is sometimes argued that, as a part of reform, gold should be demonetized. As a practical matter, it seems doubtful to me that there is any broad support for eliminating the monetary role of gold in the near future. To many people, gold remains a great symbol of safety and security, and these attitudes about gold are not likely to change quickly. Nevertheless, I would expect the monetary role of gold to continue to diminish in the years ahead, while the role of special drawing rights increases.

The considerations which motivated the International Monetary Fund to establish the SDR facility in 1969 should remain valid in a reformed system. However, revisions in the detailed arrangements governing the creation, allocation, and use of SDRs will probably be needed. In the future, as the SDRs assume increasing importance, they may ultimately become the major international reserve asset.

Next, as my eighth point, let me comment briefly on the future role of the dollar as a reserve currency. It has often been said that the United States had a privileged position in the old monetary system because it could settle payments deficits by adding to its liabilities instead of drawing down its reserve assets.

Many also argue that this asymmetry should be excluded in a reformed system. There thus seems to be significant sentiment in favor of diminishing, or even phasing out, the role of the dollar as a reserve currency. One conceivable way of accomplishing this objective would be to place restraints on the further accumulation of dollars in official reserves. If no further accumulation at all were allowed, the United States would be required to finance any deficit in its balance of payments entirely with reserve assets.

I am not persuaded by this line of reasoning, for I see advantages both to the United States and to other countries from the use of the dollar as a reserve currency. But I recognize that there are some burdens or disadvantages as well. And in any event, this is an important issue on which national views may well diverge in the early stages of the forthcoming negotiations.

I come now to a ninth point concerning a new monetary system, namely, the issue of "convertibility" of the dollar. It seems unlikely to me that the nations of the world, taken as a whole and over the long run, will accept a system in which convertibility of the dollar into international reserve assets—SDRs and gold—is entirely absent. If we want to build a strengthened monetary system along one-world lines, as I certainly do, this issue will have to be resolved. I therefore anticipate, as part of a total package of long-term reforms, that some form of dollar convertibility can be re-established in the future.

I must note, however, that this issue of convertibility has received excessive emphasis in recent discussions. Convertibility is important, but no more so than the other

issues on which I have touched. It is misleading, and may even prove mischievous, to stress one particular aspect of reform to the exclusion of others. Constructive negotiations will be possible only if there is a general disposition to treat the whole range of issues in balanced fashion.

We need to guard against compartmentalizing concern with any one of the issues, if only because the various elements of a new monetary system are bound to be interrelated. There is a particularly important interdependence, for example, between improvements in the exchange-rate regime and restoration of some form of convertibility of the dollar into gold or other reserve assets. Without some assurance that exchange rates of both deficit and surplus countries will be altered over time so as to prevent international transactions from moving into serious imbalance, I would deem it impractical to attempt to restore convertibility of the dollar.

My tenth and last point involves the linkage between monetary and trading arrangements. We cannot afford to overlook the fact that trade practices are a major factor in determining the balance-of-payments position of individual nations. There is now a strong feeling in the United States that restrictive commercial policies of some countries have affected adversely the markets of American business firms. In my judgment, therefore, the chances of success of the forthcoming monetary conversations will be greatly enhanced if parallel conversations get under way on trade problems, and if those conversations take realistic account of the current and prospective foreign trade position of the United States.

In the course of my remarks this morning I have touched on some of the more essential conditions and problems of international monetary reform. Let me conclude by restating the elements I would expect to find in a new monetary system that met the test of both practicality and viability:

First, a significant further strengthening of the processes of international consultation and cooperation;

Second, responsible domestic policies in all the major industrial countries;

Third, a substantial degree of autonomy for domestic policies, so that no country would feel compelled to sacrifice high employment or price stability in order to achieve balance-of-payments equilibrium;

Fourth, more prompt adjustments of payments imbalances, to be facilitated by definite guidelines and consultative machinery for determining when parties need to be changed;

Fifth, a symmetrical division of responsibilities among surplus and deficit countries for initiating and implementing adjustments of payments imbalances;

Sixth, systematic long-range plans for the evolution of world reserves and official credit arrangements;

Seventh, a continued but diminishing role for gold as a reserve asset, with a corresponding increase in the importance of SDRs;

Eighth, a better international consensus than exists at present about the proper role of reserve currencies in the new system;

Ninth, re-establishment of some form of dollar convertibility in the future;

And finally, tenth, a significant lessening of restrictive trading practices as the result of negotiations complementing the negotiations on monetary reform.

I firmly believe that a new and stronger international monetary system can and must be built. Indeed, I feel it is an urgent necessity to start the rebuilding process quite promptly. It is not pleasant to contemplate the kind of world that may evolve if cooperative efforts to rebuild the monetary system are long postponed. We might then find the world economy divided into restrictive and inward-looking blocs, with rules of international conduct concerning exchange rates and monetary reserves altogether absent.

As we learned last fall, a world of financial manipulations, economic restrictions, and political frictions bears no promise for the future. It is the responsibility of financial leaders to make sure that such a world will never come to pass.

[From the New York Times, May 14, 1972]

WORLD MONETARY REFORM

Chairman Arthur F. Burns of the Federal Reserve Board believes that building a new and stronger world monetary system has become an "urgent necessity." As in his Pepperdine College speech in December 1970, urging a national incomes policy to check inflation, Dr. Burns again appears to be prodding the Administration to move faster on a key economic issue. If efforts to rebuild the monetary system are long postponed, he warned an international bankers conference in Montreal, the world may split into restrictive, inward-looking blocs.

More striking than any of Dr. Burns' specific points is his moderate and objective tone—a sharp contrast to the aggressive, almost martyred tone adopted by Secretary of the Treasury Connally, Secretary of Commerce Peterson and other Administration spokesmen. In the manner of a Dutch uncle, however, Dr. Burns did remind other nations that there is "strong feeling" in the United States that some countries have damaged the markets of American firms by restrictive commercial practices, as Under Secretary of the Treasury Paul A. Volcker made clear at the same meeting. The hope of successful monetary negotiations will be greatly enhanced, Dr. Burns noted, if these are matched by parallel talks on trade that take realistic account of America's grievances—reflected in its diminished trade balance.

The most crucial task of monetary reform must be to correct the fatal flaw of the old Bretton Woods system—the rigidity of exchange rates. But Dr. Burns is surely right in his belief that the exchange-rate adjustment process can not be made so smooth and flexible that nations need no longer worry about holding enough reserves to cover their payments deficits.

Dr. Burns, as usual, is conservative without being standpat. He expects gold to go on playing a monetary role but gradually diminishing as an element in total reserves. The dollar should also play a continuing reserve role and therefore should be made convertible into gold or other reserves. But its role, too, would gradually lessen while Special Drawing Rights, the world's new "paper gold," grow in volume and ultimately become the major international form of monetary reserves.

This is a plausible scenario. Indeed, in Dr. Burns' temperate, well-crafted and balanced formulation, the job of rebuilding the world monetary system in a way that will let nations pursue their objectives of full employment, price stability and balance-of-payments equilibrium sounds almost easy.

Certainly that complex task would be far less formidable than it has seemed if all nations—including the United States—strive to rediscover the spirit of trust and cooperation that made possible the postwar phenomenon of virtually continuous growth and economic integration—a historic achievement of universal benefit whose breakdown threatens to inflict serious damage on all nations.

[From the Wall Street Journal, May 15, 1972]

BURNS OFFERS WORLD MONETARY REFORM PLAN THAT MAY SPARK INITIATION OF NEGOTIATIONS

(By Charles N. Stabler)

MONTREAL.—A reform program for the international monetary system, unexpectedly put forth here by the chairman of the Federal Reserve System, may serve to get long-delayed negotiations under way.

This was the hope expressed informally by

some delegates as the International Monetary Conference closed Friday. The annual affair, sponsored by the American Bankers Association, doesn't have official standing but it brings together leading commercial bankers, central bankers and government financial officials from around the world.

Despite the uncertainties that have plagued the international monetary system recently, the conference had been unproductive in terms of fresh insights or proposals for reform. That is until Arthur F. Burns addressed the closing session. The lack of fireworks, participants speculated, reflected the present beleaguered state of international monetary talks.

In general, the world's money managers have agreed on the need for basic reform of the system, which broke down Aug. 15 when the U.S. formally ended convertibility of dollars into gold and was only temporarily repaired with a realignment of foreign exchange rates in December.

However, talks on reform have been delayed.

The American position is that these negotiations should also include trade patterns, with the aim of improving the U.S. balance of payments, the flows of funds into or out of the nation. Other countries, especially the European ones, have been awaiting a detailed proposal from Washington, specifically covering the kind of monetary system it desires.

"ESSENTIALS OF REFORM"

The Burns plan, a clearly worded 10-point list of what he called "essentials of international monetary reform," was seen by some participants as a prod to get talks moving. For example, both Louis Rasminsky, governor of the Bank of Canada, and Sir Leslie O'Brien, governor of the Bank of England, viewed it as "helpful and constructive." Other financial leaders used such terms as "a breath of fresh air."

Mr. Burns said his program differs in emphasis on some details from the kind of guidelines previously presented by the U.S. Treasury. However, he said, it provides a "pretty fair indication of the thinking that prevails in the U.S. government at this time."

The program includes:

A significant further strengthening of the processes of international consultation and cooperation. Mr. Burns and other economists at the conference noted that national economies are linked by a complex web of international transactions; problems and policies in one country inevitably affect other nations.

"Responsible" domestic policies in all the major industrial countries. Mr. Burns said he doubted that any international monetary system could long survive if the primary industrial nations fail to follow sound financial practices.

A substantial degree of autonomy for domestic policies, so that no country would feel compelled to sacrifice high employment or price stability to achieve balance of payments equilibrium.

More prompt adjustments of payments imbalances, to be facilitated by definite guidelines and consultative machinery for determining when parties need to be changed. There has been a general recognition at the conference that any future monetary system will involve more flexible changes in the official rates of exchange of international currencies, when economic conditions require them. However, there hasn't been a consensus on the precise meaning of "flexible," in terms of how often exchange rates should be changed or by how much.

A symmetrical division of responsibilities among surplus and deficit countries for initiating and implementing adjustments of payments imbalances. The present system under the agreement of the International Monetary Fund provides various pressures on a nation that is in a deficit position to devalue its exchange rate or take other steps to

correct the imbalance. But international money managers are increasingly concerned about the lack of muscle to force a country with a surplus to reduce its accumulations of foreign exchange, chiefly dollars.

Systematic long-range plans for the evolution of world reserves and official credit arrangements.

A continued but diminishing role for gold as a reserve asset, with a corresponding increase in the importance of Special Drawing Rights, which are so-called "paper gold" reserve assets created by agreement of the International Monetary Fund. Mr. Burns said that, "as a practical matter, it seems doubtful to me that there is any broad support for eliminating the monetary role of gold in the near future." This represents a substantial difference from the U.S. Treasury position, which calls for a phasing out of gold in the monetary system.

A better international consensus than exists at present about the proper role of reserve currencies in the new system. Mr. Burns noted that there "seems to be significant sentiment in favor of diminishing the role of the dollar as a reserve currency." However, he said he wasn't persuaded by this line of reasoning, "for I see advantages to both the U.S. and to other countries from the use of the dollar as a reserve currency."

Reestablishment of some form of dollar convertibility in the future. Mr. Burns emphasized in his talk and at a following press conference that settlement of this controversial question depends on concurrent improvements in the exchange rate system so that international transactions won't permit large accumulations of dollars or other currencies in central banks.

A significant lessening of restrictive trading practices as the result of negotiations complementing the negotiations on monetary reform. Mr. Burns said trade negotiations could "parallel" bargaining on the monetary system. The Treasury position is that both should be linked together, in an international forum with "broad horizons."

NOT A FORMAL U.S. STAND

Commenting on the Burns proposals, Paul A. Volcker, Under Secretary of the Treasury for Monetary Affairs, said they didn't represent a formal U.S. position, but he said there was much he would agree with in them.

However, in the matters of the convertibility of dollars into gold and the role of the dollar as a reserve currency, the Burns proposal varies from the broad guidelines the Treasury has expressed.

In terms of the urgency of getting moving on monetary reform, Mr. Burns also lined up more closely with the European position rather than with that of the U.S.

"I feel it is an urgent necessity to start the rebuilding process quite promptly," he said. "It isn't pleasant to contemplate the kind of world that may evolve if cooperative efforts to rebuild the monetary system are long postponed."

While it has been strongly denied by Treasury spokesmen, foreign monetary authorities have accused the U.S. of "heel-dragging" in beginning monetary talks. They have been seeking specific American proposals on convertibility, the mechanisms of setting exchange rates and other issues.

At the monetary conference, Mr. Volcker strongly reiterated the U.S. position that "we haven't any prepackaged plan for reform to spring on the waiting world, nor frankly, have we found other nations yet ready to pronounce their considered judgments." Instead, he said, the U.S. is seeking preliminary agreement on a mandate for a negotiating body that would include trade, as well as monetary, matters.

Both Mr. Burns and Mr. Volcker indicated they would regard the International Monetary Fund meeting of September 1973 as a

reasonable target date for general agreement on reform.

WHO WILL SET NATIONAL TRANSPORTATION POLICY?

Mr. WEICKER. Mr. President, with the Senate-House conference on Amtrak coming up on Wednesday, I think it appropriate to have placed in the RECORD an article published in this past Sunday's New York Times.

It is accurate as to its facts. It is clearly written.

It underlines the real question: Who will set the national transportation policy?

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

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

FUNDS CUT LIKELY FOR AMTRAK

WASHINGTON, May 13.—The conflict between what a Government agency wants and what the Office of Management and Budget says it can get is exemplified in the battle over the financing of Amtrak.

A Congressional conference committee will meet next Wednesday to resolve differences between the bill proposed by the Administration and passed by the House and the one approved by the Senate, which authorizes a far larger amount for the operating and capital expenditures of the National Railroad Passenger Corporation.

The position taken by the Office of Management and Budget, the Government's budgetary watchdog, means that it is likely that Amtrak will end up with the \$172-million appropriation passed by the House, rather than the \$287-million figure approved by the Senate.

And the Administration's stand has placed officials of Amtrak and the Department of Transportation in the position of publicly saying that they really do not need more money, when privately they say they desperately want the additional funds.

When the Government-subsidized corporation took over inter-city passenger operations of most railroads in May, 1971, it had a \$40-million grant, \$100-million in loan guarantees and monthly payments of \$5.5-million from the railroads. But with a total deficit estimated to be over \$278-million by July 1, 1973, Amtrak had to go back for more funds.

Accordingly, last fall Amtrak drew up a request for \$260-million to cover its deficit. The request was approved by the Department of Transportation and sent to the budget office.

Noting that Amtrak's route structure will undergo a complete review and possibly drastic cut on June 30, 1973, the budget office decided to slash capital improvement plans for the system. Amtrak has scheduled a \$340-million, five-year program to improve tracks and equipment, but the office limited the plans to those before the 1973 cut-off—\$147.5-million.

By using that lower figure for capital improvements, the office told Amtrak it would have to use its \$100-million in guaranteed loans not for capital spending but to cover its operating deficit. Thus, the Administration would recommend only a \$170-million appropriation.

As a result John A. Volpe, Secretary of Transportation, submitted draft legislation for that figure last October. The House approved the Administration request (although adding \$2-million for international routes) by 237 to 150 on March 15. But the Senate Commerce Committee thought that was not enough.

ADDED TO FUNDS

Prodded by Senator Lowell P. Weicker Jr., Republican of Connecticut, who offered the amendment, the committee increased the Amtrak appropriation to \$272-million. In addition to thus freeing \$100-million in loan guarantees for capital improvements, the committee voted to add another \$150-million to the guarantee provisions.

When the bill reached the Senate floor April 26, the financing was further increased. By voice vote the upper chamber approved an amendment by Senator Edward W. Brooke, Republican of Massachusetts, to add \$15-million for service on routes not in Amtrak basic system.

But while both Mr. Volpe and Roger Lewis, president of Amtrak, wanted the larger amount proposed by the Senate, they had no choice but to support the position taken by the budgetary office and the Administration. And that is what brought about the controversial statements by the two at a ceremony celebrating Amtrak's first anniversary, May 1, at Union Station here.

An article appearing in The Wall Street Journal the next day reported that Mr. Lewis had said the higher Senate figure could not be "sensibly" used before the fiscal year 1974. That article was widely circulated and cited by those opposing the higher figure. It so incensed Mr. Weicker that he called for Mr. Lewis' resignation in a speech on the Senate floor May 4.

But what was not reported was Mr. Lewis' and Mr. Volpe's obvious desire to get those funds. Just seconds after Mr. Lewis said that the Administration-recommended figure was "all we could sensibly spend in this period [before fiscal year 1974]," he noted: "The money might be very useful. We would spend it if we had it."

Mr. Volpe remarked several times during the ceremonies that "I'm part of the Administration," as he avoided publicly proclaiming his desire for the higher figure.

Yet the stand taken by Amtrak, at the insistence of the Administration, is likely to mean that the budget office's figure is the one that will be accepted when the five Senate and five House conferees meet on Wednesday.

ENDING THE WAR

Mr. BROCK. Mr. President, an editorial published in the Knoxville Journal of May 10, 1972, gives an excellent overview of the current situation in Vietnam and accurately describes the course we must follow.

I salute the editor for his courage and judgment and ask unanimous consent that his editorial be printed in the RECORD.

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

FIRM SUPPORT OF PRESIDENT COULD HELP END VIETNAM WAR

For years now the Vietnam War has been dragging on. For years now each new Communist offensive has been greeted by a certain segment of Americans with calls for abandonment of the South Vietnamese people.

As evidenced by what President Nixon termed "arrogance" on the part of the Communist negotiators, the domestic demands for surrender have not contributed to progress at the peace talks in Paris. Nor have the massive withdrawals of American troops. A half million U.S. soldiers have been brought home, and the ground combat phase of the war has been turned over almost completely to the South Vietnamese army. Bombing of the north was halted. Even South

Vietnamese troops have not been outside their own borders for quite some time.

Each of these developments represented substantial diminishing of the war by the allied side. Each of these developments has been met only with stepped-up war activity by the Communists, as demonstrated by the most recent offensive when North Vietnam sent the bulk of its army on an outright invasion of the south.

It is noteworthy that the United States again exhausted all diplomatic channels before taking military action to reduce the ability of North Vietnam to wage aggression.

Had the United States been seeking a military victory all along this step should have been taken many years ago. Mining of North Vietnamese harbors, in fact, constitutes a restrained alternative to destruction of the ports and the vessels docked there through all-out air and naval strikes.

Thus the alternative cited Monday by Nixon—total abandonment of the 17 million South Vietnamese and the 60,000 remaining Americans or continued negotiations—are either unthinkable or proven to be unsuccessful. The President simply had no choice.

The terms he offered for a real cease-fire are not only reasonable but also generous. The mining and other military activity throughout Indo-China will cease, the President said, if all American prisoners of war are released and the Communists halt their offensive. And, if a real cease-fire is achieved, all American troops will be withdrawn in four months.

The peaceniks have had their day. Their way has not worked.

Their ultimate plan—surrender—cannot be condoned. The President has had the courage to make the only decision he could make under the circumstances. The American people ought to have the courage to stand behind him in such a firm manner that sounds of American determination will be heard even in the capitals of the Red bloc.

COMMITTEE ON AGING REPUBLICAN MEMBERS' PROPOSAL FOR AN INDEPENDENT SOCIAL SECURITY COMMISSION

Mr. FONG. Mr. President, the 1972 report to the Senate by the Special Committee on Aging, entitled, "Developments in Aging, 1971," was released Friday.

This 400-page document, including appendices, deserves review in its entirety and careful consideration of all points of view expressed.

Senators JACK MILLER, CLIFFORD P. HANSEN, PAUL J. FANNIN, EDWARD J. GURNEY, WILLIAM B. SAXBE, EDWARD W. BROOKE, CHARLES H. PERCY, and I have joined in a statement of minority views to which I invite the particular attention of the Congress and others concerned about needs of older Americans.

In view of their comparative brevity, I ask unanimous consent that the minority views be printed in the RECORD at the end of these remarks.

Among some 30 recommendations by Senators MILLER, HANSEN, FANNIN, GURNEY, SAXBE, BROOKE, PERCY, and myself is one which I personally regard as of great importance.

This new recommendation calls for legislation to create an independent, bipartisan, Social Security Commission to maintain constant overview of social security and to report regularly to the President, the Congress, and the people.

Within the next several weeks, I plan to introduce a bill to implement this

important recommendation. I shall offer all Senators an opportunity to join me in its sponsorship.

Before commenting now on special reasons for such legislation, I must express my hope that it will receive bipartisan support. Particularly is this important since it will have a bipartisan objective.

My hope is reinforced by our experience within the Special Committee on Aging whose members, and particularly its chairman, Senator FRANK CHURCH, have made special efforts for a bipartisan approach to improvements in living conditions for older Americans.

I am convinced that all Members of the Senate share the view of Senator CHURCH and myself that policy development on behalf of older persons should never be submerged in narrow partisan considerations. We must all work together to achieve the best possible life for those who have served our Nation so long, and now too often are rejected by the society they helped build.

I am confident that all Members of the Senate want to do all they can on behalf of older Americans. It is in that spirit that I shall invite you to sponsor and support our recommendation.

Because social security is so important to all Americans, and particularly the aged, I believe our recommendation for creation of an independent Social Security Commission deserves most serious consideration.

As pointed out in our minority views, recent proposals that social security benefits be increased 20 or 25 percent, with no substantial increase in social security taxes, suggest that older Americans and taxpayers may have been shortchanged under the program as it has operated in the past. The only other reasonable conclusion is that there is a willingness to jeopardize the social security system's integrity for the future.

Social security is too important to Americans of all ages to permit its future to depend on decisions by the Federal operating agency, a part-time advisory council, and intermittent review by the Congress. It needs continuous supervision and review by a full-time agency independent of the program's administrators.

One-third of income for older Americans is derived from social security. For the average worker, the social security tax load amounts to over 90 percent of what he usually pays in Federal income tax. Anything less than full-time surveillance of such a huge program now appears undesirable.

In my own personal opinion, which I am sure is shared by others, the very magnitude of the social security program calls for special efforts to be sure that it is well administered, properly conceived, and based on sound actuarial assumptions and financing.

In dollar flow, the social security system is America's biggest domestic business enterprise. Both beneficiaries and taxpayers are entitled to constant review of its operation and full disclosure. This would be the Commission's responsibility.

I have long been personally concerned

about maintaining the financial soundness of social security. When I am told all of a sudden that here is a \$6 billion surplus, I want to be sure that it is true. When such a claim is questioned by some top economists and actuaries, I believe we should stop, look, and listen.

If the changes in actuarial assumptions about social security advanced by the part-time 1971 Advisory Council on Social Security are indeed correct, there then comes the question of how such a bonanza should be used.

Among Republican members of the committee, some would give highest priority to general benefit increases, perhaps as high as 20 or 25 percent. Some would like to see some of the money used to eliminate the penalty against earnings by beneficiaries. Others, like the President, would prefer to eliminate the \$5.80 monthly premium for medicare and make other improvements in the medical aspects of social security.

Choosing from among these and other highly desirable objectives will require most careful consideration. Whatever improvements in social security are made, and all of us endorse their purposes, it is my own judgment that we should never put the system's fiscal integrity in jeopardy.

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

MINORITY VIEWS

(Minority views of Messrs. FONG, MILLER, HANSEN, FANNIN, GURNEY, SAXBE, BROOKE, and PERCY)

INTRODUCTION

The Committee's November, 1971 Report entitled, "A Pre-White House Conference on Aging Summary of Developments and Data" was designed to summarize recent hearings and reports by the Senate Special Committee on Aging. It contained a rather comprehensive statement of our views.

Despite the brief interval which has intervened, fulfillment of our responsibilities to older Americans, to citizens of all ages, and to the Senate in accordance with its instructions, makes it appropriate to comment now on: (1) Progress made on behalf of older Americans, particularly during the past three years; (2) Major Federal legislation now before the Congress of special concern to persons past 65; (3) New Proposals on behalf of older persons which deserve prompt consideration by the Congress; and (4) Further action, reasonably capable of fulfillment in the near future, to improve living conditions for older citizens.

Intelligent consideration of specifics in such an agenda for action, however, requires an examination of what we hope ultimately to accomplish for older persons—a careful look at our long-range goals as well as at immediate needs and probabilities.

The multiplicity of needs facing our growing older population—now numbering over 20 million persons past 65—and the complexity of problems in meeting those needs underscores the importance of a long view.

A long view in aging must begin with recognition that older Americans as a whole are too often denied opportunity for lives of dignity, independence and honor. It is essential to America that older persons be accorded a status within community and nation commensurate with their wants, capabilities, and aspirations.

Basic national policy must recognize the dynamics in aging. Great changes in the potential of older persons is inevitable through future social and scientific progress. We have

already seen many such advances which change the character of age in America.

Fast action on behalf of those who are now old is essential. Such action may be self-defeating, however, if we ignore implications of progress during the last quarter of the 20th century.

GOALS FOR OLDER AMERICANS

We believe that national policy on aging must be committed to the concept of unlimited opportunity for all older Americans.

Inherent in such a policy are basic rights to which all older Americans are entitled as citizens and human beings. Among these rights are:

1. *The right to recognition* of contributions in the past and of individual potential for the present and future.
2. *The right to involvement* in family, fort and dignity.
3. *The right of choices* as to roles they may play in society and ways in which they shall live.
4. *The right to involvement* in family, community and national life as fully as personal capacity and desire permit—through social participation, communication, productivity, and exercise of responsibility.
5. *The right to growth* with recognition that—while subject to changing circumstances which may require personal adaptation—an individual's need to function and to expand personal horizons remain as long as life.

Decisions made now, or in the future, should be judged on the way in which they move this nation toward strengthening these rights.

Decisions to meet challenges in the new era of aging will be necessary by leaders in all walks of American life and at all levels of authority and responsibility. All elements of society—economic, educational, scientific, and religious—must be involved.

Government alone cannot and should not try to meet all needs of older Americans. Its leadership responsibilities, however, are evident.

The Federal Government in particular should give high priority to action which will:

1. Assure every elderly person of an income sufficient to provide for the basic necessities of life.

Most older Americans have been able, through their own efforts, to achieve economic independence which permits at least minimum levels of living comfort. There are many, however, who through no fault of their own are denied even the barest necessities of life. The good conscience of this Nation demands correction of these deficiencies.

2. Make fully available transportation services, recreational facilities, decent housing, adequate medical care, and other essential services or facilities at prices which all can afford.

While the primary need of older persons is for adequate income, their special needs call for special efforts to be sure that what they require in services and facilities are available to them where they live.

3. Eliminate age-related barriers to full participation in the nation's economic life.

Inevitably this necessitates a new look at retirement practices, employment policies, and related attitudes manifest by government and society as a whole.

4. Expand opportunities for participation in the social life of community and nation so that their experience, skills and wisdom may be fully used to serve older Americans themselves, and the nation.

Meaningful roles in society are important to every human being regardless of age. Too often they are denied older persons to their own disservice and the Nation's loss. Every one should have full opportunity for living with purpose, especially those who have done so much to build America.

5. Promote research of all types to insure that scientific and social advances in aging keep pace with progress in other fields and with growing needs of older persons.

Concurrent with expanding research related to aging must be improved avenues for making available to individual citizens the practical products of new knowledge so developed.

MAJOR IMPEDIMENTS TO ACTION

In looking at developments since the 1961 Eisenhower White House Conference on Aging, creation of this Special Committee on Aging later during that year, hopes generated by the 1971 Nixon White House Conference, and progress during the past 3 years, recognition should be given to 2 major and conflicting factors:

1. The need for action to solve the problems of individual older persons is urgent.

Regrettable as it is inevitable, persons who are now old simply do not have unlimited time to wait. To the extent that they have problems, early solutions are important.

2. So great is the task involved in meeting needs of older Americans, it is unrealistic to expect their immediate complete satisfaction.

Costs alone are a major impediment to early enactment and implementation of many important governmental programs on behalf of older Americans. In competition for tax dollars, the huge amounts of money required for adequate income support, medical care, housing and other necessities for the elderly are serious barriers to enactment of legislation the purposes of which we all endorse. No matter how great the need, such barriers cannot be overcome simply through wishing or through unrealistic promises.

Despite some progress, attitudes toward aging within society as a whole create equally serious obstacles to achievement of proper living conditions for older persons. They impede adequate governmental action. They also produce inadequate non-governmental responses to needs of older persons which sometimes may be just as important. Without new public attitudes, it will be difficult if not impossible to accord older Americans the independence, dignity, and freedom of choice which they deserve.

Nonetheless it must be acknowledged that real progress has been made since the 1961 White House Conference, the first in our nation's history, called by President Eisenhower.

RECENT PROGRESS

Some of the most important advances in our national response to problems of older persons have been made during the past 3 years. Reference is made to this progress elsewhere in this report, so we shall not try to give a comprehensive review here, but some of the highlights are worthy of special comment.

Early enactment of major legislation now before the Congress, including comprehensive proposals by President Nixon, will further improve the record.

It is not unreasonable to observe that the four years from 1969 through 1972 may, in retrospect, become recognized as a period of greatest advances in governmental support of older persons' income since enactment of the original Social Security Act.

Social Security benefit increases have already amounted to more than 26 percent. Not since 1954, during the Eisenhower Administration, has occurred such major growth in benefit levels. Further benefit increases, which we support, are almost inevitable within the next several weeks.

CONTROL OF INFLATION ESSENTIAL

Concurrently there has been a determined and vigorous effort by President Nixon to bring inflation under control—a goal which he recognizes as essential to maintaining the integrity of older Americans' incomes regardless of source.

It is obvious that the battle against spiraling costs of living is far from won. The roots of inflation, including Federal extravagances of the past and extraordinary expenditures of tax dollars for the Viet Nam war, have gone so deeply into our national economy that progress has been slower than any of us had hoped.

There have been momentary set backs, some of which have been most painful. Possibly there will be more in the future. It is essential, however, that the problem of rising costs of living be met.

Since the President insists that inflation is the nation's number one domestic problem—a view with which we agree—it is reasonable to assume that he will diligently apply every practical means to its further control during the months ahead.

No matter how vigorously the President wages his war on inflation, it is clear that he must have continued support in such efforts from the Congress and the people. If he receives such support, we are confident that his efforts will be attended with success.

Income levels for older Americans in general have risen during the past 3 years, even after discounts for cost of living increases. Such growth has fallen short of our hopes, and serious gaps remain, some of which we expect will be corrected momentarily, but recognition should be given to the fact that we have not stood still. The 26.5 percent increase in Social Security benefits, of course, has been most important.

