reason. There is no central record of what was classified by whom, when, or for what purpose.

It has been a matter of concern to me that the Congress, charged with raising and supporting our armed forces and for declaring war has increasingly been denied the very elemental information necessary to make these decisions. I find it difficult to understand why the representatives of the people, the Congress, accept this situation.

There is an attitude among some officers that the Congress cannot be trusted with classified information because of the penchant of some to tell all to the public. In the Pentagon's lexicon, they are "bad security risks." If this attitude prevails in the military and if Congress fails to assert itself, civilian control of the military will further erode. There are some simple, workable steps, compatible with our Constitution, which could reduce the amount of classified material and consequently make more information available to the public and to the Congress.

First, each paper, document, or article classified should bear the name and rank of the person making the classification.

Second, each person authorized to classify information should be so authorized in writing.

Third, it should be clearly established that it is the obligation of the Department of Defense to provide Congress with adequate and pertinent information regardless of classification, which the Congress needs to base its decisions to raise and support armed forces and to declare war. Each member of Congress by virtue of his position should be provided all such information in order to carry out his duties under the Constitution.

Fourth, establish a section of GAO, or an independent board with maximum security clearance, to examine on a continuing basis the security system in the Defense Department.

Fifth, require classification of documents be limited to those affecting national defense—rather than national security, a broader and more ambiguous concept.

Sixth, require the Secretary of Defense and his major subordinates to appear before Congress and respond to questions whenever a majority of the Congress so requests.

Seventh, require the President, as Commander in Chief, to appear before a joint session of Congress and respond to questions whenever a majority of Congress so requests.

In a 1969 memo to the Heads of Executive Departments and agencies, the President gets to the heart of the problem of free flow of information within our government; The President's memo states, "The policy of this Administration is to comply to the fullest extent possible with Congressional requests for information". No pretense is made of an effort to keep the legislative branch informed, but only to respond to the "fullest extent possible" to questions. The problem is that the people and the people's representatives in the Congress frequently don't know what questions to ask. Some of the burden for informing the Congress should be shifted to the Executive Branch of the Government.

MASSACHUSETTS WOMAN LAWYER HONORED

HON. LOUISE DAY HICKS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 30, 1972

Mrs. HICKS of Massachusetts. Mr. Speaker, the Massachusetts Association of Women Lawyers recently elected Miss Doris R. Poté, an outstanding attorney, as its president for the year 1972–73. Miss Poté was graduated from Radcliffe College, cum laude, Suffolk University Law School, J.D., and Harvard Law School. She received one of the highest scores on the Massachusetts Bar exam. She serves her alma mater, Suffolk University Law School, as registrar, and at the same time is an assistant professor of law, teaching courses in consumer protection and urban law. Her activities and interests vary from the Boston Center for Blind Children, where she is legal counsel, to her position as trustee of Consumer Protection Affairs Foundation, Inc.

The members of the Massachusetts Association of Women Lawyers can certainly look forward to an exciting and memorable year under her leadership.

SENATE—*Wednesday, May 31, 1972*

The Senate met at 9:30 a.m. and was called to order by Hon. HAROLD E. HUGHES, a Senator from the State of Iowa.

PRAYER

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

O God, our Father, we thank Thee for every day Thou dost give us to live. We thank Thee for gloomy days and bright days, for days of striving and earnest contest, for days of pressure which drive us to prompt action, for days of reflection when life comes into clearer focus, for days of rest and quietness, for days of prayer when the curtain of sense and time are drawn back and we are in Thy presence, one with the Infinite and Eternal. Give us grace, wisdom, and strength for all the days and for every experience. Thanks be to Thee for this day to be lived to Thy glory and for our fellow man. 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 31, 1972.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. HAROLD E. HUGHES, a Senator from the State of Iowa, to perform the duties of the Chair during my absence.

ALLEN J. ELLENDER,
President pro tempore.

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

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of May 30, 1972, Mr. MAGNUSON, from the Committee on Commerce, reported favorably, with amendments, on May 30, 1972, the bill (H.R. 13188) to authorize appropriations for the procurement of vessels and aircraft and construction of shore and offshore establishments, and to authorize the average annual active duty personnel strength for the Coast Guard, and submitted a report (No. 92–819) thereon, which was printed.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, May 30, 1972, 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.

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

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 15 minutes, with statements therein limited to 3 minutes.

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. MANSFIELD. 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.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

REPORT ON OPERATIONS OF THE EXCHANGE STABILIZATION FUND

A letter from the Secretary of the Treasury, transmitting, pursuant to law, a report on the operations of the Exchange Stabilization Fund, for the fiscal year 1971 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

REPORT OF DEPARTMENT OF DEFENSE EXCESS DEFENSE ARTICLES DELIVERIES

A letter from the Deputy Director, Defense Security Assistance Agency, transmitting, pursuant to law, a report on Department of Defense Excess Defense Articles Deliveries, for the third quarter of fiscal year 1972 (with an accompanying report); to the Committee on Foreign Relations.

REPORT OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Audit of Payments From Special Bank Account to Lockheed Aircraft Corporation for the C-5 Aircraft Program During the Quarter Ended March 31, 1972", Department of Defense, dated May 30, 1972 (with an accompanying report); to the Committee on Government Operations.

REPORT ON COLORADO RIVER BASIN PROJECT

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a report on the Colorado River Basin Project, for the year ended June 30, 1971 (with an accompanying report); to the Committee on Interior and Insular Affairs.

SUPPLEMENT TO 1972 NATIONAL HIGHWAY NEEDS REPORT

A letter from the Secretary of Transportation, transmitting, pursuant to law, the Supplement to the 1972 National Highway Needs Report (with an accompanying report); to the Committee on Public Works.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

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

A concurrent resolution of the General Assembly of the State of Iowa; to the Committee on Agriculture and Forestry:

HOUSE CONCURRENT RESOLUTION 111

Whereas, we, the members of the Agriculture Committee of the Iowa House of Representatives, have a deep concern for the problems of the grain producers of our state in marketing grain and oil seeds, the market price of which is determined by established grade; and

Whereas, hundreds of Iowa grain producers are submitting grain and oil seeds to local markets, which grain and oil seeds average consistently higher in quality and grade than is provided for in the present grade-pricing system; and

Whereas, these producers of premium quality grain and oil seeds are usable to procure premium prices for their products under the present grade-price structure, now therefore

Be it resolved by the House, the Senate concurring, That the President of the United States, the Secretary of Agriculture of the United States, the Congress of the United States, and the Committees on Agriculture of the United States House of Representatives and Senate be directed to immediately institute a study of the present price-grading system for grains and oil seeds in the United States with the intent of establishing a new base for determining the market price of feed grains and oil seeds; and

"Be it further resolved, That copies of this Resolution be transmitted to the President of the United States, the Secretary of Agriculture of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, the Committees on Agriculture of the United States House of Representatives and Senate and to all members of the Iowa delegation to the Congress of the United States.

"We, William H. Harbor, Speaker of the House of Iowa, and Roger W. Jepsen, President of the Senate, hereby certify that the above and foregoing Resolution was adopted by the House of Representatives and the Senate of the Sixty-fourth General Assembly, Second Session.

"ROGER W. JEPSEN
"President of the Senate.
"WILLIAM H. HARBOR,
"Speaker of the House"

A concurrent resolution of the Legislature of the State of Louisiana; to the Committee on Foreign Relations:

"A CONCURRENT RESOLUTION TO EXPRESS TO THE PRESIDENT AND THE CONGRESS OF THE UNITED STATES THE SUPPORT OF THE LEGISLATURE OF LOUISIANA IN THE RECENT ACTIONS TAKEN BY THE PRESIDENT IN THE VIETNAM CONFLICT

"Whereas, wise men recognize that the holocaust of war is not a creation of the weapons used therein but rather arises out of the feelings and respect, or lack of it, of man one for another; and

"Whereas, between fifteen hundred and sixteen hundred fighting men of this nation are confined in Vietnam, an alien and foreign land very far from their families and loved ones; and

"Whereas, America's allies in this holocaust are waging a fierce battle with extreme bravery and dedication in their attempts to repulse the aggressive designs of its neighbor who wishes, by force of arms rather than peaceful means, to force its ideas and governmental forms upon other nations; and

"Whereas, without support both militarily and logistically, our allies would be unable to repel those who would impose their own will rather than allow the people of Vietnam to form their own will; and

"Whereas, our own troops of approximately sixty thousand men, as well as those of our allies, would be in a state of extreme and grave peril if the United States should pursue a policy of rapid withdrawal without reciprocal conciliatory moves on the part of the aggressor; and

"Whereas, the members of this Honorable Body recognize that the President of the United States has been more than reasonable in his willingness to talk at any time and at any place to those who would destroy, and that his words have only been answered with more guns, more fighting, and more deaths; and

"Whereas, it is the desire of all civilized men who find themselves engaged in war to cease the fighting, dying and suffering which results from war, but it is also their desire to achieve this purpose only if they can do so in an honorable and just manner which allows men to choose their own course, in a manner which will show that those who wish to subjugate will not be tolerated, and in such a manner as to bring hope of a permanent halt to the fighting and dying, so that we once again may enter into a true peace without threats of greater and wider wars.

"Therefore, be it resolved by the House of Representatives of the Legislature of Louisiana, the Senate thereof concurring, that the Legislature does hereby express its support of the President of the United States in his recent actions to terminate the Nation's participation in the Viet Nam Conflict but agrees with and supports his decision that the existing situation demanded the actions he has been forced to take in that area, and his efforts to achieve termination of this country's involvement with honor and with regard for the safety and welfare of our men and our allies.

"Be it further resolved that a copy of this Resolution be transmitted to the President of the United States, the members of the Louisiana Congressional delegation, the Governor of the State of Louisiana, the Lieutenant Governor of the State of Louisiana, the Department Commander of the Veterans of Foreign Wars, State of Louisiana and to the Department Commander of the American Legion, State of Louisiana."

Resolutions of the General Court of Massachusetts; to the Committee on Foreign Relations:

"RESOLUTIONS URGING THE GOVERNMENT OF NORTH VIETNAM TO WITHDRAW ALL TROOPS FROM SOUTH VIETNAM, LAOS AND CAMBODIA AND TO RELEASE FORTHWITH ALL AMERICAN PRISONERS OF WAR

"Whereas, The government of the United States is being urged to withdraw all its troops from South Vietnam; and

"Whereas, This calls for unilateral action by one of the parties to the conflict and this action should be bilateral and binding on all parties involved in this conflict; now, therefore, be it

"Resolved, That the General Court of Massachusetts urgently requests the government of North Vietnam to immediately withdraw all troops from South Vietnam, Laos and Cambodia and to release forthwith all American prisoners of war; and be it further

"Resolved, That the General Court of Massachusetts strongly urges the government of North Vietnam to accept without further delay the most recent peace proposals as set forth by the President of the United States; and be it further.

"Resolved, That copies of these resolutions be sent forthwith by the Secretary of the Commonwealth to the President of the Government of North Vietnam and to the Chief American Negotiator at the Paris Peace talks and to the President of the United States, the presiding officer of each branch of Congress and to each member thereof from the Commonwealth."

A joint resolution of the Legislature of the State of Colorado; to the Committee on the Judiciary:

"MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION PROPOSING AN AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES WHICH WOULD ALLOW ONE HOUSE OF BICAMERAL STATE LEGISLATURES TO BE APPORTIONED OTHER THAN ON A POPULATION BASIS AND TO SUBMIT THE SAME FOR RATIFICATION BY THE STATES

"Whereas, The United States Supreme Court has ruled that membership in both houses of a bicameral state legislature must be apportioned only according to population; and

"Whereas, The practical application of said ruling has resulted in much confusion and delay as indicated by the fact that out of twenty-nine states which had completed reapportionment by December, 1971, one plan was vetoed, one plan was subject to review by a federal panel, and sixteen, six of which have been invalidated, were challenged in the courts; and

"Whereas, The delegates to the original constitutional convention in Philadelphia in 1787 proposed the federal plan of one house of Congress being apportioned on population and one house on representation of a state at large, and such plan was ratified by the states; and

"Whereas, The federal plan of legislative representation has been previously endorsed by its use in forty-nine state legislatures; and

"Whereas, In 1962, the citizens of Colorado voted overwhelmingly in favor of the federal plan concept for apportioning their General Assembly with such proposal receiving the approval of a majority of voters in every county of the state; and

"Whereas, For nearly two hundred years the people of the various states have had the freedom to apportion their state legislatures in the manner they felt best reflected the interests of the people, recognizing that a system of apportionment that might be appro-

priate for one state would not necessarily meet the needs of another state, but that each state should be free to make its own selection; now, therefore,

"Be It Resolved by the Senate of the Forty-eighth General Assembly of the State of Colorado, the House of Representatives concurring herein:

"That the Congress of the United States is hereby memorialized to enact legislation proposing an amendment to the Constitution of the United States which would allow one house of bicameral state legislatures to be apportioned other than on a population basis and to submit the same for ratification by the states.

"Be It Further Resolved, That copies of this Memorial be transmitted to the President of the United States, the President of the Senate of the Congress of the United States, the Speaker of the House of Representatives of the Congress of the United States, and the members of Congress from the State of Colorado."

A resolution adopted by the Board of Aldermen, city of Somerville, Mass., praying for an immediate and complete withdrawal of all Armed Forces from all of Southeast Asia; to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PASTORE, from the Committee on Appropriations, with amendments:

H.R. 15093. An act making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1973, and for other purposes (S. Rept. No. 92–820).

By Mr. HOLLINGS (for Mr. MCCLELLAN), from the Committee on Appropriations, with amendments:

H.R. 14989. An act making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1973, and for other purposes (Rept. No. 92–821).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with amendments:

S. 722. A bill to declare that certain federally owned land is held by the United States in trust for the Stockbridge-Munsee community and to make such lands parts of the reservation involved (together with minority views) (Rept. No. 92–822).

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. TOWER:

S. 3654. A bill to repeal certain provisions of law applicable to federally assisted housing. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. EAGLETON:

S. 3655. A bill to require that presidential preference primaries and delegate selection conventions, caucuses, and elections be held during the month of July, and to restrict campaign advertising relating to the nomination of presidential candidates to a period of 3 weeks prior to any such primary, convention, caucus, or election. Referred to the Committee on Rules and Administration.