GROWTH IN PRIVATE PENSIONS

In any evaluation of progress, credit must be given for that within the private sector as well as government. Continuing growth of the American phenomenon of extensive private pensions has played an important role along with other private savings efforts in improving the economic position of older Americans.

Latest data shows that approximately 4.7 million retirees and their spouses were participants as beneficiaries of private pension programs at the end of 1970. With a total of over 30 million workers covered by private pension programs at the end of 1970, the private sectors' involvement in retirement income becomes apparent.

Several major proposals have been presented to the Congress for legislation to strengthen the private pension system. Noteworthy among them are those by President Nixon and Senator Jacob K. Javits. They deserve serious consideration.

Concurrent with consideration of legislation regarding private pensions are the continuing efforts of the insurance industry and other financial institutions to achieve improvements and expansion of such private programs.

GAINS RELATED TO QUALITY OF LIFE

There is no question but that progress in expanding income for older Americans and efforts to maintain the integrity of the dollars at their disposal are of highest importance. Concurrent with such improvements, however, there have been advances in other ways to improve services to older persons.

An enumeration of some of these positive steps to better serve the elderly of America or to strengthen their ability to provide for themselves, discussed more fully elsewhere in this report, include:

1. Increased funding for a variety of programs aimed at improving quality of life for older persons: The Administration on Aging, with a 1973 budget increased to \$100 million; \$100 million for an expanded program of hot meals for the elderly; tripling of funding for the Retired Senior Volunteers Program to \$15 million; doubling of special job projects such as Green Thumb and Senior Aides under sponsorship of the Department of Labor; and doubling of the Foster Grandparents program funding.

2. Increases in money and emphasis for housing for older Americans subsidized by the Department of Housing and Urban Development, which will produce a record-breaking 66,000 units during fiscal year 1972, and 82,000 units in fiscal 1973. Expectations under HUD's Nursing Home and Intermediate Care Facility Programs for these 2 years are 14,000 and 18,000 units, respectively.

3. Implementation of the President's 8-point plan to upgrade the quality of care in nursing homes which has, since he enunciated it in August, 1971, resulted in training of over 400 State nursing home inspectors for Federally-sponsored programs; funding of a short-term training during fiscal year 1972 of 20,000 persons to work in nursing homes, and training of 21,000 in fiscal year 1973; employment of 142 additional persons to enforce Medicaid standards and regulations, designation of Social Security district officers as agencies to receive and investigate complaints about nursing home care, and creation of an Office of Nursing Home Affairs, under direction of Assistant Secretary of Health, Education, and Welfare Merlin K. DuVal, M.D., to provide continuing review and improvement of the Nation's nursing homes.

No one regards the 8 point program as an end of action to improve nursing homes, but it is a laudable beginning in a problem area too long neglected.

4. Announcement by the President that the Department of Transportation is to give priority to community requests for capital grants that help the elderly under the Urban Mass Transportation program.

5. A Presidential instruction to the Domestic Council Committee on Aging to determine how other government offices, such as the General Services Administration's information centers and Agriculture Extension Service offices, can be used—along with previously designated Social Security offices—as information centers serving older Americans.

6. A Presidential directive to the Secretary of Labor to take immediate steps to expand employment opportunities in both the public and private sectors for older persons.

It has been apparent for a long time that expansion of employment opportunities as envisioned in the President's directive is given high priority by older people, themselves. We believe that, because of the importance of this need for work by older persons on economic, social and psychological grounds, the President may ultimately find it desirable to involve himself personally in this matter.

He may decide that the full weight of his office should be brought to bear on expansion of part-time employment opportunities for older persons. Such approach might be far more effective than any legislative action. We request him to give serious study to this line or action.

THE EXPANDED NUTRITION PROGRAM

Expansion of the nutrition program to make available one hot meal a day at least five days a week to increasing numbers of older persons is gratifying. Increased funding for this program, which was the object of bi-partisan support, will include \$100 million for the fiscal year beginning July 1 and \$150 million in the year following.

The Administration on Aging has indicated it expects most of the meals to be served at senior centers, churches, restaurants after hours, and other facilities within walking distance of older people in the neighborhood.

This provision of meals at minimal or no cost to the older person has importance nutritionally; but its value extends far beyond physical satisfaction. As often stated by Senator Charles H. Percy, a primary sponsor of the nutrition program's expansion, "It is not just the hot food they get, although for many of the people it is the only hot meal they get during the day. It is also the fact

that these people have someplace to go, an occasion for which to dress up; they have other people to meet and visit with."

WHITE HOUSE CONFERENCE ON AGING

Momentum for continued progress on behalf of older Americans has been generated through activities related to the White House Conference on Aging, held November 28 through December 2 under a call by President Nixon.

Under the leadership of John B. Martin, Commissioner on Aging and Special Assistant on Aging to the President, conference activities began with a nationwide series of community forums at which the elderly were asked to give their own assessment of needs and problems. Over 6,000 of these forums, attended by more than 500,000 persons were held during 1970.

State conference on aging were then held in each of the Federal jurisdictions during the first half of 1971. Their recommendations, along with the results of deliberations by many technical committees and by national organizations of older persons, provided a base for deliberations by the conference at year's end in Washington.

Since extensive references to the recommendations by the various sections of the White House Conference are made in some detail in Part One of this report, and deserve careful consideration, we shall not labor them here. We strongly urge that every member of the Senate carefully review these recommendations in their entirety, as printed by this committee in the form of an interim report from conference chairman, Arthur S. Flemming. Every member of the Senate received a copy of this interim report from the Special Committee on Aging early in this session of Congress.

The speed with which the White House Conference section recommendations were transmitted to the Congress is a credit to Dr. Flemming as conference chairman, and to Senator Frank Church, chairman of the Special Committee on Aging.

The President's personal interest in a successful White House Conference on Aging was manifest in numerous ways, including his personal appearance in a major address delivered to the delegates. No less important was his decision, early in 1971, to ask Dr. Flemming to work full time on the conference as its chairman.

Dr. Flemming, as an educational leader and former Secretary of Health, Education, and Welfare during the Eisenhower administration, brought unique talents, experience, and personal dynamism to the conference which will have a lasting beneficial effect for older Americans. The confidence reposed in Dr. Flemming by members of both political parties and by individuals with widely divergent points of view and interests was a major factor in a successful conference.

Dr. Flemming has pledged, on behalf of President Nixon, that he will vigorously continue in his role as an advocate for older persons in the future. This augurs well for ultimate achievement of conference objectives. That it is no empty gesture by either Dr. Flemming or the President, is emphasized by the latter's action in giving Dr. Flemming staff to support his efforts toward post-conference follow up on its recommendations, and naming him as Presidential Consultant on Aging on a continuing basis.

Among other steps promised by Dr. Flemming is his announced intention, already in progress, to get information out promptly to the States on actions at the White House Conference, to hold regional and State meetings to promote their implementation, and his personal advocacy at all levels of government on behalf of older people.

It is reasonable to assume, therefore, that there will be vigorous follow up on the White House Conference within the executive branch of the Federal government, and, if

Dr. Flemming's plans receive appropriate support, at the State and local levels of government as well. We sincerely hope that equally serious consideration of the conference recommendations will be forthcoming from the Congress.

SHARPENED FEDERAL FOCUS ON AGING

President Nixon's initiatives to sharpen the Federal focus on needs of older persons and action to solve their problems, however, go far beyond his appointment of Dr. Flemming, his earlier appointment of John B. Martin as Special Assistant on Aging to the President, or his call of and involvement in the White House Conference. He has acted decisively in other ways to assure that older Americans be given full visibility at the highest levels of the Executive Branch of government and that their needs be given attention of high priority.

Creation of a Committee on Aging within the President's Domestic Council represents a major new emphasis on aging within the Federal government.

Secretary of Health, Education, and Welfare Elliott Richardson, in whose department are lodged the largest array of programs affecting the elderly, serves as chairman of this cabinet level Committee on Aging. Membership includes: Secretary of Agriculture Earl L. Butz, Secretary of Labor James D. Hodgson, Secretary of Housing and Urban Development, George W. Romney, and Secretary of Transportation John A. Volpe.

The Secretaries and Undersecretaries of the several Federal Departments concerned with meeting needs of older persons have been in attendance at its sessions. It is reasonable to assume, in view of the President's personal interest and assignments he has given to the Domestic Council's Committee on Aging, that such participation by department heads will continue in the future.

It is hardly likely that any alternative to the President's Domestic Council can offer higher status to older Americans within the Federal government. The President is to be commended on this development.

Nor is it correct to assume that Presidential initiatives to sharpen Federal focus on aging have been confined to the Domestic Council committee.

President Nixon has issued a number of directives to the various cabinet members for additional attention to needs of older persons as related to services for which they, as department heads, have responsibility, some of which have been discussed earlier in this statement. It is apparent that he is determined that the movement for progress in aging, which began with his call of the White House Conference on Aging, will be pressed forward with vigor and his full personal support.

PRESIDENTIAL PROPOSALS

While insisting on first priority to his recommendations for improvement in the income status of older Americans as set forth in H.R. 1, the President has offered a number of additional proposals important to them.

It is appropriate to make brief reference to them within the context of this discussion of a sharpened Federal focus on aging.

Items in his plans include:

1. A commitment to provide relief from excessive burdens of property taxes,
2. Reformation and expansion of private pension programs,
3. More lenient treatment of persons past 65 under Federal Income tax laws,
4. Elimination of the \$5.80 monthly premium for the Medical Insurance program under Medicare,
5. Full Federal funding of State nursing home inspections under Medicaid, and
6. Use of money which may be transferred from the Highway Trust Fund to

development of mass transportation in such a way as to help the elderly.

NO. 1 PRIORITY: OLDER AMERICAN GAINS IN H.R. 1

At the time this was written, it is expected the Senate Committee on Finance will shortly report H.R. 1 for action on the Senate floor. This bill, to be known as the Social Security Amendments of 1972, has been passed by the House of Representatives.

Social Security Act changes of importance to older Americans offered by the bill will have far-reaching implications, both immediate and long range for the aged.

Its potential impact on incomes for older persons, particularly those with lowest incomes, can be greater than any other Federal legislation since 1936. It will also correct some current deficiencies in Federal medical care programs. We strongly endorse prompt action by the Senate on these vital steps forward on behalf of older Americans.

Controversial features of H.R. 1, particularly as they relate to welfare reform, should under no circumstances be permitted to interfere with favorable action on provisions related to older persons which will improve their income status or health care.

It is with regret that we note the persistent reference to H.R. 1, as a "welfare bill." We have no intention of minimizing the importance of developing a more acceptable welfare system for the young. It is unfortunate, however, that so much attention has been given to provisions of the bill related to that subject, that the true significance of its other provisions, including those of special concern to the aging have received under-emphasis in the press and elsewhere.

The most important elements in these Social Security Amendments in our judgment, are not those related to typical welfare clients, but those of concern to more than 20 million older Americans and countless millions who will become aged in the future.

Removal of most persons past 65 from the typical welfare milieu will, indeed, be one of the most dramatic results of H.R. 1 if enacted. This is precisely the purpose and thrust of the new Title XX to be authorized by the bill.

Across-the-board cash benefit increases in Old Age, Survivors and Disability Insurance benefits (OASDI) under Social Security, which we strongly support, are of great importance to all current beneficiaries. The immediate beneficial impact of such increases is apparent and desirable.

Other changes in the Social Security Act which embody major new concepts relating to meeting income needs of older persons, however, ultimately may be at least as important in satisfaction of our national debt to the elderly.

OLDER AMERICANS INCOME ASSURANCE

The older Americans income assurance provisions of H.R. 1, as set forth in the proposed new Title XX constitute a major step forward in our legitimate goal of removing older persons from poverty.

When fully implemented, the new Title XX as passed by the House of Representatives would guarantee minimum income to all citizens past 65 of \$150 a month for a single individual and \$200 a month for a couple. This will be accomplished through provision of Federal supplements to other income of persons past 65 sufficient to attain these National standards.

Under this program, benefits will be available to all persons past 65 regardless of their Social Security status.

Most importantly it will be a long step toward meeting income problems of single and widowed older women and other persons

who had little or no chance to qualify for Social Security. Among the latter are countless retired public employees—whose contribution to America has been second to none—such as policemen, firemen and teachers.

The older Americans income assurance program as passed by the House of Representatives would be administered by the Social Security Administration.

In accordance with intent of the President when he requested action in this direction and of the House in its response to his request, certification and distribution of the Federal supplement would be carried out in a manner appropriate to the dignity with which all older persons should be treated.

We are especially pleased at this imminent new development in the economics of aging because we have long espoused such an approach. It has always had the advantages of fiscal responsibility combined with compassion for the elderly in greatest need.

The concept embodied in the new Title XX of the Social Security Act was first offered as legislation by the late Senator Winston L. Prouty, who served as ranking Republican member of the Special Committee on Aging until his untimely death last year. It was promptly recognized by us as an important step forward and included in subsequent minority views of this committee.

There may be differences of opinion as to the adequacy of income levels applicable to the new Title XX. There can be no argument, however, on the desirability of its use to replace the original State administered Old Age Assistance Programs as the primary mechanism for eliminating extreme poverty among the aged.

Over 10 years ago, we expressed deep concern about the inadequacies of Old Age Assistance programs and the loss of dignity which too often accompanied their administration. While such criticisms were not applicable to all States, they were true for most of them and still are today.

It should be noted further, however, that nothing in Title XX proposes any cutback in State assistance to the aged from levels which now prevail. It contains provisions, on the contrary, which should encourage those few States which have forthrightly met their obligations to the elderly to strengthen such supplemental efforts.

COST-OF-LIVING SOCIAL SECURITY INCREASES

Another new Social Security provision in H.R. 1, which was first espoused by Republican members of this Committee and urged by President Nixon, calls for automatic increases in Social Security benefits based on any rise in price levels.

First introduced in the Senate by Senator Jack Miller, this proposal provides that when living costs rise as much as 3% there shall be an increase in benefits payable.

Late in 1968, this proposal became the object of bi-partisan support for which we have previously expressed our thanks.

Too often older persons, by reason of their very situation in life, cannot wait on the legislative processes to make corrections in benefit levels based on changes in living costs. Nor should any other Social Security beneficiary be expected to do so.

OASDI INCREMENTS FOR THOSE DEFERRING RETIREMENT

Another concept regarding Social Security benefit levels first recommended by Republican members of this Committee which receives some recognition in H.R. 1, is our recommendation made 10 years ago that credit be given through higher benefits to persons who defer retirement to years beyond age 65.

H.R. 1 would provide for a 1 percent annual increase in OASDI benefits for each year they are deferred past 65. We do not believe this goes far enough in correcting this major inequity within Social Security, but we

recognize that even this represents a beginning.

If the principle it involves is accepted now, we will have a new precedent for progress in equity to working older persons.

Ultimately we believe that the interests of all older Americans and the Nation will be served by development of fully equitable, actuarially determined increments for those who choose to work past 65.

As pointed out by us previously, there is flexibility—and should be—in Social Security benefits for those who choose to retire early.

We repeat now our earlier recommendation that similar flexibility in Social Security be provided for those who retire late.

HIGHER MINIMUM SOCIAL SECURITY BENEFITS

General increases in cash benefits under Social Security will, of course, result in higher minimum benefits under H.R. 1.

The bill goes beyond this, however, in its attention to minimum benefits for those workers with many years of Social Security coverage, but at very low earning levels.

H.R. 1 introduces a new concept regarding minimum benefits.

If adopted, as passed by the House of Representatives, the 1972 Social Security Amendments would provide a minimum retirement benefit of \$5 a month for each year the worker was covered under Social Security if such coverage equals a total of 15 years, up to a maximum of \$150 a month.

Thus any worker paying Social Security taxes for 30 years would be eligible for the \$150 new minimum benefit.

Unlike an increase in minimum benefits without regard to the duration of a worker's attachment to the work force, this change avoids windfalls to those whose Social Security coverage is so brief as to be almost incidental.

Too little attention has been paid to this new concept and what it will do for lower income workers.

Members of minority groups, who through no fault of their own have been subjected to serious adverse earning situations throughout their lives, will be among the most favorably affected older Americans. So far as it affects them, it is at least a step forward in meeting the triple jeopardy which they often face in their later years.

Over 300,000 persons, most of whom may be assumed to be in the lowest income bracket, would be recipients of increased benefits under this provision.

The Senate Committee on Finance has approved amendments to this part of H.R. 1 which would raise minimum primary benefits to \$200 a month for persons with 30 years coverage.

The Finance Committee amendment would provide for a minimum monthly benefit of \$10 for each year of contributions in excess of 10.

Whatever may be the ultimate outcome of conflicting House-Senate versions, such recognition of the worker with many years of covered employment is overdue.

H.R. 1 CORRECTION OF OTHER INEQUITIES

Several other major Social Security inequities to which this committee has previously given attention will be the object of corrective action through adoption of H.R. 1. One which we discussed at length in the past relates to recognition of earnings by married couples both of whom work.

Reviewing and updating what was said in the 1967 minority report of this Committee, we find that what was said then is still pertinent.

It is common practice today for both husband and wife to work—and pay Social Security taxes. Sometimes such dual taxation continues throughout their adult life. Sometimes the wife is in the work force until a baby arrives and then resumes employment after the children have grown up or entered high school or college.

In most cases, little or no additional retirement benefits are received as a result of this dual contribution.

An example can illustrate the inequity.

Let us assume one Couple (A) in which the husband, on reaching retirement has average earnings, subject to Social Security taxes, of \$4,000 a year. His wife has had such average earnings of \$2,000 a year.

Another Couple (B) is one in which only the husband has been employed with average earnings of \$6,000 a year subject to Social Security taxes.

The couples have made identical contributions to the system, but benefits payable at 65 discriminate sharply against couple (A).

Couple (A), assuming both receive benefits, will be paid \$257.25 a month. In contrast, couple (B) would receive \$336.05 a month.

This problem hardly existed prior to World War II. Since then the working wife, for part or all of her married life, has become an increasingly important factor in our economy.

Already, there are many retirees who have been injured by this treatment of working couples. The number in the future will be even greater.

We believe that this inequity is completely contrary to the original spirit of Social Security.

At least partial recognition of this problem is given under H.R. 1 in its provision to permit a married couple each of whom had at least 20 years of covered earnings under Social Security after marriage to have their earnings for each year combined up to the maximum amount of taxable earnings for that year. If they so elected, each would receive a benefit equal to 75 percent of the benefit based on the combined earnings.

We fully endorse this step forward toward ultimate achievement of equity for such workers under Social Security.

100 PERCENT BENEFITS FOR OLDER WORKERS

We, along with all others interested in the problems of older Americans, have long been disturbed by the treatment given to older widows by Social Security through its provision that they receive only 82½ percent of their insured husband's primary benefits upon his death, while if the wife dies first, he receives 100 percent.

There has been no justification for this discrimination against widows. It has seriously injured their ability to care for themselves after demise of their spouse.

This discrimination has been a factor in placing many older women in economic circumstances of poverty and deprivation.

We have waited too long in correcting this deficiency in Social Security and action on it through H.R. 1 is most essential.

LIBERATION OF THE EARNINGS TEST

H.R. 1 also offers liberalization of the "retirement test" under which Social Security beneficiaries now have deducted from their benefit checks one-half of any earnings they may have between \$1,680 and \$2,880 during a year and all of their earnings in excess of the latter amount.

Under the proposed change, earnings up to \$2,000 a year would be totally unpenalized, and the deduction would not exceed 50 percent of earnings above that amount.

This is a step forward, which we support, but there is serious question as to whether even this liberalization is sufficient.

UPDATING RETIREMENT INCOME TAX CREDIT

Badly needed updating of the retirement credit provision in the Internal Revenue Code is another important step forward offered by H.R. 1.

The purpose of the retirement income tax credit has been to provide equitable tax treatment for persons not on Social Security or Railroad Retirement or similar sources of tax-exempt pension income, by giving such

persons comparable consideration for income tax purposes.

Unchanged since 1954, the basic level of income eligible for the tax credit is now \$1,542. We have long advocated liberalization of this credit provision so as to re-establish equity which recognizes increases in tax-exempt retirement income generally available through programs such as Social Security and the Railroad Retirement System.

Under H.R. 1 the credit for a single person will be based upon \$2,500 instead of \$1,524. For a married couple, both over 65, will be based on \$3,750.

We believe the Congress should exercise continuing review of the retirement income tax credit to maintain its equity with any and all increases in Social Security.

IMPROVEMENTS IN RAILROAD RETIREMENT

It has been customary, and properly so, for Congressional action to improve benefit levels, and other provisions of the Railroad Retirement Act, to keep pace with strengthening of Social Security.

Sometimes there has been a time lag in establishing such comparability. We urge that the Congress take speedy action on improvements in the Railroad Retirement Act this session to assure that every new or increased benefit authorized for Social Security beneficiaries shall become available also under Railroad Retirement without delay.

IMPROVEMENT IN MEDICARE

There are many major changes in Medicare, such as those related to elimination of the \$5.80 monthly premium, provision of out-of-hospital prescription drugs, modifications in deductible and co-insurance features, elimination of the 3 day hospitalization requirement prior to extended care services, and others which deserve serious consideration by the Congress, which are absent from H.R. 1. There are, none-the-less, a number of steps forward offered in the bill.

Reference is made to these new provisions elsewhere in this Committee report. Several deserves additional brief comment here.

MEDICARE'S RETROACTIVE DENTAL PROBLEM

One of the most serious problems under Medicare in the past, for providers of care, patients and their families have been those related to denial of payment for services retroactively. This has been of consequence primarily with regard to services in nursing homes or through home health care programs under extended post-hospital care provisions of Medicare.

That refusal by the government to pay for such services has been required by provisions of the Medicare law, has in no way diminished the hardship it creates.

Patients, physicians, and extended care facilities or home health care programs have filed claims in good faith for reimbursement to which they thought they were fully entitled under Medicare, only to learn later that such claims were disallowed under the law.

This problem has been discussed at length in testimony before this Committee. It is clear, despite administrative improvements, that it has been a factor in refusal by many highly qualified providers of care to participate in Medicare, as well as a source of serious embarrassment to patients and their families.

We believe that full review of this problem and development of sound legislative solutions to it is of high priority.

A step in the right direction, however, is offered in H.R. 1 and should not be delayed. This part of the bill provides that the Secretary of Health, Education, and Welfare be authorized to establish minimum periods of time by medical condition during which a patient would be presumed, for payment purposes, to require post-hospital extended care services or home health services.

DROPPING MEDICARE ENROLLMENT RESTRICTIONS

One feature of the original Medicare act is its provision that enrollment in the supplementary medical insurance program (Part B of Medicare) by otherwise eligible beneficiaries be within 3 years of when they first become eligible.

As private health insurers have justifiably accommodated their policies for persons past 65 of Medicare, this provision has worked increasing hardship on many older Americans. It has in effect often denied them protection which they should have readily available.

Under current provisions of H.R. 1 eligible beneficiaries would be permitted to enroll in the supplementary medical insurance program during any prescribed enrollment period.

MEDICARE AVAILABILITY TO THE UNINSURED

Many older persons, who through no fault of their own are not covered by Social Security, are now ineligible for the hospital insurance benefits under Medicare. This has been a serious shortcoming of the law, because often this has meant no health insurance protection for the elderly.

For them H.R. 1 offers an opportunity for voluntary enrollment in Medicare.

Persons reaching 65 otherwise ineligible for hospital insurance under Medicare would be able to enroll for hospital insurance coverage in the same way as people can now enroll under Part B, the supplementary medical insurance section of Medicare. Such enrollees would pay the full cost of the protection, initially \$31 a month.

Approval of this provision will fill a serious gap in the availability of health insurance for the persons so ineligible.

MEDICARE COVERAGE OF SPOUSES UNDER 65

Another health insurance problem which has become apparent since the beginning of Medicare is that which occurs when a man or woman is eligible, but his or her younger spouse is not, because of age.

An amendment to H.R. 1 introduced by Senator Edward J. Gurney, and already accepted by the Committee on Finance, affords an answer to this problem through voluntary enrollment privileges under Medicare for such younger wife or husband.

This amendment, which we urge be approved by the Senate and accepted by the House of Representatives, would permit a spouse of a beneficiary who is at least 60 years old, but not yet 65, to elect voluntary enrollment in the hospital and medical insurance programs on an actuarially determined cash basis.

NEW ELIGIBILITY FOR INTERMEDIATE CARE

One provision of H.R. 1, as passed by the House of Representatives, on which action has already been taken is the transfer of provision for intermediate care facilities from Title XI to Title XIX (Medicaid) in the Social Security Act.

Prior to passage of Public Law 92-223, December 14, 1971, and its approval by the President, December 28, the highly important Federal provision of support to the elderly in Intermediate Care Facilities was limited to the indigent because provisions for such care are offered only through the public assistance features in Title XI of the Act.

Last year we strongly recommended that such services in Intermediate Care Facilities be transferred from Title XI to Title XIX, Medicaid. By so doing the number of older persons eligible for Intermediate Care has been substantially increased.

Intermediate Care is important, of course, because many older persons requiring sheltered care, do not need the full range of medical services offered in a skilled nursing home. A home that is less oriented to such medical care often better serves their needs, and at a considerably lower cost.

ACTION ON H.R. 1 ESSENTIAL

The foregoing review of some of the highlights in H.R. 1 does not pretend to be complete. It does indicate, however, how far reaching are its implications for older Americans.

It is small wonder that President Nixon has given the measure highest priority. We urge enactment of at least those provisions in it which will make such a great contribution to the lives of millions of older Americans.

We do, indeed, regard enactment of these provisions as essential to an improving national policy in aging. Important as H.R. 1 is, however, we recognize that much more will have to be done in the future regarding the issues to which it is so admirably addressed. It only represents a new beginning for a new era in aging.

AN EMERGING REVIEW OF NATIONAL POLICY IN AGING

It appears that a major review of national policy toward older Americans may soon develop.

Recent proposals by the President, by distinguished members of the Congress, and a host of recommendations by various sections of the 1971 White House Conference on Aging emphasize the need for a full disclosure of pertinent facts and divergent opinions on policy.

Hundreds of thousands of citizens made contributions to the White House Conference on Aging through community forums, State conferences, and ultimately in deliberations at the Nation's capitol. Anything less than a comprehensive review of national policy on aging at the highest levels of our society would be an unconscionable rejection of their efforts.

Special problems of those who are poor, those who are members of minority groups, those who are enfeebled by great age, those who are sick, and those who are isolated should be given careful and sympathetic attention. Nor should we ignore the special needs of those more able to care for themselves who are, nonetheless, victims of age discrimination.

Social and economic roles of older Americans should be reassessed. Basic attitudes toward age by all Americans need correction. Retirement and employment practices should be reviewed. The contribution which older persons may still make to family, community and nation must be given recognition, and doors opened for their involvement in America's life as fully as individual capacities and desires permit.

NEED FOR INDEPENDENT SOCIAL SECURITY REVIEW

Because, in both its economic and social impact, the Social Security system is a major factor in the lives of most older Americans, a reappraisal of its character deserves high priority. Such examination is equally important because of the impact it also has on the lives of those who, as members of the work force, bear a great amount of the tax burden, especially the younger workers.

With Social Security dollar flow in OASDI cash benefits currently at \$37.2 billion per year, and Medicare expenditures at an annual rate of \$7.9 billion per year, there is no single enterprise in America—in or out of government—which looms so large. Practically all citizens are involved, either as recipients of benefits or as tax contributors to it.

Every Social Security change—whether designed to overcome inequities, or to change benefits and taxes, or to affect the integrity of the trust funds—has serious implications for all citizens. Accordingly, each change should receive the most careful deliberation possible.

The 1971 Advisory Council on Social Security has proposed changes in financing and actuarial assumptions which have poten-

tial far-reaching effects on the whole system.

Partially in consequence of such recommendations, a number of major revisions in Social Security beyond those in H.R. 1, as passed by the House of Representatives, have been proposed.

Among them is a proposal for a 20 percent across-the-board increase in benefits.

The President has recommended that the \$5.80 monthly premium for the Medical Insurance Plan (Part B) under Medicare be eliminated. He now has under consideration the question of including out-of-hospital prescription drugs as a benefit under Medicare. Application of any available funds to these purposes obviously would provide maximum help to those of greatest age and those in greatest need.

Proposals have been made for elimination of the penalty imposed on earnings by persons otherwise eligible for benefits under Social Security.

Each of these, and a host of other improvements, merit serious consideration. They compete with each other, however, for any Social Security money which may appear to be available as a result of changed financing and actuarial assumptions.

No less important a question is the integrity of the trust funds and the system's ability to continue to make equitable benefits payable over the long run.

The Advisory Council on Social Security said, in a unanimous opinion, that changes in financing and actuarial assumptions it recommended will not undermine the Trust fund's integrity. Serious questions have been raised about these assumptions, however, by other actuarial authorities and economic experts.

In simple terms, the Council proposed that use of level-earnings assumptions in cost calculations be replaced with assumptions of persistent increases in real wages and productivity. The validity of the latter has been challenged on the basis that such increases in excess of price increases, while desirable as goals and hopeful of achievement, are not sufficiently sure to warrant their use as a basis for long-range Social Security financing.

We do not presume here to evaluate these conflicting views as to actuarial assumptions. We are determined, however, to support actions designed to maintain the soundness of Social Security financing.

We believe these questions must be resolved most carefully.

Concurrent with such resolution, we believe it important to examine the entire Social Security structure to assess how well it is serving and can best serve the American people.

We believe further that such evaluations are so important that they should be an ongoing, day in and day out responsibility of government.

With all due respect to the distinguished members of the 1971 Advisory Council on Social Security, and they are truly so, we do not believe such a function should be performed on a part-time or intermittent basis.

Nor do we believe that the Social Security Administration, which has responsibility for conduct of the system's operation, should be the only source of information or the primary source of policy recommendations.

We recommend, therefore, that the Congress enact legislation to create a permanent, independent, bi-partisan commission to maintain constant surveillance of Social Security, to provide opportunity for hearing all shades of expert opinion, and to provide the President, the Congress and the people with sufficient information to give maximum assurance that all decisions related to Social Security are well taken. Such a commission should have responsibility also for constant overview as to the Social Security system's adequacy and performance in meeting needs

of the country, and might well include an additional mechanism for adjustment of grievances against the system.

Regardless of action taken by the Congress on new proposals by the President and others, we believe that a continuing, independent overview of Social Security is necessary if judgment by the President and the Congress are to be most valid. The people as a whole have an equally important right to know the facts.

Nothing is more basic, of course, than the certainty that the Social Security trust funds will be able to meet their total obligations. For this purpose, validity of long-range actuarial assumptions is essential. It has serious implications for any of the major changes in Social Security which have been advanced during 1972.

Such expansions, including recent proposals that Social Security benefits be increased 20 or 25 percent with no substantial increase in Social Security taxes, suggest that older Americans and taxpayers may have been short-changed under the program as it has operated in the past.

The only other reasonable conclusion is that there is willingness to jeopardize the Social Security system's integrity for the future. The first responsibility of a full-time Social Security Commission would be to assure that the President, the Congress, and the people have the facts.

Social Security is too important to Americans of all ages to permit its future to depend on decisions by the Federal operating agency, a part-time advisory council, and intermittent review by the Congress. It needs continuous supervision and review by a full-time agency independent of the program's administrators.

The Senate Finance Committee and the House Ways and Means Committee have in the past done a remarkable job on Social Security. It has been doubly remarkable in view of their limited staffs and their other important legislative responsibilities.

In view of the magnitude of such responsibilities, it would seem appropriate that a Commission be established to assist these committees and the President in maintaining constant and high level surveillance of the Social Security system.

Properly devised, we believe an independent bi-partisan commission can be of great service to both of these distinguished legislative committees.

One-third of income for older Americans is derived from Social Security.

For the average worker (with an income of \$7,200 a year) the Social Security tax load amounts to over 90 percent of what he usually pays in Federal income tax.

Anything less than full-time surveillance of such a huge program now appears undesirable.

Regardless of improvements in Social Security enacted during this session of Congress, and we believe them essential for today's needs, the record indicates the desirability of the permanent, independent, bi-partisan review of Social Security which we recommend. The American people, young and old, should be given the assurances about their own security that it could provide.

TAX PROBLEMS OF THE ELDERLY

As pointed out in previous reports of the Special Committee on Aging and again in some detail in Chapter II, Part One of this report many older Americans face serious problems because of high property taxes on their homes.

Without repeating what has been said elsewhere, it is clear that action to reduce the often devastating effect of rapidly rising real estate taxes as they apply to all citizens, and particularly the elderly, should receive high priority at all levels of government.

The President has announced his intention to provide leadership in serious efforts to

reduce inequities in the present antiquated system. We urge the Congress to lend full support to every reasonable proposal, including revenue sharing with State and local governments, to develop a more acceptable tax base.

As in the past, we also urge State and local governments to give serious consideration to ways of lightening the property tax burden on older home owners. Some progress has been made in this direction. It should be continued and strengthened.

All individuals required to file income tax returns have faced problems because of their complexity. Special difficulties encountered by older persons have been the object of earlier consideration by the Special Committee on Aging. Such concern should be continued.

Legislation to exempt many older persons from the requirement of filing returns has obviously been helpful.

Serious efforts have been made by the Department of the Treasury to reduce problems by improvements in the tax forms. It is extremely important that this effort be pursued with constant diligence, particularly as it relates to older persons.

EXTENDING THE OLDER AMERICANS ACT

Even when we have achieved our goals related to fully adequate income, financing of medical care, availability of decent housing and similar items recognized as absolute necessities for older Americans, there will still remain major areas of need among the elderly which must be met.

Regardless of the speed with which we may act in providing the so-called basic necessities, we should brook no delay on action in other areas related to quality of life for older persons.

Full recognition of this was given when the Congress adopted the Older Americans Act of 1965 without a dissenting vote in either the House of Representatives or the Senate.

Without prompt action by the Congress, this important program for the elderly authorized by the 1965 Act will be subject to termination June 30.

Legislative Committees in the House and Senate recognize this and now have under consideration a number of proposals for extension of the Older Americans Act.

We recognize that the precise character of such extension has been the object of some differences of opinion. We recognize, too, that the attitude of the Executive Branch of the Federal Government will be a major factor in ultimate success for the Older Americans Act purposes regardless of the precise form the extension takes. Experience with the Older Americans Act of 1965 under both Democratic and Republican Administrations underscores the validity of that fact of governmental life.

As observed earlier in this statement of our views, we believe there is clear evidence that the present national administration is "on the move" in meeting the challenges of aging now before us.

New directions related to work of the President's Domestic Council on Aging, the Administration on Aging, and the continuous personal involvement of H.E.W. Secretary Elliot Richardson and former H.E.W. Secretary, Presidential consultant, Arthur S. Flemming are most encouraging. Recognition of these developments must be factors in action on the Older Americans Act extension.

Whatever may be the exact language of amendments to the Older Americans Act which will emerge from the Senate Committee on Labor and Public Welfare, we believe it essential that ultimate action, legislative and executive, must produce a result compatible with the original intent of Congress in 1965 that the needs and aspirations of older Americans be given a very high status

and visibility within the Federal government. Any less adequate response would be regarded by us as unsatisfactory.

RESEARCH IN AGING

Important too for quality of life among older Americans in the future is the potential offered by well conceived and adequately funded research.

To ignore the contributions possible to older persons by all kinds of scientific research is unrealistic.

Medical research of all types, including that directed at major sources of health problems among the elderly such as cancer, osteomyelitis, cardiovascular disease, and arthritis, obviously have major significance for older persons.

Atomic research, while less obvious in its implications, is also creating potentials for progress in aging. In truth every expansion of scientific knowledge can ultimately have an effect on older persons.

Other types of research, including that related to social aspects of aging, is also important.

While the elderly may share in benefits of all research, it still remains important, as we have said in the past, that there be adequate funding of gerontological research as a special entity.

We strongly recommend that the Congress give serious consideration to valid proposals for expanded research before it.

Whatever improvement will be afforded by action to strengthen our Nation's research related to aging, it is of paramount importance that all new knowledge so developed get to the people as promptly as possible.

Our concern with research is primarily related to its possible benefits to individual persons in their daily lives. We urge that social and scientific research personnel never forget our ultimate objective. They and all others with influence on our research projects have an obligation to shape their work for its earliest and most decisive impact on the lives of persons.

QUESTIONS ON AGING IN THE 21ST CENTURY

While we have hopes for near-term benefits from research, it is inevitable that much of its importance will relate to years ahead. This but reinforces our belief that current deliberations regarding national policies in aging must include the long-view.

Scientists already maintain that life expectancy within 3 decades may well be closer to 90 or 100 years than to the current 70.

If there is validity to such predictions, it is apparent that the most significant gains will be those in the later years of life. Such gains, predicated at least in part on anticipated break-throughs in cancer, heart disease, osteomyelitis, and arthritis, will certainly produce a new older generation with even greater capacities and zest for life than the present one—which certainly now contrasts sharply with those of previous eras.

All of this strongly emphasizes the need for recognition that the 21st Century, but 28 years away, will pose new and serious questions related to policies in aging.

Older Americans of today, sensitive as always to needs of their children and grandchildren, would be among the first to insist that long-range considerations be acknowledged as we take forward steps on their behalf today.

Some of the implications of such considerations have been discussed in previous minority reports of this Committee, including needs for reappraisal of basic concepts regarding retirement practices. We will not repeat them here except to reiterate our belief that the challenges on aging in the future will require full application of the best brains and thinking within our society.

A RECAPITULATION OF RECOMMENDATIONS

There are grounds for optimism that a number of the proposals which we have dis-

cussed in the foregoing pages—and others on which we have expressed concern in previous reports, including that of November, 1971—will be adopted, or the principles on which they are based accepted during the present session of Congress.

Fundamentally, we believe that: (1) no individual should be denied opportunity because of age, and (2) our Nation cannot afford to waste the resources of talent and experience to be found among its older citizens.

We recommend:

1. Automatic cost-of-living increases in social security, and railroad retirement benefits to keep pace with increases in cost of living;
2. Enactment of an older Americans' income assurance program, which will provide economic support sufficient to provide economic guarantee that the elderly enjoy a decent standard of living;
3. General increases in social security and railroad retirement benefits;
4. Payment of 100 percent of primary social security benefits to aged widows instead of the present 82½ percent of amounts payable to surviving covered workers;
5. Upward adjustments, actuarially determined, in social security benefits for those who defer retirement beyond 65, so that their continuation in the work force will not be penalized;
6. Upward adjustment in social security benefits for married couples both whom work and thus pay dual social security taxes without receiving higher payments when they become OASDI beneficiaries;
7. Extension of social security, financed from the general fund of the Treasury, to more people not covered by an adequate retirement program;
8. Further liberalization of the social security earnings test to permit social security beneficiaries to earn more money without penalty;
9. Revisions in the veterans pension program to protect the right of veterans to a fair share of higher income levels among older Americans;
10. Vigorous efforts to expand and improve the Nation's unique private pension system;
11. Expansion of job opportunities, full time and part time, for older persons desiring employment;
12. Expansion of Medicare enrollment privileges so that persons over 65 not otherwise eligible under social security coverage may participate by buying into the program;
13. Expansion of Medicare enrollment privileges so that spouses of insured persons' spouses who are under 65 may enroll in the program by buying into it;
14. Removal of the present requirement that a Medicare beneficiary must necessarily have 3 days of prior hospitalization to be eligible for extended care;
15. Reexamination of coinsurance and deductible features of Medicare to determine how best the liabilities they impose on beneficiaries may be lightened without injury to the program's financial integrity;
16. Elimination of retroactive denials of extended care facility and home health agency benefits obtained in good faith under Medicare;
17. Prompt consideration of how best to relieve older people of excessive burdens imposed by costs of medical appliances, drugs, and needed professional services not now covered under Medicare;
18. Provision of an unlimited long-term institutional medical care benefit for all persons over a specified advanced age, such as 80 years;
19. Strengthening Federal support for private elderly housing under both mortgage insurance and direct loan programs;
20. Improvement of public housing programs to make them more responsive to special needs of older persons;

21. Updating of the retirement income tax credit provisions of the Internal Revenue Code;

22. Restoration of full deductibility for medical and drug expenses, subject to a Federal taxation;

23. More liberal tax incentives for persons making substantial contributions to the support of needy elderly relatives;

24. Encouragement of appropriate property tax relief measures for older persons at State and local government levels;

25. Adequate financing for research in the field of aging;

26. Creation of a Federal research agency for continuing in depth study of economic, physiological, psychological and social factors in aging as a basis for evaluating policies and programs affecting older Americans of the present and the future;

27. Expansion of economically feasible "second career" and volunteer service opportunities to enable the continued involvement of retirees in the mainstream of community life;

28. Development of transportation services with particular reference to special needs for older persons;

29. Better funding of State commissions on aging with special emphasis on community level programs such as senior centers, homemakers, meals on wheels and friendly visitor services, and educational, social and recreational activities designed to combat the twin fears of aging—loneliness and frustration;

30. Upgrading of the Administration on Aging and strengthening its ability to serve as a focal point for coordination of Federal activities and programs in behalf of older Americans;

31. Basic support of the President's efforts to control inflation, and of needed changes in policy by those in control of Congress to reduce unnecessary Federal spending; and

32. Creation of an independent, permanent bi-partisan Commission to maintain constant over-view of the Social Security system.

In view of President Nixon's personal commitment to aggressive action in the field of aging, which we are confident will be reflected in his decisions at appropriate times, the tenor of current sentiment within the Congress, and new manifestations of interest within the whole Executive Branch of the Federal government, we believe there is justification for optimism regarding the immediate future of older Americans.

At the same time, it is essential that non-governmental elements of our society recognize that attitudes on aging suitable to the 19th century cannot meet the needs of the 20th century.

We also believe that attention must be given to research—scientific and social—looking to future progress and changes needed to meet developments in the long-range future.

We believe that the wisdom, experience and talents of today's older Americans should be used fully as we develop answers to these challenges of today and tomorrow.

We share the view expressed by members of the White House Conference on Aging section on Retirement Role:

"As we grow older, we continue to need to occupy roles that are meaningful to society and satisfying to us as individuals. However, we emphasize the primacy of such basic necessities as income, health, and housing and these needs must be adequately met.

"Twenty million older people with talents, skills, experience and time are an inexhaustible resource in our society. We represent all segments of the population; our abilities, our education, our occupational skills, and our cultural backgrounds are as diverse as America itself.

"Given proper resources, opportunities and motivation, older persons can make a valuable contribution. We are also capable of being effective advocates of our own cause and should be included in planning, in decision

making and in the implementation of programs. Choice of roles must be available to each older person despite differences in language and ethnicity, and limitation because of disability or level of income. The lives of Americans of all ages will be enriched as the Nation provides opportunities for developing and utilizing the untapped resources of the elderly."

HIRAM L. FONG.
JACK MILLER.
CLIFFORD P. HANSEN.
PAUL J. FANNIN.
EDWARD J. GURNEY.
WILLIAM B. SAXBE.
EDWARD W. BROOKE.
CHARLES H. PERCY.

IS BUCHER QUALIFIED FOR FEDERAL RESERVE?

Mr. PROXMIRE. Mr. President, on Friday, May 12 Jeffrey M. Bucher appeared before the Senate Banking, Housing and Urban Affairs Committee for confirmation to serve as a Governor of the Federal Reserve Board for the next 14 years.

I hope the Senate will take a hard, clear look at this nomination. Mr. William Burkett, a man who has served as superintendent of banks in California, testified that Mr. Bucher is wholly unqualified, and I emphatically support Mr. Burkett's judgment.

Mr. Bucher not only has no experience or training in monetary policy which is the Fed's principal responsibility, he is not, as Mr. Burkett said, not even qualified to head a small bank.

And the principal justification for the Bucher appointment is that he has been a banker.

Mr. Bucher has been a trust department official in banking which qualifies him as a banking expert about the way a lifetime of experience as a business manager for a professional football team would qualify a man as the starting quarterback.

Moreover, Mr. Bucher could not even answer any of the questions I put to him on bank regulatory issues, the field where he is supposed to be qualified. To every question, Mr. Bucher said he did not know and that he would have to give the matter further study.

Mr. Burkett, a highly successful banker himself put it this way:

This nominee would not qualify for appointment to the presidency of even the smallest bank in California because of his total lack of knowledge and experience in banking—let alone an appointment to the most powerful banking board in the world.

Mr. President there are two reasons why the Senate should insist on applying stringent standards in approving Presidential appointments to the Federal Reserve Board:

First, the Board is without question the most important economic agency of this Government. It can and has pursued policies that have shoved this country into recessions or depressions. The quality of the Board's performance will depend of course on the quality of the men who are appointed to it.

Second, the Federal Reserve Board is, under the Constitution, independent of the executive and very much the responsibility of the Congress.

It is our creature—carrying out our

duty defined in article I, section I, paragraph 8—"To coin money and regulate the value thereof." As a matter of fact Presidents have often usurped the congressional money power. And always the same way: by nominating their own men to the Board, and by Congress failing to scrutinize the nomination to determine if the nominee has the qualification to exercise independent judgment.

It is true that when the President makes a nomination to his Cabinet he is nominating a man to be part of his official family, and the President should certainly be given the benefit of the doubt. For instance, the Attorney General is the President's lawyer, his responsibility is to assist the President in his constitutional duty to execute the laws.

A Supreme Court nominee should have a more stringent and independent criteria applied than a Cabinet nomination, because the courts are of course constitutionally separate from the executive.

Nominations to the Federal Reserve Board are in a third category. They should require the strictest congressional criteria, because here unlike the Cabinet official the nominee is to be independent of the executive, and unlike the Supreme Court nominee he is not, and I repeat, not, to be independent of the Congress. His duty is to carry out a clear congressional responsibility under the constitution.

If ever this body has the right to insist on applying our own criteria, it is for nominees to the Fed. These are to be our men, and to rubber stamp anyone the President sends us means that we turn our backs on our clear constitutional responsibility.

For these reasons Mr. President, I am taking the extraordinary step of asking unanimous consent to have the entire transcript of the hearings on the Bucher nomination to the Federal Reserve Board printed in the RECORD.

I hope that Senators will carefully review this nomination. It should be rejected for three reasons:

First, Mr. Bucher is not qualified.

Second, his appointment could represent a serious conflict of interest. This is not because of any financial holdings by Mr. Bucher, but because he comes from the largest multibank holding company in the country, a holding company with more than \$13 billion in assets, and as Governor of the Federal Reserve Board he would have a prime responsibility for regulating multibank holding companies.

Third, Mr. Bucher's appointment can impair foreign confidence in the soundness of our bank regulatory system because of his association with the United California Bank, a bank which has been particularly free wheeling in its international activities. This is the same bank which permitted its Swiss subsidiary to lose \$48 million in an ill-fated attempt to corner the international cocoa market. While Mr. Bucher was apparently not directly involved in the Swiss fiasco, he was a member of the bank's top management team and is presumably a product of its aggressive, speculative approach.

Mr. President, I ask unanimous consent that the transcript of the hearings on the Bucher nomination be printed in the RECORD at this point.

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

TRANSCRIPT OF PROCEEDINGS, COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS, NOMINATION OF JEFFREY M. BUCHER OF CALIFORNIA, TO BE A MEMBER OF THE BOARD OF GOVERNORS, FEDERAL RESERVE SYSTEM, VICE SHERMAN J. MAISEL, TERM EXPIRED

STATEMENT OF WILLIAM A. BURKETT

Former Superintendent of Banks, State of California; Former President, National Association of Supervisors of State Banks; Former Director, Department of Employment, State of California, and Member of the Cabinet of Governor Goodwin J. Knight; Former Chairman, Liaison Committee with the Board of Governors, Federal Reserve System and the National Association of Supervisors of State Banks; and Former President and Chairman of the Board, Security National Bank of Monterey County, now retired.

Nomination of Jeffrey M. Bucher of California, to be a member of the Board of Governors, Federal Reserve System, Vice Sherman J. Maisel, term expired.

Friday, 12 May 1972, United States Senate, Committee on Banking, Housing and Urban Affairs, Washington, D.C.

The committee met at 10:10 a.m. in room 5302, New Senate Office Building, the Honorable John Sparkman, chairman of the committee, presiding.

Present: Senators John Sparkman, William Proxmire, Wallace F. Bennett, and Bill Brock. The CHAIRMAN. Let the Committee come to order, please.

The purpose of the hearing today is to receive the testimony on the nomination of Mr. Jeffrey M. Bucher, California, to be a Member of the Board of Governors of the Federal Reserve System.

Mr. Bucher has been nominated to serve a fourteen-year term in the place of Governor Sherman J. Maisel, whose term has expired.

In addition, Mr. William Burkett, formerly the Superintendent of Banking of California will appear as a witness.

Senator Proxmire has a statement he wants to make before we start.

Senator PROXMIRE. Mr. Chairman, I believe it is necessary to announce at the outset of these hearings that I strongly oppose the nomination of Mr. Bucher to the Federal Reserve Board. In so doing, I intend no personal disrespect for Mr. Bucher. I am sure he is a fine man, an able lawyer and a competent bank trust executive.

But in my view, he is totally unqualified to serve on the Federal Reserve Board—the most powerful economic agency of the federal government.

During the Kennedy and Johnson administrations, the competence of the Fed was considerably upgraded by the appointment of men experienced in economics and monetary policy.

The Fed was further strengthened when the present Administration appointed Dr. Arthur Burns, a man who is eminently well qualified to serve on the Board and whose appointment I enthusiastically endorsed. However, during the last three months, the Administration has sent the Congress two notably weak nominations—Mr. Jack Sheehan last February and now Mr. Jeffrey Bucher.

The Administration now appears to be taking a major leap backwards by appointing inexperienced amateurs to the Board. These obviously weak appointments can produce tragic results for the American economy.

I believe Mr. Bucher's nomination should be opposed. He has had virtually no previous training in economics or monetary policy. There are literally thousands of economists who are more qualified to serve on the Board.

In stressing the need for economic training, I do not say the entire Board should be composed of academic economists. If banking experience is considered to be a desirable prerequisite, why not select one of the hundreds of eminently qualified economists employed by the commercial banking industry, by the Federal Reserve Banks, or by bank trade associations or consulting firms?

I believe that such men as Roy L. Reiersen of Bankers Trust, Lelf Olson of the First National City Bank, Tilford C. Gaines of Manufacturers Hanover, Guy E. Noyes of Morgan Guaranty, Beryl W. Sprinkel of Harris Trust or Walter E. Hoadley of Bank of America would all be well qualified to serve on the Fed. I might also add Gabriel Hauge, of Manufacturers Hanover.

All are conservative bank economists with an intimate knowledge of banking and monetary policy. Charles E. Walker, the former Executive Director of the American Bankers Association and now the Undersecretary of the Treasury would be far more qualified to serve on the Fed than Mr. Bucher.

All those men are conservatives, all are expert, all are well qualified.

While I firmly believe that all Fed appointments should have a background in economics and monetary policy, I realize that this is not widely shared within the Congress. However, if my position on this is not accepted, I believe there are several additional reasons for rejecting Mr. Bucher's nomination.

First, Mr. Bucher's specific banking experience has been too narrow to qualify him for the Federal Reserve Board. His principal experience has been in the trust department, a field far removed from the commercial banking functions with which the Fed has been predominantly concerned.

A trust officer essentially acts as the manager of an investment portfolio as does the investment manager of a mutual fund, pension fund or life insurance company. He has little familiarity with commercial bank credit extension which is central to the Federal Reserve Board's regulation of our banking system.

Second, Mr. Bucher would bring to the Board a serious conflict of interest. He comes from the nation's largest multi-bank holding company and as a Board member, he would be required to rule on the many applications by bank holding companies to expand their range of services.

Bank competitors are likewise anxious to stop bank holding companies from invading their particular business. Under the Bank Holding Company Act, the Fed is required to weigh the pro-competitive and anti-competitive effects of banking holding company applications and render a decision which is best for the economy as a whole.

How can Mr. Bucher give an objective and impartial judgment when he comes from the nation's largest multi-bank holding company and because of his young age, will no doubt seek to resume his banking career following his service on the Board?

Third, Mr. Bucher's appointment can impair foreign confidence in the soundness of our bank regulatory system because of his association with the United California Bank, a bank which has been particularly free wheeling in its international activities. This is the same bank which permitted its Swiss subsidiary to lose \$48 million in an ill-fated attempt to corner the international cocoa market. This venture produced a major scandal in banking circles, and caused many foreign bankers to wonder just how effectively U.S. banks were supervising their foreign subsidiaries.

Moreover, a multi-million-dollar lawsuit has been filed charging the managers of the United California Bank with gross negligence.

While Mr. Bucher apparently was not directly involved in the activities of the bank's Swiss subsidiary, he was a member of the

bank's top management team and is presumably a product of the bank's aggressive management philosophy which caused it to run up a sizable loss.

Mr. Bucher obviously cannot be held responsible for the mistakes of his colleagues. Nonetheless, because of the important role the Fed plays in maintaining confidence in our banking system, we must be extremely careful to appoint men whose backgrounds and previous associations do not contain even the slightest suggestion of imprudent or reckless judgment.

Mr. Chairman, the importance of this nomination cannot be exaggerated. We are dealing with the health of the American economy. An error in judgment by the Fed can plunge this country into a deep recession or produce a runaway inflation. We should, therefore, insist on obtaining the best-qualified men for the Board.

Under our Constitution, only the Congress has the right to regulate our monetary system. Article I, Section 8, of the Constitution specifically gives the Congress the right to "coin money and regulate the value thereof."

These powers belong exclusively to the Congress and not the President. They may have been delegated to the Federal Reserve Board by the Congress. The Fed is therefore an agent of the Congress. It was deliberately created to be independent of the Executive Branch, but not the Congress.

Since the Federal Reserve Board is the exclusive agent of the Congress, we have a far greater responsibility in confirming appointments to the Board compared to a cabinet or judicial appointment. We have the right—indeed the duty—under the Constitution to reject a nominee if he does not measure up to our standards. If Congress is seriously interested in reasserting its constitutional prerogatives, it should begin with the Federal Reserve System where it has an exclusive constitutional jurisdiction.

If we meekly acquiesce to the President and rubber-stamp any appointment, no matter how unqualified the man may be, we surrender a vital constitutional power.

If we confirm the Bucher nomination, I believe we will weaken the traditional independence of the Federal Reserve Board by placing it under the control of the President and the Executive Branch of the Government.

Why do I say this?

Because the appointment of inexperienced men such as Mr. Bucher will increase the power of Chairman Burns to dominate the Board. Can we realistically expect Mr. Bucher and Mr. Sheehan, to argue and vote against the Chairman, when they are unfamiliar with the complex technical issues involved in setting monetary policy?

I have enormous respect for Dr. Burns, but under the Federal Reserve Act, he has only one vote out of seven. By confirming Mr. Sheehan and Mr. Bucher, we really give Mr. Burns three votes. He only needs one more to control the Board.

While Mr. Burns is a brilliant economist, he is also closely associated with the political fortunes of President Nixon. He has been one of Mr. Nixon's key economic and political advisors. Had his advice been followed in 1960, Mr. Nixon might very well have defeated President Kennedy.

Dr. Burns has also been a key member of the White House staff prior to his appointment to the Fed. In view of this close association, many may fear that if a conflict developed between a sound monetary policy and the political fortunes of President Nixon, Dr. Burns would choose the latter.

I have full faith in Dr. Burns' integrity, but the very heart of our constitutional system is to divide, not concentrate such great power as the Federal Reserve Board exercises.

By giving Dr. Burns another sure vote on the Fed, we are really giving President Nixon another sure vote—in direct violation of the

Constitution and the Federal Reserve Act. Surely there must be other men with enough intellectual stature to exercise their independent judgment on monetary policy without becoming passive rubber stamps to the White House.

If we conclude there are, then we have a duty, under the Constitution, to reject Mr. Bucher and insist on the appointment of a more qualified man.

Senator BENNETT. I do not have a prepared statement, but I cannot let the statement of my colleague go by without making some observations about it.

In the first place this is the most blatant charge of guilt by association that I have ever heard. Mr. Bucher must be rejected because he has been associated: (a) with banks; (b) with a particular bank. To me, that sort of thing is indefensible.

Secondly, he must be rejected because he works for a bank that is part of a bankholding company and it was suggested that instead of him, selection might be made from a number of important men whom the Senator from Wisconsin mentioned. I have not had time, obviously to check it out, but I think all of them, or most of them, work for banks connected with a bankholding company.

So, if that is a reason to reject a nominee, then the reason should apply to anybody else who comes along.

The Senator makes a great point about the fact that the Federal Reserve Board should be filled up with economists. This man's fatal weakness is that he is not an economist. I would like to put into the record a little bit of history.

In January, 1970, before Mr. Burns became Chairman of the Board, four members were economists and three were not. The Chairman of the Board was a stock broker and one member was a former banker. If Mr. Bucher joins the board, it will again consist of four economists and three non-economists, one of whom, Mr. Bucher will have been a former banker.

But there is an important change which the Senator from Wisconsin has admitted, which is that now instead of having a stock broker as Chairman of the Board, we have an economist. So, to the extent that we need economists in control of the board, we not only have four of them, which was the same as existed when the party—when the administration changed, but we have one of them as Chairman.

Traditionally, until now, there is no former banker on the board and traditionally, one member of the board has always been a banker. In its 68 years of existence, there have only been eleven years when there was not at least one banker on the board and at one time, about 1936, four members of the board, or the control of it, were bankers; and I cannot let this observation pass without noting that one of the most prominent bank chairmen was Mr. Marriner Eccles—Board Chairman was Marriner Eccles, who came from my State of Utah.

Nobody complained in those days because Marriner Eccles was a banker and not a trained economist.

I have inquired, and have been told that there are 250 economists on the staff of the Federal Reserve Board, and approximately 100 of them have their doctorate, have their PHDs. So the Federal Reserve Board is not without the services of economists and I cannot accept as valid the idea that one man out of seven cannot be a banker, nor can I accept the idea that because President Nixon appointed the Chairman and also Mr. Sheehan and Mr. Bucher, that Mr. Sheehan and Mr. Bucher will automatically be rubber stamps for the Chairman.

Now that carries with it the implication the Chairman must be up to some kind of evil. He must be involved in some kind of a plot to destroy the monetary policy of the

United States which he can not carry out except with the rubber stamp connivance of other men who have been appointed by President Nixon, who by implication is also involved in some kind of a plot against the soundness of the American monetary system.

To me all this is ridiculous. We have a man before us whose record we should check objectively and we have a man before us who could fill the place that has been traditionally reserved for a banker. And I think we should make our judgment on that basis, and not on this variety of guilt-by-association charges that have been entered into the record, by my friend from Wisconsin.

I think Mr. Bucher should be allowed to stand on his own feet and not be accused of all of the faults, whether they are true or not, of anybody with whom he has been connected.

I have listened too, to the charges—to the statement that since the Fed answers to the Congress, then it is the Congress, and not the President, who in effect should choose the members of the Fed. This is a claim—this is a demand, more or less, that any man the President sends up should be rejected because he was appointed by the President unless he was cleared with the majority of Congress in advance.

Now that is not the way it is done. This President and everyone of his predecessors, since the board was organized has had the privilege of nominating the members of the board and selecting the Chairman. Unless Mr. Bucher is found to be morally unfit, completely without background or basis, I do not think we have the right or the responsibility to say to the President, you are exercising an unconstitutional power when you recommend this man for this job; and because we are members of Congress, we have a constitutional responsibility to reject your appointment.

The CHAIRMAN. Senator Proxmire, do you have a statement?

Senator PROXMIRE. No, sir. I will wait for the questioning.

The CHAIRMAN. I would like to add to what has been said just two very brief things. Senator Bennett, I think, brought out one of them, but as I see it, the President is the appointing officer and we must recognize that fact. Congress does not have the right to name a person.

We can suggest but if the President does not act on it, why, he does not have to act on it. Ours is to hear the man that has been named and pass judgment on whether or not he is qualified for a position.

Second, I would like to say this about Dr. Burns, and I am sure Senator Proxmire would agree with me on this; while it is true Dr. Burns was the intimate Economic Advisor to the President, I think we all would admit that that did not necessarily tie his hands. I recall that even when he was before us for confirmation, we were not fully content with the progress that they were making in their game plan to restore the economy to adequate facility, and I remember that Dr. Burns at that time, recommended something that was not in keeping with the thinking apparently of the President. That was—remember he was the first one to advocate what he called, a "Wage and Price Review Board."

The President did not act on that recommendation for over a year, not until August, 1971, eighteen months after Dr. Burns was designated as Chairman of the Federal Reserve Board; and my impression has been—I just throw this out for what it is worth—Dr. Burns all along has acted, I think, in a manner that showed he was independent of the White House.