By Mr. STENNIS (for himself, Mr. EASTLAND, Mr. ALLEN, Mr. SPARKMAN, Mr. GURNEY, Mr. TALMADGE, Mr. GAMBRELL, Mr. JORDAN of North Carolina, and Mr. ERVIN):

S. 3656. A bill to amend the Soil Conservation and Domestic Allotment Act, as amended, to provide for a South Atlantic Basin environmental conservation program. Referred to the Committee on Agriculture and Forestry.

By Mr. MANSFIELD:

S. 3657. A bill to insure congressional review of tax preferences, and other items which narrow the income tax base, by providing now for the termination over a 3-year period of existing provisions of these types. Referred to the Committee on Finance.

By Mr. INOUYE:

S. 3658. A bill to amend title 5 of the United States Code in order to provide that certain benefits to which employees of the United States stationed in Alaska, Hawaii, Puerto Rico, the Canal Zone, or the territories or possessions of the United States are entitled may be terminated under certain conditions, and for other purposes. Referred to the Committee on Post Office and Civil Service.

By Mr. TOWER:

S.J. Res. 237. A joint resolution to authorize and request the President of the United States to issue a proclamation designating October 15, 1972, as "German Day." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TOWER:

S. 3654. A bill to repeal certain provisions of law applicable to federally assisted housing. Referred to the Committee on Banking, Housing, and Urban Affairs.

Mr. TOWER. Mr. President, I am introducing today a bill to repeal those provisions of the National Housing Act and the U.S. Housing Act of 1937 which require prevailing wage determinations under the Davis-Bacon Act for FHA-insured housing and public housing programs. On January 19, 1972, in introducing S. 3036, a bill to repeal the Davis-Bacon Act and the Contract Work Hours Standards Act, I outlined in considerable detail the history of Davis-Bacon and the reasons why I feel its unfortunate evolution now demands its immediate repeal. In the interest of brevity, I shall not repeat what was expressed at that time, though the substance of that statement is expressly applicable to the legislation I introduce today.

Prevailing wage determinations by the Department of Labor under the Davis-Bacon Act for FHA-insured housing and public housing have too often resulted in required wage rates for such housing which are higher than those actually prevailing in the area. Inappropriately high wage determinations have proven particularly harmful in the case of rental housing subsidized under section 236 of the National Housing Act. Higher wages result in higher construction costs, and, therefore, market rents for subsidized projects which are higher than the rents for comparable units in conventionally financed projects. Families who are able to pay rents at or near the market level are, therefore, dissuaded from living in assisted projects and the goal of achieving a greater income mix in those projects is undermined.

The inaccuracy of prevailing wage determinations has been the subject of a series of reports to the Congress by the Comptroller General of the United States. The most recent of these reports concluded that inaccurate determinations increased construction costs for the projects studied from 5 to 15 percent—"Need for Improved Administration of the Davis-Bacon Act Noted Over a Decade of General Accounting Office Reviews, July 14, 1971." As noted in the report, some of the major causes of high prevailing wage determinations were the failure to distinguish between commercial and residential construction—commercial construction wage rates usually being higher; the excessive use of data from collective bargaining agreements in areas where they covered only a small portion of those employed in construction; and the use of data from areas other than the one in which the project was located, in spite of important differences in labor conditions.

As Congress directs the Federal Government into ever expanded housing programs, and as Federal subsidies for construction of these facilities progressively deepen, I feel it incumbent that every possible effort be expended toward reducing the unnecessary costs which burden the programs and ultimately the taxpayer. Certainly a prime example of such "unnecessary costs" are those necessitated by implementation of Davis-Bacon. As stated in chapter 2 of the aforementioned GAO report:

> The wage rates prescribed by the Department of Labor are principal factors considered by contractors in estimating labor costs and in arriving at the amounts of their contract bids; the bid amounts, in turn, determine the cost of federally financed projects. In the case of housing projects financed with private funds but supported by Federal mortgage insurance, an increase in project costs imposed on the sponsors and/or users of the housing units may result in added mortgage risks to the Government.
>
> Using the results of our previous reviews of specific wage determinations for 29 selected federally financed construction projects, we estimated that, of the construction costs of $88 million, about $9 million may have been paid in excess wages, which appeared to be attributable to improper determinations of minimum wage rates.
>
> Of the wage determinations made by the Department for the 29 projects, 28 were for federally financed and insured housing projects constructed at a total cost of about $72.8 million. Of these 28 projects, 16 were for low-rent public housing, eight were for military family housing, and four were for federally insured housing. For the 28 projects, we estimated that extra construction costs of approximately $7.4 million would be incurred. These extra costs were largely attributable to the Department's prescribing as minimum wage rates for construction of residential-type housing projects the higher wage rates paid by contractors for construction of commercial-type buildings rather than the lower rates paid by contractors for construction of private residential housing.

Mr. President, I am pleased that the Subcommittee on Housing and Urban Affairs has determined to hold hearings during the month of June concerning Davis-Bacon and its effect on Federal housing programs. As the subcommittee's ranking minority member, I envision several days of enlightened testimony from those who work daily within the confines of Davis-Bacon and best know the end result of its implementation.

Mr. President, I ask unanimous con-

sent that the text of my bill be inserted in the RECORD at this time.

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

S. 3654

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 212 of the National Housing Act is repealed.

Sec. 2. Paragraphs (2) and (3) of section 16 of the United States Housing Act of 1937 are repealed.

By Mr. EAGLETON:

S. 3655. A bill to require that presidential preference primaries and delegate selection conventions, caucuses, and elections be held during the month of July, and to restrict campaign advertising relating to the nomination of presidential candidates to a period of 3 weeks prior to any such primary, convention, caucus, or election. Referred to the Committee on Rules and Administration.

PRESIDENTIAL PRIMARIES

Mr. EAGLETON. Mr. President, we have now completed 17 of the 25 presidential preference primaries, including those in the District of Columbia and the Virgin Islands. Perhaps it could better be said that both the candidates and the voters have so far endured 17 primaries, because one of the rare subjects of mutual agreement these days is that the present multiplicity of primaries is an ordeal for everyone.

The system badly needs reform. It is in furtherance of this objective that I am today introducing a reform bill which I hope will promote discussion of the alternatives to the present primaries and also be a vehicle for action. Other bills, embodying two basically different approaches, have already been introduced—the national primary approach, as in Senate Joint Resolution 215, the Mansfield-Aiken measure, and the regional primary approach, as in the bill introduced by Senator PACKWOOD. Each of these suggestions seems to have as many critics as it does supporters.

My bill would bring about substantial reform in the presidential primary system by deceptively simple means. It essentially has two elements: First, it would require any presidential preference primary and convention, caucus, or election to select delegates to be held on a Tuesday in July; and, second, it would prohibit any campaign advertising more than 3 weeks prior to such primary, convention, caucus, or election.

I believe the enactment of this bill at least would guarantee that the next presidential election would be held under improved conditions, while discussion could continue on a more detailed and comprehensive primary reform measure.

NEED FOR REFORM

I do not think it is necessary to list all the ills of the present primary system. Change can be justified on the simple grounds that it is too expensive, too physically demanding, and too dangerous. Even if this were were not enough, there is a real question about whether the present system produces an adequate reflection of the public will. As Robert Bendiner stated in a New York Times Magazine article on February 17, 1972:

Presidential primaries are bewilderingly varied in rules, techniques and significance and have in their totality no more relevance to the will of the people than the choice of a President by a combination of poker, chess and roulette.

Some primaries are closed, the vote available only to those who have established their affiliation with a party. Others are open, permitting crossover votes. In some primaries there is only a popularity or beauty contest among the presidential candidates while others are binding on delegates. The selection of delegates may be connected to the presidential preference vote or it may be separated. Either way, the selection of delegates may be binding or it may be only advisory.

Some primaries, such as Oregon, have all the presidential candidates on the ballot including, often, some noncandidates. Some States have only a portion of the candidates. The candidates themselves may or may not campaign in a primary whether or not they are on the ballot. It has now become fashionable to calculate not only the percentages of vote a candidate receives but also to relate that to the number of days or hours spent in that particular State.

Add to all of this the fact that voter participation in the primaries is always a very low percentage of those who vote in the general election; the fact that the candidates themselves concentrate on States where they are expected to win; and the fact that in multiple-candidate elections the most universally acceptable candidate does not necessarily receive the highest vote, and you have the system by which we now select the candidates for nomination to the Presidency.

The primary system was born out of the best intentions, the brainchild of the Progressive reformers around the turn of the century. They wanted to take the selection process out of the proverbial smoked-filled rooms and hand over part of the nominating process to the people. This system had a lot of logic at the time.

But with more States getting the reform spirit, the patchwork of primaries has gotten out of hand. In 1968 there were 14 primaries. Today there are 25. If the regulation length of baseball games were raised from nine to 25 innings, I doubt that even the most avid fan could sustain his interest over the length of the game, let alone the season—and the drain on the participants would be unconscionable.

ALTERNATIVES

Perhaps the change most often proposed is a national primary. The Mansfield-Aiken bill would hold one nationwide primary on a given day, with a runoff under stated conditions. This alternative has the obvious advantage of eliminating the current drawn-out political extravaganza, providing uniform rules both as to who votes and who is on the ballot, producing a clear victor and simplifying the procedure generally.

Such a system also has defects. First, it gives a tremendous advantage to an already established candidate and, conversely, it does not allow time for the emergence of new national figures or of candidates who are previously untested in the voting arena. Second, I think it favors candidates who either have money or can raise money easily for a one-shot nationwide campaign. A further objection is that runoffs after a multicandidate race may well give the voters a choice between two extreme candidates, neither of whom can command sound support.

The regional primary bill introduced by Senator PACKWOOD would satisfy a major objection to national primaries by providing a forum for lesser known, regional, untested, or low-financed candidates.

Unfortunately, even though the regionalization of the primaries would give some uniformity to the election procedure, the voters would again be subjected to a lengthy, exhausting and expensive multiact play.

I have been contemplating a national primary bill which would provide strict spending limitations to try to overcome the problem of favoritism to a wealthy candidate, and which would provide for either the top three candidates, or any candidate receiving more than 20 percent of the vote, to be presented to the national convention, which would select the final candidate. I am still working on such a bill, but it has become apparent that as any such proposal gets more complex, the time needed for its consideration increases. For that reason I am proposing a simplified bill for the time being so we will at least be in an improved situation in case we do not succeed in a complete reform.

EAGLETON PROPOSAL

Perhaps the most compelling justification for this bill is that it tampers very little with existing mechanisms, does not involve rigidly constructed formulas, quotas, or rules, and is not a drastic departure from the present system. My bill lets the States continue to decide whether they want a primary, caucus or convention. It lets the States continue to decide whether the primary is binding or not, whether the delegates are elected separately or not and whether the primary is open or closed. It lets the States continue to decide when they will hold their primary, caucus, or convention, within a limited time framework.

My bill simple would require a State to choose delegates and hold its primary, if it chooses to have one, on Tuesday in July. Thus the advantages of a candidate having to compete in a variety of circumstances to test his breadth of appeal would be retained, but the time would be telescoped.

This shortening of the primary season would accomplish several things. First, it would limit the time in which a candidate would have to keep an exhausting schedule, expose himself to danger, and spend excessive sums of money. Second, the reduced campaign time would place a premium on issues and on a candidate's having well-thought-out positions on them. It is to be hoped that this would encourage more candidate concentration on issue-oriented engagements rather than on the "visuals" of today's

image campaigns, which place a premium on being seen in every kind of ethnic restaurant, shaking hands with a worker in each occupation, and visiting all the landmarks of the country. The compressing of the whole procedure would also make the establishment of new primaries less attractive, since they would not necessarily be accompanied by the current 3 or 4 weeks of activity and spending within a State.

The second provision of the bill would prevent any campaign advertising earlier than 3 weeks before the primary date—thus holding down the leadtime on the initial primaries. This would diminish the amount of media time available to candidates, the expense of campaigning, and the wear and tear on the voter.

While the bill would rely primarily on the Campaign Spending Act to limit the expense of the primary campaigns, the telescoping of the primaries into 1 month would tend to retard the cost of campaigning and a candidate would have a more limited time to raise funds for the next primary based on his performance in the last primary. At the present time, a candidate with a good showing in one primary must maintain his momentum in the next primary, so his financial backers have to continue shelling out for each primary as if it were the last one, running the ultimate cost of election up into the stratosphere.

My bill strikes a reasonable compromise between the competing objectives of reducing the length of the primary season while providing enough time so that a relatively untested candidate would have an opportunity to win the nomination. There would be as many as 8 weeks for a candidacy to develop if there were five Tuesdays in July and a candidate used the full 3 weeks before the first primary for advertising. This should be sufficient time for the voters to judge the potential of a candidate without unduly prolonging the campaign season until the voters are tired of politics.

I am hopeful, Mr. President, that we can take advantage of the prevailing mood to reform our nominating procedures so that we do not have these same debates as we go into the 1976 presidential election. At this point, I ask unanimous consent that the text of my bill be printed in the RECORD.

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

S. 3655

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the purpose of this Act to regulate the process by which the people of the United States select the President of the United States, and to make the pursuit of a political party's nomination for election to the office of President less subject to unnecessary expense, physical exhaustion, and danger.

SEC. 2. Each State which conducts an election for the expression of a preference for the nomination of individuals to the office of President, or an election, caucus, or convention for the selection of delegates to the national nominating convention of a political party (or which regulates in any manner any such election, caucus, or convention) shall provide not later than two years after the date of enactment of this Act for holding such preference election, caucus, convention, or election on a Tuesday during the month of July occurring in each Presidential election year.

SEC. 3. (a) The Federal Election Campaign Act of 1971 is amended by redesignating sections 105 and 106 as sections 106 and 107, respectively, and inserting after section 104 the following new section:

"LIMITATION OF TIME FOR USE OF COMMUNICATIONS MEDIA IN PRESIDENTIAL NOMINATION CAMPAIGNS

"SEC. 105. No campaign advertising matter urging the nomination for election, or election, of any individual to the office of President or Vice President or urging the defeat, or disparaging the position, of any individual who is a candidate for nomination for election, or for election, to that office shall be broadcast, published, or distributed in any State more than 21 days before the date of that State's presidential preference primary election or the election, caucus, or convention held by the State or a political party therein for the selection of delegates to the national nominating convention of a political party.".