Senator PROXMIRE. I just want to say, Mr. Chairman, I have made it clear I have great respect for Mr. Burns and I enthusiastically

supported his appointment as Chairman of the Federal Reserve Board. However, I think it is one thing to approve him and something else to give him three votes.

Furthermore, I do think that the fact is that this recommendation on wage and price controls was also made by Ehrlichman, Haldeman, Connally, other very close political associates of the President before the President accepted it.

Senator BENNETT. Connally was not there.

Senator PROXMIRE. Nevertheless, Connally made the recommendations before the President decided to act on—and he did.

The CHAIRMAN. Well, I know nothing about that. I know nothing about the advice the President sought for making appointments. The only thing I know, he did not ask me about it, and I did not direct him about it.

Senator BENNETT. He did not ask me, either.

Senator PROXMIRE. You can tell he did not ask me.

The CHAIRMAN. I would have been glad to recommend somebody if he had asked me. (Laughter.)

The CHAIRMAN. Another thing, I believe that under the law the board member must come from a certain area. The law designates certain areas so it is—while we can throw out these suggestions, I can throw out some suggestions. I am not sure I could suggest somebody in the California area.

Senator PROXMIRE. Hoadley is one of the ones I suggested. He is from the Bank of America in California.

The CHAIRMAN. When did he go out there?

Senator PROXMIRE. He is there now.

Senator BENNETT. He went out before four or five years ago.

The CHAIRMAN. I know Gabriel Hauge—

Senator PROXMIRE. No. Walter Hoadley.

The CHAIRMAN. I thought Hauge was still up in New York.

Well, I do not know him. I could not have recommended him if I had been called on because I do not know him. I am sure he is a good man.

Anyway, let me proceed then.

Mr. Bucher, we will be very glad to hear from you but not at this moment.

Well, there is a certain formal procedure that always I like to go through with and get done as soon as possible.

We have your biographical sketch, and without objection, that will be placed in the record at this point.

(Biographical sketch of Jeffrey M. Bucher follows:)

JEFFREY M. BUCHER

Home Address: 222 South Figueroa Street, #1811, Los Angeles, California 90012. Telephone: 485-9386.

Business Address: 600 South Spring Street, Los Angeles, California 90014. Telephone: 624-0111.

Date of Birth: February 9, 1933; Los Angeles, California.

Marital status: Married, 5 children.

Admitted to Bar: California, January 1958; U.S. Supreme Court, 1965.

Education: High School: Flintridge Preparatory School, Pasadena, California, 1950. College: Occidental College, Los Angeles, California, A.B., 1954.

Law School: Standard University, Stanford, California, J.D., 1957.

Military Service: U.S. Army Reserve, 1955-1963.

Employment: 1967 to date—Senior Vice President in charge of Trust Division, United California Bank, Los Angeles, California.

Chairman, Central Trust Committee and other bank committees supervising trust and investment activities; Director, Western Asset Management Company, the bank's investment counseling affiliate.

1957-1959, 1961-67—Vice President, Secretary to the Board of Directors and Treasurer,

United California Bank, Los Angeles, California.

1959-1961—Associate, Stephens, Jones, LaFever and Smith, Attorneys, Los Angeles, California. General corporate, real estate and probate practice.

Membership: Member, Los Angeles County, California and American Bar Associations; American Society of Corporate Secretaries; Director, Travelers Aid Society of Los Angeles; Trustee, Flintridge Preparatory School for Boys; Phi Gamma Delta and Phi Delta Phi.

Other Activities: Co-author, *California Bankers Guide to the Uniform Commercial Code* (published by California Bankers Association); Author, *The Uniform Commercial Code in California* (published by the Conference of Barristers of the State Bar of California); Lecturer for the Continuing Education of the Bar, American Institute of Banking and speaker before numerous legal and banking groups.

RESUMPTION OF TESTIMONY

The CHAIRMAN. Second, we have your financial statement. I discussed with you, when you came by my office, the necessity for that, and you told me you had already got it and that you would file with the committee a financial statement. That statement is before us now, with your certification, from the—

Senator BENNETT. Mr. Thomas J. O'Connell—which is the General Counsel's opinion as to the absence of conflict of interests. I assume Mr. O'Connell is General Counsel of the Board?

The CHAIRMAN. And we do have a certification from him that he finds nothing and I have checked—I have checked the—I have checked your statement, and I certainly see nothing in it. I invite the other members to check it and, as I explained to Mr. Bucher, it is available to all of the members of this committee here in this room, or in the committee room.

After they have had that opportunity, it will be sealed and placed in a safe, locked-up safe, and will be kept on file during the time that you hold this office, and for one year thereafter. Then it will be destroyed.

I will ask you the question, do you have any holdings or any interests in anything which you feel would constitute a conflict of interests with your holding this job?

Mr. BUCHER. I do not, Mr. Chairman.

The CHAIRMAN. Now, if you have a statement, would you like to make a statement to us?

Mr. BUCHER. Mr. Chairman, I have no formal statement. You have my biography as you mentioned.

The CHAIRMAN. Yes. Yes, we do have it.

I note that the age was given by Senator Proxmire that you are 39. I have noted the different connections that you have had and your activities not only in banking but in all—publications, for instance, the California Bankers' Guide to the Uniform Commercial Code, published by California Bankers' Association; that you were author of the Uniform Commercial Code in California, published by a Conference of Barristers of the State Bar of California; that you have lectured a great deal; that you have participated in various civic activities, and that, as I say, that will be placed in the record at this point.

By the way, just incidentally, Senator Bennett referred to Marriner Eccles. Marriner Eccles was appointed Chairman of the Board just a short time before I entered Congress. He was appointed in 1936, and that was done following a reorganization of the Federal Reserve Board as authorized by the Banking Act of 1935, or at least by an act of 1935 that provided for the—there was a Banking Act of 1935.

Then, in 1940, he was again designated as Chairman, appointed Chairman for four years and then, in 1940 was again designated as Chairman and in 1944 was reappointed to a

full 14-year term and redesignated as Chairman. In 1948 President Truman appointed Mr. Tom McKenney, whom I recall quite well, and designated him as Chairman.

Mr. Eccles remained as a member of the Board until July 15th, 1951, when he resigned. He had 15 years of service on the board. He was a banker, a very able banker. And I believe he is still in the banking industry out in Utah.

Senator BENNETT. No, Marriner Eccles now lives in California and heads what used to be the Utah Construction Company. It may—they may still have the same name, which was the Eccles firm which participated as one of the six companies to build the Boulder Dam, the Hoover Dam, and is now engaged in construction around the world.

Marriner, in his eighties, is still the active head.

The CHAIRMAN. I'm glad to have that information.

I have letters from him infrequently. I know he still maintains a great interest—

Senator BENNETT. It's his brother, George Eccles, whom you have met who is head of the banking department.

The CHAIRMAN. Yes. But I knew Marriner quite well and I do still have letters from him from time to time.

Anyhow, I believe that's all that we have to get into the record on a formal basis.

Senator Proxmire?

Senator PROXMIRE. Can you tell us how you learned you were being considered for the appointment to the Federal Reserve Board?

Mr. BUCHER. Yes.

I was informed of that by a representative from the White House.

Senator PROXMIRE. Did you seek the appointment or were you recommended for it?

Mr. BUCHER. I did not seek the appointment.

Senator PROXMIRE. You were recommended for it?

Mr. BUCHER. I really don't know how the name came up.

Senator PROXMIRE. Could you identify the persons recommending you for the job?

Mr. BUCHER. No, I cannot identify persons recommending me for the job. I can identify the person who contacted me.

Senator PROXMIRE. No, I am thinking of the people who recommended you. You have no idea? You were never told by anyone?

Mr. BUCHER. I have never been formally told.

Senator PROXMIRE. How about informally told?

Mr. BUCHER. I know some people who were contacted. I think that's a better way of putting it.

Senator PROXMIRE. Are you acquainted with Mr. C. R. Smith of San Diego?

Mr. BUCHER. No, sir, I am not.

Senator PROXMIRE. To your knowledge has Mr. Smith contacted anyone in support of your nomination to the Federal Reserve Board?

Mr. BUCHER. To my knowledge, no. I have no reason to believe he did. I know nothing that would indicate that he did.

Senator PROXMIRE. As you know, appointments to the Federal Reserve Board are for 14 years and non-renewable.

You mentioned something about this in your opening statement. If confirmed can you assure this Committee that you will serve out your full 14-year term?

Mr. BUCHER. It is definitely my present intention to serve a full term, yes, sir.

Senator PROXMIRE. Should you serve the full 14-year term I believe—you will be 53 years old. And at the peak of your career.

Would you intend at that time to return to the commercial banking industry?

Mr. BUCHER. I have no intent in that regard at this point, no, sir. I am looking forward to 14 years and I have made no plans beyond that point in time.

Senator PROXMIRE. Wouldn't it be logical that this would be what you would do?

I am 56, by my lights. At that time you will be a young man.

Mr. BUCHER. I will say off the record I hope I am in the condition you are when I am over fifty.

Senator PROXMIRE. I am very flattered. I hope you won't have to resort to hair transplants.

Mr. BUCHER. I have to be honest with you. I do not have any plans. To me that is a very long time. I am looking forward, if confirmed by this Committee and by the Senate, to devoting my full efforts to the Federal Reserve Board. I really have not made any plans and I assure you, I have made no commitments.

Senator PROXMIRE. How would you feel about pledging categorically to this Committee that under no circumstances would you return to the commercial banking industry following your service with the Federal?

Senator BENNETT. I don't think—we have no right.

Senator PROXMIRE. Then he can say yes or no to that.

The CHAIRMAN. I think that would be improper.

Senator PROXMIRE. I am not saying he should. Of course other members of the Committee can vote for this nominee on any basis they want to. If he doesn't want to say this, that's what I would expect. If he does, I think that would have a great effect.

The CHAIRMAN. I just don't think a person should be required to look ahead 14 years and promise that he will or will not do any particular thing about that. I have been in a campaign down in Alabama. Some of my good friends asked me, will you run again after this term? I said, well, I won't answer a question like that at all. I don't—I just don't think it's proper.

Senator PROXMIRE. Yes.

Well, as I say I certainly am not forcing the nominee to do anything at all.

The CHAIRMAN. No. But you asked him categorically.

Senator PROXMIRE. Well, he can say no. That's it. I think all the other members of the Committee will all accept that as the kind of answer they would expect as logical.

I would hope he would answer the other way. I won't press it.

As indicated in my opening remarks, Mr. Bucher, the United California Bank lost \$48 million through its Swiss subsidiary in an ill-fated attempt to corner the international cocoa market. Do you think speculation is a proper market to be in?

Mr. BUCHER. No, I do not.

Senator PROXMIRE. Do you think the officials of your bank acted properly in permitting the Swiss subsidiary to engage in commodity speculation?

Mr. BUCHER. First, let me say that I was not, as I have said before to other people and to, I believe, some of your representatives; I was not involved in the decision to acquire the subsidiary. I was not involved in the management or the investment-making decisions in that connection, nor with regard to the liquidation.

I can, from secondhand, say that I understand some facts about the situation. It was in the public press. It was well known. I have heard it discussed.

My understanding was that that speculation was not authorized by the management of United California Bank. That speculation was undertaken by the management of the subsidiary with the express statement to them previously by management of the bank that they should not participate in commodity speculation.

Senator PROXMIRE. Don't you think there is a lack of effective responsibility with the officials of your bank? Or do you think the

officials of your bank were negligent in not adequately supervising the activities of the Swiss subsidiary?

Shouldn't this have been known? Shouldn't you have had a method by which you could determine whether this enormous investment of \$48 million or more was being made so that you could decide—it could be decided not by you but by those responsible in your bank for this kind of commitment?

Mr. BUCHER. I think the best answer I can give you is that I am not really familiar enough with the day-to-day operations of our international division, either now or during that period, to be able to speculate how much contact there was; and without that knowledge, I think it's difficult for me to make a judgment on negligence.

Senator PROXMIRE. How is it possible for a scheme of this magnitude to be carried on without the top management knowing about it?

Mr. BUCHER. I really can't answer that. Again, I have to say—and I don't want to make a speculation without the facts. That's what would concern me if I were to answer your question directly. Please forgive me—

Senator PROXMIRE. Let me make sure I understand what you are saying: You are saying you don't know about it but are you telling me that the bank should have known about it and should have had a method of determining whether this kind of large commitment was being made?

Mr. BUCHER. What I am saying is I do not know how much time and how much effort was devoted to the supervision of this subsidiary. If it was a very high level of supervision and this event took place in spite of that, then I would have to comment the bank did everything they could under the circumstances and within a situation where they trusted some people who went astray. That's why I can't answer directly.

Senator PROXMIRE. Isn't it true the Chairman of the Bank is also the Chairman of the Swiss subsidiary?

Mr. BUCHER. I believe that was true.

Senator PROXMIRE. Shouldn't he have known about it?

Mr. BUCHER. I have to go back and say I don't know how much contact he had with the bank.

Senator PROXMIRE. Let me ask you this: One of your bank's vice presidents was quoted in the press as saying, "You win some, you lose some," when he was informed of the \$48 million loss.

Does that reflect your management philosophy?

Mr. BUCHER. No, sir, it does not.

Senator PROXMIRE. Did you at any time know or suspect that something was wrong with your bank's subsidiary? I am not talking about this particular incident, but in any other way?

Mr. BUCHER. No, sir.

Senator PROXMIRE. You know that in February of 1970, six months before your bank's Swiss subsidiary failed, that your bank ordered the reimbursement of its Swiss subsidiary for \$2½ million by using unregistered stocks?

Mr. BUCHER. No, sir, I did not know that.

Senator PROXMIRE. Do you think it's proper for a bank to advise its customers to invest in unregistered stock?

Mr. BUCHER. Generally in the areas in which I have dealt, that would not be the type of recommendation that I would tend to favor. Circumstances I think would have to be looked at in each case but certainly in the investment activities in which I was involved, and of course these are of a fiduciary nature, unregistered stock would not be a type of investment I would recommend.

Senator PROXMIRE. Mr. Chairman, I have two articles from *The Wall Street Journal* dealing with this matter which set forth the details and facts. I ask you to look them over

and if you would approve, I would appreciate them being placed in the record.

The CHAIRMAN. I haven't any objection to their being placed in the record.

Senator BENNETT. I think they are irrelevant. I think this whole line of questioning is irrelevant. The witness has indicated that as Trust Officer of the Bank he had nothing to do with the operation of the Swiss subsidiary. But if the Chairman—if the Senator from Wisconsin would feel better if these are in the record, it's all right with me.

Senator PROXMIRE. Now, Western Bancorporation—

The CHAIRMAN. No objection. They will be placed in the record.

Senator PROXMIRE.—Is the apparent parent corporation?

Mr. BUCHER. That's right.

Senator PROXMIRE. Can you describe the size of this bank holding company, the total number of banks it owns, the total number of banks under its control, number of states it operates in?

Mr. BUCHER. Some of these are going to be estimates, Senator. The deposits, I believe, are in the \$12 billion range.

Senator PROXMIRE. \$12 billion?

Mr. BUCHER. Yes.

Senator PROXMIRE. Yes, sir.

Mr. BUCHER. That is not the largest bank holding company in the country, I might add.

Senator PROXMIRE. But it is the largest multibank holding company.

Mr. BUCHER. Bank of America is larger. Also, they have some 23 banks. They have—I would guess some 600 banking offices.

Senator PROXMIRE. Bank of America is not a multibank holding company you operate in a number of states.

Mr. BUCHER. In 11 states, that is right.

Senator PROXMIRE. This Western Bancorporation is one of the few bank holding companies to operate across state lines.

Do you see any problems in interstate banking on the part of bank holding companies?

Mr. BUCHER. Not per se. I am a great believer in competition and I believe in the antitrust laws and I think the test in the situation is, certainly one of the significant tests should be the competitive factor.

I don't want to say categorically that I think crossing state lines is bad from that standpoint.

Senator PROXMIRE. Well, then, do you think that other bank holding companies should be given the same privilege being enjoyed by the Western Bancorporation with respect to interstate banking?

Mr. BUCHER. I think you have to look at the facts of each case, Senator.

Senator PROXMIRE. What does that mean? What criteria would you provide?

Mr. BUCHER. I think you would have to look at the facts of the case that would be presented and I think it would vary depending upon the circumstances. I think the competitive factor would be very important.

Senator PROXMIRE. There is a prohibition in the law as I understand it, now, against interstate banking by multibank holding companies. Would you favor lifting that prohibition?

Mr. BUCHER. No, I wouldn't without certainly considering all the factors involved. I am not aware of all the factors that might be presented.

Senator PROXMIRE. What nonbanking activities are performed by Western Bancorporation?

Mr. BUCHER. How would you define nonbanking, Senator?

Senator PROXMIRE. Well, those that didn't have to do with the direct functions of borrowing and lending and so forth.

Is it engaged in any kind of service operation, any kind of manufacturing operation, any kind of operation of this kind?

Mr. BUCHER. Of course, banking is a service business.

Senator PROXMIRE. That is right. That is a good point. I am talking about any kind of nonborrowing or lending service.

Mr. BUCHER. Of course, the trust activity is a nonlending. Our investment counselling part of trust is a nonlending activity. We provide payroll services, which as you know, is quite uniform throughout the banking business as a service being provided.

Senator PROXMIRE. Computer services?

Mr. BUCHER. Pardon?

Senator PROXMIRE. Computer services?

Mr. BUCHER. We do not provide computer services as such through an affiliate as some banks do. Certainly a part of the payroll service is offering computer time.

Senator PROXMIRE. How about insurance?

Mr. BUCHER. No, sir. We do have mortgage banking divisions which are not separate companies. They are part of one of the banks. That has been that way for some time.

Senator PROXMIRE. Does Western Bancorporation have plans for engaging in future nonbanking activities?

Mr. BUCHER. Not that I am aware of.

Senator PROXMIRE. In view of your association with the nation's largest multi bank holding company, how do you feel about the kind of conflict of interest which I have raised here? Do you think that you would have a serious conflict of interest in regulating bank holding companies?

Here is what I am getting at. On the one hand, the bank holding company might be eager to expand into a nonbanking activity.

On the other hand, the firms already in that business might petition the Board to prevent the bank holding company from expanding into their business.

Under these circumstances, how could you, as one who has been so closely identified, how can you render an impartial judgment which would be fair to both parties in view of your close association with the largest multi bank holding company in the country?

Mr. BUCHER. The best answer I can give you is that I am not going on the board in any regard as a representative of banking, bankers, or bank holding companies.

I have a very strong feeling about my attitude with regard to this type of situation should I be confirmed and become a member of the board.

I feel my background in banking, incidentally, it has been broader than trust work, quite a bit broader than that, that is only the most recent position I have held—I feel that background can be—

Senator PROXMIRE. Go ahead, and expand on that.

Mr. BUCHER. I was with the bank's law division for a number of years. This was prior to—prior to 1967, and in that capacity, I was involved in a lot of different functions as their representative in negotiating loan agreements, working with the commercial department, installment credit department, real estate loan department, in almost every activity they were involved with because there are legal aspects to all of these.

I was also secretary-treasurer of the bank and in this capacity, I worked with loan committees. I feel I have a very sound grounding in banking from all aspects.

I don't claim to be all knowing, Senator, but I think I have a very good feel for all aspects of the commercial bank.

I was saying that I am not going to be representative of banking or bank holding companies. I can assure you of that, now. My voting record, if I am confirmed—I know will be proof of that to everyone. I hope to you.

I think the best thing to do is tell you that is what my attitude is. With regard—

Senator PROXMIRE. We are in a difficult position here, as I am sure you can appreciate.

You obviously have impressed members of the committee. You have had a chance to talk with them privately, many of them. You go on—All we can judge is on the basis of what you have done. This is our only crack at your 14-year service on the board. You don't come back in two, four, six years for confirmation. You are on for 14 years. Most of us will be in the grave by then. If not in the grave, at least in the political grave.

This is the only chance we have to determine policies of the board for the next 14 years as far as you are concerned. So while you can give us this kind of assurance, we have to make a judgment based on what you have done so far.

Mr. BUCHER. I understand that. I am very pleased to answer any questions you have as long as you wish.

Senator PROXMIRE. In 1933 Congress passed the Glass-Steagall Act, which separated commercial banking from investment banking, one of the principal reasons, as you well know, was due to the inherent conflict of interests between a bank's investment banking activities and its commercial banking activities.

As the financial debacle of the early thirties shows, many banks sold worthless stocks and bonds to their customers.

Now, I would like to ask you this: As a matter of general philosophy, do you support the strict separation of commercial banking and investment banking?

Mr. BUCHER. Yes, I do.

Senator PROXMIRE. One of the most significant issues to face the banking industry and the Federal Reserve Board over the next ten years is whether a similar conflict of interest exists between a bank's trust department and its commercial lending activities.

For example, if a bank has a substantial equity in trust accounts and the company were in trouble, it might be tempted to rescue it through the commercial loan department, or the reverse might be true.

This trust department might invest in a company's stock in order to shore up the shaky loan made by its trust department. Do you think there is a conflict or danger in combining these two functions?

Mr. BUCHER. I think those two functions must remain separate. I think there is no question about that. I think in most institutions, financial institutions, where they are a part of the same corporate structure, they are in fact, as a practical matter, separate. That has been true in the organizations in California.

Senator PROXMIRE. That is reassuring to make that assertion, but as I say, there is the conflict. After all, you have common ownership. They are separate only in the sense you have separate departments and separate people. They are under the same management and have the same incentive to prevent loss and increase profits as long as you permit this operation. There is a constant tendency for conflicts to develop.

Mr. BUCHER. I would agree there are potential conflicts and that is why I think it is so important they be separated. I don't feel, however, that corporate separation is necessarily absolutely important for this purpose. I think as long as the operations are run separately, as long as the officers who are responsible understand the potential conflict, and do take every step to avoid it, which I do believe is a fact, then I am not concerned.

Senator PROXMIRE. But as a matter of fact, the only way Congress can assure this is to have the kind of surgical operation that the Glass Steagall Act represented with respect to commercial and development banking, a clean separation.

Senator BENNETT. Will the Senator now offer a bill to forbid banks to have trust departments?

Senator PROXMIRE. I am trying to get the thinking of the future member of the Federal Reserve Board who will have a great deal to say about this. I want to see if there is some other way we can do it. I may very well do that.

Senator BENNETT. You put it clearly and state you feel there must be a surgical separation.

Senator PROXMIRE. I object to that. When I ask a question, it doesn't mean I espouse the implication of that question. I am trying to draw—

Senator BENNETT. Who else does?

Senator PROXMIRE. I am trying to draw the nominee out to find out how he feels about it.

Senator BROCK. He has answered.

Senator PROXMIRE. You fellows do this on your own time. I am happy to yield to you. If he wants to answer—if my time is up—I will come back.

The CHAIRMAN. Let me at this point put a little levity into this thing. The Banking Act of 1933, the Glass-Steagall Act—

Senator PROXMIRE. I beg your pardon.

The CHAIRMAN. I want to make that correction out of respect—

Senator PROXMIRE. If the Chairman would yield—

The CHAIRMAN. He was a friend from Alabama—

Senator PROXMIRE. This is the first time in a long time that I have been accused of having too little gall.

Senator BENNETT. Probably the last.

Senator PROXMIRE. Thanks.

Senator BENNETT. I would prefer to have the Senator finish his questions.

The CHAIRMAN. That's all right. I told Miss Chase not to call time.

Senator PROXMIRE. I will be another few minutes.

Let me take a specific example. The trust department of your bank under your management owned nearly 5000 shares in Lockheed. At the same time the bank's loan department loaned Lockheed \$21 million under the government guarantee agreement. Do you think a decision of your bank to take part in the Lockheed loan was influenced by the fact that your trust department has such a sizeable equity interest in the company?

Mr. BUCHER. No, I do not.

Senator PROXMIRE. You don't?

Mr. BUCHER. Were those shares that you refer to held in discretionary accounts?

Senator PROXMIRE. We received a questionnaire from the bank last year and it didn't indicate whether these were discretionary or not.

Mr. BUCHER. If it is, the questionnaire usually sent out, they do define which it is. My venture would be those are discretionary accounts, meaning somebody else directed the investment.

Senator PROXMIRE. That would mean that under those circumstances there is no conflict of interest?

Mr. BUCHER. Under any there are—under your question, I don't believe there would have been either, because of the way we separate the departments. But my feeling would be, from my knowledge of our portfolios, that those were directed by a third party, which would be an added factor as far as the separation.

Senator PROXMIRE. You see, here is the difficulty we have: It seems that when a bank gets as much as \$20 million into a company like Lockheed, and they indicate they so desperately and urgently need additional funds in order to keep their head above water, then isn't there a temptation to go ahead, to be members of the team although your trust department is separate, a temptation is there, isn't there?

Mr. BUCHER. People might speculate in the abstract that there could be such a temptation. From the practical operation, certainly

in United California Bank, that would not be the case.

Senator BROCK. Was there a new issue of stock? Was this a new issue of stock, a recent issue Lockheed put out?

Senator PROXMIRE. It wasn't an issue of stock.

Senator BROCK. Any purchase of stock by the trust department wouldn't be from Lockheed providing them funds. They wouldn't be assisting Lockheed.

Senator PROXMIRE. Well, there was \$12½ million of additional loans. That's what I was asking. I don't think I had any question with respect to what stock were issued.

Mr. BUCHER. My understanding was yes, you were indicating that we were—the trust department might be supplying capital. I think the—Senator Brock's question is whether that would provide capital. Of course, the answer is no. The stock would be purchased on the market.

Senator PROXMIRE. No. It was the other way around.

The CHAIRMAN. I understood your question to be do you think that your trust department would be—that the bank would be influenced by reason of the fact—I mean, that there might be a conflict of interests to the trust department and the bank, when the bank made this additional loan, because of the bank's interest, ownership of an interest in the Lockheed Company.

Mr. BUCHER. Then you are talking the other way. I understand what you are saying.

My answer would be the same.

Senator PROXMIRE. Let me get back. We had an interruption, and you didn't give your philosophy on the surgical separation of the trust department from banking. I may or may not take one position or the other. I want to know what your position is.

Mr. BUCHER. If I were to be confirmed, I would be serving in a capacity quite a bit different than I have before. I have said that I thought I can make use of my knowledge from practical operations of commercial banks. I have also said that I have—I am committing to you that I have no predetermined ideas with respect to any aspect of bank regulations, the subject which we are discussing. My answer would have to be that I—as a member of the Federal Reserve Board, would ask for all the facts, would sort the facts. I have already said to you that I feel I believe in competition. I believe in the anti-trust laws. I think this is an important aspect. I would have to look at those facts and make a consideration. I don't believe it would be proper for me to make a philosophical expression at this point on that subject.

Senator PROXMIRE. As a former trust official, how can we expect you to render an impartial judgment, should the matter that I refer to with respect to Lockheed loans and your former bank come before the Fed?

Mr. BUCHER. As far as any matters relating to my former association, my mental attitude is such that I have already—it is expressed. That is that I would have an open mind. Directly related to UCB or to Western Bank Corporation, however, because of what other people might think, I would venture that the proper action for me to take would be to abstain for at least a couple of years on matters that are directly affecting those companies, and if a Lockheed matter directly affecting UCB were to arise before the board within the next two years, I would venture that abstaining would be the proper action.

Senator PROXMIRE. Why do you limit it to two years? If a Lockheed matter should arise during 14 years of service, why wouldn't you abstain?

Mr. BUCHER. The reason for it is not what my mental attitude is. The reason for it would be what other people might think. I would be concerned about anyone having the impression I was influenced by my past.

Senator PROXMIER. Why wouldn't they have it five years from now?

Mr. BUCHER. It is purely an arbitrary thought. I can't promise you that the opinion will change. But I think maybe it would be less of a chance after I had shown my impartiality in my voting records on the board after a couple of years. There would be less chance that anyone might even suspect that I would be influenced by my previous job.

Senator PROXMIER. Let me shift gears and get into another area concerning this committee, and that is the area of housing.

There was an article in the Wall Street Journal about a disturbing meeting of international economists at Montreal yesterday. Let me read the first paragraph on it.

"Prospects are dim for getting chronic worldwide inflation under control, judging from the gloomy session of the economists here. The economists presented a picture of persistent, almost unrelieved, upward price pressure, while unemployment remained stubbornly high. The only exception was the U.S.," where Mr. Stein said, "The revival of price pressure in the U.S. is becoming a source of concern."

My problem is this. You have had experience, as I understand it, in teaching housing law and so forth, and you have thought about this matter. How do we go about this very difficult problem of trying to insulate housing from a monetary restraint designed to restrain inflation? In the past, it's been a victim and a terrific victim of monetary restraint. In the '66-'67 period, housing starts went down below a million because they are so sensitive to high interest. What can you tell us about this as one who has been concerned about housing and replaces, incidentally, Governor Maisel on the board in this area.

Mr. BUCHER. I share your concern about housing. I am very disturbed about the effect that tight money has had on both housing and financing of local governments.

I don't think anyone has come up with the answer that universally is accepted as the word as far as housing—the solution to this problem is concerned. There have been proposals that I think should be looked at further, and I think make a lot of sense. One of them is to find a way during these credit crunch periods to channel capital from other areas.

The proposal has been made for an adjustment in the investment tax credit, for instance, whereby funds that would have otherwise flowed into capital spending might be available for housing to relieve the pressure. I don't purport to know the answer. I am not sure anybody does.

Senator PROXMIER. One of the other governors of the Federal Reserve Board has suggested reserve requirements. In other words, if a bank puts its funds into the housing area, the reserve requirements would be eased?

Mr. BUCHER. I am aware of that suggestion.

Senator PROXMIER. How do you feel about that approach?

Mr. BUCHER. I know it as a theory. I have not had an opportunity to study it in depth. I think it would be unwise for me to make an answer specifically.

Senator PROXMIER. How about the proposal that some of us have been urging very strongly in fact is passed by this committee, of permitting the Federal Reserve Board to have the discretion under these circumstances, not only to invest in government securities, but in housing obligations?

Mr. BUCHER. Well, of course, now they have Federal agencies which has an indirect effect.

Senator PROXMIER. I am not talking about the open market. I am talking about direct purchase.

Mr. BUCHER. This is something that I would again have to say that I would have to learn

more about before I would become directly involved.

Senator PROXMIER. I would hope this is an area where you would be able to come on the board with a fresh, vigorous viewpoint. This area is so important, where you have had some experience.

Mr. BUCHER. Senator, I am from California. California is a gigantic housing market. I have seen first hand the effects of credit crunch on housing and on people. Believe me, I would be very interested in this area.

Senator PROXMIER. For months we have been waiting for the Federal Reserve Board housing study. It has now arrived, and it includes few recommendations for action the Federal Reserve Board can take, the board largely limits itself to what other agencies can do. What important steps to help us meet your housing goals can the reserve system take?

Mr. BUCHER. I think we have covered this to some extent in a prior question. I know the Federal Reserve Board has concern, and I share that concern about engaging in projects which have an adverse effect on the role of monetary policy. This is why it becomes a difficult question. It is the balancing of the role as the monetary policymaker, in effect, with other responsibilities, and I know that is what concerns the Fed. I know they are concerned also about housing, very deeply so, and I am afraid I cannot say at this point that I know the answer.

Senator PROXMIER. You see the problem with this is that our central bank the Fed seems to be all alone in the world. Almost every major banking system in the world, except the Fed, can and does assist housing or other sectors as a means of counteracting the adverse influence of tight money. But the Federal Reserve system continues to oppose that. Your view, I take it, is that you would have to study this, that you recognize it as a problem, especially since you come from California where you have a big housing need, and an enormous housing market, but that you don't have any settled views.

Mr. BUCHER. I do not have any settled views at this point.

Senator PROXMIER. I have one other question, and then I will yield.

The CHAIRMAN. At that point would the Senator—off the record, please.

(Discussion off the record.)

Senator PROXMIER. My final questions are these and I will ask them together and you can make one response.

The 1970 amendments to the Bank Holding Act engendered much controversy. The board is required to make decisions and set limits on bank holding companies and subsidiaries.

First, I want to know do you have any views on the steps the board has taken to implement these amendments? Secondly, is the board going too fast or too slow in authorizing permissible activities, and finally has the board been too restrictive in the activities the board has permitted?

Mr. BUCHER. I think to give a proper answer to that, I would have to do more than I have done to this point and that is to read excerpts from articles in financial newspapers with regard to rulings from time to time. Your questions ask me to give critical answers or at least I would want to have well thought out answers with respect to your questions. I really don't feel that I have enough background knowledge nor enough information of the specific—I certainly understand generally the provisions of the act. I understand some of the things that have happened but I think it would be unwise for me to give a specific answer in view of my—the fact that I really don't have the background on the cases that you are referring to.

Senator PROXMIER. Let me follow up by asking whether or not you support the Hunt Committee recommendations—that regulation Q be gradually phased out?

Mr. BUCHER. I would have to study that further. The Hunt Commission report has many, many recommendations. You are speaking of the Q recommendations with regard to Q applying to all intermediaries, is that the point you are making?

Senator PROXMIER. That is correct.

Mr. BUCHER. I think I would have to—

Senator PROXMIER. Commercial banks and savings and loans.

Mr. BUCHER. As I say, I want to answer your questions directly, but I am concerned about answering where I haven't seen the background material and specifics and the arguments on both sides. I think that should be deferred.

Senator PROXMIER. Thank you.

The CHAIRMAN. With reference to these last questions that Senator Proxmire has asked, I would like to say that I think that is a very—is a matter of importance. I was about to say of real concern but I don't want to be construed as necessarily criticizing anything that has been done. But the language of the ones in the multi-holding company said that any activity that a bank could undertake would have to be closely, as I recall, closely related to banking. I have no particular objection to any ruling, any decision made but I think some people are beginning to wonder if the—if they are giving sufficient attention to that wording closely related to banking. I do hope that when you go on the board, careful attention will be given to that language because it was our intention, and this, I think, is agreed to both by the House and by the Senate and by the Congress, that any activity other than banking, that of one bank holding company be engaged in, would have to be directly related. We had great—I mean closely.

The word directly was in there at one time on one side or the other. We had great difficulty in getting the language. What we were trying to do was to lay down general guidelines but leave it up to the Federal Reserve Board to act on each individual case within those guidelines. I hope that they will give very close attention to that language and be careful in trying to carry it out. I am in full sympathy with what Senator Proxmire—

Oh, there is one other thing I want to say. He brought up the question of regulation Q. I am aware of the Hunt Commission treatment of that and of—and there is probably a feeling by a good many people that regulation Q has probably spent its force and ought to be dispensed with as far as savings and loans associations and banks are concerned. I don't feel that way. I feel that regulation Q is most helpful and certainly could be in the case of tight money policies. I hope it will not be done away with.

I don't know whether that, in order to eliminate it, whether it would require legislation. I don't believe it would. I think the Federal Reserve could act on it, couldn't it?

Senator PROXMIER. I think it could. It is a regulation.

The CHAIRMAN. But I hope they don't act on it because as Senator Proxmire pointed out, housing took a terrible beating in '66 and '67 in the money crumple and they suffered in '69 and '70, I believe it was, too. It always suffers when a tight money policy is invoked.

We have worked in this committee and in the Congress, I think, in trying to broaden the home mortgage market as much as possible. I think we have done a pretty good job in doing that. I would hate to see anything happen that would narrow that market because when the market is narrowed, it means people cannot—a great many people cannot buy homes because the mortgages cannot be disposed of advantageously. I think it is very important that those things be done and I

think it is very important that housing be kept in mind because housing always catches the worst end of it.

I believe it was Governor Malsel who pointed out that although the amount of housing within the gross national product was only a very small—

Senator PROXMIER. Three and a half percent.

The CHAIRMAN. Three and a half percent, that it took 70 percent, wasn't it?

Senator PROXMIER. That is right.

The CHAIRMAN. Of the impact of that '66-'67 crunch. It didn't go that bad, I am quite sure, in the 1969-70 but we were on our way and I hope—I have always felt—and this goes back many years. I used to argue with Mayner Eckels when he was Chairman of the board that not enough attention was given to the peculiar position that housing occupies when we go into a tight money situation. I do hope that that can be kept in mind and if other things are necessary, that they can be worked out to relieve that situation. I want to put in that word because I think it is most important and the Federal Reserve Board does have a most important part to play in it.

Senator BENNETT. I would like to yield to Senator Brock.

The CHAIRMAN. Okay. Senator Brock?

Senator BROCK. Thank you. I have—perhaps it would clarify it a little bit on this bank holding company matter if I could ask you a couple of broad questions. Do you agree with our intent in passing the holding company act of trying to avoid conflict of interest by expansion of bank activities into nonbank areas?

Mr. BUCHER. Yes, I do.

Senator BROCK. Do you think that the law as passed was adequate to achieve that objective?

Mr. BUCHER. I think we have to work with it and I think you shouldn't say in any instance that it should be—that it should remain the same, if under working circumstances there are improvements that can be made.

Senator BROCK. I think we do have—

Mr. BUCHER. Generally, I favor the law.

Senator BROCK. The point raised by Senator Proxmire with regard to bank purchase of houses, central bank purchases of houses and securities or papers, you referred to other central banks. The problems that other central banks, in Europe, for example, are not independent of the political body of the country. We have deliberately established the independence of federal with a particular reason in mind, that being to have the monetary system set aside as something almost sacrosanct to allow the authorities in control of that particular element of the economy to provide for maximum sustainable economic growth, full employment without inflation and there is in my mind an enormously valid justification for that independence, would you not agree?

Mr. BUCHER. I agree with that.

Senator BROCK. The question then arises as to whether or not if we force you to involve yourself in the purchase of housing securities, and I personally hope very much that you will not do so, we are in danger of making this more of a social purpose agency than a monetary agency. We then open the Pandora's Box because if you were appearing before the education committee they would tell you to buy those. Any other committee of the Congress would want you to support its particular area of interest. I think you would lose the very important quality of a concentration on your fundamental purpose of maintaining an adequate money supply and encouraging maximum growth and full employment.

I won't ask you to comment. You have already done so. But I feel very strongly on the matter.

One other thing that the Senator from Wisconsin raised, the implication that you would be a pawn of Arthur Burns. Now I have a great regard, as he does, for Arthur Burns, but perhaps you can assure us as to the independence of thought that you might bring to the board.

Mr. BUCHER. I share without any reservation your feeling about Arthur Burns. It seems to be a universal feeling. That pleases me very much and working with him is something I look forward to with a great deal of anticipation and happiness. I am really very pleased about it.

I assure you, however, that I will be my own man and that is under all circumstances in very situation.

I might comment in that regard that the same question or a comparable question was asked of Governor Sheehan on his confirmation hearing and I can't cite case and the number and the page, but I know that Governor Sheehan has voted on the other side from Chairman Burns on at least one instance. I know his mental attitude and that is he will continue where he feels appropriate in a situation to do that. I will do the same.

Senator BROCK. That is good. And I appreciate it.

I am sure you are familiar with Section 10 of the Federal Reserve Act but perhaps for the record maybe I ought to read one particular phrase here which says the President shall have due regard to a representation and the financial, agricultural, industrial and commercial industries of the country. Mr. Proxmire apparently wants only economists on the board but I think it would be very difficult to have all economists and adhere to the law. He charges that you and the President are in collusion to violate the Constitution. I think the law is very clear here. The intent of the Federal Reserve Act was to require a balanced board. To be specific, if you—if, not when, you go on the board the board will have one lawyer, pure and simple, one banker-lawyer, if you will and one businessman and four economists.

Now, I happen to think that is a pretty good spread. I think the board ought to have a diversion of input—or diffusion of input that allow broad range perspective on the total problem. I happen to thoroughly disagree with the Senator from Wisconsin as to the need for all economists. That would be a mistake.

As a matter of fact, I am somewhat surprised. I thought he had a higher regard for Governor Robertson. He would surely not be a professional economist by definition. He is an attorney as I understand it. I was wondering when I read the Congressional Record of the Senator's statement whether or not he had been working with Mr. Patman on that particular statement.

But anyway, there are so many—I don't know how to phrase it, but some problems relating to the decision of the board that do deal with the specific aspects of economic life in this country and I for one think we need some practical input on that board, not just theoretical.

I would like to conclude by saying I am absolutely delighted that the President has seen fit to appoint you and I think he is making quite a contribution to the board just by the nature of your background. I think you will be an asset to the board to have that viewpoint.

I think Mr. Proxmire may be giving you unusual credit. He seems to think you will dominate the board as soon as you go on. You may go. You would be quite a guy if you did.

I congratulate you on giving us an excellent statement today. I support your nomination.

The CHAIRMAN. That would be disregarding the rule of seniority.

Senator BROCK. That is my pitch not yours.

(Laughter.)

The CHAIRMAN. Senator Bennett?

Senator BENNETT. I think most of the questions I have have been presented. I was a little sorry to see Senator Proxmire raise the question of your background as an attorney. I was saving that.

It seems to me that it is not a bad idea to have an attorney on the Board who also had banking experience rather than a man whose practice had not been so broad.

I made a lot of notes. It is a temptation to go back and get further into the debate with the Senator from Wisconsin; but I think that would be time wasted.

I would just like to say to you, as I did when I met you for the first time in my office, that I am impressed with your background and of course will be very happy to vote for your confirmation and I say to you, I envy you. At your age, with 14 years of opportunity to be at the center of financial problems of the country and the world.

I am sure you will be able to measure up to that responsibility.

Mr. BUCHER. Thank you, Senator.

Senator PROXMIER. Could I make one closing observation, rather combine a series, very briefly.

I think the day is going to come when we have nothing but experts on the Federal Reserve Board. It may not be while I am alive and while you are alive. That Board is so important and so technical. I would hope where you have people who are bankers, they are bank economists, people from the agriculture section that are agriculture economists, that we look for that kind of expertise on the Board.

I wish you would put in the record the one instance when you revise your remarks where Mr. Sheehan differed from Dr. Burns, so we can have that as a matter of record.

I wish that Mr. Brock were still here, because there is nothing in the Constitution, but nothing, to say that the Federal Reserve Board should be politically independent. It is independent of the Executive, but it is a direct agency and dependency of the Congress.

Finally, again with complete respect for you, Mr. Bucher, as a person, the fact is that you did not really give a single specific answer to any one of my substantive questions. In virtually every case you indicated that you wanted to study it, you don't have the facts at hand, even though I was asking in areas like housing and multi-bank holding companies, where you should have whatever competence you bring to the Board.

I don't mean to derogate your ability, but I think this was established by the record this morning.

Thank you.

Senator BENNETT. Mr. Chairman, I would like to get back into—for just one comment. I think to ask Mr. Bucher to tell us in advance what he is going to do at the end of 14 years, and then in all of the times in-between with the basic problems that come before him, is like asking a baseball player how many home runs he can guarantee in next season's game.

I disagree with the Senator that the Federal Reserve Board should be all economists. It is obvious that the Federal Reserve Board is able to hire economists, 250 of them, and maybe you better have a non-economist up there to just kind of keep the thing practical.

And one final comment about this question of independence: I think the key is the independence of the Federal Reserve board from the Treasury. If the Treasury were able to use the Fed to quote the old phrase, as an engine of inflation, which has been the case in most countries around the world where their central bank was an

adjunct to the Treasury, I think we would be in much more serious problem.

I agree with him that it was created to be answerable to the Congress. To that extent, it is not completely independent. But, thank heaven it is independent of the Treasury.

The CHAIRMAN. Senator Bennett, when you got to talking about home runs, I thought you said the question was whether or not my fellow-Alabamian, Willie Mays, would be able to catch up with Babe Ruth's record now that he is with the Mets; or I will throw in another competitor, Hank Aaron with the Atlanta Braves. I believe he is one behind Willie Mays.

Senator BENNETT. I see you have been doing a good political job?

Senator PROXMIER. You have the fans' votes. You know all the answers.

The CHAIRMAN. Of course I could name Joe Louis and Jessie Owens and a good many others; Willie Coultrey.

Senator PROXMIER. Don Hudson?

The CHAIRMAN. Yes.

Senator PROXMIER. Green Bay Packers.

The CHAIRMAN. Scott Hunter is up there now.

Senator BENNETT. Maybe we better get an athlete on this Federal Reserve Board.

The CHAIRMAN. I wanted to go back to just two things:

First, I think Bill—Senator Brock—brought this out. Of course, there is nothing in the Constitution relating to this except that it gives Congress the right to—as a branch of government to legislate and we did legislate or our forbears did, and it did say that the appointments should be by the President, should be appointed by the President, and it further says that the President shall have due regard to a fair representation of the financial, agricultural, industrial and commercial interests and geographical divisions of the country.

Now I have great respect for economists and I certainly think that at all times there ought to be full—a good representation of economists on the Board, but I think that these other things are essential, too.

The only other thing I want to state for the record is that both Senator Cranston and Senator Tunney have approved this nomination.

Anything further from this witness?

Thank you very much, Mr. Bucher.

Now we will hear from Mr. Burkett.

(Discussion off the record.)

The CHAIRMAN. All right.

Mr. Burkett, do you have a statement?

STATEMENT OF WILLIAM A. BURKETT, FORMER SUPERINTENDENT OF BANKS, STATE OF CALIFORNIA; FORMER PRESIDENT, NATIONAL ASSOCIATION OF SUPERVISORS OF STATE BANKS; FORMER DIRECTOR DEPARTMENT OF EMPLOYMENT, STATE OF CALIFORNIA, AND MEMBER OF THE CABINET OF GOVERNOR GOODWIN J. KNIGHT; FORMER CHAIRMAN, LIAISON COMMITTEE WITH THE BOARD OF GOVERNORS, FEDERAL RESERVE SYSTEM AND THE NATIONAL ASSOCIATION OF SUPERVISORS OF STATE BANKS; AND FORMER PRESIDENT AND CHAIRMAN OF THE BOARD, SECRETARY NATIONAL BANK OF MONTEREY COUNTY, NOW RETIRED

Mr. BURKETT. Yes, Mr. Chairman.

Members of the committee, I respectfully submit the following 14 reasons why I believe Mr. Bucher should not be appointed.

The CHAIRMAN. Just a minute.

Mr. Burkett, for the benefit of the record, while I stated back in the beginning that you would be—you would appear and that you were a former supervisor of state banks, will you give—you are from California?

Mr. BURKETT. Yes.

Senator PROXMIER. I would like to point out the witness has a prepared statement which has his qualifications on it. I think he has not handed it out. Perhaps if the clerk could get it we could all have copies of it.

I happen to have a copy here.

The CHAIRMAN. I was going to suggest that the record show just what your situation—your connection is.

Mr. BURKETT. I was Former Superintendent of Banks in the State of California.

Senator BENNETT. What year, Mr. Burkett?

Mr. BURKETT. 1953—1956 to '58.

I was also former Director of Employment of the State of California prior to that and I was a member of Governor Knight's cabinet in California from 1953 to 1959, serving some time under Governor Brown.

I was also President of the National Association of Supervisors of State Banks of the U.S. and was the liaison officer between the Federal Reserve from the State Bank Supervisors to the Federal Reserve and I was likewise Former President and Chairman of the Board of the Security National Bank of Monterey County, California.

I am now retired, physically disabled.

The CHAIRMAN. Thank you very much.

I didn't realize that was a part of your printed statement. I did want to give it in the record.

Mr. BURKETT. The first reason is that I believe—this gentleman is totally unqualified to serve as a member of the Board of Governors of the Federal Reserve System.

He is without any experience whatsoever in commercial banking or dealing with the economic and monetary problems of our nation which are handled by the Federal Reserve System.

A trust department officer is not truly a banker. A man who does trust department work is as removed from a knowledge of the nation's banking and fiscal problems as a horse doctor is from the skill required by a heart surgeon for open heart surgery.

The title "banker" or "doctor" is sometimes deceiving.

On the other hand, the Board of Governors of the Federal Reserve System appears to be sorely in need of an appointee with wide banking experience and a knowledge of the nation's fiscal problems.

(2) As Superintendent of Banks, State of California, it was my duty to pass on the qualifications of a candidate selected to be the president of a state bank.

This nominee would not qualify for appointment to the presidency of even the smallest bank in California because of his total lack of knowledge and experience in banking—let alone an appointment to the most powerful banking Board in the world.

There are hundreds of outstanding, knowledgeable, brilliantly qualified retired commercial bankers in the United States—with no axe to grind—who would be far better qualified than Mr. Bucher, and who the President could appoint if he made the slightest effort to seek them out.

There are many knowledgeable retired presidents and retired chairmen of the Board of banks who would make a major contribution to this Board of Governors if asked to serve by the President of the United States.

The term "retired banker" is purposely used here, for such an appointee would have less likelihood of "conflict of interest" while performing his duties such as sitting with the Board of Governors, while ruling on bank holding companies, or ruling on bank and branch applications where the problems of competitive banking arise.

Certainly with a retired commercial banker serving on the Board, you would eliminate the possibility offered by the ambitious young appointee looking consciously, or unconsciously, to better himself in the future with one of the nation's 14,000 banks.

As a banker and as a citizen, I challenge the reasoning or the motive back of the appointment of such a poorly qualified person for such a vitally important governmental position.

(3) A trust officer is the last man in the

financial field that should be appointed to the Federal Reserve Board because they are a particularly evil influence on banking generally.

The trust departments of commercial banks are helping to destroy the integrity of banks because a trust department obviously operates as a "conflict of interest" within commercial banking.

(Someday, I predict, we will have federal legislation forcing the separation of commercial banking from trust work.)

For example, Mr. Bucher's UCB trust department that must have had knowledge of an \$18 million bad loan that UCB made to Lockheed. His UCB made this \$18 million unsecured loan despite the fact that Lockheed was financially insolvent.

The honest fact is that Mr. Bucher's trust department at UCB held millions of dollars in rich pension funds which were administered for Lockheed. UCB couldn't afford to lose such a rich, profit-making trust.

Therefore, UCB gave special consideration to insolvent Lockheed when it asked for a loan. The commercial banker within UCB was blinded by the trust business that Lockheed had given to UCB.

(4) It is no secret that there is not a single bank in California—no large, commercial bank in California—that can or will make a large commercial loan to any corporation or business of any kind unless that corporation or business will transfer their profit-sharing pensions, trust matters, and corporate trusts to the lending bank's trust department.

Therefore, you can see the evil influence that a trust officer at UCB, or any other bank, wields in making such power to assist, or not to assist, a business in obtaining bank loans from the commercial side of the bank.

(5) Mr. Bucher's trust department was likewise negligent in allowing his UCB bank to participate in loans to Penn Central Railroad. Certainly, the commercial bankers in UCB also knew that in granting further loans to this insolvent railroad that they were enhancing, or at least protecting, the many millions of dollars of Penn Central Railroad stock and bonds which Mr. Bucher's trust department held in its various private trusts and pension portfolios, administered by UCB.

(6) This obvious "conflict of interest" type of experience that a trust officer has is, in my opinion, not the experience needed or wanted on the Board of Governors of the Federal Reserve System.

Every Senator who has the power to vote against this appointment should, I believe, demand that our government, our powerful Federal Reserve System, should have a better qualified man.

I doubt very much that Mr. Bucher has even the slightest knowledge of the Board of Governor's Regulations, let alone a knowledge of bank reserve requirements; foreign currency operations; financial flow and credit markets' Federal Reserve bank examination operations; guidelines for banks and non-bank financial institutions; lending authority of reserve banks; revenue bond underwriting by member banks; or policy actions of the Board of Governors on gold reserve requirements; international liquidity; bank holding companies; open market transactions; maximum permissible interest rates; time deposits; or balance of payment and economic problems involved in our government's fiscal problems.

All of these are problems which pass over the desks of members of the Board of Governors of the Federal Reserve System for discussion and solution.

Where would Mr. Bucher's previous knowledge of a bank trust business be of value here?

I firmly believe that any one of the Chairmen of the twelve Federal Reserve Banks, or Deputy Chairmen of the Board of Directors of any of these 12 Federal Reserve Banks

would be a far better, more knowledgeable, more experienced appointee by the President than Mr. Bucher.

Mr. Bucher's very limited qualifications and total lack of experience or knowledge of Federal Reserve matters would work a severe hardship on the Board of Governors who are, more than anyone else, solely responsible for the monetary and economic policies of this nation.

(7) I further object to trust officer Bucher's appointment because he also served as secretary and treasurer of UCB where he supervised some of the investment activities of UCB.

If Mr. Bucher held these positions with UCB, I respectfully suggest that he be questioned as to how he escaped his duty as an officer of the bank when UCB lost \$48 million from a 58 percent owned subsidiary with UCB operated in Basel, Switzerland, known as the "United California Bank in Basel AG." This \$48 million loss to UCB seriously reflects on the management and investment policies of UCB.

The most gross kind of negligence by UCB has been uncovered. This may turn out to be one of the worst bank scandals since the bank holidays of the early 1930s. I understand, however, that Mr. Bucher has denied any involvement.

(8) Mr. Bucher wishes to sit with the Board of Governors, but I would like to ask why the Board of Governors of the Federal Reserve System ever gave this official sanction to Mr. Frank L. King, Chairman of the Board of UCB, to allow UCB to pay off this \$40 million loss?

Did Mr. Bucher's bank inform the Federal Reserve that Mr. King was also Chairman of the Board of this Swiss subsidiary and a member of its Executive Committee at the time of the \$40 million loss?

Was the Federal Reserve informed that under Swiss law, the bank's bankruptcy would make Mr. King personally liable and responsible for some of the \$40 million loss? (The additional \$8 million loss was UCB's investment.)

The question now is whether or not Mr. Bucher should be appointed to the Federal Reserve System at a time when this entire \$48 million loss is in litigation in the federal courts in California and an official investigation of the actions of all of UCB's officers in connection with these losses have been requested of the House Banking Committee and the Senate Banking Committee.

Senator PROXMIRE. Could I interrupt. You skipped "including Mr. Bucher."

Mr. BURKETT. I have asked to go through all officers' involvement in it. It is hard to escape which one should know or would not know. It should include Mr. Bucher. It should include Mr. Bucher.

Wouldn't it be better to have the President appoint someone not in any way connected, even remotely connected, to this scandalous UCB affair, a bank with which Mr. Bucher has been associated for the past several years?

(9) If Mr. Bucher, as an officer of UCB, claims to have no knowledge of this \$48 million loss by UCB in Switzerland, and the other millions of dollars of possible loss involved in the Lockheed and Penn Central matters, how did he escape knowing about it when it was known even by bankers outside of UCB?

And can we then regard Mr. Bucher as qualified to sit as a member of the most powerful banking board in the world? The Board of Governors of the Federal Reserve System has life and death control over every bank in the United States, which total approximately 14,000 commercial banks, and 22,000 branches with commercial deposits totaling over \$500 billion.

(10) I do not believe Mr. Bucher will deny that he has been the protege and trainee of California banker, Frank King.

Mr. King wears three hats with UCB in

California. He is chairman of the board of the above insolvent Swiss bank subsidiary of UCB that lost \$48 million last year.

Mr. King is also chairman of the board of UCB in Los Angeles where Mr. Bucher works; and Mr. King is also chairman of the board of Western Bancorporation, the world's largest bank holding corporation which, in turn, owns approximately 98.6 percent of UCB.

If Mr. Bucher is knowledgeable of banking as he claims to be, then why, during his career as an attorney, an auditor, and an officer of UCB, didn't he object to such elementary bank financial statements distributed publicly by the UCB of Basel, which disclosed under the "due from banks" item some \$7.5 million which actually were not in any way "due from banks," but were "due from brokerage houses"—something entirely different—and dangerously different.

The "due from banks" item on a bank's financial statement is such an elementary commercial bank terminology that even most ordinary depositors understand the term, especially a former attorney, auditor and officer of a bank.

As an officer, Mr. Bucher knew, or could have known by making the most elementary inquiry, that this Swiss bank subsidiary of UCB was operating as a gambler's bank for commodity trading. Most of the executives of UCB in Los Angeles had known this from the very beginning of the bank's existence, yet Mr. Bucher and his fellow UCB officers allowed this illegal banking practice to continue until it eventually caused the insolvency of the bank and the \$48 million loss to UCB, which is the largest bank loss in the history of Swiss banking.

Such gross negligence on the part of officers of UCB is shocking. What assurance is there that Mr. Bucher's performance on behalf of this nation would be any more responsible than his demonstrated record at UCB?

(11) Mr. Bucher claims to have knowledge and responsibilities in handling his bank's investments as well as UCB leasing business. If this is true, then why did Mr. Bucher allow UCB's 58 percent owned Swiss subsidiary in Basel to purchase the worst kind of "lettered investment securities", meaning securities that are restricted and cannot be sold in the open market, which lost UCB \$1.25 million?

It is either lack of initiative on Mr. Bucher's part in not finding out what was going on at UCB, or a studied effort to be blinded during one of the worst banking scandals to face the nation in decades.

(12) Mr. Bucher was the personal appointee of Mr. Frank King to the positions he has held with UCB. I am sure that Mr. Bucher knows, as most California bankers know, that Mr. King has been a very large financial supporter to Richard Nixon throughout Mr. Nixon's entire political career. I fear that Mr. Bucher's appointment will be interpreted as a political payoff and not as an appointment based on qualifications that are needed on this important Board.

(13) In connection with Mr. Bucher's appointment, I have reason to believe that Mr. King, chairman of the board of UCB, and mentor of Mr. Bucher, solicited the aid of Mr. C. Arnholt Smith, the most powerful Republican banker in California. Mr. Arnholt Smith of San Diego admits to having raised hundreds of thousands of dollars for Mr. Nixon's political campaigns. There are some reports that he has even raised as much as a million dollars during his career.

The question is raised as to whether or not it was Mr. Smith's hand that engineered the Bucher appointment from the President, with Mr. King being the first to enlist Mr. Arnholt Smith's powerful support.

(14) Finally, another point against the Bucher appointment is that Mr. Arnholt Smith recently purchased 94.5 percent of the Fidelity Bank of Beverly Hills, California,

and this bank's purchase and merger will require the approval of the Board of Governors of the Federal Reserve System. Lawsuits are now being prepared to prevent this merger. Mr. Arnholt Smith is constantly seeking the approval of the Board of Governors for banks that he purchases to merge into his U.S. National Bank of San Diego, owned, in turn, by his conglomerate, the Westgate-California Corporation.

The U.S. National has 62 branches and Mr. Smith is the chairman of the board of the U.S. National Bank.

In conclusion, I wish to say that I firmly believe that selfish banking interests are trying to foist upon the American public a man totally unqualified to sit as a member of the Board of Governors of the Federal Reserve System for the next 14 years, and worse than that, a man who could possibly be subjected to undue influence by his powerful former employer, the UCB bank, owned by the world's largest bank holding company, and possibly by the powerful California bankers, C. Arnholt Smith and Frank L. King. Will this gentleman be the product of thinking of his former associates?

What will happen in the future if he is faced with conflict of interest?

I respectfully hope that you will vote to reject Mr. Bucher's nomination and that you will in this way ask the President of the United States to submit a better-qualified candidate for this high position.

President Nixon's high sounding, idealistic public promise to bring into government "the very highest qualified and experienced men" to serve their country should be put to the test by your committee. There are many such men who would be better qualified for this appointment in every way than Mr. Bucher.

Certainly, during these critical inflationary times, with deterioration in U.S. foreign trade, continued large deficits in the federal budget, questionable economic activities, restlessness and lack of confidence of business, labor and the people generally, certainly this is no time for the President to appoint to the Federal Reserve System someone less than the best qualified banker in the nation.

Thank you.

The CHAIRMAN. Thank you very much, Mr. Burkett.

I shall ask you very few questions. I was looking to see what was given in your little biographical sketch at the beginning of your statement, with reference to your own banking experience.

Mr. BURKETT. I was President and Chairman of the Board—

The CHAIRMAN. I see that. President and Chairman of the board of the Security National Bank in Monterey County.

The CHAIRMAN. I see that. President and Chairman of the Board in Monterey County?

Mr. BURKETT. Yes.

The CHAIRMAN. Was that after you were superintendent or before?

Mr. BURKETT. Yes. A few years afterwards.

The CHAIRMAN. Did you have any banking connections before you were superintendent?

Mr. BURKETT. Yes, I did.

The CHAIRMAN. What was that?

Mr. BURKETT. I was with the Trust Department of Bank of America which in my opinion qualifies me, I believe; that trust department and commercial banking don't mix. It didn't—it was lack of knowledge, at that time, as an appointment was—I needed experience in banking.

The CHAIRMAN. Was that all of the banking experience you have had before being appointed?

Mr. BURKETT. Right. I had been with the U.S. Treasury intelligence unit during the Estes Kefauver tax scandals in the fifties.

The CHAIRMAN. Were you in any way ever connected with this UCB?

Mr. BURKETT. They approached my bank. The CHAIRMAN. What, that Security Bank? Mr. BURKETT. Yes.

The CHAIRMAN. When?

Mr. BURKETT. It's a small country bank in Monterey County. I received—I am most interested in UCB's welfare. This is not in the sense of a critical condition other than constructive criticism.