(b) Section 106 of such Act, as redesignated by subsection (a) of this section, is amended by striking out "and 104 (b)" and inserting "104 (b), and 105". Section 107 of such Act, as redesignated by subsection (a) of this section, is amended by striking out "or 104 (b)" and inserting "104 (b), or 105".

By Mr. STENNIS (for himself, Mr. EASTLAND, Mr. ALLEN, Mr. SPARKMAN, Mr. GURNEY, Mr. TALMADGE, Mr. GAMBRELL, Mr. JORDAN of North Carolina, and Mr. ERVIN):

S. 3656. A bill to amend the Soil Conservation and Domestic Allotment Act, as amended, to provide for a South Atlantic Basin environmental conservation program. Referred to the Committee on Agriculture and Forestry.

Mr. STENNIS. Mr. President, on behalf of my colleagues, Senator EASTLAND, Senator ALLEN, and other Senators I am today introducing the South Atlantic Basin Environmental Conservation Act to preserve and improve the environment and to protect and enrich our soil in the affected States.

Senators have the benefit of the experience obtained in the Great Plains program that has greatly alleviated the Dust Bowl of the 1930's.

In the States involved in this bill we have a different but equally important problem affecting the public interest.

The gulf coast and southern portion of the Atlantic seaboard have the highest consistent rainfall in the Nation. They are quite often the victim of hurricanes which dump excessive amounts of water on the land. In addition, only 2 weeks ago, without a hurricane, the gulf coast area of Mississippi received up to 12 inches of rain in a 24-hour period. The results were not only eroded land but washed out bridges and other damage to private and public facilities.

Mr. President, the farmers of the area covered in this bill need long-term commitments from the Secretary of Agriculture for assistance to tie down their soil with trees, grass, terraces, and other conservation practices. Every particle of soil tied down to the land improves the quality of our small streams and rivers and improves the condition of the land within the area.

By Mr. MANSFIELD:

S. 3657. A bill to insure congressional review of tax preferences, and other items which narrow the income tax base, by providing now for the termination over a 3-year period of existing provisions of these types. Referred to the Committee on Finance.

TAX POLICY REVIEW OF 1972

Mr. MANSFIELD. Mr. President, WILBUR D. MILLS, chairman of the House Ways and Means Committee, has today introduced a bill, H.R. 15230, entitled Tax Policy Review Act of 1972. I, at this time, am introducing an identical bill.

This bill provides that virtually all of the tax preferences in existing law will be systematically reviewed over the years 1973, 1974, and 1975. This result is achieved by providing for the repeal of these tax preference provisions as of the first of 1974, 1975, and 1976 if no action is taken to continue the provisions either in their present form or in some modified form. I ask unanimous consent that there be inserted in the CONGRESSIONAL RECORD at the end of my statement a list of these provisions which under this bill will be terminated over the next 3 years in the absence of action to the contrary, together with the bill itself.

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

(See exhibits 1 and 2.)

Mr. MANSFIELD. Mr. President, Senators will recall that last March 21 I took the opportunity to commend the Senator from Massachusetts (Mr. KENNEDY), the Senator from Wisconsin (Mr. NELSON), the Senator from Michigan (Mr. HART), and the Senator from Minnesota (Mr. MONDALE) for their efforts in attempting to change the tax structure. At that time I indicated that in the near future I hoped to offer a proposal which would contribute toward making the tax code more equitable. As I indicated at that time, I believe that the notion of unfairness about the tax code is justified. Something needs to be done to give assurance that everyone will pay their fair share of the tax burden.

At that time I indicated that my proposal would put a termination date on every tax preference and exclusion in the tax code so that Congress must renew every preference if it is to be continued. As I indicated, if a preference has clear validity, then Congress will renew the provision.

Under this bill existing tax preference provisions can be analyzed and reviewed over the next three years. This process should afford the House Ways and Means Committee and the Senate Finance Committee and the Congress as a whole with an opportunity to make a judgment with respect to these provisions. At the time Congress makes its review of any of these preference provisions, it may decide that there is some way outside the tax system which will better achieve the goals sought or it may conclude that a preference provision previously in the code is desirable but perhaps in some modified form.

The idea that it is appropriate to review tax preference provisions or incentives from time to time certainly is not

new. In the Tax Reform Act of 1969, termination dates were provided for three provisions added in that act—the 5-year amortization provision for railroad rolling stock, the special amortization provision for pollution control facilities, coal mine safety equipment and expenditures for rehabilitation of low and moderate income housing. The 1971 act also provided a termination date for the amortization of expenditures for on-the-job training and child care facilities.

By adopting on a broader scale the approach taken by Congress in 1969 and 1971, this bill would take a long step toward assuring the tax reform will be a continuing and on-going project, not something that happens only once every generation. By dividing these termination dates and spreading them over 3 years, the bill gives assurance that there will be an opportunity to adequately review these provisions in the Congress.

There is a growing sentiment in the country that the tax code needs refurbishment. Each election year, promises are made for tax reform; this proposal, if enacted this year, will assure tax reform and assure a continued currency to the tax code.

In introducing this bill, I want to make it clear that by providing for the termination of a provision in this bill, I am not expressing an opinion as to whether the provision is desirable or undesirable. Instead, what I am doing is merely expressing the view that the provisions in this bill all deserve review by the Congress to see whether in the opinion of Congress they should be retained as they are, modified or deleted from the tax law.

The termination dates provided for in this bill are quite comprehensive and are explained fully in the statement which I have asked permission to have inserted in the RECORD at the conclusion of my remarks. I commend this bill to your attention. It seems to me that it represents the best possible way of assuring a systematic review of our tax provisions.

Mr. President, I have communicated with the distinguished chairman of the Senate Finance Committee concerning the introduction of this measure. I felt it would have been inappropriate for him to consider a possible cosponsorship of this measure prior to it being referred to his committee. I know from past experience the openness of Senator LONG on these matters and that he will give this measure the fullest consideration this year. This measure in effect returns the initiative for tax writing to the Congress as a continuing matter as envisioned in the Constitution.

EXHIBIT 1

S. 3657

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the "Tax Policy Review Act of 1972".

(b) TABLE OF CONTENTS.—

TITLE I—PROVISIONS TO TERMINATE ON JANUARY 1, 1974

SEC. 101. THE $30,000 EXEMPTION AND DEDUCTION OF REGULAR INCOME TAXES FOR THE MINIMUM TAX ON TAX PREFERENCES

Section 56 of the Internal Revenue Code of 1954 (relating to the imposition of the minimum tax for tax preferences) is amended by adding at the end thereof the following new subsection:

"(d) TERMINATION OF EXEMPTION AND DEDUCTION OF REGULAR INCOME TAXES.—In the case of any taxable year beginning on or after January 1, 1974, the tax imposed by subsection (a) shall be on the sum of the items of tax preference for the taxable year without reduction by the $30,000 exemption specified in paragraph (1) of subsection (a) or by the sum specified in paragraph (2) of such subsection, and subsection (b) shall be applied without regard to the $30,000 exemption.".

SEC. 102. TREATMENT OF GROUP-TERM LIFE INSURANCE PURCHASED FOR EMPLOYEES

Section 79(a) of such Code (relating to exclusion from gross income of the cost of $50,000 of group-term life insurance) is amended by adding at the end thereof the following new sentence:

"Paragraph (1) shall not apply in the case of any taxable year beginning on or after January 1, 1974.".

SEC. 103. EXCLUSION FROM GROSS INCOME OF $5,000 EMPLOYEE'S DEATH BENEFIT

Section 101(b) of such Code (relating to exclusion from gross income of $5,000 of an employee's death benefit) is amended by adding at the end thereof the following new paragraph:

"(4) TERMINATION.—Paragraph (1) shall not apply to amounts received with respect to an employee who died on or after January 1, 1974."

SEC. 104. EXEMPTION FROM TAX OF $100 OF DIVIDENDS RECEIVED BY INDIVIDUALS

Section 116(a) of such Code (relating to exclusion from gross income of $100 of dividends received by an individual) is amended by adding at the end thereof the following new sentence: "This subsection shall not apply in the case of any taxable year beginning on or after January 1, 1974."

SEC. 105. TREATMENT OF LOSS FROM CERTAIN NONBUSINESS GUARANTIES

Section 166(f) of such Code (relating to loss from guaranty of certain noncorporate obligations) is amended by adding at the end thereof the following new sentence: "The preceding sentence shall not apply to any payment made on or after January 1, 1974."

SEC. 106. TWENTY-PERCENT VARIATION UNDER THE ASSET DEPRECIATION RANGE SYSTEM

Section 167(m)(1) of such Code (relating to the Asset Depreciation Range System) is amended by adding at the end thereof the following new sentence: "The preceding sentence shall not apply to property placed in service in any taxable year beginning on or after January 1, 1974."

SEC. 107. CAPITAL GAIN TREATMENT FOR LUMP-SUM DISTRIBUTION FROM PENSION FUNDS

Sections 402(a)(2) and 403(a)(2)(A) of such Code (relating to capital gains treatment for certain distributions) are each amended by adding at the end thereof the following new sentence: "This paragraph shall not apply to distributions paid to any employee on or after January 1, 1974."

SEC. 108. TREATMENT OF EMPLOYEE STOCK OPTIONS

Section 421 of such Code (relating to the treatment of qualified and restricted stock options) is amended by adding at the end thereof the following new subsection:

"(d) TERMINATION.—This section shall not apply with respect to a qualified stock option or a restricted stock option exercised on or after January 1, 1974."

SEC. 109. TAX EXEMPTION OF CREDIT UNIONS AND MUTUAL INSURANCE FUNDS FOR CERTAIN FINANCIAL INSTITUTIONS

Section 501(c)(14) of such Code (relating to tax exemption for credit unions and for mutual insurance funds for certain financial institutions) is amended by adding at the end thereof the following new subparagraph:

"(D) This paragraph shall not apply to any taxable year beginning on or after January 1, 1974."

SEC. 110. TREATMENT OF BAD DEBT RESERVES OF BANKS AND OTHER FINANCIAL INSTITUTIONS

(a) BANKS.—Section 585 of such Code (relating to reserves for losses on loans of banks) is amended by adding at the end thereof the following new subsection:

"(c) NO SPECIAL ADDITION FOR YEARS AFTER 1973.—Subsections (a) and (b) shall not apply in the case of taxable years beginning on or after January 1, 1974, and the reasonable addition to the reserve for bad debts for any taxable year beginning on or after such date shall be computed under section 166(c) on the basis of the actual experience of the taxpayer."

(b) MUTUAL SAVINGS BANKS, DOMESTIC BUILDING AND LOAN ASSOCIATIONS, AND COOPERATIVE BANKS.—Section 593(b) of such Code (relating to addition to reserves for losses on loans of mutual savings banks and certain other financial organizations) is amended by adding at the end thereof the following new paragraph:

"(6) NO SPECIAL ADDITIONS FOR YEARS AFTER 1973.—This subsection shall not apply in the case of any taxable year beginning on or after January 1, 1974, and the reasonable addition to the reserve for bad debts for any taxable year beginning on or after such date shall be computed under section 166(c) on the basis of the actual experience of the taxpayer."

SEC. 111. PERCENTAGE DEPLETION FOR OIL, GAS, AND OTHER MINERALS

Section 613 of such Code (relating to the allowance of percentage depletion) is amended by adding at the end thereof the following new subsection:

"(e) TERMINATION.—Subsection (a) shall not apply to any taxable year beginning on or after January 1, 1974."

SEC 112. CAPITAL GAIN FOR TIMBER, COAL, AND IRON ORE ROYALTIES

Section 631 of such Code (relating to gain or loss in the case of timber, coal, or domestic iron ore) is amended by adding at the end thereof the following new subsection:

"(d) TERMINATION.—Subsections (a), (b), and (c) shall not apply in the case of any taxable year beginning on or after January 1, 1974."

SEC. 113. EXCLUSION OF GROSS-UP ON DIVIDENDS OF LESS DEVELOPED COUNTRY CORPORATIONS

Section 902(d) of such Code (relating to definition of less developed country corporation) is amended by adding at the end thereof the following new sentence: "No foreign corporation shall be treated as a less developed country corporation for any of its taxable years which begin on or after January 1, 1974."

SEC. 114. EXEMPTION OF EARNED INCOME FROM FOREIGN SOURCES

Section 911 of such Code (relating to exemption of earned income from sources without the United States) is amended by adding at the end thereof the following new subsection:

"(e) TERMINATION.—Subsection (a) shall not apply to any taxable year beginning on or after January 1, 1974."

SEC. 115. ALTERNATIVE TAX ON CAPITAL GAINS

Section 1201 of such Code (relating to the alternative tax for corporations and individuals on capital gains) is amended by adding at the end thereof the following new subsection:

"(f) TERMINATION.—Subsections (a) and (b) and section 802(a)(2) shall not apply to any taxable year beginning on or after January 1, 1974."

SEC. 116. RULES FOR RECAPTURE OF DEPRECIATION ON SALE AT GAIN OF REAL PROPERTY

Section 1250 (relating to gain from dispositions of certain depreciable realty) is amended by adding at the end thereof the following new subsection:

"(g) TERMINATION OF PRESENT TREATMENT OF REAL PROPERTY.—Any disposition of section 1250 property after December 31, 1973, shall not be subject to the provisions of subsection (a) but shall be treated under section 1245(a) as a disposition of section 1245 property, subject to the exceptions and limitations of section 1245(b), and by determining the recomputed basis of the property under section 1245(a) by adding only those adjustments which are attributable to periods after December 31, 1963."

SEC. 117. SPECIAL EXEMPTIONS FOR EXCESS DEDUCTIONS ACCOUNT FOR FARM LOSSES

Section 1251(d) of such Code (relating to exceptions and special rules with respect to the excess deductions account) is amended by adding at the end thereof the following new paragraph:

"(7) TERMINATION OF $50,000 AND $25,000 EXEMPTIONS.—In the case of any taxable year beginning on or after January 1, 1974, subsection (b)(2) shall be applied without regard to the exceptions provided in subparagraphs (B) and (C)."