I received over—over several thousand shares of Western Bank and UCB Stock. I receive over 100,000 a year in net income from them, from bank buildings that they rent from me. I have only the greatest interest in UCB's welfare.

I am critical of this—of the loss of \$48 million.

The CHAIRMAN. What is the name of the holding company, Western—

Mr. BURKETT. Western Bank Corporation; they are the world's largest bank holding company. They own 98.6 percent of United California Bank and Mr. King is Chairman of the Board of that, and Chairman of the Board of UCB, and Chairman of the Board of the Swiss bank.

The CHAIRMAN. Mr. King was?

Mr. BURKETT. Yes, sir. And chief executive officer up until recently.

The CHAIRMAN. You said this bank was in—is it UCB or the Western—the holding company that is in litigation?

Mr. BURKETT. The United California Bank.

The CHAIRMAN. Is in litigation?

Mr. BURKETT. Yes, sir. There are three suits.

The CHAIRMAN. What are those suits?

Mr. BURKETT. Derivative suits and stockholders class actions.

Senator BENNETT. Are you the sponsor of one of the suits?

Mr. BURKETT. I am not. At one time an attorney without my authority signed my name to a complaint. I was out of the country at the time and I had been working with the attorneys, but I have a semi-cancerous condition which does not permit me to participate—this is the first public appearance I have made in about five years.

I thought it was worthwhile to come from California to testify because I believe in the vitality of this plus bringing the Senate attention to the UCB banking scandal.

I withdrew—to answer your question—it was filed without my authority. My attorney in turn did not bring malpractice against the attorney. He just simply asked me to put my name off of it and it did. It did appear in *The Wall Street Journal* that I was a part of the suit. There is no doubt about it that I had felt strongly about it and I support the suits. I also support the management in doing something about it as promptly as they can.

But not by taking \$48 million out of the assets of this bank to pay off something. They only owned 58 percent. They didn't have to pay 100 percent.

Senator BENNETT. Isn't this another case of guilt by association?

Mr. BURKETT. Absolutely not, Senator.

Senator BENNETT. You are attempting to flout onto Mr. Bucher whatever guilt may belong to Mr. King and his associates who manage the bank. You are attempting to tell us that because Mr. King may have mismanaged or even been guilty of wrong-doing, we should therefore reject Mr. Bucher.

Mr. BURKETT. The last time I testified before a Senate committee was Senator Kefauver and it was the same thing. No one had investigated a certain bad situation but Senator Kefauver. We all agreed that these were facts that should be looked into. I am saying that it wasn't guilt by association. It was simply saying that these facts should be investigated, held up, looked into, investigate before we hastily go ahead.

In that case, six men were indicted by Senator Kefauver. It took him a year or two to get statements. The Senate Committee went—

Senator BENNETT. Are you saying that Mr. Bucher is in such a situation that he probably should be indicted?

Mr. BURKETT. That's ridiculous, sir. I didn't mean it in any way. I think you are now associating me by guilty by circumstances of saying the same sort of thing.

Senator BENNETT. You made the parallel that—

Mr. BURKETT. I say as a Senate Committee you have certain authority as elected Senators. My uncle used to be U.S. Senator. They have certain duties.

I believe that you are to pass on the qualifications of this man. I think that by asking qualifications—I was Director of the Employment of the State of California. We didn't. We didn't pass it on men without checking into them. More than a cursory question.

I was also on the Governor's Cabinet, his inner cabinet. I was the first man appointed and the last man to leave Governor Knight. We checked out very carefully.

This is one of the most important jobs in the U.S., almost in the world.

The CHAIRMAN. Let me—

Senator BENNETT. I will come back.

The CHAIRMAN. Let me get back to my questioning.

Now, you heard Mr. Burcher say in connection with the questioning on this Swiss fiasco that he had no connection with the management of that bank at all; did you not?

Mr. BURKETT. Yes. He said he had no connection with the bank at all.

The CHAIRMAN. Do I understand correctly—when did this happen?

Mr. BURKETT. Well, they bought this bank in 19—first this bank—it is not a Swiss bank. It was an American promoter that went—from San Diego, a man named Salien. I had the SEC—the SEC had questions on him. It—as started in 1964 and UCB approached this in 1969 with 58 percent of the interest.

The CHAIRMAN. 1969?

Mr. BURKETT. Yes.

The CHAIRMAN. Well, when did—when was it the Kefauver Committee?

Mr. BURKETT. No. I have been ill—

The CHAIRMAN. Was the Kefauver matter connected with UCB?

Mr. BURKETT. No.

The CHAIRMAN. I want to be sure the record is clear on that.

Mr. BURKETT. You wish to have me repeat it, sir?

The CHAIRMAN. No. No. You stated in answer to my question, because—

Mr. BURKETT. Then UCB was advised by the Swiss authorities that men like Erdman and the President and Seaforth—in 1969 making gambling commodities, type of investments, and they were asked to take off certain officers.

But these officers even were not removed. Mr. King was a former banker. When banking authorities tell you that something is probably wrong, that these are not qualified people, they certainly—

The CHAIRMAN. Well, I want to get a distinction between Mr. King, who headed up the whole thing, and Mr. Bucher.

Mr. Bucher says he was a Trust Officer.

Mr. BURKETT. Yes.

The CHAIRMAN. And was not in any way connected with the management so far as that—what we call the Swiss bank—was concerned.

Do you have any reason to doubt that statement?

Mr. BURKETT. Depositions are now being taken of the officers and various people. It's one of the great bank mysteries. By Swiss authorities as well as others that believe it is. It was never made a branch like Chase National. It was a subsidiary.

Here they found these unauthorized com-

modity trading to cover up officer's fraud. Some six have been indicted. There have been—

The CHAIRMAN. Wait a minute. Six have been indicted on this?

Mr. BURKETT. In Swiss. But this side has never been investigated by the House Banking Committee or the Senate investigating committee.

There have been none that has—although an official investigation has been requested of you.

The CHAIRMAN. I notice in your statement you say investigation has been requested by the House Banking Committee and the Senate Banking Committee. I don't recall anything like that.

Mr. BURKETT. Senator, Congressman Packman—

The CHAIRMAN. No, I am talking about the Senate Banking Committee.

Mr. BURKETT. That was over a year ago. October of 1970, when the request was made?

The CHAIRMAN. Who?

Mr. BURKETT. I did it.

The CHAIRMAN. You said—

Mr. BURKETT. I talked with the Staff here just recently. If I came back, I asked Mr.—

The CHAIRMAN. I was mistaken. I thought it was requested by. I believe you say requested of.

Mr. BURKETT. Yes.

I respectfully request it again, sir.

I think that's all from me.

Senator Proxmire?

Senator PROXMIRE. First, Mr. Burkett, I want to say that I think what you have done today is extraordinary. You are in serious condition and I understand you have had an operation for cancer of the colon.

Mr. BURKETT. My entire insides have been removed on three occasions. I have a very limited time effort between sleeping and taking medicine.

Senator PROXMIRE. When you say disabled, you mean disabled.

Mr. BURKETT. I am totally disabled.

Senator PROXMIRE. This is the first time you have appeared in public in five years so you think this is a serious matter?

Mr. BURKETT. This is right.

Senator PROXMIRE. As you say, this is the most important economic appointment a president can make, and certainly the most significant economic appointment this committee can pass upon. It has a profound effect and I want to thank you so much for your coming before us.

I am very impressed by your background. I don't know how you could have higher qualifications. You have been a bank president, you have been in the trust department, so as you say, you understand the limitations of the Bucher appointment. Would you say that it is fair and not an exaggeration to contend that Mr. Bucher will simply have to develop on the basis of on-the-job training, that he would be getting on-the-job training as a governor of the Federal Reserve Board that he brings no qualifications to it whatsoever?

Mr. BURKETT. I agree 100 percent with what you said.

Senator PROXMIRE. How about your statement on page 4? You go through the functions of the board and point out in no respect does he have significant qualifications. You were present when I questioned Mr. Bucher on Mr. Arnholt Smith, and he replied to the best of his knowledge, he had no connection with him at all.

You say in point 14, you connect Mr. Arnholt Smith with Mr. King, and say Mr. Bucher was a protégé of Mr. King. Is that the only connection, as far as you know, between Mr. Bucher and Mr. Smith?

Mr. BURKETT. Yes, as far as I know.

Senator PROXMIRE. You have no reason to question the assertion of the nominee that he did not know—

Mr. BURKETT. He may not know, but many of the appointments—I say it because I sat with the governor in his cabinet when we made appointments, we sorted them out before we gave them to the governor. As I stated, the pressure is quite great. There are certain funnels in which the applications come through, and a lot of the nominees, including my own—I know where it came from afterwards, probably. But Mr. Arnholt Smith has hardly anything of this top nature of banking and finance that does not clear through him, through Mr. Nixon.

I used to have something to do with the campaign funds in the state for the governor, and I have knowledge that Mr.—Arnholt Smith—I know he doesn't deny it, that he has given many thousands to the party and even to the National Committee. There are several thousands on record, if you care to call the headquarters here. It's been carried as high as \$1 million that he has raised, and he himself is thought of as being around a quarter of a million personally.

Senator PROXMIER. Mr. Arnholt Smith is a direct friend and contributor and benefactor of the President of the U.S. And Mr. King has been his close associate, is that correct?

Mr. BURKETT. Yes. They are very close. That group of bankers work in tandem.

Senator PROXMIER. Are you saying that this is in the way of a political pay-off, that Mr. Bucher is appointed as a pay-off to Mr. King and that Arnholt Smith is the man responsible for engineering it, is that the gist of what you are telling us?

Mr. BURKETT. To the best of my knowledge and belief and sincere within my heart, I believe this to be nothing else than exactly what you stated.

Senator PROXMIER. And you say that because you can see no real qualifications for the Federal Reserve Board for this gentleman?

Mr. BURKETT. Yes, sir. Senator PROXMIER. He is very closely associated with Mr. King. Mr. King could stand to benefit greatly by policies of the Federal Reserve Board, is that right?

Mr. BURKETT. Yes, sir. Senator PROXMIER. Now I take it you don't share my view, and very few people seem to, that only professional economists should be appointed to the Federal Reserve Board. Although you disagree on that, you still feel that Mr. Bucher is not qualified?

Mr. BURKETT. I am sorry, Senator, I cannot agree with you on economists. They are very, very needed people, but I agree with Senator Bennett that a banker, a practical banker with no axes to grind, and there are many fine, honest, able men, not only active, but some retired, two or three presidents of PFA, Proctor, Citizens, Security, able and wonderful men.

Senator PROXMIER. You are saying if you want a banker, don't get a man from the trust department?

Mr. BURKETT. Right, sir. Senator PROXMIER. It's like getting a man to coach football who's had only experience in baseball.

Mr. BURKETT. Yes, sir. Senator PROXMIER. You had an opportunity to hear Mr. Bucher's answer to my questions on bank regulatory matters. In your opinion, were his answers responsive and do they demonstrate a solid knowledge of banking?

Mr. BURKETT. I would say again if he were interviewed for the presidency of a bank in California and couldn't answer some of those basic questions, he would not in any way be qualified to be a president of a bank in California, during—and as a member of the board of governors, Senator, I say that he is not in any way qualified because the answers were totally evasive and certainly some of them were quite elementary. The terminology that I would say the majority of

the bankers, even the small country bankers, could answer.

Senator PROXMIER. Didn't the—I am trying to get beyond to see if there is any other example, in addition to the cocoa speculation, the Swiss bank where he lost \$48 million, didn't the Basel Bank, this branch of UCB, speculate on the British pound devaluation in 1967? Wasn't this known to the management of the UCB when it purchased the Basel Bank?

Mr. BURKETT. Yes. This—the audit reports—not only does the bank send auditors there, but the Swiss authorities sent auditors. It brought this out to management. It was several months before it was released to the public. Then it was on Labor Day of 1970, and the points that you mentioned were there. The chairman of the board was on the executive committee and many of the officers in the group knew about it, and in fact they had been advised by the Swiss authorities of this. They were scuttling around. A loss was expected. One of the officers went and—who has a board of directors of an insurance company, rushed down and asks that insurance company to get a bond.

Now later this bonding company will not bond after something that was known several months ahead of time. Now they lost—there was a \$15 million policy from Lloyds and another \$5 million that came in. So there was indemnity was only in the \$20 millions. The losses will be over \$20 million. But the knowledge of bankers on staff, just as your staff work and as your committee work, bankers work the same way. The trust department officer on staff meetings and top echelon—and he was a senior vice president—it is hard to say whether he was there or not there, but the general workings of a large bank means that there is communication between departments.

In fact, the communications go on out through all the branches. I can show you communications on the Basel Bank that went out to the branches.

Senator PROXMIER. So as for the bank president who is a superintendent of banks in California, you consider it highly unusual that a man in Mr. Bucher's position had no knowledge, no understanding about this speculation into the cocoa market and the kinds of commitment and investment they were making?

Mr. BURKETT. Well, unless he is of the clerk type of banking mind, which I do not know him to be—

Senator PROXMIER. In which case, that would be a point against him?

Mr. BURKETT. He wouldn't know what is going on. The Basel Bank was known through California as a situation that was tricky. Mr. Lake was a San Diego man and he set this thing up and sold it for \$10 million, \$8 million to United California Bank. The Swiss authorities tell UCB people that these people are bad. It's a common knowledge on the street, in the banking circles, that this is a bad thing, and yet they allow this commodity stuff to keep going and all of a sudden, say, oh, and rush down to the Federal Reserve System and say can we pay it all off. So they did. But was there investigation by the Federal Reserve System? They approved the manner of payment and now \$40 million has been paid off to people who made investments there, as one stated—I sent an attorney over there on two occasions, and one of them—the only place in my life I ever bought stock or made investments, and I made a bad one, and they gave my money back. Here is UCB paying off this type—this is one of the greatest bank losses in the U.S., and has been for many, many years, since the Depression days.

Senator PROXMIER. Now Mr. Bucher may or may not have been involved in any way in the speculations with which you are inter-

ested, the big loss in which you are a party to the investigation of the suit?

Do you have any firmer information or firmer association of this man with either the Lockheed situation which you allude to, or the Penn Central situation?

As a Trust Department official, what would be his responsibility there?

Mr. BURKETT. I have always found in banking there were two kinds. One, who took initiative and who was not wedded to his paycheck or his Civil Service status in government and will speak out and say to management, look, this is a—unsecured loan. They didn't put up any collateral like you and the rest of us do.

Lockheed came in, insolvent, with statements, and they gave them \$18 million unsecured. They have the pension funds upstairs and Mr. Bucher's department has them. When they reviewed the investments of stocks and bonds, they start to worry about things that are bad. They don't want their portfolio full of insolvent things.

Senator PROXMIER. So here the connection with Mr. Bucher would be that he would be responsible in one way or another, with the 5,000 shares of stock Lockheed in the Trust Department and you are saying that it would be unusual if there were not some kind of influence with respect to a loan unsecured to Lockheed for \$18 million in view of Lockheed's tenuous record and difficult position, that a banker would normally require there to be some security on that.

Mr. BURKETT. That is right. A strong, able trust officer would go on record opposing such a loan and a weak one would close his eyes and say, this is—and permit this sort of thing to go.

I don't know the circumstances, but we do know the results that Lockheed got the \$18 million loan, an unsecured loan, at a time they were insolvent.

Senator PROXMIER. And apropos of a strong officer, what kind of a man do you think we should have in the Fed?

Mr. BURKETT. Certainly a strong man, a man of—who could not be influenced in any way, who would speak out.

If Mr. Bucher had a record of speaking out against these things to Mr. King, or he said, yes, I told them, I knew that this bond—I was worried about the condition of aircraft condition in Southern California. Lockheed wasn't just overnight—when they take a review, take through the—and security analyst, and so forth, and Lockheed had a director, I believe, sitting on the Board of Directors, at the very time. All of these things are available to UCB to ask the situation and when you get into that kind of money, 18 million, you go out and make a real, first-class audit of the condition of an organization.

You just don't—old school tie—maybe that was the case here. I don't know. The result is, they got an \$18 million loan unsecured.

And Mr. King, I can show you in the stockholders' meetings, where he admits this. It is printed that it is an unsecured \$18 million loan.

Senator PROXMIER. Do you know as a matter of fact that Mr. King was responsible—you talk about Mr. Bucher being his protege, was this a personal relationship that Mr. King promoted, and was he responsible for the career, to a great extent, of Mr. Bucher, or do you simply—

Mr. BURKETT. Not by association, sir.

On an appointment of that category in a large bank, it has to be approved by the president. He was the president and the executive officer of the bank at that time, as well as chairman of the board.

Senator PROXMIER. Mr. King was?

Mr. BURKETT. Yes, and he has always been a man who personally handled these things until just recently.

Senator PROXMIER. You are saying that he would have had to have direct explicit knowledge of the appointment of Mr. Bucher and he would have been responsible—it would have had to have been cleared by him?

Mr. BURKETT. That is right.

Senator PROXMIER. One other question.

I mentioned in my questioning of the nominee that one senior vice president of this bank was quoted as saying, "you win some, you lose some," when told about the \$48 million loss.

Does that indicate that UCB knew about the activities of the Swiss subsidiary, that it took a risk and lost?

Mr. BURKETT. It indicated that to me, sir.

It is that type of management that is being criticized by members of the public, certain legislators.

Senator PROXMIER. Kind of a racetrack psychology. You go out and take a little money, win it or lose it. But here you are dealing with the depositors' money.

Mr. BURKETT. I don't think anything like that has been said in banking circles publicly since the days of the Insull scandal. It is impossible to believe a banker would say that unless it is—association as to what is going on in that type of management.

That is what I say here, that if he had spoken out as secretary-treasurer, he knows these things, he knew these things as a trust officer, he certainly has the potential, at least, or the responsibility of being paid as an officer of the bank to ask questions, not be a rubber stamp.

Senator PROXMIER. Thank you very much.

The CHAIRMAN. I just want to say this, we have ranged pretty wide on this. This is not a court proceeding, but I think everyone recognizes the fact that very little of what has been said here regarding UCB and the Swiss bank and Mr. King and Mr. Smith—Smith is that his name?

Mr. BURKETT. Yes, sir.

The CHAIRMAN. Would be allowed in testimony at a court proceeding. A lot of it is hearsay, a lot of it is surmise. A lot of it is on the basis that it seems to me you should have known. No tie-in of any responsibility at all.

I don't say that critically, but I just think it is well for us to keep these facts in mind.

Mr. BURKETT. I asked, Senator, if I came back here—the idea was the hope that as an investigating arm that you would investigate this UCB—if it happens in one bank we have other international banks that we could lose millions in.

As I said the time I appeared before Senator Kefauver and it was the same type of questioning, and he said is this true? I said, we have reason to believe.

He said, fine, we will investigate it. That ended up in the 1950 tax scandals in which six or seven were indicted in San Francisco. That is the only relationship that I intended.

The CHAIRMAN. I agree with you on that.

I am glad you brought this before us.

I think in weighing it on the question of a confirmation of Mr. Bucher, we have got to be very careful to try to find out what the facts are and not what some surmise is. I just wanted to make that comment.

Senator BENNETT, if you have anything further?

Senator BENNETT. I have a lot of things here because, Mr. Burkett, I deeply resent some of the things you have said here today, as a Republican, as a member of this committee.

The CHAIRMAN. That does not include raising that money, does it?

Senator BENNETT. I did not get any of it.

Senator PROXMIER. That is why you resent it.

Senator BENNETT. They think—I am going to pass most of them by. Just one comment.

You talked about an \$18 million loan to an insolvent corporation. The President, I guess he is Chairman of the Board of the Bank of America, testified that when that loan was made, which was one of about 20 loans that were made by big banks all over the country; Lockheed had a net worth of \$370 million, had shown a net profit of \$50 million a year before taxes.

Now, that is not—those are not the stigmata of an insolvent company. Afterwards, they were discovered to be insolvent. It is easy to go back and second guess these things. But the inference that these—all the loan officers of these 30 banks that loaned Lockheed money, of which United California was only one, were all involved knowingly in loaning the stock—the stockholder's and the depositor's money to an insolvent company. That just is not true.

Mr. BURKETT. Senator, it is a felony to make out a financial statement that is fraudulent. Now, I—perhaps your Senate Committee would like to inspect this financial statement and check it out as our bank examiners do when small businessmen might want to make a statement, he has \$50 thousand, when he has only \$2,000. Ask Lockheed.

Senator BENNETT. That thing was fought through on the floor of the Senate and in committees. Was it last year?

Senator PROXMIER. Yes.

Senator BENNETT. There is no use opening it up again now. But you come here and make a categorical statement which puts you in direct contradiction with the Chief of—the Chairman of the Board of the Bank of America.

Mr. BURKETT. I do not contend to be that, sir. I just asked one question. Did you investigate the financial statement, line by line, of Lockheed?

Senator BENNETT. This is not your privilege to ask us. It was given to us and we did look at it. The inference that we acted as we did is that we compounded the felony, by agreeing, as I do, with Mr. Medberry, that it was not insolvent.

Now, when you were a trust officer of the Bank of America, were you aware of what went on in the Bank of America's foreign subsidiaries?

Mr. BURKETT. I was in the trust department as a trainee for a year and I sat with the Vice President who went to the penitentiary. I learned one thing; that was to be very careful and do some night school work and learn more. I did. I went to night school and learned more about trust work.

But—and commercial banking. Then I—Senator BENNETT. But you are coming here and saying, because you were part of the trust department, you are in a position to pass judgment on Mr. Bucher?

Mr. BURKETT. Yes. I was likewise the head of the investigations of every trust department in the State of California, Superintendent of Banks. There, we went over a lot of these things. That is when I decided by talking about bankers, meeting with bankers, discussing with bankers, and being President of all the Bank Commissioners in the United States, I sat with the bank examiners, and we always felt that—of the trouble the trust departments could be to the commercial side of a bank.

Senator BENNETT. Let us go down to Mr. Bucher, himself. When you left your position as head of the Banking Commission of California; Mr. Bucher was 21 years of age. So you had no experience with him while you were Commissioner?

Mr. BURKETT. No. I have never—I have none whatsoever.

Senator BENNETT. Have you ever seen him before today?

Mr. BURKETT. No, I have not.

Senator BENNETT. So, you are coming here to condemn a man, pass judgment on him,

and be very specific in some of the things you accuse him of, and you have never met him?

Mr. BURKETT. As far as meeting people, I am sure you have not met a lot of people, Senator. You have looked at the record. There are a lot of things you can judge without personality. This has nothing to do with his personality.

From what I saw, I think he is a fine, able-looking person. You do not judge a man by how many hairs he has on his head.

(Laughter.)

Senator BENNETT. What of Mr. Bucher's record, do you know? You do not know anything of Mr. Bucher except the fact that he works for Mr. King and you do not like Mr. King?

Mr. BURKETT. That is not true. I like Mr. King. That is absolutely a false statement, sir. I do not mean it in any way. I am sorry you made that interpretation.

Senator BENNETT. You have made some rather serious charges against Mr. King for the way he allowed the Swiss Bank Scandal to develop.

Mr. BURKETT. That is your personality side. I am talking about his administrative side. You are talking about personalities here.

Senator BENNETT. I am talking about his position as Chairman of that bank. You attack Mr. Bucher because you think Mr.—he is Mr. King's protege. Do you know whether Mr. King got him the job in the bank in the first place? Did Mr. King have anything to do with the successive promotion he got before he became the Senior Vice President in charge of the Trust Department?

Mr. BURKETT. Mr. King had something to do with his promotions within the bank. No one can become Secretary-Treasurer of the 14th largest bank in the world—in the United States without being—knowing something about the man. He has—and then to move him up to the senior trust position?

Senator BENNETT. Is that not true of every officer in that bank?

Mr. Burkett. No.

Senator BENNETT. Isn't it true of every major officer of the bank and company you then say that all of them are proteges of Mr. King, and that what Mr. King does that may be wrong rubs off on them and makes them—makes it impossible for them to qualify for a job like this?

That's the inference you have left with us.

Mr. BURKETT. Was that a question, sir?

Senator BENNETT. I will phrase it as a question: Do you believe that Mr. Bucher is the kind of a protege of Mr. King which—who, because of his associations with Mr. King would be rendered undesirable as—to be appointed in this particular job?

Mr. BURKETT. Yes.

Senator BENNETT. So it is not guilt by association?

Mr. BURKETT. Not in the way I look at it, sir.

Senator BENNETT. You admit you don't know the man. You admit you don't know anything about his specific record and all you know is the record of Mr. King.

So if Mr. Bucher is unfit for the job, it's because he worked for Mr. King and the inference is that in order to work for Mr. King, he had to be a party to or involved in certain things that you think were improper.

Mr. BURKETT. I say that in the top management of a bank which he was, he would have to have some knowledge of what's going on. There is nothing in the record that he said—and here today—that I spoke out about that, I do not approve of these things. This is bad. This is bad. This is bad. He had to study it. He had no knowledge about it.

Senator BENNETT. And you want us to assume that the chief trust officer of a bank has

a responsibility for the operation of the subsidiary in Switzerland and you just assume because he has that position he automatically has the information and you don't know whether he spoke out or not. You don't know anything about it.

Mr. BURKETT. I think that question was asked indirectly. He said he had no knowledge.

Senator BENNETT. Just one final comment. In your testimony you indicated that there are many fine retired bankers who would be better candidates for this position. Have you heard of a youth movement in the U.S.? In getting a young man into this position as he has been interested in getting young men in other positions and can you suggest a retired banker who could hope to serve out his 14 years as a member of the Federal Reserve Board without bumping his head against the—the age 70 limit?

Mr. BURKETT. Yes. I believe there are. And there is no assurance that they won't drop dead next week.

Senator BENNETT. I am not talking about serving out in terms of living to serve it out. You take a retired banker and put him in a job that has two qualifications: It's a 14-year job and you have to quit when you're 70—

Mr. BURKETT. Yes, sir.

Senator BENNETT. Do you know of any retired bankers that could meet those two qualifications?

Mr. BURKETT. Yes. I believe there are some in California and on the West Coast particularly.

Senator BENNETT. Men who have retired at less than 56?

Mr. BURKETT. Yes, because of differences on policy of certain banking operations. They have taken their hat and taken a walk.

There are some in Pebble Beach where I live.

Senator BENNETT. You think they would be more qualified for the job than Mr. Bucher?

Mr. BURKETT. Yes, sir.

Senator BENNETT. You think anybody would be more qualified for the job than Mr. Bucher?

Mr. BURKETT. I didn't say that, sir. I was referring to a banker's qualifications, knowledge of economics, monetary and fiscal policies of this nation.

Senator BENNETT. You admit you don't know anything about his personal record, his personal experience; all you know is what you read in the papers or what you judge by looking at the resume? You have no personal background to judge Mr. Bucher?

Mr. BURKETT. You mean this piece of paper where he went to college? That's all I have seen, that's right.

Senator BENNETT. On that basis you condemn him?

Mr. BURKETT. No, I don't condemn him on one piece of paper.

Senator BENNETT. You didn't condemn him on that basis. You condemned him on guilt by association because he works for Mr. King.

Mr. BURKETT. That's a matter of opinion, sir, if it's your opinion, fine; it's not mine.

Senator PROXMIER. Mr. Burkett, I think you have performed a very tough and difficult and painful job. It's no fun to come before a Committee and have to oppose a nomination. You are a sick man. You have come all the way across the country, your only public appearance in five years.

As I said before, I think you have served as a very good citizen and as one Senator, I am deeply grateful that you have appeared before us.

The most important judgment we can make, I think, is with respect to the Federal Reserve Board. The one way we have an opportunity, or a real influence on the Federal Reserve Board, is to scrutinize the appointees carefully and make sure they are well qualified. I think in this case we have no more information than the Senator accused you of having.

We just have these resumes in front of us. The only way we can develop additional information is to try to find out what has been done by the nominee in the past, what his responsibilities are, and what he knows about those areas where he has had some influence.

I must say on the basis of the record this morning, it's very clear the nominee does not have knowledge even in the areas where he has had training and experience.

Senator BENNETT. Mr. Chairman, I have to—I remind myself of the cartoon of the husband and wife, somebody said, doesn't your wife have the last word, and the husband said, she's never reached it yet.

So I have to have one last word. Mr. Bucher asked to visit every—I think every member of the Committee. He came to visit me. I had an opportunity to discuss the background with him.

Did he get to visit you?

Senator PROXMIER. Let me say I made the decision that under no circumstances will I ever again have a nominee come into my office in advance of a public hearing to discuss privately with me whether he should be appointed. I made that decision because again and again I found that I am a nice affable fellow just like you Senator Bennett, and I always want to make him feel good.

I say that without having had a chance to hear the man as a witness, without having a chance to study his record. I have talked as a matter of fact with other members of the Senate—just yesterday on the telephone, about this nominee. They asked me why didn't you tell me before he came into my office? I think this is a great evil and as far as this Senator is concerned, I say in the future, no nominee is going to see me privately.

That's a policy I am going to adopt from now on.

The CHAIRMAN. I think that's okay. I think it would be fine—

Senator BENNETT. While you say you are seeing him, you are going to see him publicly. You have developed with Mr. Burkett a very obvious campaign against him.

Mr. BURKETT. I want to say on the record, Senator, I never saw in the newspapers and I never knew Senator Proxmire was opposed to him. I read in the paper last night that he was against him.

I sat down and dictated my statement and hadn't been able to finish it completely. There have been many changes in that.

But I didn't know Senator Proxmire had these views. I commend him for them because the Federal Reserve System was being weakened.

Senator BENNETT. Will you tell the Committee on the record that you have had no previous contact with Senator Proxmire or any member of his Staff with respect to your—the testimony that you have given here today?

Mr. BURKETT. I was—I talked to a staff member of this Committee—the Banking Committee, Mr. McLean. I have asked him questions.

Senator BENNETT. Did you outline to him the nature of the testimony.

Mr. BURKETT. He asked me what I thought of him. I had about 20 reasons to be against him. In the time I reduced them to 14.

The CHAIRMAN. I think we have discussed this sufficiently Mr. Burkett, I feel certain that you felt moved to come here and present your case. I want to say on behalf of the Committee that we appreciate your coming.

Mr. BURKETT. Thank you, sir.

The CHAIRMAN. Thank you.

I will ask members of the Committee to stay here a minute. All of the others, get out, please.

(Whereupon, the open session of the hearing was adjourned to Executive Session at 12:45 p.m., Friday, May 12, 1972.)

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

FOREIGN RELATIONS AUTHORIZATION ACT OF 1972

The ACTING PRESIDENT pro tempore. Under the previous order, the Chair lays before the Senate the unfinished business, S. 3526, which the clerk will state.