TITLE II—PROVISIONS TO TERMINATE ON JANUARY 1, 1975

SEC. 201. EXCLUSION FROM GROSS INCOME OF AMOUNTS RECEIVED AS SICK PAY

Section 105(d) of the Internal Revenue Code of 1954 (relating to exclusion from gross income of amounts received from an employer as sick pay) is amended by adding at the end thereof the following new sentence: "This subsection shall not apply to amounts received in any taxable year beginning on or after January 1, 1975."

SEC. 202. DEDUCTION OF NONBUSINESS INTEREST AND TAXES

(a) INTEREST.—Section 163(a) of such Code (relating to deduction of interest) is amended by adding at the end thereof the following new sentence: "In the case of an individual, no deduction shall be allowed under this section for interest paid or accrued during a taxable year beginning on or after January 1, 1975, unless the indebtedness was incurred in carrying on a trade or business or an activity described in section 212 (relating to expenses for production of income)."

(b) TAXES.—Section 164 of such Code (relating to deduction of taxes) is amended by adding at the end thereof the following new subsection:

"(h) TERMINATION OF DEDUCTION OF NONBUSINESS TAXES.—In the case of an individual, no deduction shall be allowed under subsection (a) for any tax paid or accrued during a taxable year beginning on or after January 1, 1975, unless the tax is paid or accrued in carrying on a trade or business or an activity described in section 212 (relating to expenses for production of income)."

(c) STOCKHOLDER OF COOPERATIVE HOUSING CORPORATION.—Section 216(a) of such Code (relating to allowance of deduction of taxes and interest by cooperative housing corporation tenant-stockholder) is amended by adding at the end thereof the following new sentence:

"No deduction shall be allowed under this subsection for any taxable year beginning on or after January 1, 1975."

SEC. 203. FAST DEPRECIATION METHODS

Section 167(c) of such Code (relating to limitations on use of fast depreciation methods) is amended by adding at the end thereof the following:

"Paragraphs (2), (3), and (4) of subsection (b) shall not apply in the case of property placed in service during any taxable year beginning on or after January 1, 1975."

SEC. 204. DEDUCTION OF RESEARCH AND EXPERIMENTAL EXPENDITURES

Section 174 of such Code (relating to the election to treat research and experimental expenditures as deductible expenses) is amended by adding at the end thereof the following new subsection:

"(f) TERMINATION.—Subsections (a) and (b) shall not apply with respect to research or experimental expenditures paid or incurred in any taxable year beginning on or after January 1, 1975."

SEC. 205. DEDUCTION OF SOIL AND WATER CONSERVATION EXPENDITURES

Section 175 of such Code (relating to soil and water conservation expenditures) is amended by adding at the end thereof the following new subsection:

"(g) TERMINATION.—Subsection (a) shall not apply with respect to expenditures paid or incurred during any taxable year beginning on or after January 1, 1975."

SEC. 206. ADDITIONAL FIRST-YEAR DEPRECIATION ALLOWANCE

Section 179 of such Code (relating to additional first-year depreciation allowance for small business) is amended by adding at the end thereof the following new subsection:

"(f) TERMINATION.—This section shall not apply to any taxable year beginning on or after January 1, 1975."

SEC. 207. DEDUCTION OF EXPENDITURES FOR CLEARING LAND

Section 182 of such Code (relating to deduction by farmers of expenditures for clearing land) is amended by adding at the end thereof the following new subsection:

"(f) TERMINATION.—Subsection (a) shall not apply to any taxable year beginning on or after January 1, 1975."

SEC. 208. AMORTIZATION OF RAILROAD GRADING AND TUNNEL BORES

Section 185 of such Code (relating to amortization of railroad grading and tunnel bores) is amended by adding at the end thereof the following new subsection:

"(i) TERMINATION.—No deduction for amortization shall be allowable under this section for any taxable year beginning on or after January 1, 1975."

SEC. 209. DEDUCTION OF INTANGIBLE DRILLING AND DEVELOPMENT COSTS

Section 263(c) of such Code (relating to deduction of intangible drilling and development costs in the case of oil and gas wells) is amended by adding at the end thereof the following sentence: "In the case of any taxable year beginning on or after January 1, 1975, such tangible drilling and development costs (other than those incurred in drilling a nonproductive well) shall be charged to capital account and shall not be deductible in accordance with such regulations."

SEC. 210. DEDUCTION OF DEVELOPMENT EXPENDITURES IN THE CASE OF MINES

Section 616 of such Code (relating to the deduction of development expenditures in the case of mines) is amended by adding at the end thereof the following new subsection:

"(d) TERMINATION.—Subsections (a) and (b) shall not apply to expenditures paid or incurred during any taxable year beginning on or after January 1, 1975."

SEC. 211. TAX EXEMPTION FOR SHIPS UNDER FOREIGN FLAG

Sections 872(b)(1) and 883(a)(1) of such Code (relating to tax exemption of earnings from ships under foreign flags) are each amended by adding at the end thereof the following: "This paragraph shall not apply to earnings derived during any taxable year beginning on or after Jannary 1, 1975."

SEC. 212. SPECIAL DEDUCTION FOR A WESTERN HEMISPHERE TRADE CORPORATION

Section 922 of such Code (relating to special deduction for Western Hemisphere trade corporation) is amended by adding at the end thereof the following new sentence: "No deduction shall be allowed under this section for any taxable year beginning on or after January 1, 1975."

SEC. 213. EXEMPTION OF INCOME FROM SOURCES WITHIN POSSESSIONS OF UNITED STATES

Section 931 of such Code (relating to exemption of income from sources within possessions of the United States) is amended by adding at the end thereof the following new subsection:

"(j) TERMINATION.—This section shall not apply in the case of any taxable year beginning on or after January 1, 1975."

SEC. 214. EXCLUSION FROM SUBPART F INCOME OF SHIPPING PROFITS AND CERTAIN DIVIDENDS, INTEREST, AND GAINS

Section 954(b)(1) of such Code (relating to exclusion of certain dividends, interest, and gains from subpart F income) and section 954(b)(2) of such Code (relating to exclusion of shipping income from subpart F income) are each amended by adding at the end thereof the following new sentence: "This paragraph shall not apply to any taxable year beginning on or after January 1, 1975."

SEC. 215. TAX EXEMPTION FOR A DISC

(a) TERMINATION OF TAX EXEMPTION.—Section 991 of such Code (relating to tax exemption of a DISC) is amended by adding at the end thereof the following: "This section shall not apply to any taxable year beginning on or after January 1, 1975."

(b) TERMINATION OF STATUS.—Section 992(a) of such Code (relating to definition of DISC) is amended by adding at the end thereof the following new paragraph:

"(4) TERMINATION.—No corporation shall be treated as a DISC for any taxable year beginning on or after January 1, 1975."

SEC. 216. STEP-UP IN TAX BASIS OF PROPERTY ACQUIRED FROM DECEDENT

Section 1014 of such Code (relating to basis of property acquired from a decedent) is amended by adding at the end thereof the following new subsection:

"(e) TERMINATION.—The provisions of this section shall not apply to property acquired from a decedent dying on or after January 1, 1975. The basis of property acquired from such a decedent shall be determined as provided in section 1015."

SEC. 217. CAPITAL GAINS ON SALE OR EXCHANGE OF PATENTS

Section 1235(c) of such Code (relating to the effective date on special treatment of patents) is amended by adding at the end thereof the following new sentence: "This section shall not apply to any amount received on or after January 1, 1975."

TITLE III—PROVISIONS TO TERMINATE ON JANUARY 1, 1976

SEC. 301. CORPORATE SURTAX EXEMPTION

Section 11(d) of the Internal Revenue Code of 1954 (relating to the surtax exemptions for corporations) is amended by adding at the end thereof the following new sentence: "The surtax exemption for any taxable year beginning on or after January 1, 1976, shall be zero."

SEC. 302. RETIREMENT INCOME CREDIT

Section 37(a) of such Code (relating to retirement income credit) is amended by adding at the end thereof the following: "This subsection shall not apply to any taxable year beginning on or after January 1, 1976."

SEC. 303. CREDIT OR DEDUCTION FOR CONTRIBUTIONS TO CANDIDATES FOR PUBLIC OFFICE

Section 41 of such Code (relating to credit against tax for contributions to candidates for public office) and section 218 of such Code (relating to deductions for contributions to candidates to public office) are each amended by adding at the end thereof the following new subsection:

"(e) TERMINATION.—Subsection (a) shall not apply to any payment made by the taxpayer on or after January 1, 1976."

SEC. 304. INVESTMENT CREDIT

Section 50 of such Code (relating to restoration of investment credit) is amended by adding at the end thereof the following new subsection:

"(c) TERMINATION.—For purposes of this subpart, the term 'section 38 property' does not include any property placed in service on or after January 1, 1976."

SEC. 305. TAX-EXEMPT INTEREST

Section 103(b) of such Code (relating to the inapplicability of the tax exemption of interest on certain obligations) is amended by adding at the end thereof the following new sentence: "Subsection (a)(1) shall not apply to interest on obligations issued on or after January 1, 1976."

SEC. 306. EXCLUSION FROM GROSS INCOME OF RENTAL VALUE OF PARSONAGES

Section 107 of such Code (relating to exclusion of rental value of parsonages) is amended by adding at the end thereof the following new sentence:

"This section shall not apply in the case of a taxable year beginning on or after January 1, 1976."

SEC. 307. EXCLUSION FROM GROSS INCOME OF SCHOLARSHIP AND FELLOWSHIP GRANTS

Section 117 of such Code (relating to tax exemption of scholarship and fellowship grants) is amended by adding at the end thereof the following new subsection:

"(c) TERMINATION.—Subsection (a) shall not apply to any amount received during a taxable year beginning on or after January 1, 1976."

SEC. 308. EXCLUSION FROM GROSS INCOME OF GAIN ON SALE OF RESIDENCE BY PERSONS OVER 65

Section 121 of such Code (relating to exclusion of gain from sale or exchange of residence of individual who has attained age 65) is amended by adding at the end thereof the following new susbection:

"(e) TERMINATION.—Subsection (a) shall not apply to any sale or exchange made on or after January 1, 1976."

SEC. 309. ADDITIONAL EXEMPTION FOR AGE 65 OR BLINDNESS OF TAXPAYER OR SPOUSE

Section 151 of such Code (relating to allowance of deduction for personal exemptions) is amended by adding at the end thereof the following new subsection:

"(f) TERMINATION OF ADDITIONAL EXEMPTIONS UNDER SUBSECTIONS (c) AND (d).—Subsections (c) and (d) shall not apply in the case of any taxable year beginning on or after January 1, 1976."

SEC. 310. EXEMPTION FOR CHILD WHOSE INCOME EXCEEDS $750

Section 151(e)(1) of such Code (relating to exemption for each dependent of the taxpayer) is amended by adding at the end thereof the following new sentence:

"Subparagraph (B) shall not apply for any taxable year of the taxpayer which begins on or after January 1, 1976."

SEC. 311. DEDUCTION FOR NONBUSINESS CASUALTY LOSSES

Section 165(c) (relating to casualty losses of individuals) is amended by adding at the end thereof the following new sentence:

"Paragraph (3) shall not apply to any loss incurred on or after January 1, 1976."

SEC. 312. CHARITABLE CONTRIBUTION DEDUCTIONS

(a) IN GENERAL.—Section 170(a) of such Code (relating to allowance of deduction for charitable contributions and gifts) is amended by adding at the end thereof the following new paragraph:

"(4) TERMINATION.—No deduction shall be allowed under this section for any taxable year beginning on or after January 1, 1976."

(b) ESTATES AND TRUSTS.—Section 642(c) (relating to charitable deductions of an estate or trust) is amended by adding at the end thereof the following new paragraph:

"(7) TERMINATION.—No deduction shall be allowed under this subsection for any taxable year beginning on or after January 1, 1976."

SEC. 313. MEDICAL EXPENSE DEDUCTION

Section 213(a) of such Code (relating to deduction of medical, dental, etc., expenses) is amended by adding at the end thereof the following new sentence:

"No deduction shall be allowed under this section for any taxable year beginning on or after January 1, 1976."

SEC. 314. HOUSEHOLD AND DEPENDENT CARE DEDUCTION

Section 214(a) of such Code (relating to deduction of expenses for certain household and dependent care services) is amended by adding at the end thereof the following new sentence: "No deduction shall be allowed under this section for any taxable year beginning on or after January 1, 1976."

SEC. 315. DEDUCTION OF MOVING EXPENSES

Section 217(a) of such Code (relating to deduction of moving expenses) is amended by adding at the end thereof the following new sentence: "No deduction shall be allowed under this section for any taxable year beginning on or after January 1, 1976."

SEC. 316. NONRECOGNITION OF GAIN ON APPRECIATED PROPERTY USED TO REDEEM STOCK

Section 311(d)(2) of such Code (relating to exceptions and limitations on recognition of gain) is amended by adding at the end thereof the following:

"This paragraph shall not apply to any distribution made on or after January 1, 1976."

SEC. 317. NONRECOGNITION OF GAIN IN CONNECTION WITH CERTAIN LIQUIDATIONS

Section 337(c) of such Code (relating to limitations on the nonrecognition of gain or loss in connection with certain liquidations) is amended by adding at the end thereof the following new paragraph:

"(3) LIQUIDATIONS AFTER DECEMBER 31, 1975.—Subsection (a) shall not apply in the case of a plan of complete liquidation adopted on or after January 1, 1976, if at the time of the adoption of such plan the corporation has more than 10 shareholders (determined with the application of section 1371(c))."

SEC. 318. DEDUCTION FOR CAPITOL GAINS

Section 1202 of such Code (relating to deduction for capital gains in the case of a taxpayer other than a corporation) is amended by adding at the end thereof the following sentence: "The deduction provided in this section shall not be allowed for any taxable year beginning on or after January 1, 1976."