The assistant legislative clerk read the bill by title, as follows:

A bill (S. 3526) to provide authorizations for certain agencies conducting the foreign relations of the United States, and for other purposes.

The ACTING PRESIDENT pro tempore. The pending amendment is amendment No. 1187, as modified.

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

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

The second assistant legislative clerk proceeded to call the roll.

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

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

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTIONS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Leonard, one of his secretaries, and he announced that on March 11, 1972, the President had approved and signed the following bills and joint resolutions:

S. 641. An act for the relief of Luis Guerrero-Chavez, Guadalupe Guerrero-Chavez, and Alfredo Guerrero-Chavez;

S. 1089. An act for the relief of Robert Rexroat;

S. 1675. An act for the relief of Antonio Plameras;

S. 1923. An act for the relief of Harold Donald Koza;

S. 2713. An act to amend title 18 of the United States Code to authorize the Attorney General to provide care for narcotic addicts who are placed on probation, released on parole, or mandatorily released;

S.J. Res. 173. A joint resolution to provide for the appointment of A. Leon Higginbotham, Junior, as citizen regent of the Board of Regents of the Smithsonian Institution;

S.J. Res. 174. A joint resolution to provide for the appointment of John Paul Austin as citizen regent of the Board of Regents of the Smithsonian Institution; and

S.J. Res. 175. A joint resolution to provide for the appointment of Robert Francis Goheen as citizen regent of the Board of Regents of the Smithsonian Institution.

EXECUTIVE MESSAGE REFERRED

As in executive session the Presiding Officer (Mr. TUNNEY) laid before the Senate a message from the President of the United States submitting the nomination of Lt. Gen. George Irvin Forsythe, Army of the United States (major general USA), to be placed on the retired list in the grade of lieutenant general, which

was referred to the Committee on Armed Services.

TIME EXTENSION ON TOBACCO QUOTA TRANSFERS—CONFERENCE REPORT

Mr. TALMADGE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 13361) to amend section 316(c) of the Agricultural Adjustment Act of 1938, as amended. I ask unanimous consent for the present consideration of the report.

The ACTING PRESIDENT pro tempore (Mr. STEVENSON). Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report, which reads as follows:

CONFERENCE REPORT (S. REPT. NO. —)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 13361) to amend section 316(c) of the Agricultural Adjustment Act of 1938, as amended having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That the second sentence of subsection (c) of section 316 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows: "Any lease of Flue-cured tobacco acreage-poundage marketing quotas from any farm with an acreage-poundage marketing quota in excess of 2,000 pounds filed on or after June 15 in any year shall not be effective unless the acreage planted on both the lessor and the lessee farms during the current marketing year was as much as 50 per centum of the farm acreage allotment in effect for such year." and the Senate agree to the same.

HERMAN E. TALMADGE,
B. EVERETT JORDAN,
LAWTON CHILES,
JACK MILLER,
CARL T. CURTIS,

Managers on the Part of the Senate.

WATKINS M. ABBITT,
JOHN McMILLAN,
WALTER B. JONES,
WILLIAM C. WAMPLER,
WILMER MIZELL,

Managers on the Part of the House.

Mr. TALMADGE. I ask unanimous consent for the present consideration of the report and that the joint explanatory statement of the committee of conference be ordered not printed as a Senate document by the Senate since it will be printed by the House of Representatives.

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

Mr. TALMADGE. There were two differences between the House bill and the Senate amendment, and these differences were resolved as follows:

First. The House bill exempted all kinds of tobacco for which leasing is provided by section 316—that is, Flue-cured, Maryland, Cigar-filler, types 42-44, and cigar binder, types 51-53—from the requirement in existing law that

leases be filed with the county committee by a fixed date no later than planting time established by the Secretary.

The Senate amendment made the same provision for Flue-cured tobacco only.

The conference substitute adopts the provisions of the House bill.

Second. The House bill restricted Flue-cured leases filed after June 15 to cases where both the lessor and lessee farms have planted at least 75 percent of their allotments.

The Senate amendment contained no similar provision.

The conference substitute modifies the House provision by completely exempting leases and transfers of Flue-cured tobacco involving farms with acreage-poundage quotas of 2,000 pounds or less from the June 15 deadline for filing such leases. It also changes the 75-percent requirement of the House bill to 50 percent.

Mr. President, I move the adoption of the conference report.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Georgia.

The motion was agreed to.

QUORUM CALL

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

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

The second assistant legislative clerk proceeded to call the roll.

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

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

VISIT TO THE SENATE TOMORROW BY APOLLO 16 CREW AND THEIR WIVES

Mr. ROBERT C. BYRD. Mr. President, the Apollo 16 crew and their wives will visit the Senate Chamber tomorrow at 1:30 p.m. They will enter the Senate Chamber from the Vice President's formal office and will proceed to the well of the Chamber.

There will be no speeches. It will be a simple and informal visit.

The visit will allow Senators to offer their congratulations to the crew of Apollo 16 and their wives.

I think it might be well today for the cloakrooms to announce to Senators that there will be this occasion tomorrow, this opportunity to meet the Apollo 16 crew, so that Senators can be present to show appropriate expressions of welcome and appreciation to the crew and their wives.

Mr. GOLDWATER. Mr. President, I did not quite understand what group the Senator mentions is coming here tomorrow.

Mr. ROBERT C. BYRD. The Apollo 16 crew and their wives?

Mr. GOLDWATER. At what time?

Mr. ROBERT C. BYRD. They will visit the Senate Chamber tomorrow at 1:30 p.m.

Mr. GOLDWATER. I thank the Senator.

ORDER FOR 30-MINUTE RECESS TOMORROW, BEGINNING AT 1:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, on tomorrow, the Senate stand in recess beginning at 1:30 p.m., for not to exceed 30 minutes.

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

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum and hope that the cloakrooms will indicate that this could very well be the final quorum call for today, unless Senators have speeches to make. We would like to know.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

ORDER FOR RECOGNITION OF SENATOR HARRY F. BYRD, JR., ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, immediately following the remarks of the able Senator from Alaska (Mr. GRAVEL), the distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.) be recognized for not to exceed 15 minutes.

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

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I am going to suggest the absence of a quorum again to give the cloakrooms time to ascertain whether any Senators want to speak this afternoon.

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

FOREIGN RELATIONS AUTHORIZATION ACT OF 1972

The Senate continued with the consideration of the bill (S. 3526) to provide authorizations for certain agencies conducting the foreign relations of the United States, and for other purposes.

THE BYRD AMENDMENT TO THE CASE-CHURCH AMENDMENT

Mr. CHURCH. Mr. President, on Thursday, May 11, the distinguished Senator from New Jersey (Mr. CASE) and I sent to our colleagues a letter fully ex-

plaining why we find the Byrd addendum to the Case-Church amendment unacceptable. The Case-Church measure provides for the total withdrawal of our Armed Forces 4 months after an agreement is reached for the release of our prisoners of war. Adding another element, an "internationally supervised cease-fire," only makes the return of our men now held captive by the North Vietnamese and their allies that much more difficult.

The letter reads as follows:

DEAR COLLEAGUE: Senator Robert Byrd has introduced an amendment to the Case-Church amendment which would add an internationally supervised ceasefire as a precondition to the cutting off of funds for further American participation in the war, four months after an agreement is reached for the release of American prisoners.

We are opposed to the adoption of the Byrd amendment for the following reasons:

1. If the North Vietnamese do not accept a ceasefire, then the President will have an implicit Congressional endorsement—it might even be claimed he had a mandate—to continue indefinitely American participation in the war.

2. A ceasefire requirement, if ratified by Congress and adhered to by the President, could give the Saigon Government veto power over American withdrawal and the return of our prisoners. If Saigon is thus given the power to keep Americans fighting its battles, our involvement in the war will never end.

3. Congressional endorsement of a ceasefire requirement might restrain the President from accepting, or later proposing, an unfettered agreement with the North Vietnamese for the return of all American prisoners in exchange for American withdrawal. We believe that such an agreement would be in our country's best national interest. To make prisoner release contingent on a cease fire might well be condemning the prisoners to many more years in North Vietnamese jails.

In conclusion, our aim is to end American participation in the war, once an agreement is reached on releasing the prisoners. We believe that this is in keeping with the stated goal of Vietnamization, namely that the South Vietnamese take over the responsibility for defending themselves.

We hope that the Vietnamization program works, but we are convinced that the United States has done all it can to help the South Vietnamese. The ceasefire requirement raises the prospect of American troops and airpower remaining indefinitely in South Vietnam, and we find this prospect unacceptable.

We hope you will join us in voting against the Byrd amendment.

Mr. President, we enclosed with the letter the new version of the Case-Church amendment, modified to conform to the President's 4-month prescription for completing an American withdrawal, plus a copy of Murrey Marder's analysis of a ceasefire, in which the noted Washington Post diplomatic correspondent raises many questions, pointing up the fact that what the President means by an internationally supervised ceasefire remains to be defined. At this time, Congress is in the dark with respect to that question, and I doubt if any Member here can provide a reliable answer.

I ask unanimous consent that the text of our letter, most of which I have read into the record, together with the text of the modified version of the Case-Church amendment, and the Murrey Marder article to which I have referred be included at this point in the RECORD.

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

U.S. SENATE,
Washington, D.C., May 11, 1972.

DEAR COLLEAGUE: Senator Robert Byrd has introduced an amendment to the Case-Church amendment which would add an internationally supervised ceasefire as a precondition to the cutting off of funds for further American participation in the war, four months after an agreement is reached for the release of American prisoners.

We are opposed to the adoption of the Byrd amendment for the following reasons:

1. If the North Vietnamese do not accept a ceasefire, then the President will have an implicit Congressional endorsement—it might even be claimed he had a mandate—to continue indefinitely American participation in the war.

2. A ceasefire requirement, if ratified by Congress and adhered to by the President, could give the Saigon Government veto power over American withdrawal and the return of our prisoners. If Saigon is thus given the power to keep Americans fighting its battles, our involvement in the war will never end.

3. Congressional endorsement of a ceasefire requirement might restrain the President from accepting, or later proposing, an unfettered agreement with the North Vietnamese for the return of all American prisoners in exchange for American withdrawal. We believe that such an agreement would be in our country's best national interest. To make prisoner release contingent on a cease fire might well be condemning the prisoners to many more years in North Vietnamese jails.

In conclusion, our aim is to end American participation in the war, once an agreement is reached on releasing the prisoners. We believe that this is in keeping with the stated goal of Vietnamization, namely that the South Vietnamese take over the responsibility for defending themselves.

We hope that the Vietnamization program works, but we are convinced that the United States has done all it can to help the South Vietnamese. The ceasefire requirement raises the prospect of American troops and airpower remaining indefinitely in South Vietnam, and we find this prospect unacceptable.

We hope you will join us in voting against the Byrd amendment.

We enclose, for your information, the new version of Case-Church modified to conform to the President's four-months prescription for completing an American withdrawal. Also enclosed is a copy of Murrey Marder's analysis of ceasefire that appeared in today's Washington Post.

If you have any further questions, please contact one of us directly or have a member of your staff call Tom Dine on extension 56142 or John Marks on extension 53224.

Sincerely,

CLIFFORD P. CASE,
U.S. Senator.
FRANK CHURCH,
U.S. Senator.

THE MODIFIED LANGUAGE OF THE CASE-CHURCH AMENDMENT TO THE STATE DEPARTMENT AUTHORIZATION BILL INTRODUCED IN THE U.S. SENATE MAY 9, 1972

(By Senators Clifford P. Case, R-N.J., and Frank Church, D-Idaho)

TITLE VII—TERMINATION OF HOSTILITIES IN INDOCHINA

SEC. 701. Notwithstanding any other provision of law, none of the funds authorized or appropriated in this or any other Act may be expended or obligated for the purpose of maintaining, supporting, or engaging United States forces, land, sea, or air, in hostilities in Indochina, four months after reaching an agreement for the release of all prisoners of

war held by the Government of North Vietnam and forces allied with such Government and an accounting for all Americans missing in action who have been held by or known to such Government or such forces.

[From the Washington Post, May 11, 1972]
"INDOCHINA CEASE-FIRE" REMAINS TO BE DEFINED

(By Murrey Marder)

The United States has left open for negotiation the critical details of its offer for a "cease-fire throughout Indochina" that would accompany an American military disengagement from the war.

Dispute about the exact meaning of the Nixon administration's cease-fire proposal was threaded through Senate debate yesterday over end-the-war legislation and also aroused questioning by diplomats and newsmen.

Administration officials acknowledged that the cease-fire terminology is open to various interpretations that are being reserved for diplomatic bargaining.

Presidential adviser Henry A. Kissinger said on Tuesday that "we will be delighted to spell out the details of our proposal as soon as a negotiation starts..." In these negotiations, said Kissinger, the United States would display "a generous spirit," with "the attitude of bringing about a rapid end to the war."

The deliberately vague response, was given to side-step one of the many questions on the cease-fire offer: Whether the United States would insist that the cease-fire require the withdrawal of North Vietnamese forces who have crossed into South Vietnam.

Defense Secretary Melvin R. Laird was reminded at his news conference yesterday that he stated on April 7 that there could not even be negotiations until North Vietnam "withdraws" its forces that launched a "massive invasion" across the Demilitarized Zone on March 30.

Laird was not alone in stating that condition, which he repeated more forcefully on April 18 in a Senate Foreign Relations Committee hearing, saying it would be "the height of irresponsibility" to hold negotiations while North Vietnam continues its "violation" of earlier agreements.

Secretary of State William P. Rogers, testifying a day earlier, on April 17, also originally ruled out negotiations "while this major invasion is under way." But Rogers reconsidered a little later in the hearing, and he added the qualification that the United States will not negotiate further until it is convinced "the other side has a serious purpose or, second, until this invasion is repelled or they withdraw."

Both statements, of course, have been overtaken by events in which the United States changed its position and did resume briefly both the formal negotiations with North Vietnam in Paris and the secret talks, the latter between Kissinger and Le Duc Tho on May 2.

President Nixon, in his Monday night version of the latest offer for ending U.S. participation in the war, said that present intensified military actions against North Vietnam and its supply lines will cease when Hanoi agrees that:

1. All American prisoners of war "must be returned." 2. There "must be an internationally supervised cease-fire throughout Indochina." 3. "Once prisoners of war are released, and once the internationally supervised cease-fire has begun, we will stop all acts of force throughout Indochina." 4. "At that time we will proceed with a complete withdrawal of all American forces from Vietnam within four months."

This proposal, on its face, states no requirement for the parallel withdrawal of North Vietnamese forces from South Viet-

nam. In earlier versions of this proposal, first offered by Kissinger to Le Duc Tho in May 31, 1971 and subsequently amplified, the United States intentionally omitted any demand for mutual troop withdrawal.

Kissinger, in discussing the U.S. military disengagement approach on Jan. 26, after President Nixon disclosed the 1969-71 sequence of secret Kissinger-Tho talks, said of the May 31 1971, offer:

"This was the first time that the United States had indicated a willingness to set a date, the first time that the United States was prepared to do so unilaterally; that is to say, without an equivalent assurance of withdrawal from the other side."

In other words, the United States was offering unilateral withdrawal of its troops. Administration officials, including Secretary Rogers, have said since the present Communist offensive began, that previous offers made to North Vietnam will stand. Kissinger said that in his May 2 meeting with Le Duc Tho, the Hanoi envoy refused "even to discuss" the U.S. proposals, but Kissinger expressed the view that in time North Vietnam may "believe that it now has proved its military capacity to the point where it could afford a purely military solution. . . ."

When and if that time comes, there would be a barrage of bargaining questions, including many that presently are being left unanswered.

What would be the duration of the cease-fire? What kind of cease-fire would it be, a standstill cease-fire, a grouping of forces, etc.? Would South Vietnam's government have a veto over the terms of the cease-fire? Could military conditions for the cease-fire involve political factors?

Mr. JAVITS. Mr. President, will the Senator yield to me at that point?

Mr. CHURCH. I shall be happy to yield to the Senator, after making two insertions.

IDAHO EDITORIALS URGE OUR TOTAL WITHDRAWAL

Mr. President, two outstanding Idaho newspapers, the Idaho Statesman and the Blackfoot, Idaho, News, editorialized recently, urging our total withdrawal from the Vietnam conflict in order to gain the release of our prisoners. The Statesman said—

If Hanoi will agree to a return of U.S. prisoners, we should adopt a policy of withdrawing our forces by the end of the year.

The Blackfoot News commented—

The war just won't go away . . . we don't seem able to learn from past mistakes.

I ask unanimous consent that both editorials be printed in the RECORD.

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

[From the Idaho Statesman, Apr. 19, 1972]

U.S. PARTICIPATION SHOULD END

Events in Vietnam show how easily a war which seemed to be winding down can heat up. After seven years of heavy fighting and sacrifices the U.S. is still deeply involved.

The renewed heavy bombing of North Vietnam may yield benefits, if it brings Hanoi back to the negotiating table and results in a settlement ending our participation. Basically, however, the defense of South Vietnam must rest with the South Vietnamese. With 45,000 dead and billions spent, the U.S. has given South Vietnam more help than our strategic interests warrant.

The bombing re-escalates our involvement, creates renewed animosity for American policy at home and abroad and creates a risk.

If Hanoi will agree to a return of U.S. prisoners, we should adopt a policy of with-

drawing our forces by the end of the year. By that time the President will have had four years to make good on his commitment to end U.S. involvement.

The South Vietnamese have managed to halt the North Vietnamese offensive. But the North Vietnamese are digging in for what looks like a long and bloody struggle.

If we were to reintroduce ground forces to help drive the North Vietnamese back, they could attack again in a few months, a year or five years. Hanoi can call the shots on the tempo and the length of the conflict.

Since we cannot win the war for the South Vietnamese and we have already invested more than South Vietnam is worth in terms of our vital interests, the logical course is to ask for the release of our prisoners and withdraw.

Since we still have 87,000 troops remaining in Vietnam, the President is obligated to see that they are protected until they are withdrawn. We should continue to help South Vietnam economically and with military supplies.

President Nixon has declared and followed a policy of gradual withdrawal. There should be no turning back. That means a stern test for the South Vietnamese but the United States cannot commit its resources indefinitely to a war which seems to have no end.

[From the Blackfoot (Idaho) News, Apr. 20, 1972]

MR. NIXON'S WAR AN ISSUE

History has a way of repeating itself, because we don't seem able to learn from past mistakes. The Vietnam war knocked Lyndon Johnson out of the White House in 1968. Because it drags on indefinitely it may knock Richard Nixon out of the White House in 1972.

In 1968 the nation was in need of a foreign policy debate that dealt with the establishment of new national priorities. The debate didn't occur, but it can scarcely be avoided in 1972.

Mr. Nixon in 1968 had achieved the miracle of political resurrection and the nomination of the Republican Party by saying he had a plan to end the war. His alternative was Hubert Humphrey, who achieved the nomination not because of popular appeal but because the Democratic Party superstructure exercised its control over the nomination process in a manner that was frustrating to many elements of its natural constituency.

Poor Mr. Humphrey was unable to emerge from the brooding shadow of the man remaining in isolation in the White House. His inability to take a position on the war in Vietnam that deviated from that of LBJ made his hoppy, yackety "politics of joy" campaign appear as an obscenity to millions of voters.

Mr. Nixon with his "I have a plan (just trust me) to end the war" prevailed over Mr. Humphrey—but just barely, and the campaign answered no questions. The nation accepted with a sense of resignation the Nixon Administration's receivership of national aspirations.

The war, which LBJ in his final months had steered into the path of a negotiated settlement, offered Mr. Nixon a stage on which he could have revealed a new brand of statesmanship.

No one can tell for sure what his "plan" might have been. Judging from his exercise of power in three years that have been vacuous of new ideas, he must have believed there was nothing wrong with the war but something very wrong with the people of the United States.

His actions have indicated two major objectives: to "cool down" his opposition, particularly the younger generation, and to win the war which a majority of the people of the nation were anxious to write off as a failure in 1968.

He accomplished his first objective in chilling fashion. One need only recall the wonderment of 300,000 peace demonstrators in Washington about the quality of the man in the White House who, surrounded by a ring of machineguns, chose to ignore them and express his contempt for them by announcing his interest in a televised football game. Also remembered was his instinctive initial approval of National Guard gunfire on the Kent State campus.

He pursued his second objective by announcing a policy of "Vietnamization" of the war. This involved the substitution of increased airpower for manpower; application of the latest technological methods of long distance killing; intensive mechanization of the ARVN; withdrawal of U.S. foot soldiers, and the substitution of brown corpses for white corpses in the continuing jungle war. By invading Cambodia and Laos he opened up a massive new field of operation for "protective reaction" bombing strikes.

Now when the people's armies of Vietnam have the indecency to mount a new drive in an effort to reclaim their country, he is rushing in aircraft carriers and fleets of additional bombers from reserve bases in the United States.

It's now Mr. Nixon's war that the nation continues to fight. He repeatedly claims it will not be an issue in the election of 1972, but none of his prophecies appear self-fulfilling. The war just won't go away.

There is anxiety in the minds of millions of Americans about the quality of the man who will emerge as the Democratic alternative to Mr. Nixon.

The generation Mr. Nixon "cooled off" is reappearing to register as voters and from the cadre of Democratic challengers' organizations.

The current surge to Senator McGovern indicates how many people will rally to a man whose approach to solution of the Indochina war differs most radically from that of Mr. Nixon.

THE PRESIDENCY WOULD BE MORE RESPECTED IF WE WITHDREW TOTALLY FROM INDOCHINA

Mr. CHURCH. Mr. President, the latest American military moves in Vietnam were made without any consultation with Congress. This continues a conscious policy of disregard for Capitol Hill which has been in effect throughout this senseless war, a Presidential war. This attitude helps to continue the dismemberment of the system of government our Founding Fathers brilliantly devised almost 200 years ago. As a result of the withering of any checks and balances, we are now faced, according to former Defense Department official Townsend Hoopes, with an "almost total disconnection from the constitutional process." I agree with this dismal observation.

While we seem to stay on indefinitely in Indochina, we wreak havoc with our own Government here at home. Consequently, the opposite is true from what President Nixon said the other night when he told the American people:

If the United States at this time leaves Vietnam and allows a Communist take-over, the office of President of the United States will lose respect, and I am not going to let that happen.

I believe, on the contrary, that if we left Indochina, respect for the Office of the Presidency, as well as that for the United States, would be enhanced greatly.

Former career diplomat Charles Yost wrote in this regard that—

It would be difficult to recall a case in which a President won or held respect by persisting year after year on a course which was clearly beyond the power and control of the United States.

I ask unanimous consent that the articles by Mr. Hoopes and Mr. Yost be printed in the RECORD.

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

[From the Washington Post, May 2, 1972]

QUESTION OF CONSTITUTIONALITY—"ARBITRARY CONDUCT" OF FOREIGN POLICY

(By Townsend Hoopes)

What is ultimately disturbing about Mr. Nixon's conduct of foreign policy is its almost total disconnection from the Constitutional processes. He and Henry Kissinger, assisted by the Joint Chiefs of Staff, seem to dwell in some nether realm. They do not consult with Congress or even the State Department; they make no effort to develop broad public support for their policies; they ignore their critics; and they show something less than a decent respect for the opinion of mankind. Mr. Nixon gets away with it because the other elements of America's political system are no match for the President's power of initiative, his control of the war machine, his capacity to manipulate information and events under the inherently fluid and confusing conditions of war.

After nearly four years in office, he remains convinced (even after his new approach to China) that American prestige in Asia rides on the survival of an anti-Communist regime in Saigon. And the price of holdings to the sanctity of that objective—which thus far includes searing domestic division, the alienation of American youth, the demoralization of America's armed forces and an interminable war of bloodshed and destruction for the peoples of Southeast Asia—does not seem to him too high.

There is discernible in Mr. Nixon's approach to Communist challenge a rather wide (though partially disguised) streak of fanaticism, recalling Thomas Jefferson's perception that tyranny springs most often from a fanatical pursuit of virtue, and that all holders of great power are inherently dangerous. "If the people become insensitive to public affairs," Jefferson wrote, "you and I and Congress and assemblies, judges and governors would become wolves." The immediate problem, however, is not the insensitivity of the people; it is the nonresponsiveness of the President. The people are sensitive and alert, but neither they nor Congress can control the President.

In the nearly four years that Mr. Nixon has been "winding down" the Vietnam war, the American people have drawn fundamental lessons from the vast illusions and miscalculations of the Kennedy and Johnson administrations. There are perhaps six of these: (1) "World Communism" is not a monolithic apparatus, but a contentious, politically fragile confederation; (2) Hanoi is essentially independent of both Russia and China in its policies, programs and operations; (3) Hanoi's ambitions are nationalistic and essentially limited to the unification of Vietnam; (4) Hanoi's history and finite resources would dictate such limits in any case; (5) The "domino theory" is thus hopelessly obsolete (if it was ever valid); (6) The United States can accommodate itself to whatever indigenous solution emerges from the bitter civil war struggles in Vietnam and throughout Indochina, without risk to any important American security interest. In strategic terms, we have no "vital interests" in Indochina.

Mr. Nixon has steadfastly refused to accept these arguments. Forced, however, to acknowledge the political fact that a large majority of his countrymen do not share

his anti-Communist fervor, but favor a total cessation of American war operations (provided only our prisoners are returned), he has maneuvered to pursue a policy which aims at reducing the American role in the war without giving up his basic objective. Behind smokescreen promises to "end the war" and achieve a "just peace" he has applied a policy of relentless military pressure—a feat made possible by inflated claims for the success of "Vietnamization," the steady withdrawal of U.S. ground forces, and the strange tendency of Americans to regard lethal air strikes and naval gunfire as somehow not really war.

He had calculated that 1972 would see the emergence of a South Vietnamese force able to defend itself without large-scale American help. Indeed he had hoped to gain the extra dividend of a dramatic breakthrough toward negotiated settlement, on the eve of the Republican Convention. But the hard and determined men of Hanoi, refusing to play his game, have now brought back the war to American front pages, embarrassing an administration which thought it had tranquilized this whole issue.

The savage new American bombing effort thus reflects the anger of frustration, miscalculation—and impotence. It is the only instrument of response left to a policy that has failed by trying to have it both ways—i.e., to reap the domestic political benefits of withdrawal while continuing to wage uncompromising war against "world Communism" in Asia.

The bombing is a confession that "Vietnamization" is still too fragile to be fully tested, but it also reflects what must be perceived in the White House as the comparable fragility of Mr. Nixon's political position in an election year. The sudden reversion to bombing tactics which bear no direct relationship to the fighting in the South and which plainly involve heavy civilian casualties looks too much like an effort to cover political weakness to be viewed without cynicism.

Without consulting anyone, the American president, facing reelection, has brought the United States to the brink of military confrontation with the Soviet Union for reasons that are singularly unpersuasive and over issues which a clear majority of his constituents long ago decided were not worth the candle. The arbitrary nature of this conduct forces Americans to the conclusion that the United States is now governed by leaders who cannot be persuaded either by reason or experience. They should be voted out of office.

MORE TO LOSE THAN TO GAIN BY CONTINUING IN VIETNAM?—RESPECT FOR THE PRESIDENCY AND THE LIMITS OF POWER

(By Charles W. Yost)

In his remarks at Secretary John Connally's ranch, Mr. Nixon emphasized, as he has on many previous occasions, the worldwide respect in which the United States Presidency is held. He added: "If the United States at this time leaves Vietnam and allows a Communist take-over, the office of President of the United States will lose respect, and I am not going to let that happen."

In his TV address May 8, the President made a similar point: "In these circumstances, with 60,000 Americans threatened, any President who failed to act decisively would have betrayed the cause of world peace."

American presidents have during the two hundred years of our national life been respected for a variety of qualities—integrity, courage, compassion, sound judgment, foresight, political acumen, dependability. It would be difficult to recall a case in which a President won or held respect by persisting year after year on a course which was clearly beyond the power and control of the United States.

Great as our power has been during the past three decades, there are limits to the capacity of any nation to control events on the far side of the world, and limits to the costs a democracy is prepared to pay to try to do so when it is not convinced its vital interests are at stake.

It is often recalled that General de Gaulle ended the war in Algeria when he perceived that France had more to lose than to gain by continuing it, and that he gained rather than lost respect by doing so. It is less often remembered that Stalin accepted the loss of Yugoslavia and abandoned the Communists in the Greek civil war, and that Mao and Stalin's successors swallowed their failure to take over the whole Korean peninsula.

These were setbacks of a kind which any overambitious great power must expect from time to time. They do not seem to have destroyed "respect," in the political sense, for the leaders and governments of the Soviet Union and China.

The inescapable fact is that the United States has suffered a setback in Vietnam and that that setback is likely to become more intense and conspicuous no matter what we do. The failure, however, is not ours, except as we made an error of judgment in not extricating ourselves more quickly. The decisive failure lies with our Vietnamese allies who, from lack of political will and dedication, did not take sufficient advantage of the enormous help we supplied over a period of seven years.

At this stage of the tragic affair, respect for the American presidency will be far more effectively enhanced by an exercise of sober judgment than by Quixotic persistence in driving up a dead-end street.

A head-on collision with the Soviet Union, blowing sky high prospects for a summit, detente and "a generation of peace," would be the likely consequence of the latter.

Had we withdrawn earlier, we could have left the hard political decisions to the Vietnamese, who will have to face the crumbling of the status quo in South Vietnam, no matter how many bombs we drop or mines we plant.

It is this difficult choice for which the President should be preparing the country, rather than confusing and agitating it, even more than it already is, by some of the extravagant forecasts he made at the Connally ranch. He seems to be almost compulsively constrained to place what is happening in Vietnam in the worst possible light, both for the country and for himself.

It is of course, possible that there may be a "bloodbath" in South Vietnam if the Communists win, but it is very doubtful that it could be any worse than the prolonged bloodbath now going on, to which we are substantially contributing.

On the other hand, there is no reason whatsoever to believe that, if the Communists should win in Vietnam "that pattern [as he put it] would be repeated in other countries throughout the world—in the Mideast, in Europe, and in others as well." On the contrary, if the Moscow summit were permitted to take place and were successful, there would be a reasonable prospect of substantial detente in Europe, and at least continued stalemate in the Mideast. If the summit is aborted by our action, then indeed further confrontation in the Middle East and Europe would be all too likely.

What do Americans and foreigners, friends and adversaries, respect in the Presidency? They certainly respect resolution and fortitude, but I should suspect that they respect wise leadership, cool judgment and sober realism even more. That is what most Americans thought they were voting for in 1964 and again in 1968. More and more they feel they have been misled, and that feeling is not conducive to respect.

Also, as Joseph Kraft has pointed out, there is after all a moral question. How far are we morally justified in going on pouring death

and destruction from the air and sea in order to "win" a war that is not essentially ours? Does this massive and promiscuous use of our air and sea power enhance respect for the Presidency and reflect, as we approach the 200th anniversary of our famous declaration, a "decent respect to the opinions of mankind?" It seems unlikely that history, or even our own children, will so judge.

Mr. CHURCH. I am happy to yield to the Senator from New York.

Mr. JAVITS. Mr. President, I have been away for a few days, in my own constituency, and it is very useful, I think, to exchange some ideas with the Senator from Idaho, who has taken such a very fine position, with my colleague the Senator from New Jersey (Mr. CASE), in respect to the problem which we face.

First, may I say by way of information to the Senate that the fact that the Senate passed a war powers bill by so decisive a majority is very high in my own mind and in my own list of priorities.

The Senate Foreign Relations Committee has also reported, although unfavorably, on a bill from the other body dealing with the same question. Our bill is in the other body as a Senate-passed bill, so that it is possible to move either toward conference or action in the other body on the Senate bill. I thought, and my cosponsors agree, that it would be desirable at this particular time to let these ideas take root in the minds of our House colleagues before we pursued any definitive course; but I can assure the Senator that everything that motivated me in the war powers bill has only been fortified and strengthened as a result of making so portentous a decision as the President made, involving so great a risk, far beyond the confines of land or air or sea engagement in Vietnam, without in any way telling the congressional leadership what he was doing, except what he was going to say an hour before he said it.

The second thing I would like to comment on is some idea that we are out of danger in this matter. The Soviet Union has kept all of its options very much open, and I am very gratified that the President is going to Moscow. I think it is a great vindication of his initiative and a very intelligent approach for the Soviet Union and our country. But Moscow is only a place where the President stops to negotiate. What will be negotiated and the products of that negotiation are critically important and will affect the future of this country for a long time. That includes SALT agreements, limiting nuclear armaments, a trade agreement, perhaps fishing agreements, and other agreements.

I hope the President goes to Moscow completely uninhibited by what is taking place in Vietnam, because what we give and what we take can be heavily determined by the outlook which the President takes to Moscow.

I believe the American people are adult enough to realize that if he comes back without a deal, if it means making a deal that is not reasonably profitable for this country, the whole world is not going to collapse. It is a very touchy moment, and I know, knowing the President as I do and his skill in foreign affairs, that he has that in mind. I think we should

reassure him on that subject. There is no reason for this country to give up what the United States should not give up, and we are quite willing to face up to the eventualities, whatever they are, where they are consistent with our policy. Vietnam should not be the mote in terms of what we can offer in consideration of our security and peace in the world. The people of the United States, in my judgment, have not, by any means, lost all their marbles, and they are quite able to see the true conditions in the world which will produce peace.

Our attitude on Vietnam—and I am one of those who has that attitude—should not be mistaken for selling out and running away from our responsibilities in terms of peace of the world.

Finally—and I would greatly appreciate the indulgence of the Senator from Idaho on this—we are constantly faced with the fact that x percent of the people of the United States—70 percent or some other figure—"approve" what the President has done. Mr. President, it is one thing for the American people, where the President makes a fateful decision, to have an immediate reaction, of support for the President when he sticks his head out a mile, to use a colloquial term, but it is a far different thing for the American people to decide what ought to be done about what caused that risk to be run.

I submit, with all respect to my colleagues, there is no way we had to ascertain, on a finite action, whether a given action suggested looking after the security of our troops in Vietnam, or whether it went far beyond that. It would seem to me it went far beyond that. Perhaps it did not. I do not know. The President did not do us the honor of consulting us, so I do not know. So what is the alternative? The alternative is to get out. That is the only way we do not have to have there, the troops whose security has to be protected.

I respectfully submit that as many of the American people—and I bring this home from my own constituents—will support that, at the very least, as are allegedly supporting the President in "the action which he took."

I hope very much that my Senate colleagues will give that appraisal of the public sentiment their utmost consideration. We are deeply solicitous about our prisoners of war. We are deeply solicitous about our 60,000 odd people in Vietnam. Of course we are. But we are equally solicitous about getting them out and getting and end to that improvident commitment, and an end to what the Russians like to provocations.

But we are there, so we have to do whatever the President says needs to be done to protect them, even though, when he says it, he also links it up with the fact that we are underwriting the government in Saigon. This is the only way to solve the problem, and I hope very much, as we zero in on Case-Church and the various other amendments to be voted on, Senators will look at the local feeling in their own States, and I think they will find very much what I have found in my State.

Mr. CHURCH. I thank the Senator

from New York for his observations, which are always pertinent and timely. The formula contained in the so-called Case-Church amendment, namely, the withdrawal of all of our forces within 4 months of reaching agreement on the release of our prisoners, and the cutoff of funds thereafter, also has the approval of 71 percent of the American people.

The Senate is quite right when he observes that in the immediate aftermath of any action on the President's part that appears to be affirmative and decisive, the American people are always forthcoming in their support. This has happened to us many times during the 8 years we have engaged in this war. However, after a few weeks pass and the action about which such hopes were raised fails to produce the expected results, the opinion of the American people reverts once more to one of dissatisfaction and disapproval of this war.

The same thing will happen again, for I see little prospect that the mining of the enemy harbors will produce the results which the American people have been led to expect. Once more, their hopes will be dashed. Once more, it will be demonstrated that the North Vietnamese are determined to persist.

They have fought for 20 years. They have been on the receiving end of nearly 7 million tons of American bombs. Never has a people in so small a country been subjected to such bombardment. Yet, despite such a massive and prolonged assault from the air, they have now mounted the largest and most effective offensive of the war.

So, Mr. President, as the Senate approaches the vote tomorrow, I hope Senators will remember that there is nothing in the formula contained in the Case-Church amendment that conflicts with the President's pledge. It is true that the amendment does not contain a ceasefire requirement, but it reaches through to the one consideration that is uppermost in the hearts of the American people; namely, the release of our prisoners of war.

The amendment would cut off funds for all American participation in the war 4 months after agreement is reached for the release of the prisoners. The 4-month period conforms with the President's own timetable, for he has said that he could withdraw the remainder of our forces in an orderly fashion within that length of time.

Therefore, Mr. President, I hope that Senators will carefully consider the arguments against the proposal offered by the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD), and that they will weigh them carefully before they cast their votes tomorrow.

Mr. President, I yield the floor.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. STENNIS. Mr. President, I shall not detain the Senate at length with reference to a further discussion of this amendment, that is, to section 701 of the bill, which my amendment proposes to strike out. I am sure there will be further debate on this matter tomorrow, at which time I shall want to be heard

briefly. But I do want to make clear now, Mr. President, that we do not know what form this amendment will take through the passage or the defeat, whichever way it goes, of the Byrd amendment; so, skipping over that part for the time being, I wish to point out several reasons, quite briefly, why I could not bring myself to vote for any kind of amendment that puts the congressional branch of the Government, while we are engaged in a war, in the position of automatically cutting off all appropriations for our own military personnel in that part of the world. Since they have been sent there under military order, I just think it would be a great mistake, not only for the present but for the future.

This is not a matter of what the President has said. The President is Chief Executive, and is our negotiator. The Nation's negotiator has said in his speech that after certain things are true as a result of his negotiations, then, 4 months after that, he would withdraw those troops.

That is all right. That is a good negotiating point. But for Congress to come along, then, before he has had a chance to make those negotiations, or endeavor to make negotiations, before it is known what he will get, for Congress just to come along and say, "Regardless of all that, we are going to cut off the funds, we take this matter out of the negotiator's hands, the Chief Executive's hands, and say we are going to cut it off now," through language passed now that would automatically terminate it, I think that is altogether a horse of another color. There is a principle involved, and say what you will, it will decrease any chance that may exist for this chief negotiator, the President of the United States, whoever he may be, to get terms that are possibly within his grasp, if he did not have this undercutting and this tying of his hands behind his back.

I do not have any doubt about that myself, although I respect others who see the matter another way. I warn Senators now, Mr. President, this amendment will not be a form that adopts the President's approach. It cannot. Congress cannot substitute itself for the President in making negotiations, and we are treading on very dangerous ground. It is said they want to get something that will get a lot of votes, and all; but I will not subscribe to that as a matter of expediency. I know in my own mind that a principle is involved here.

There was no time during the Civil War when it would have been wise and sound for Congress, which was not in sympathy with all Lincoln's policies, to pass a law cutting off funds after a certain date.

There was no time in the Spanish-American War, so-called, in 1898—if I know anything about history—when it would have been applicable for Congress to have passed a law cutting off funds.

There was no time during World War I when it would have been helpful for Congress to have cut off funds, under any conditions, in advance, and to have taken away from the Chief Executive his power to negotiate and get the best terms he could.

I cannot think of any time during World War II when it would have been advantageous for our Nation to adopt this policy, through its legislative branch, and say that after a certain date President Roosevelt would not have any authority to spend money on our military in certain areas of the world. The same would apply during the Korean war.

When you send a man into battle or send him where he may get into battle or may be attacked in any way, he wears an American military uniform and represents the flag of this Nation; and wherever he is sent, the total resources of this Nation—manpower and other resources are pledged to back him up. When we begin whittling on that or chiseling on it or undermining it or trying to get something that might be palatable for the moment to some group or some area, we are undermining the basic structure of our country, call it what you will. I think it is a deterioration of our system.

How are we going to send men out, if we do have another war? And we are not going to live soon in time without any conflict at all. What are we going to tell them? We cannot tell them anything less than that everything we have in manpower, resources, and everything else is pledged to back them up.

I do not buy anything less than the solid, firm, irrevocable promise that was made to every one of these men—prisoners of war and all the rest—when they left our shores or when they left their homes.

I do not know of any time during the Korean war when it would have been proper to have cut off funds in advance or for Congress to have set such a date, and I do not think there is any proper time in the war in Vietnam, unfortunate as it is. I have not been in favor of the war in Vietnam as a matter of policy, but I have been unyielding in backing up the men and the country once we became involved.

I do not know of any time when it has been proper or will be proper to take such action. We will have to do the best we can by some other method. I do not think there is any time when we should come in here and cut off the negotiating power of the Chief Executive, who has already been selected. I think he is doing a rather good job. I know he is doing a splendid job in trying and a rather good job in getting us out of this war.

I do not believe there will be any time in any war we have hereafter—I want to emphasize this—when we, as Congress, with the men still on the other side of the world, trying to get them home, trying to negotiate, and trying to get the prisoners of war home, should tell the Chief Executive, far in advance, "We are going to cut off your funds at a certain time, after some other things happen."

Say what you will, that power is vested in the President by the Constitution. Say what you will, that power is vested in him by commonsense.

Seven days from now, the President is due to be in Moscow, and we are talking about the possibility of adopting an amendment to a pending bill on another

matter—the amendment really is extraneous to the subject matter of the bill—to declare solemnly now that the Chief Executive's power is limited and is cut off and his hands are tied behind his back, to a degree.

Throughout the history of this great Nation, which is now almost 200 years old—through wars and depressions and famines and everything else—it never has been necessary to do anything such as this. We have always kept the Chief Executive with the powers and responsibilities that are placed in his hands by the Constitution of the United States, war or no war, and especially during time of war.

I do not want to vest in the President any authority that is not already vested in him. I was strongly in favor of the bill that was passed by a sizable majority providing that there had to be a declaration of war hereafter before the Nation could be committed to war. But we already are committed to this one. Those men are already over there. I think we greatly decrease the chance of getting them home or of the President bringing this matter to an end if we adopt amendments such as this to cut off the funds. If we want to be consistent, we ought to select someone in our group and say, "You represent us; you be the chief negotiator; because we are relieving the President of the United States of the responsibility that has been placed on his shoulders by law, that he is assuming, and with which he is doing the best he can."

We do not want the President to go to Moscow with his hat in his hand. The American people do not like this war. They do not want their representative, the Chief Executive, to go over there with his hat in his hand or kneeling or kowtowing or having any kind of disadvantage because of an amendment adopted here that would tend to diminish his responsibilities and powers or create doubt. In a mission of this kind, we want the Chief Executive to have the firm assurance that the Nation is behind him.

I do not believe that those who are not behind him on this mission to Moscow have delved deeply enough into the thought of the people of this country, the so-called rank and file. If he is going, the people of this country want him to go as a full-fledged President, unhindered and unhampered and untied, as the spokesman for this country, carrying the conviction to all adversaries, whomever they may be, that he does represent us and that we will be bound by whatever he does, as Chief Executive, to the extent of his power. I think that anything else is a second-rate deal, second-rate merchandise, and I do not believe that under those conditions he could bring back anything worthwhile or could be expected to do so.

Mr. President, I do not want to detain the Senate any longer. I will address myself to this subject tomorrow. I am not talking about Presidents; I am talking about principles—solid, necessary principles—of government.

I yield the floor.

QUORUM CALL

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

The PRESIDING OFFICER (Mr. STAFFORD). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. WEICKER. Mr. President, I had not intended speaking until I heard my good friend the Senator from Mississippi (Mr. STENNIS) commenting on the nature of the amendments before this body; but I think this is a good time to get a few things off my chest—which thoughts I am sure similarly lie on the minds of other Americans.

What bothers me is that we hear the same rhetoric taking place today by those supporting the President and those who are against the President. This even though the facts have changed.

I have nothing but praise for President Nixon in the way he has handled our commitments in Southeast Asia. Since the day he took office, he has lived up to his word. He has withdrawn American troops from Southeast Asia to the point where we have 60,000 remaining compared with 565,000 in 1968.

I have supported him, in opposing every one of the amendments brought before the Senate to cut off funds for the Vietnam war, because I thought it was undermining his role as Commander in Chief while the withdrawal process was going on. That process for all practical intents and purposes is at the point where it can be quickly terminated.

Those that come in here and say President Nixon's policies are the same as those of the Johnson administration, just have not bothered to do their homework. Those who say the military actions engaged in by the United States today are taken to enable us to stay in Vietnam, have not bothered to do their homework, either. They forget 60,000 Americans still there, who are in imminent danger of being overwhelmed by the invading North Vietnamese.

The majority of us in this Nation want our troops withdrawn. But we want them withdrawn in safety.

Having said that, the next question is: What further commitments do we have in South Vietnam?

Is it contradictory, for example, to support the President on the one hand in the measures which he is taking to protect our withdrawing troops and, on the other hand, to support the Church-Case amendment which sets a date certain to cut off all funds for the war in and over Indochina?

I do not believe it is contradictory. I believe it fulfills exactly what is in the minds of the majority of my fellow Americans. Specifically, that they support all necessary measures taken to protect our troops, but they want no further commitments to South Vietnam of American lives either on the ground, in the air, or on the sea.

It is not a question of undercutting the President in his visit to the Soviet

Union. We have 60,000 troops there as a result of the Nixon withdrawal policy. Of those, roughly 6,000 are combat troops. We have nothing to negotiate over insofar as our ground troops in Vietnam are concerned. There is no way, Mr. President, that they can play an effective role in the pursuit of this conflict against the North Vietnamese or the Vietcong.

The President, in his comments the other evening, indicated that we could withdraw all our troops in 4 months. The Church-Case amendment does not take hold until the end of this year, which is considerably more time than that period for withdrawal admitted to as possible by the President.

I hope the President throws everything but the kitchen sink at the North Vietnamese and the Vietcong to protect our American boys who are coming out of there. But the time has also come to say that, at the end of this year we expect all our American boys to be out. The business of this Nation is a business whose time has come.

Mr. President, I yield the floor.

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. ROBERT C. BYRD. Mr. President, on May 9, I offered amendment No. 1187 to amendment No. 1186, proposed to S. 3526 by the distinguished senior Senators from Idaho and New Jersey. I did so at that time for the simple reasons of conscience and conviction.

My attitude is quite uncomplicated with respect to this matter. I view the matter—in the context of my amendment—as one basically of humanitarianism, buttressed by a strong revulsion toward the prospect of a continuation of the killing in Indochina. The United States has lost more than 50,000 killed and 300,000 wounded since the Vietnam war began. The dead and the wounded among the Vietnamese people—both combatant, and noncombatant—number many hundreds of thousands.

As long as the guns are firing, as long as the shells are exploding and bombs are dropping, men, women, children—military service personnel and civilians—will continue to die. It is long past the time that this slaughter should have ended. But it will not end until the guns, all the guns—not just U.S. guns and not just South Vietnamese guns, but all the guns—including those of the North Vietnamese, are stilled. The guns will not be stilled and the killing will not cease until both the North Vietnamese forces and the South Vietnamese forces cease their own firing. Moreover, a ceasefire in Indochina would insure against the possibility of U.S. forces getting involved perhaps at some future date in the protection of Thailand.

The President of the United States has

proposed several times to the North Vietnamese that the parties to the conflict negotiate in good faith to end the war. Two weeks ago the President tried once more. He offered a plan for peace so generous in its terms that one of the Nation's most respected news analysts—and heretofore one of the administration's severest critics—felt moved to say, "If the North Vietnamese do not accept these terms they are crazy."

As is well known to my colleagues in this Chamber, the President's offer contained a provision for an internationally supervised cease-fire. The amendment proposed by Senators Church and Case seeks to cut off funds—as of a specific time after our prisoners of war are returned and our missing in action are accounted for—for our remaining air, naval, and ground in South Vietnam.

I support the desire—as everyone else does—to bring home our American servicemen who are still in Vietnam. Regrettably, however, the adoption of the Church-Case language in itself would not stop the killing in Vietnam.

There is no question in my mind, Mr. President, with respect to the sincerity, the honesty in their purposes, or the dedication to this Nation's best interests of those Senators who favor the Church-Case amendment. I share those sentiments with them. But if there is to be an end to the war soon, if there is to be an end to the wholesale slaughter of civilians and military personnel in Vietnam, it cannot be accomplished merely by withdrawing the few remaining U.S. forces from Vietnam.

The President's latest proposal to end the war involves the return of the prisoners, the withdrawal of U.S. forces, and a cease-fire—an internationally supervised cease-fire—throughout Indonesia.

I said earlier that they were most generous terms which many critical observers have been advising North Vietnam to accept. They are also terms which may have considerable appeal to the Chinese People's Republic and to the Soviet Union—whose interests are not necessarily identical to, and which do not necessarily coincide with, those of the leaders in Hanoi.

We have heard the many predictions about the disastrous results in our relationships with Peking and Moscow which would result from the actions announced by the President on May 8 to prevent the supplies of war from reaching the invading forces of North Vietnam, but today it seems more and more hopeful that these predictions will not come about. I hope they will not be fulfilled. There is some indication, at least, that the People's Republic of China and the Soviet Union possibly view our actions in the larger context of their own larger interests. They may similarly be able to view the President's proposals in a larger context than can the leaders in Hanoi.

The President's recent trip to China and the trip that he will shortly take to Moscow involve relationships that not only may well have an important bearing upon the terms for a cessation of hostilities in Indochina, but also undoubtedly involve relationships that are much broader—subjects that are far

more monumental in terms of their impact upon lasting peace throughout the world—than just those which relate directly to the war in Vietnam. Conceivably, American insistence on a cease-fire in Indochina could have some appeal to both the Soviets and the Chinese. The Chinese are interested in seeing U.S. forces out of there, and this is what the proposition for a cease-fire offers. The Soviets have larger considerations than Vietnam. Therefore, I think that the President should be allowed to explore all of these possibilities along the lines of the proposals he made on May 8, and I do not believe that we should preempt that possibility by resigning ourselves in advance to the idea that hostilities cannot be stopped, that a cease-fire is not attainable, and that the killing cannot be ended in Vietnam.

There are those who say that the North Vietnamese will not agree to a cease-fire or that the South Vietnamese will not agree to a cease-fire. This is a matter of opinion. We do not really know what may yet come out of all this, and I would not want to second-guess what either government will or will not do in the days ahead.

It may be at a later time, Mr. President, that I would vote for just such language as that which has been proposed in the amendment by Mr. CHURCH and Mr. CASE. But as of now, I do not feel that I could vote for that language as it now stands, the trip to Moscow being at hand, and there being a possibility—in my own mind, at least—for some kind of internationally supervised cease-fire which would stop, once and for all, the wholesale killing in Vietnam. This, Mr. President, is the way I personally see the matter. Such a cease-fire could be supervised by Asian nations themselves, conceivably, which would even be preferable inasmuch as they would have a special interest in preventing the continuation and spread of hostilities.

I voted in the caucus last week against the Church-Case language. I was one of the eight who voted against that language, but I stated at the time that I would keep my options open insofar as action on the floor was concerned. The amendment I have offered is one which would, therefore, enable me to vote for the cutoff of funds. In my own view, therefore, the adoption of my amendment could enhance and improve the chances for passage by the Senate of a funds cutoff.

As I say, it may be that at a later date I might be willing to vote for a stricter application of the cutting off of funds, but as of now I do not view an internationally supervised cease-fire to be hopeless. I think it would be very, very desirable if such could be obtained, and I think we ought to do our utmost to obtain a cease-fire.

As I say, feeling that the larger interests of the Soviet Union and the Republic of China are such that they do not coincide with the more narrow interests of the North Vietnamese, I feel that the President should be given every chance to see if there is any prospect

whatsoever for an internationally supervised cease-fire which would stop the wanton murder of women and children as well as military personnel in Vietnam. I believe this is hardly the time for the Senate to interpose a mandatory cutoff of funds which does not carry with it a requirement for a cease-fire.

I have no count on what the vote will be tomorrow. I have not asked any Senator as to how he would vote. I have not asked any Senator to vote for my amendment. I do not intend to do so. This is a matter of deep conviction with all Senators. It is a matter which has its emotional aspects with all of us, and I do not feel that it is my role to attempt to prevail upon the wishes of other Senators or to persuade them to see my viewpoint. How other Senators will vote will be a matter of their own conscience entirely.

Others Senators are as dedicated to the future of our country and as loyal to their respective consciences as I am to mine, and they are perfectly capable of making up their own minds on this matter. However they may vote, every Senator will have my personal respect for his viewpoint. I always try to keep in mind that I can be wrong, and I often am wrong, but I am following my own convictions in this matter, and I have stated my reasons for offering the amendment. I have also stated my reasons as to why I shall support it on tomorrow.

DEATH OF DR. DEAN R. BRIMHALL

Mr. MOSS. Mr. President, it is with a feeling of great sadness that I inform my colleagues of the death in Salt Lake City Sunday night of one of our State's most revered and gifted citizens—Dr. Dean R. Brimhall.

Dr. Brimhall, who was 86, has been called Utah's greatest conservationist. He was also our foremost authority on Indian art in the red rock country of Utah's canyonlands.

It was Dean Brimhall who discovered and photographed the renowned pictographs of Barrier Canyon which has been called the "finest gallery of prehistoric pictographs in the world."

He guided Dr. Joseph O. Brew of Harvard's Peabody Museum and Noel Morss, a noted authority on Indian ruins, to view these great pictographs. Together they mounted a campaign to preserve them. Their preservation was assured last year when Barrier Canyon was added to Canyonlands National Park through congressional action on a bill which I introduced. Thus protection for all time to come is assured.

Dean Brimhall was a most remarkable man. A doctor of psychology from Columbia University, a professor at Brigham Young University, a Utah State planner and onetime head of research for the Federal Aviation Agency, he returned to his native State and beloved West when he retired in 1952 from his Washington post, and took up a ranch in the heart of what is now Capitol Reef National Park in Utah. From this modest ranch he explored deep into the unknown

canyons of southern and southeastern Utah—making his way on foot, by horseback, by jeep with his extension ladder atop, and by light plane which he piloted himself. Scrambling over slick rock and through deep ravines, he slipped and slid into back canyons and pockets where probably no white man had ever been before, to discover not only the Barrier Canyon pictographs, but many others as well, scattered throughout the area, many of them classics of their type. We are moving to preserve them—wherever they may be. They are a legacy left to us through the efforts and care of Dean Brimhall—no one could bequeath a finer or more lasting memorial.

I saw Dean only recently in Utah at the dedication of Capitol Reef National Park. A tall, weathered man, unobtrusive and undemanding, he slipped quietly into the ceremonies. It took some urging on my part to get him to come to the platform where he could be introduced. It was obviously a great moment for him—and his lean face was serene and satisfied as he saw the area he had known and enjoyed for so long, dedicated as a National Park. I am glad that he lived to see that day.

I want to express my deepest sympathy to his wife, Lila Eccles Brimhall, another remarkable Utahian who has appeared as a talented actress and who for many years has been a professor of drama at the University of Utah.

The two Brimhalls have always been among Utah's most talented and respected citizens. Now one of them is gone. All Utah mourns Dean's passing.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow is as follows:

The Senate will convene at 10 a.m. After the two leaders have been recognized, the distinguished Senator from Alaska (Mr. GRAVEL) will be recognized for not to exceed 15 minutes, to be followed by the distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.), who will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 3 minutes.

At the conclusion of routine morning business, the Senate will resume the consideration of the unfinished business, S. 3526, a bill to provide authorizations for certain agencies conducting the foreign relations of the United States, and for other purposes. The pending question at that time will be on agreeing to Amendment No. 1187, as modified, offered by the junior Senator from West Virginia (Mr. ROBERT C. BYRD). Time on that amendment tomorrow is under control and is divided.

At 1:30 p.m. the Senate will go into a recess so as to allow Senators the opportunity to meet and congratulate the crew of Apollo 16 and the wives of the crew members. The recess will not extend beyond 30 minutes. At 2 p.m., a vote will occur on amendment No. 1187, as modified. That will be a rollcall vote.

ADJOURNMENT UNTIL 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 a.m. tomorrow.

The motion was agreed to; and at 2:44 p.m. the Senate adjourned until tomorrow, Tuesday, May 16, 1972, at 10 a.m.

NOMINATION

Executive nomination received by the Senate May 15, 1972:

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general
Lt. Gen. George Irvin Forsythe, ~~xxx-xx-xx~~
Army of the United States (major general, U.S. Army).

HOUSE OF REPRESENTATIVES—Monday, May 15, 1972

The House met at 12 o'clock noon.

Dr. Jack P. Lowndes, president, Home Mission Board, Southern Baptist Convention, and pastor, Memorial Baptist Church, Arlington, Va., offered the following prayer:

I will extol Thee, O Lord, among the nations—Psalm 18: 49.

Eternal God, enlighten our minds with Thy wisdom and capture our hearts with Thy love. Help us to know Thy eternal truth and apply it to our lives.

Watch over our Nation, we pray, and save us from the pitfalls of selfish pride and misused power. Guide all of our leaders that we may with all mankind find the paths of peace.

Give to all of us help in facing our temptations, comfort in bearing our griefs, assurance in handling our anxieties, and wisdom in using our gifts and powers. In the Master's name. 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. Arlington, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 8116. An act to consent to the Kansas-Nebraska Big Blue River Compact; and

H.R. 14070. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

The message also announced that the Senate has passed a bill of the following title, in which the concurrence of the House is requested:

S. 953. An act to authorize long-term leasing of Indian land on the Walker River Reservation.

The message also announced that the Vice President, pursuant to Public Law 86-830, appointed Mr. PERCY as a member of the Advisory Commission on Intergovernmental Relations in lieu of Mr. MUNDT, resigned.

CONSENT CALENDAR

The SPEAKER. This is the day for the call of the Consent Calendar. The Clerk will call the first bill on the Consent Calendar.

ESTABLISHING A COMMISSION ON REVISION OF JUDICIAL CIRCUITS

The Clerk called the bill (H.R. 7378) to establish a Commission on Revision of the Judicial Circuits of the United States.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HALL. Mr. Speaker, reserving the right to object, this bill has been previously "put over" for reasons listed, including the need for questions and answers and debate, and also the suggestion that it be listed on the calendar for consideration under the rules for suspensions. This was done without prejudice. It is now so listed. I am personally appreciative of that.

Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice on the Consent Calendar.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

ARLINGTON HOUSE, THE ROBERT E. LEE MEMORIAL

The Clerk called the bill (H.R. 10595) to restore to the Custis-Lee Mansion located in the Arlington National Cemetery, Arlington, Va., its original historical name, followed by the explanatory memorial phrase, so that it shall be known as Arlington House—the Robert E. Lee Memorial.

There being no objection, the Clerk read the bill as follows:

H.R. 10595

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the joint resolution entitled "Joint resolution dedicating the Lee Mansion in Arlington National Cemetery a permanent memorial to Robert E. Lee", approved June 29, 1955 (69 Stat. 190), is amended by striking "Custis Lee Mansion" each place it appears therein and inserting in lieu thereof "Arlington House", the Robert E. Lee Memorial. Any law, map, regulation, document, record, or other paper of the United States in which such mansion is designated or referred to as the Custis-Lee Mansion shall be held to designate or refer to such mansion as the "Arlington House".

With the following committee amendments:

On page 1, line 7, strike out "Custis-Lee Mansion" and insert in lieu thereof "the Custis-Lee Mansion."

On page 1, lines 8 and 9, strike out "'Arlington House', the Robert E. Lee Memorial" and insert in lieu thereof "Arlington House, The Robert E. Lee Memorial".

On page 2, line 4, strike out "the 'Arlington House'" and insert in lieu thereof "Arlington House, The Robert E. Lee Memorial".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "To restore to the Custis-Lee Mansion located in the Arlington National Cemetery, Arlington, Virginia, its original historical name, followed by the explanatory memorial phrase, so that it shall be known as Arlington House, The Robert E. Lee Memorial."

A motion to reconsider was laid on the table.

SERVICEMEN'S GROUP LIFE INSURANCE COVERAGE FOR MEMBERS OF READY RESERVE AND THE RETIRED RESERVE

The Clerk called the bill (H.R. 14742) to amend title 38, United States Code, to encourage persons to join and remain in the Reserves and National Guard by providing full-time coverage under servicemen's group life insurance for such members and certain members of the retired reserve up to age 60.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HALL. Mr. Speaker, reserving the right to object, I have studied this bill in detail, along with the report, and fully understand that the establishment of the servicemen's group life insurance (SGLI) coverage for members of the Ready Reserve and the Retired Reserve is a part of the "package" providing incentive, perhaps, for increasing the Reserves up to the authorized numbers, as well as the National Guard; but it is not clear to me from a study of the report and of the bill itself as to why they could not gain this while on their extended active duty training, as many other reservists and guardsmen have and are eligible for, with the same principles of conversion if maintained, at any time prior to their 61st birthdays.

I wonder if the gentleman from Mississippi could explain this, and I am glad to yield to the gentleman for that purpose.

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman for yielding.