EXHIBIT 2

LIST OF PROVISIONS

Provisions Terminated On or After January 1, 1974:

1. The $30,000 exemption for the minimum tax.
2. The deduction of ordinary income taxes for the minimum tax.
3. The exclusion from gross income of group-term life insurance of employees.
4. The $5,000 death benefit exclusion.
5. The $100 dividend exclusion.
6. The guaranteed business bad debt deduction.
7. The provision permitting assets to be written off over a period 20 percent shorter than their class lives under the ADR system.
8. The capital gain treatment of lump-sum distribution from pension funds.
9. Qualified stock options.
10. The tax exemption for credit unions and certain mutual insurance funds.
11. Special reserves for losses on bad debts of banks, mutual savings banks, etc.
12. Percentage depletion for oil, gas, and other minerals.
13. Capital gain for timber, coal and iron ore royalties.
14. Exclusion of gross-up on dividends of less developed country corporations.
15. Exclusion of earned income from foreign sources.
16. The alternative tax on capital gains of corporations and individuals.
17. The recapture rules for real property.
18. The special exemptions for excess deduction account for farm losses.

Provisions Terminated on and After January 1, 1975:

1. The exclusion from gross income of sick pay.
2. The deduction for nonbusiness interest.
3. The deduction for nonbusiness taxes.
4. Fast depreciation methods.
5. The deduction of research and experimental expenditures.
6. The deduction of soil and water conservation expenditures.
7. Additional first-year depreciation allowance.
8. The deduction of expenditures for clearing land.
9. Amortization of railroad grading and tunnel bores.
10. The deduction of intangible drilling and development costs.
11. The deduction of development expenditures in case of mines.
12. The exemption of ships under foreign flags.
13. The special deduction for Western Hemisphere trade corporations.
14. The exemption of income from sources within possessions of the United States.
15. The exclusion from Subpart F of shipping profits and certain dividends and interest.
16. The provisions relating to Domestic International Sales Corporations.
17. Step-up in tax basis of property acquired from a decedent.
18. Capital gain from the sale or exchange of patents.

Provisions Terminated On and After January 1, 1976:

1. The $25,000 corporate surtax exemption.
2. The retirement income credit.
3. The deduction and credit for political contributions.
4. The investment credit.
5. The exclusion for interest on State and local bonds.
6. The exclusion of the rental value of parsonages.
7. The exclusion from gross income of scholarships and fellowships.
8. The exclusion from gross income of gain on sale of residence by person over 65.
9. Additional personal exemptions for the aged and blind.
10. The exemption for child where income exceeds $750.
11. The deduction for nonbusiness casualty losses.
12. The charitable contribution deduction.
13. The medical expense deduction.
14. The child care deduction.
15. The moving expense deduction.
16. Nonrecognition of gain on the use of appreciated property to redeem stock.
17. Nonrecognition of gain in connection with certain liquidations.
18. The deduction for long-term capital gains.

By Mr. INOUYE:

S. 3658. A bill to amend title 5 of the United States Code in order to provide that certain benefits to which employees of the United States stationed in Alaska, Hawaii, Puerto Rico, the Canal Zone, or the territories or possessions of the United States are entitled may be terminated under certain conditions, and for other purposes. Referred to the Committee on Post Office and Civil Service.

Mr. INOUYE. Mr. President, an unusual and unfair situation has developed for some persons who now work for the Federal Government under civil service in Hawaii, Alaska, Puerto Rico, and Guam. Federal employees, recruited from or transferred to these areas from the mainland in order to perform highly skilled or technical jobs for which the local labor market could not provide adequate numbers of trained people, were offered special benefits including periodic travel at Government expense to their homes of record, cost-of-living allowances, and commissary and exchange privileges. Highly qualified local residents are now frequently capable of performing this same work. Many of the mainland hires have, however, remained in their jobs continuing to draw these benefits.

Recognizing the changed labor market and the inherent inequities of this situation, the Department of Defense, the largest Federal employer in Hawaii, started eliminating these benefits administratively. However, due to the restriction in the present law, DOD could achieve this only by forcing those who refuse a transfer to mainland areas to actually leave Federal employment and be rehired as local residents. As a result some of these workers who would be more than willing to retain their positions without any special benefits are threatened with the permanent loss of their jobs.

The legislation I am introducing today would eliminate this problem by recognizing both the rights of local residents who are qualified to perform work now done by people from the mainland and the rights of those Federal employees who wish to retain their positions as permanent local residents without special privileges or benefits. At the same time this legislation would guarantee that in those instances where people with special skills must still be brought in from the mainland, appropriate travel and pay benefits can be provided. This is achieved by allowing any Federal agency to terminate the special benefits of an employee brought in from the mainland only when there are qualified local residents available for the position, the employee's "tour" or contract with the agency has expired and the employees refuses reassignment to a similar job on the mainland.

The benefits of this change in the law would be immediate and direct. First, it would guarantee that qualified local residents could compete for and work in jobs for the same pay as Federal employees from the mainland. Second, it guarantees the job security of the Federal employee who wishes to remain in the area and forego special benefits. Third, by extending travel and pay benefits to employees when local personnel is unavailable, it guarantees that qualified and capable civil servants can be recruited when needed.

This is, I feel, fair and equitable legislation aimed at eliminating certain clear injustices which have unintentionally grown into our Civil Service System. I hope the appropriate committee and the Congress will give this measure their serious consideration and approval.

By Mr. TOWER:

Senate Joint Resolution 237. A joint resolution to authorize and request the President of the United States to issue a proclamation designating October 15, 1972, as "German Day." Referred to the Committee on the Judiciary.

Mr. TOWER. Mr. President, I am introducing today a joint resolution requesting the President of the United States to issue a proclamation designating October 15, 1972, as "German Day," in honor of the many great traditions and accomplishments of the outstanding, talented, and patriotic German-American community.

There are many fine ethnic groups in America, each with a splendid history of its own and heroes of its own. None of these, however, can be said to excel the accomplishments over the years of Americans of German descent, whose deeds are, to say the least, inspiring to everyone familiar with the facts.

The most immediate and impressive fact is their contribution to the overall population of the United States. Of all American ethnic groups, the English alone exceed the Germans in total figures, and then only providing that you consider together the genuine English descendants with Scots, Irish, and Welsh descendants.

A distinct characteristic of the German immigrations throughout their history has been the very slight return

migration to the "old country" as compared with recent immigrations. These German immigrants found America to their liking, and they and their descendants have made the most of it.

In the beginning, so far as the first English colonists were concerned, the *Mayflower* provided the key to a glorious land of promise. The Germans had their *Mayflower* too, under a different name. This was the good ship *Concord*, which arrived in Philadelphia in October 1683, bearing the first group of German immigrants to these shores. The leader of the group was Franz Daniel Pasturius, who had come in advance to purchase from William Penn a tract of land, on which to establish the first permanent German settlement in the American Colonies. This settlement, which was established only 2 years following the founding of Philadelphia, became known as Germantown, and for the next 100 years or so, it was to serve as a distributing center for all German colonists.

In a short time, hundreds of Germans were spread throughout the central and southern counties of Pennsylvania, and Lancaster County was developing into a kind of German stronghold. Some Germans went north, to New Jersey and New York, but the vast majority moved southward, colonizing western Maryland, Virginia's Shenandoah Valley, and many counties in Tennessee, Kentucky and North Carolina.

The most northerly settlement of Germans in the 18th century was established at Waldobora, Maine, in 1751, and the most southerly that of the Salzburgers, in 1734 at Ebenezer, Ga., which was at the time also the most southerly point of American settlement on the East Coast. Many German tradesmen remained in the coast cities of Philadelphia, New York, Baltimore, and Charleston. Pennsylvania, however, remained the State most thickly settled by the German element.

The German Quakers of Germantown immortalized themselves by their formal protest against Negro slavery in 1788, the first time such action was taken in the history of the American people. The first Bible printed in the German language was published by Christopher Saur in the year 1743, and is another example of the religious quality of these early German settlers. This was not the first time that a German printer and publisher wrote himself into history, for Peter Zenger, the founder of the independent newspaper, the New York Weekly Journal, was tried for libel in 1735, and the case became the first great fight for freedom of the press in America.

During the 19th century, German immigration out-distanced all others and reached surprising heights. From 1846 to 1854, a period embracing the ill-favored German Revolution of 1848–1849, almost 900,000 Germans came to America—an extremely large number for those days. Over half of them arrived in the years 1852 to 1854.

The arrival of this particular group of Germans had a profound effect on the long-established social customs of early America. For more than 200 years English puritanism had kept watch over the public morals of American society. But with the coming of the Germans, the Puritan tradition received a severe jolt. Fresh from the battlefields of the German Revolution of 1848, where the great questions of economic and political liberty were being decided, the new arrivals held many opinions not in keeping with the Puritan attitude. In the matter of things spiritual, the Germans held a liberal view of religion and the Sabbath. They also developed community singing, occasionally neglected business for the sake of intellectual pleasure, and took great delight in outdoor life.

Missouri, Wisconsin, and Texas were the pioneer sections toward which many directed their course, as immigration continued, interrupted only by the two world wars.

In the industrial history of the 19th century in America, the Germans became preeminent in all branches requiring technical training. They had had the advantage of technical schools at home, before such schools were founded in the United States. Above all, the Germans led the way in the field of engineering. John A. Roebling built the first great suspension bridge over the Niagara River, and followed it with construction of the famous Brooklyn Bridge. Another bridge builder of note was Charles C. Schneider, who planned and directed construction of a bridge over the Niagara—this time a cantilever-type structure, superior for carrying heavy railway traffic. Gustan Linderthal was consulting engineer and the architect of the Hell's Gate steel-arch bridge across New York's East River.

The only equal or near equal of Thomas Edison in the field of electricity and electrical engineering was Charles P. Steinmetz, the wizard of Schenectady. Albert Fink, expert railway engineer, was the originator of through traffic in freight and passenger service—while Count Zeppelin made his first experiments in military aviation in the country during the United States Civil War.

In the 19th century, however, the Germans led not only in the engineering branches of industry, but also in many other areas requiring technical training and the ingenuity of expertise. Thus, it comes as no surprise, that in the chemical industries and in the manufacture of drugs, German names were outstanding; Rosengarten, Pfizer, Dohm, Vogler, Meyer, Schieffelin, Lehn, and Fink, to list but a few. In the manufacture of pianos and other musical instruments, such great names as Steinway, Knabe, Weber, Sohmer, Wurlitzer, and Gemunder, stand out. In the development of optical instruments we recall Bausch & Lomb. The list of technical developments and accomplishments is almost endless.

Nor were the accomplishments of Germans in America limited to the contributions of these individuals of genius. On the contrary, Germans as a group performed remarkably in many areas. It has been estimated that the number of German volunteers during the American Revolution and the Civil War exceeded in proportion that of native Americans and all other foreign elements—certainly a wonderful tribute to their loyalty and courage.

In political affairs, Germans in America have long been active in reform movements, carrying on the principles of democracy enunciated in the German revolutionary movement of the 1840's. Among those German-American politicians who found in our great land a flowering of the democracy they so cherished and loved was the outstanding historical figure of Carl Schurz, who helped to organize the Republican Party in Wisconsin, became a union general in the Civil War, and later a U.S. Senator from Missouri and a cabinet member in the administration of President Rutherford B. Hayes.

Germans have also played a major part in American education. Indeed, both the highest and lowest level of the American system of education—the university and the kindergarten—were imported from Germany. Moreover, the secondary school felt the German influence when Horace Mann reported favorably on the Prussian school system in the 1840's, and established the normal, or training school for teachers.

In the area of the arts, the German influence again has served America well. Gottlieb Graupner won distinction as the father of orchestral music in America in the early 19th century, and the German participation played a major part in establishing American opera in the eyes of European critics. German ability was further demonstrated by the noted painter, Emanuel Leutze, best known for his large historical picture of "Washington Crossing the Delaware."

In the field of organized religion, German-Americans founded three major American churches early in the 18th century—the Lutheran, the German Reformed, and the United Brethern or Moravian.

One of the greatest military organizers in our Nation's history was Baron Frederick Von Steuben, who endorsed the American Revolution and made plans to engage in it, in the interest of democracy, the moment it began. Von Steuben served alongside George Washington at Valley Forge, during those bitter early months of 1778. He trained Washington's troops admirably, and throughout the war, the Continental Army proved itself fully the equal in discipline and skill of the best of the British Regulars. Of all the heroes of the American Revolution, few exceeded Baron Von Steuben in the importance of their contributions.

Certainly, we can all take pride in the accomplishments and contributions of our German-American citizens, past and present. They have played a large role in America's climb to its present position of world leadership. The scope of German-American efforts has been nationwide, and every part of our great Republic has benefited from the influence of the German settlers.

Texas is particularly fortunate in having felt the influence of the German arrivals upon our land and its fortunes. Germans began settling in Texas even while it was still a Mexican province. The first German colony was organized by Baron Von Bastrop and located on the Colorado River. Bastrop, as the settle-

ment was named, was the northernmost white settlement in the valley of the Colorado. Much exposed to Indian attack, the early settlement was abandoned several times, but the persistence of the German settlers was eventually responsible for making this area a center for the German newcomers.

A great many of the Germans came to Texas between 1836, when it won its independence from Mexico, and 1845, when it joined the Union. Because so much of the State was unexplored as well as unsettled, and was populated by large and hostile Indian tribes, conditions were conducive to organized colonies such as the Germans established. A lone settler had little chance of survival. For these reasons, in many parts of Texas, Germans outnumbered native Americans.

Political disturbances in the 1840's drove many Germans to seek new homes where, possibly, an ideal German state might be established. Persecuted by the Diet of the German Confederation, members of the "Burschenschaften", or students' organization, began to come to Texas, and were soon followed by the German masses.

In the German-American communities of south central and southwestern Texas, the customs and culture of the founders survive—their great contributions being in music, painting, literature, and quaint colonial architecture. They established schools, singing societies, social organizations, a literary society, and pioneered in agriculture and labor organizations. Many of their descendants still observe customs of German origin in Fredericksburg, New Braunfels, and other communities where their forefathers settled.

The German settlements on the Gaudalupe and the Pedernales prospered despite unpredictable weather conditions, crop failures, and the Indian raiders. The Germans joined with Texans to wage punitive campaigns against the Indians, and in great numbers volunteered with the U.S. Army during the war against Mexico in 1846. That war had the effect of further integrating German-Americans, both in Texas and the rest of our growing, westward-expanding Nation.

The Germans were destined to play a large role in the eventual growth of this vast and powerful land. Although the Germans of Texas were never reconciled to slavery, and few names could be found on the roles of Hood's Texas Brigade when the Civil War broke out; nevertheless, in succeeding wars, German-Americans of Texas have always been found—like all Texans—more prominent than their numbers would warrant in the annals of our Nation's military forces. Two descendants of the Germans who came to Texas in its frontier days particularly distinguished themselves in World War II, General of the Army Dwight D. Eisenhower, and Fleet Admiral Chester W. Nimitz. Together they wore a total of 10 stars upon their shoulders.

German-Americans who came to America came for various reasons: for material enrichment; in search of the freedom offered by true representative democracy; and out of a sense of persecution at home in the "old country." Whatever their reasons, however, once on our proud shores they brought to bear the full weight of their talents, ambitions, and patriotic fervor.

The people of Texas are fortunate, indeed, to have shared in the German contribution to the United States of America. The names of German-American communities across our landscape are tangible evidence of their presence, and we should commend them for strengthening the fabric of America, and defending the principles of democracy along the way.

Mr. President, at this time, I ask unanimous consent that the text of my joint resolution be printed at this point in the RECORD.

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

S.J. RES. 237

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating October 15, 1972, as "German Day", and calling upon the people of the United States and interested groups and organizations to observe such day with appropriate ceremonies and activities.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 3049

At the request of Mr. JAVITS, the Senator from Oregon (Mr. HATFIELD) and the Senator from Ohio (Mr. SAXBE) were added as cosponsors of S. 3049, a bill to provide minimum standards in connection with certain Federal financial assistance to State and local correctional, penal, and pretrial detention institutions and facilities.

S. 3416

At the request of Mr. THURMOND, the Senator from Michigan (Mr. GRIFFIN), the Senator from Ohio (Mr. TAFT), the Senator from Texas (Mr. TOWER), and the Senator from Nevada (Mr. BIBLE) were added as cosponsors of S. 3416, a bill to preclude POW's and MIA's from losing accumulated leave upon return.

SENATE JOINT RESOLUTION 236

At the request of Mr. HRUSKA, the Senator from Tennessee (Mr. BAKER), the Senator from Texas (Mr. BENTSEN), the Senator from Kansas (Mr. DOLE), the Senator from Michigan (Mr. GRIFFIN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Kansas (Mr. PEARSON), the Senator from Texas (Mr. TOWER), and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of Senate Joint Resolution 236, a joint resolution to authorize and request the President to proclaim the week beginning October 15, 1972, as "National Drug Abuse Prevention Week."

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 999

At the request of Mr. ROBERT C. BYRD (for Mr. CHURCH) the Senator from Alabama (Mr. ALLEN) was added as a cosponsor of amendment No. 999, intended to be proposed to the bill (H.R. 1) to amend the Social Security Act to increase benefits and improve eligibility and computation methods under the OASDT program, to make improvements in the medicare, medicaid, and maternal and child health programs with emphasis on improvements in their operating effectiveness, to replace the existing Federal-State public assistance programs with a Federal program of adult assistance and a Federal program of benefits to low-income families with children with incentives and requirements for employment and training to improve the capacity for employment of members of such families, and for other purposes.

AMENDMENTS NOS. 1093 AND 1097

At the request of Mr. PELL, the Senator from Massachusetts (Mr. BROOKE) was added as a cosponsor of amendments Nos. 1093 and 1097 intended to be proposed to the bill (H.R. 1), the Social Security Amendments of 1972.

AMENDMENT NO. 1202

At the request of Mr. ROTH, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of amendment No. 1202, intended to be proposed to the bill (S. 3526) to provide authorizations for certain agencies conducting the foreign relations of the United States.

NOTICE OF HEARINGS ON HOUSING

Mr. SPARKMAN. Mr. President, I should like to announce that the Subcomittee on Housing and Urban Affairs of the Committee on Banking, Housing, and Urban Affairs, will hold hearings on S. 3373, a bill to promote the utilization of improved technology in federally assisted housing projects and to increase productivity in order to meet our national housing goals, and S. 3654, a bill to delete the Davis-Bacon provision from the National Housing Act and the U.S. Housing Act of 1937 relating to FHA-insured housing and public housing programs.

These hearings will be held on June 13, 14, and 15 in room 5302, New Senate Office Building, commencing at 10 a.m. each morning.

Any person wishing to submit a statement for inclusion in the record of hearings should communicate with the Subcommittee on Housing and Urban Affairs, room 526, New Senate Office Building.

NOTICE OF HEARINGS ON VOCATIONAL REHABILITATION

Mr. CRANSTON. Mr. President, I announce, for the information of Senators, that the Subcommittee on the Handicapped of the Labor and Public Welfare Committee, due to an executive session of the full committee, has postponed the hearing scheduled for 9:30 a.m. on June 1, 1972. This hearing will now be held at 9 p.m. on June 2 in 4232, New Senate Office Building.

This will be a continuation of the hearings held on May 15, 18, and 23, 1972, on the Vocational Rehabilitation Amendments of 1972, H.R. 8395, the pill passed

by the other body, and related legislation.

I am pleased to continue to chair these hearings on behalf of the distinguished Senator from West Virginia, Mr. RANDOLPH, chairman of this subcommittee, and would like at this time again to thank him for giving me the opportunity.

Among those testifying on Friday will be: the Honorable STEWART B. MCKINNEY, Congressman from Connecticut; John Kemp and Jane Shover, members, board of directors, National Easter Seal Association; Dr. John Young, project director, Southwest Regional System for the Treatment of Spinal Cord Injury, Phoenix, Ariz.; Roy Snelson, chief, prosthetics amputee center, Rancho Los Amigos Hospital, Downey, Calif., accompanied by Steve Zyn and Patricia Lemmons, patients; Dr. Henry Betts, director, Chicago Institute of Rehabilitation; Frank Taylor, Goodwill Industries of America, accompanied by John C. Harmon, general counsel; Dr. Jack G. Wiggins, member, executive committee, Council for the Advancement of the Psychological Professions and Sciences; Harry A. Schweikert, Jr., representing the National Parapiegia Foundation.

NOTICE OF HEARING ON GEOTHERMAL ENERGY RESOURCES AND RESEARCH

Mr. ROBERT C. BYRD. Mr. President, at the request of the distinguished junior Senator from Washington (Mr. JACKSON) I ask unanimous consent that there be printed in the RECORD a notice of hearings on the geothermal energy resources and research, together with a statement by Senator JACKSON.

The PRESIDING OFFICER (Mr. EAGLETON). Without objection, it is so ordered.

STATEMENT BY SENATOR JACKSON

On June 15, 1972, the Committee on Interior and Insular Affairs will convene a hearing on the role of geothermal energy resources in our nation's future energy economy. The Committee also will receive testimony detailing current and planned Federal research programs and initiatives designed to expedite the development of technically and economically feasible methods employing geothermal resources for the generation of electricity.

This hearing will be held in Room 3110 of the New Senate Office Building beginning at 10:00 a.m. pursuant to Senate Resolution 45, which authorizes the National Fuels and Energy Policy Study, with ex officio members from the Public Works, Commerce, and Joint Atomic Energy Committees.

From previous hearings it is readily apparent that a number of fundamental policy issues exist regarding the effectiveness of Federal research and development efforts intended to bring new technologies into being in time frames that are responsive to the nation's energy requirements while minimizing the environmental impact of energy production.

This hearing will review existing and planned Federal programs in this area and will address institutional arrangements for management of geothermal energy research and development. Witnesses will include representatives of the Department of the Interior, the Atomic Energy Commission, and the National Science Foundation, as well as Dr. Robert W. Rex, University of California-Riverside and Donald H. Stewart, Battelle Pacific Northwest Laboratories.

Mr. President, I regret that time limitations make it impossible for the Committee to hear the testimony of all of the individuals and organizations that will want to appear. The Committee will, however, receive statements for the record which will remain open until June 30, 1972. These statements will receive a careful review and evaluation in connection with the Committee's formulation of recommendations in this area.

ADDITIONAL STATEMENTS

MONTANA'S UNCOMMON INTEREST IN TRANS-ALASKA PIPELINE

Mr. MANSFIELD. Mr. President, because of Montana's proximity to Canada and our sister State of Alaska, my constituents have shown an uncommon interest in the Trans-Alaska Pipeline project and its effect on the environment.

The May 16 issue of the Missoulian, published in Missoula, Mont., contains an interesting editorial opposing the Secretary of the Interior's recent action in approving the construction of the project. While in opposition, it does raise some very serious points which should be considered.

I ask unanimous consent that the editorial be printed in the RECORD.

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

TRANS-ALASKAN PIPELINE A MISTAKE

Last week Secretary of the Interior Rogers C. B. Morton approved construction of the trans-Alaska oil pipeline. His action was a mistake.

The pipeline's construction won't begin immediately. The matter is tied up in court, where environmental groups and Canadians are suing to prevent construction along the Alaskan route. Morton's order will wait until the court contests are settled.

Given the scheme of things, it appears clear that an oil pipeline from the far northern oil fields to get oil to the United State's market will come into being. It will be environmentally objectionable, but environmental objections will not prevent its creation.

The question then is not so much whether a pipeline of some sort will be built, but when it will be built and where it will go.

The objections to the trans-Alaska oil pipeline, which would take oil from the Arctic north to the Alaskan ice-free port of Valdez, can be summarized as:

1. The pipeline would cross intense earthquake belts and thus run risk of periodic breaks and massive environmental destruction.

2. Oil spills by tankers would be inevitable, especially in the Juan de Fuca Straits as the ships head for a refinery near Seattle. The refinery is 12 miles from the Canadian border. The Canadians believe it is reasonable to expect one tanker carrying 800,000 barrels of oil to ground in the strait each year, threatening British Columbia's fishing, seal fishing and recreation industries.

3. The oil would go to the West Coast, providing it with more energy than it can consume.

4. The pipeline would fail to serve Canadian oil discoveries in the far north, compelling the Canadians to build their own pipeline—a costly duplication of effort.

Environmentalists want a complete study made of the feasibility of building a trans-Canadian instead of the trans-Alaskan pipeline.

They believe a trans-Canadian line would be less environmentally hazardous, cheaper, would bring the oil to the midwestern and eastern markets where it is most needed, and would better fulfill the national security arguments advanced in favor of the trans-Alaskan pipeline.

National security is part of the issue. The U.S. now relies heavily on Middle Eastern oil. In the event of turbulence in that region—clearly a likely event—the U.S. wants to be less dependent on steady oil supplies from there to meet its energy requirements. Tapping the Alaskan oil would give this country an alternative source.

But a pipeline which brought both Alaskan and Canadian oil down—at less environmental hazard and to where the markets are—would be even better for national security.

The hitch with that is delay. Morton does not want to wait for completion of an environmental impact study of a Canadian pipeline route. Such a study would create further delay in developing the far northern oil fields, and would involve clearing the project through Canadian courts.

And not to be neglected in this day of high pressure business influence on the government's decisions is the fact that the seven-company consortium of oil companies which wants the trans-Alaskan pipeline already has the piping (made in Japan) stockpiled at Valdez, is ready to start laying it, and doesn't want all that pretty investment wasted, which would be the case if a trans-Canadian line were built instead.

A reasonably good bet would be that the trans-Alaskan pipeline will be built, and that it will cause periodic environmental disasters. The moral imperative is to study all alternatives and accept the one that serves the nation's needs at least hazard to the environment. To opt for the easy but most dangerous route would be shameful.

BUSING DILEMMA

Mr. SAXBE. Mr. President, This country is hung up between its courts and its politics on the school desegregation issue and a way to ease the pressure must be found. Two emotionally charged issues have entered into the public debate over school desegregation and have clouded understanding rather than clarify discussion. These are "busing" and the "neighborhood school." The people who have used them as arguments against desegregation ignore certain facts. One is that every day of every school year millions of pupils are bused to and from school. Another is that the trend of today's educational thought is away from the neighborhood school, a self-contained unit serving a relatively small student population, in favor of larger school units where economies of scale frequently make possible provision of new educational equipment, special services not financially possible in schools which serve small numbers of students, and a broader curriculum. To discuss desegregation in terms of busing and neighborhood schools is to remove the issue from the legal and educational context to which it belongs and transfer it to the arena of emotion and politics.

Once busing became a major issue, there was very little information available about how buses were already being used in school districts around the country and how they might be used in specific school districts which were going to integrate. Buses have been a major fixture, like blackboards and climbing bars, for years. In most large rural districts virtually every student is bused. In sprawling California suburbs thousands of students are bused every day to overly large, widely spaced high schools; and

the State pays most of the cost. In every kind of school district, students are bused daily for special purposes: sports, educational and cultural events, field trips, and classes for the handicapped and retarded. Yet, after the bus became a symbol, statements by politicians and other officials seemed to imply that using buses to move students was a totally new and diabolical idea.

I suppose we ought to be surprised that the bus did not become a symbolic rallying point much sooner than it did. In its awkward, bulky, yellow obviousness, it makes a perfect target. To segregationists, it became a hated symbol, which a few literally tried to destroy. To many parents and to ardent defenders of neighborhood schools, it became a matter of real anxiety. Of course, the real reason the bus has come to attract so much attention is that it remains the most expeditious way to achieve fully integrated schools within a school district. There are other ways to integrate schools, such as redrawing school attendance zones within a district, pairing previously segregated schools and exchanging students between them, and building new, centralized educational parks. But in most cases, because of neighborhood housing patterns, the least awkward way to integrate a school is to put in an order for the sturdiest, most dependable schoolbus on the market.

If this were not an election year, it might be possible to do something rational about school integration and busing. But not only is it an election year; it is also a year in which all sorts of people, in all parts of the country and of all political persuasions are expressing their strong misgivings about the prospects of massive busing for the purpose of racial integration of public schools. I can well understand the temptations of campaign rhetoric, but the welfare of our Nation requires that we refrain from playing politics with constitutional rights. As long as a substantial majority of Americans, both black and white, are against busing as a solution to the problems of public education, it does not matter what school boards in their dilemma may decide or what the courts in their wisdom may decree. If the people directly involved reject it as a solution, it will not happen. It is a simple process in which the theoretically desirable gives way to the politically possible.

It is not useful to denounce these concerns as racist. America is a racist country, but unfortnately so is practically every other human society. In India, men advertise for light-skinned brides. In Indonesia, the Chinese are persecuted. In Kenya, a black government has expelled Indians. Political demagogs get votes out of the racial problems in Birmingham, England, as they do in Birmingham, Ala. In racial relationships, Americans have no ground for complacency, but neither are they uniquely guilty. Can private anxieties and public ideals be reconciled? No one can answer with complete confidence, but certainly if racial concerns about the schools are to be eased, the limits and difficulties of integration have to be candidly faced.

White voters in the suburbs around the ghettos seem determined to block what is known as cross-line busing from one jurisdiction to another. Yet if the decision by Federal Judge Robert R. Merhige, Jr., in the Richmond case is upheld and becomes a precedent, cross-line busing will be a fact of life throughout the North. Most people would probably agree that a segregated system of education, as it exists in much of the country today, is inherently unequal education. Most would agree that busing, as a temporary expedient, is the only practical way of ending the pattern of segregated schooling that the present segregated housing patterns in most major urban areas have produced. But few are willing to pay the price that the busing solution demands. If white people, either because they wish to avoid contact with black people or for any other reason, choose to move far from where most blacks live, how can it make sense—in terms of education or commonsense—to send black kids chasing after them? At some point, it becomes obvious that there must be another way to achieve the goal which is the education of our children.

Despite Ohio's dependence on the bus, our State has been untouched by Federal court and administrative orders requiring busing to achieve racially mixed schools. However, I am averaging 860 letters a week on the subject of busing, 96 percent in favor of the President's proposed legislation. Like the President, I do not support "unnecessary transportation to achieve an arbitrary racial balance." I do, however, accept busing as a remedy to overcome officially imposed segregation and to serve the purpose of equalizing educational opportunity within a reasonable area. If we bar the use of reasonable transportation as one tool for achieving desegregation, we will set in concrete much school segregation which is the clear and direct product of intentional government policy—segregation which would not exist if racially neutral policies had been followed. We hear a lot of scholastic arguments from people these days about how test scores show that this will not work or that will not work and about how the schools cannot do it all and about how money is not the answer or integration is not the answer; and, in the name of this exquisite polemical stalemate a monstrous national cop-out is being justified. That there is no single universally applicable or desirable method for meeting our constitutional social responsibilities surely does not suggest that we should merely forget them.

DISCRIMINATION AGAINST CALIFORNIA INDIANS

Mr. TUNNEY. Mr. President, on March 16, 1972, I testified before the Subcommittee on Interior of the Committee on Appropriations, presided over by the distinguished Senator from Nevada (Mr. BIBLE).

Mr. President, in my testimony I called to the committee's attention the fact that California Indians were being unfairly discriminated against in the allocation of Bureau of Indian Affairs funds. Although California has over 91,000 Indians, the Bureau of Indian Affairs is only allowed to recognize 6,100 as eligible for Federal assistance and services. Others are excluded because they do not live on Federal trust reservations.

However, there are thousands of California Indians who are not living on Federal reservations because the Federal Government either moved them off or promised them land which was never delivered.

It is my hope that the Interior Department would reverse this policy and serve all California Indians. At the very minimum California rural off-reservation Indians should immediately be declared eligible for services by the Bureau of Indian Affairs.

Mr. President, I ask unanimous consent that the testimony be printed in the RECORD:

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

STATEMENT OF SENATOR JOHN V. TUNNEY BEFORE THE SUBCOMMITTEE ON INTERIOR OF THE COMMITTEE ON APPROPRIATIONS, MARCH 16, 1972

Mr. Chairman and members of the Committee, I appreciate this opportunity to expand on my letter of March 8, 1972 which was also signed by Senator Cranston.

California has over 90,000 native American residents. That is more than any state except Oklahoma or Arizona.

Like Indians elsewhere, Indians in California are unemployed and underemployed. Many are ill and cannot afford medical care: Thousands have no choice but to live in Hovels. Schools either teach nothing about the Indians' heritage or propagate myths of dirty savages.

Money alone will not extricate native Americans from their plight; non-Indian prejudice and callousness must also be overcome. Additional funds are needed, however, for short term relief and long term self-sufficiency. Education, medical care, housing, and economic development cost money.

The responsibility for providing that money properly rests with the Bureau of Indian Affairs and the Indian Health Service. Those are the agencies which Congress created specifically to aid native Americans. They alone have the legal authority to meet the exceptional needs of a single race.

For some years now neither the Bureau of Indian Affairs nor the Indian Health Service has dealt equitably with California Indians. Services provided to Indians in other states have been denied altogether or available only in token amounts. That pattern of discrimination must end, and this Committe should take action to see that it does.

Discrimination against California Indians is a relic of the past. Many BIA and IHS Services were stopped in the early 1950's as part of the 83d Congress' program to terminate all California Indians. Today, both the Senate and President Nixon have rejected the termination philosophy of House concurrent Resolution 108. The State of California, which once asked the government to withdraw federal Indian services, long ago asked for their return.

Of even more ancient origin is the small number of reservation Indians in California. From 1851 to 1853 the government negotiated eighteen treaties with the California Indians. Large reservations were promised along with many services. Relying on the treaties, thousands of Indians left their homelands and moved to the promised reservations. However, these treaties were never ratified. The Indians were left homeless. They could not stay where they were, and they could

not return to their homes because non-Indians had moved in and taken over.

Congress and the President did create a number of small California reservations in the late nineteenth and early twentieth centuries, but the quantity and quality of land on the reservations was totally inadequate. As a consequence, only six thousand out of forty five thousand native California Indians live on reservations. Twenty five thousand others live in rural areas throughout the state. The rest live in metropolitan areas. Those Indians who were cheated out of a land base surely should be as entitled to BIA and IHS Services as those who received reservations, yet the opposite seems to be the case. The BIA allocates funds largely on the basis of reservation Indians.

That BIA policy is obviously unjust. As Senator Jackson recently said, and I quote, "Unwarranted Importance . . . has been attached to geography as a major criteria in determining Indians' entitlement to the special federal Indian service programs of the Bureau of Indian Affairs and the Indian Health Service." The unfairness of tying BIA aid to reservation residence has long been recognized in Alaska, Oklahoma, and in the Navajo service area. In California, however, the BIA continues to treat off-reservation Indians as second-rate Indians even after swearing in an affidavit to a federal court that all California Indians live on or near a reservation.

I believe that the BIA and the IHS must serve all Calif. Indians equally, on the basis of need, whether they live on or off of reservations. The President's budget recommendations are grossly inadequate to that task, for they are based on a misconception of the number of Indians who are entitled to service. I therefore hope that this Committee will effect a substantial increase in the BIA and IHS budgets for California, especially in four areas.

First, California is entitled to a much larger Johnson-O'Malley program, In 1953, before the termination policy began, California received twelve percent of Johnson-O'Malley funds. That would be $2.9 million out of the BIA's proposed budget for fiscal 1973 of $24.3 million. Instead the Bureau proposed to allocate only $248,000 to California. The excuse offered is not tenable.

The BIA has a regulation saying that Johnson-O'Malley funds are only for school districts with large blocks of tax free Indian land. Since California Indians received little from Johnson-O'Malley. That argument might be persuasive if the Bureau's regulation were valid, but it is not. Johnson-O'Malley was started in 1934. California was the first state to obtain Johnson-O'Malley funds. In the words of the Committees that recommended the program, it was intended primarily to aid "those states in which tribal life is largely broken up and in which Indians are to a considerable extent mixed with the general population." California was and is the prime example of such a state.

This Committee should restore California to the position it once justly had as a major recipient of Johnson-O'Malley funds. For fiscal 1973 the minimum appropriation should be $1,500,000, and for the next fiscal year I recommend that Congress allocate $3,000,000 to California. The need for these funds is great. Approval applications from local school districts for special Indian education projects far exceed the $189,000 available during fiscal year 1972.

The second area of special concern is health, Indian Health Service medical care in California was one of termination's victims. Today, Indians in California receive no contract medical care. Direct medical services are almost as non-existent. Colorado River Indians can receive treatment at a small hospital in the extreme southeast corner of the state; and a clinic serves students at Merman Institute. All others receive nothing.

The health condition of California Indians has drastically deteriorated since the federal government terminated its responsibility for providing health services during the early fifties.

Although it was assumed the state would provide the necessary services, serious problems existed within the state, so that during this period of indecision, the deterioration occurred.

California's rural Indians have suffered greatly from being both socially and—more importantly—geographically isolated from community health facilities and so the idea of the rural Indian Health Board was born. But the Board at present can only act in a referral capacity without sufficient funds to provide direct care to the rural Indians.

I would like to briefly mention several of the more pressing health problems in the Indian community today, for these are some areas which would be addressed by the California rural Indian Health Board if it had adequate funding.

Indians suffer the highest rate of infant deaths in the nation: while they are in the highest risk group, services such as family planning, prenatal and perinatal care are often unavailable because of high cost or inaccessibility.

The children who survive infancy are then often overlooked by the health care systems in terms of routine health maintenance services, and it has been repeatedly demonstrated that it is during those first five years of life that the greatest amount of development takes place.

There is a growing problem of drug abuse among young adult Indians, and existing approaches to the drug problem have not generally achieved the effectiveness which was hoped for. There has been an over-reliance on law enforcement agencies to solve the problem rather than addressing the problem itself.

And the elderly Indians? Mr. Chairman, I believe there are problems of such publicized magnitude among all the senior citizens of America that it goes without saying that the problems of the older Indians are undoubtedly worse.

Mr. Chairman, I wonder how many people realize that each year 30 percent of all the Indians who die, had not yet reached age 25?

Modern medicine deals with prevention, treatment and maintenance. In the Indian world, however, most efforts have traditionally been "treatment" oriented, today, it is felt that while continuing to stress treatment, approaches which stress the maintenance of well being need to be developed and implemented. Preventive medicine is almost nonexistent.

There can be no viable system of health planning without concentrated efforts to determine the causes and incidence of health disorders. Therefore, more attention is needed in the Indian community to determine the special population characteristics which will provide the necessary base for developing an integrated system of health delivery services.

Indian expectations regarding health care have been rising rapidly in the last decade. Many Indians and professional groups now describe quality of health care as a right and not a privilege.

The California rural Indian health board has a unique opportunity to help California Indians since they are statewide and have access to a large percentage of the Indian population in California.

The rewards for optimum health care for California Indians are high. Sound prevention and curative techniques are known, can be applied easily, and can be instituted at relatively low cost. There is a need, however, for federal support of California Indian Health Programs if proper, adequate medical care is to be provided. Incentives should be provided to encourage both providers and patients to assume their proper share of responsibility for health care. The California Rural Indian Health Board has demonstrated its ability to provide a health support system; however, the time has come to expand their program into a health delivery system. CRIHB has the technical capacity, experience, and programs to achieve this end.

Mr. Chairman, I believe that your Committee, by allocating $6,400,000 to the California Rural Indian Health Board would take a very positive step in providing quality health planning, diagnostic, therapeutic, and maintenance services to the Indians of rural California.

Third, the California rural Indian housing situation remains critical. The $1,394,600 appropriated for fiscal year 1972 was a sizeable increase over the previous year's appropriation, but barely enuogh to keep pace with the deterioration of existing housing. If the BIA is correct in estimating an on-reservation housing need of $18,500,000, then the total need among rural California Indians is at least $51,000,000.

This deplorable situation can only be corrected by a massive infusion of BIA housing improvement program funds. Other housing programs are not an adequate substitute. HUD's 235 home purchase program is beyond the means of thousands of poor Indians. Its subsidy is so low that only 5 per cent of the home buyers under Section 235 are on welfare or social security. Turnkey IV is not well suited for any poor people because real estate taxes make the payments too high. Turnkey III and mutual self-help require payments plus a sweat equity which is beyond the means of sick and elderly Indians. Moreover Turnkey III and mutual self help must be part of a public housing agency program. However, off-reservation Indians cannot form public housing agencies. Farmers home administration programs have credit and monthly payment requirements that frequently put them beyond the reach of low income Indians. And where mortgages are required, the already small Indian land base is further jeopardized.

Rental housing is no panacea either. As I previously noted, off-reservation Indians cannot form public housing agencies and many reservations are too small and scattered to form their own local housing agency. HUD's Section 236 rental program can provide low income rental housing only through rent supplements. Those supplements, as well as 236 money generally, are in short supply.

Even if the Housing and Urban Development Act of 1972 becomes law in its present form as passed by the Senate, the changes in Sections 235 and 236 will not substantially help Indians either buy or rent housing. In addition, the money available frequently does not reach Indians. In Plumas County, California, Indians received a discriminatorly small share of rent supplements. They complained through their local Community Action Program and brought a lawsuit to stop the discrimination. When HUD ordered forty more rent supplement units allocated to the Indian Valley, the county retaliated by voting to abolish the Community Action Program.

Even counties which have local housing agencies and do not discriminate will not be able to meet the Indians' needs. California Indians are disproportionately poor and inadequate funds are available to the local agencies.

I appeal to the Committee's conscience. As the Supreme Court has said, "the United States overcame the Indians and took possession of their lands, leaving them as uneducated, helpless and dependent people." The government must not turn its back on the thousands of untrained, unemployed California Indians and their families who live in scrap wood and tar paper shacks without running water or toilets. An appropria-

tion of at least $5,000,000 should be made for next fiscal year so that the BIA can start providing modest, decent housing to the neediest on and off-reservation rural California Indians.

Finally, the BIA must have more money for economic development in California. The cycle of dependent poverty will not be broken unless Indians educated with Johnson-O'Malley funds and BIA scholarship can take their education back to their communities and help those who are there. At present, that help is stymied by a shortage of economic development funds.

California needs a significant increase in Bureau of Indian Affairs Economic Development Funds if California Indians are ever to become self-sufficient. I have found that at least $1,125,000 could be added to the fiscal year 1973 budget and used immediately by the Bureau of Indian Affairs for Indian Economic Development.

First, $150,000 could be used to assist in the development of the Indian Campground Program. This is a new all Indian enterprise designed to utilize, nourish and develop the human and land resources of the American Indian. It's administrative structure is that of a member owned "co-op" chain. Its central aim is to develop Indian owned campgrounds and recreation facilities on Indian-owned lands; attractive, well managed campgrounds capable of competing successfully with all other first rate public or private developments. An additional $150,000 could be used now to pay for a variety of small construction projects, surveys, land use plans, roads, and extensions of water and sewer lines.

Second, $580,000 could be used for management and protection of Indian owned forests and wildlands in California.

$85,000 of this money is needed to fund the programs of accelerated timber harvest on the Hoopa Valley and Tule River Reservations.

$495,000 of this money is needed to provide for timber stand improvement, reforestation and to improve fire control capabilities at Hoopa Valley and Riverside. At Riverside, for example, adequate fuel breaks and access trails, together with continuing fire hazard reduction efforts are mandatory in order for the Bureau of Indian Affairs to prevent the periodic recurrence of disastrous fires and loss of life such as occurred in 1971.

Over the years in California, the Bureau of Indian Affairs Forestry Program has gained the reputation of accomplishing more with less funds than any other group of foresters in the United States. However, in doing so the Bureau has not been able to keep pace with the intensification of forest management and protection of other federally managed forest lands and industrial tree farms. This increase in funds would permit the Bureau's forest management effort in California to regain at least a portion of the ground it has lost because of inadequate funding.

Third, $170,000 is needed for planning services for California Indians. California reservations and rancherias desperately need professional planning services to guide the proper development of land, protect against speculators, and guard against the misuse of Indian lands by those who regard Indian lands as public property. In addition these funds would be used to provide Indians with on the job training in planning and managing their own lands. Some of the money should also be used to assist off-reservation-Indians in developing programs for business enterprises.

Fourth, and perhaps even most important, $225,000 is needed to begin a comprehensive California Indian water survey. Many California Indians consider water resources inventories as a major priority. As the Chairman knows so well, little economic planning or development can go on in the West without water. Water is the key to the economic development of many California Indian Reservations. Some locations with critical and immediate water inventory needs are the Hoopa Reservation in Northern California and the Mission Indian Lands near Escondido within the San Luis Rey Basin. Thus far California Indians have not been able to acquire hard data on water rights, water availability and water needs.

In conclusion I wish to reiterate two points. California is not now receiving a fair share of BIA and IHS funds and all California Indians are morally and legally entitled to participate on an equal basis in BIA and IHS programs in the fields of education, health, housing, and economic development. This committee should, and I trust will, remedy the injustices of the past by providing California Indians a more equitable appropriation in the years to come.

JUDGE ROBERT E. JONES

Mr. PACKWOOD. Mr. President, several months ago I spoke on the Senate floor concerning the efforts of Multnomah County Circuit Judge Robert E. Jones to guarantee to every citizen the right to a speedy trial. I speak once again today to pay tribute to this great Oregonian.

Under the leadership of Judge Jones, young women convicted of felonies and placed on probation have the opportunity to be truly rehabilitated. Volunteers in Probation—VIP—is an organization of women in Portland which is making this effort possible.

Judge Jones has implemented for felonies a program which has already been tried at the misdemeanor level. This 8 month old program, which emphasizes individual attention, shows great promise of becoming one of the most effective probation programs in the country.

Mr. President, an article published recently in the Oregon Journal outlines the background and development of this program. I ask unanimous consent that it be printed in the RECORD.

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

PART 1—DIANE CHANGES HER WAY OF LIFE AT 19

(By Suzanne Richards)

Diane is 19. From an average home in Idaho she had made her way to Portland and the drug scene. Arrested and convicted she appeared before Circuit Court Judge Robert E. Jones for sentencing.

Diane received three years' probation. As a condition of that probation she has had to give up acquaintance with her former friends, many of them also involved in the drug scene.

Now she has to toe the mark, try to get a job, move to a different apartment, attend the drug treatment center and follow other specific rules established by the court as terms of her probation.

Diane is finding it isn't easy to change your life, even at 19.

But Diane is one of the lucky ones. Through her experience she has found a friend. Someone who comes to her willing to give a great deal and expecting nothing in return.

Diane's new friend is a Volunteer in Probation (VIP). She is probably a woman with teenagers of her own. Someone willing to listen, to encourage when the going gets rough, to help her with grooming, budget, job hunting and the everyday problems of learning how to live a different life.

One of those VIPs is Margaret (Mrs. Don K.) McMurdie, the first woman in the program and its coordinator, who frankly admits, "I don't know what I expected. But I feel it is the most worthwhile thing I have done."

"I think it appeals to a lot of women of my age who are tired of club activities and are looking for something with more meaning." Consequently, when Judge Jones asked Mrs. McMurdie if she would like to take part in the program and recruit other women for it, she really agreed.

Today there are 30 volunteers working with 50 young women on probation.

Still in its infancy, VIP was started eight months ago by Judge Jones who developed it and continues to supervise it.

"It is the only women's felony program in the country today," explains the judge. "Similar programs have been tried in other places for misdemeanors, but never before on the felony level," he says.

The girls involved are between the ages of 19 and 26, first time offenders who are considered by the courts to be subject to rehabilitation. Their crimes range from use of drugs, forgery, robbery and burglary to sale of narcotics and being accessories to crimes.

Because the program is available, many young women who would have had to serve a jail term are now able to be released on probation. Their average probation is three years.

There is another advantage to the program. While the average case load for a professional probation officer is 90, the volunteers have only one or two girls, at most four. They have more time to spend with them and are able to give far more individual attention than the professional.

"As far as I am concerned it is the most effective probation corrections program I have witnessed," declares Judge Jones.

Filled with praise for the volunteers' efforts he says, "These women have shown dedication beyond anything I have ever seen in the field of corrections. They have established communication levels with these young women that we rarely see.

"Since its inception we have had to revoke probation for only two of the girls. In the average probation program you can anticipate losing 20 per cent," he continues.

Since this is a court probation there are no state officers involved, no formal reports or paper work required and few established rules.

Explaining the lack of rigid controls Judge Jones said, "We have found that the women's own innovations are the most effective. They have broken through so many agency barriers without any special training. They have helped the girls find jobs and apartments, get medical and dental attention, enroll in classes or take vocational training."

Aside from their work with the girls, the volunteers have a monthly discussion meeting. Often they will have a speaker such as Judge Jones to explain aspects of the law or terms of probation. Sometimes a representative from the Crises Center or other community agencies will discuss ways in which the volunteers can use their agencies to help the girls.

But the biggest boon of the meetings is exchanging experiences and ideas. One volunteer may have already found a way to solve a problem that another is just encountering.

"Just finding out that others have had some of the same problems and that you are not alone is a big help," one woman told us.

PART 2—GIRLS WONDER WHY VOLUNTEERS WANT TO HELP

(By Suzanne Richards)

"Why would you want to do this for free?"

Often the question goes unasked, but it is always hovering somewhere in the mind of the young woman.

The probationer knows why she is there.

She has been convicted of a felony and placed on court probation. She follows the rules or she ends up in jail.

But she finds it hard to understand why this woman has stepped out of her comfortable life, far removed from her (the probationer) world, to help her.

The reasons are as different as the women who have chosen to become Volunteers in Probation.

Some have teen-agers of their own . . . reason enough.

Others readily admit, "I had reached a point in life where I had to get involved with something I felt was worthwhile."

"I think I've gotten more from it than my girls," says one volunteer. "I've become much more compassionate and understanding."

"The more you get into it the more interested you become," says another. "I have become almost tenacious in my desire to help these gals to do whatever is necessary so they won't be in this position ever again."

Where do the volunteers come from?

Most have been recruited by Mrs. Don K. McMurdie, coordinator of the program. Early volunteers brought friends into the program. One woman says, "It sounds silly, but I heard about it across the bridge table and it sounded like something I wanted to do."

"My first response was, 'Am I capable of doing this? Am I qualified?' recalls Joan (Mrs. Russell) Jennings, who now has four girls and has been in the program since the first.

"Then I realized, this is what these girls have already, a lot of trained people who go by the books. I think the beauty of it is the untrained person."

"I told my girls, 'I am just a housewife but if I can be a friend to you or help you in any way . . . I want to.' "

Most of the women agree that they would rather not know a girl's crime or background before meeting her.

"I don't try to figure out why she is in trouble," says Margaret McMurdie. "I would just as soon not know her background but let her tell me as we go along."

"It was my idea not to find out what the girls had done but to go in cold without any preconceived ideas," declares Louise (Mrs. Thomas C.) Houston. "It was quite awhile before I got their case histories and I was pleased to find out they had been very honest with me," she adds.

One thing in their favor, the women believe, is the girls are grateful to find they are dealing with an ordinary person rather than their concept of the traditional probationer officer.

"I certainly had fears about it when I started," admits Mrs. Helen (Mrs. Howard) Baker, who has also been in on the project since the first.

"I had a great lack of confidence in myself as to whether I could help a girl. But we both spoke very frankly about our relationship and we established a rapport immediately," she adds.

All of the women refer to their parolers as "my girls" and most feel as if they were an extension of their family.

Mrs. Jennings admits her whole family has become involved with the young women she is working with. "We go bicycling with them, visit at their home and my husband and I have even gone out with them and their boy friends."

"They call me with their problems, or to ask for advice when their kids are sick and sometimes just to share some good news."

How do the probationers feel about their volunteers?

"She is like a fairy godmother," said one of the young women. "She has helped with so many things. We can really relate to her. I'm not afraid to talk to her about anything because I know she isn't going to run and tell somebody."

Equally enthusiastic, another of the young women told us, "I was really lucky to have gotten her. I can really talk to her and she is a tremendous help if you have a problem in any way. It's like having an older friend."

"It seems like it was all meant to happen. She (the volunteer) has opened my eyes to a lot of different things," confided the probationer.

Another of the girls commented, "It's not like being on probation. It's just like having a good friend who is always willing to help when you need her."

The small success stories are many. A girl off of welfare and on a job, another starting a child care service in her home, someone returning to school, receiving psychiatric help, a new job, a new neighborhood to live in, others learning to budget their money, and even some who are volunteering their time for community service.

But it is not all sugar and spice and success.

One volunteer frankly admitted, "I have a girl who is not receptive at all. She is using me to keep her out of jail. But I'm not giving up. I'll get through to her."

"I have one who still won't talk to me," added another of the volunteers. "So what I've done is go back to school. I am auditing a course in techniques of counseling and I'm picking up a lot of knowledge that may help me reach this girl."

"It is very satisfying when one of your girls calls with good news," admits Mrs. McMurdie. "But if you want eternal gratitude from somebody . . . this isn't the thing for you," she adds.

"Our primary purpose is to try and see that they don't get into trouble again. Sometimes they just need that extra little push or help. And you know, it is a contagious thing. When the girls see that their volunteers want them to succeed, they try harder."

"You know you're not going to change her life. You just hope to introduce some different values into it," she continues.

Mrs. McMurdie doesn't kid herself that success is an overnight accomplishment. "We may never see the results," she admits. "But in 10 years we might realize the benefits."

PROPOSED NEW CODE ON ESPIONAGE

Mr. GRAVEL. Mr. President, on May 23 Mr. William G. Florence, who for 43 years served in military and civilian capacities for our Government in the area of security policy, testified before the Subcommittee on Criminal Laws and Procedures on the proposed new Federal Criminal Code regarding espionage. Mr. Florence, in his very excellent prepared statement for the committee, points out the dangers to the constitutional rights of free speech and a free press embodied in the new draft espionage law, which would make the communication of certain information a crime even if there were no intent to injure the United States.

I ask unanimous consent that Mr. Florence's statement and the sections on espionage from the final report of the National Commission on Reform of Federal Criminal Laws be printed in the RECORD. I urge Senators to give careful attention to his comments.

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

STATEMENT OF WILLIAM G. FLORENCE, SECURITY CONSULTANT ON THE PROPOSED NEW FEDERAL CRIMINAL OFFENSES BEFORE THE SUBCOMMITTEE ON CRIMINAL LAWS AND PROCEDURES U.S. SENATE COMMITTEE ON THE JUDICIARY, MAY 23, 1972

Mr. Chairman, I consider it a privilege to respond to the invitation of this committee to testify regarding the sections of the proposed new Federal Criminal Code involving espionage and related offenses. The offenses I am commenting on are covered by sections 1112 through 1116 of the Code as proposed January 7, 1971 in the Final Report of the National Commission on Reform of Federal Criminal Laws.

The proposed five new sections would replace and expand the following provisions of existing law:

(1) 18 U.S.C. 793 (a)–(g): Obtaining, Copying, Receiving, Communicating, or Losing Information Relating to the National Defense.

(2) 18 U.S.C. 794 (a)–(c): Gathering or Delivering Information Relating to the National Defense to Foreign Governments or to the Enemy.

(3) 18 U.S.C. 798 (a)–(c): Disclosure of Communications Information Designated by a United States Government Agency for Limited Dissemination.

(4) 50 U.S.C. 783 (b)–(d): Disclosure by Public Servants to Foreign Governments or Communist Organizations of Information Designated as Affecting the Security of the United States, and Obtaining or Receiving Such Information by Foreign Representatives and Members of Communist Organizations.

(5) 42 U.S.C. 2274–2277: Atomic Energy Restricted Data.

I am testifying as a private citizen, concerned about the damage to our national defense that *possibly* could result from acts of espionage. But I am *far more* concerned about the damage to our country that is now being done by those who unnecessarily restrict freedom of speech and freedom of the press in the name of national defense or security, and will keep on doing so unless they are stopped.

From April 1928 through May 1971 I performed military and civilian service with the Federal Government. The last 26 years of my service involved responsibility for developing and implementing policy in the Department of Defense for classifying and safeguarding information relating to the national defense. Since June 1971, I have served as Security Consultant to Government contractors and others interested in matters involving consideration of defense interests.

On June 24, 1971 and again on May 3, 1972 I testified before the Foreign Operations and Government Information Subcommittee of the House Committee on Government Operations. My purpose was to tell the nation of (1) the intolerable abuses of the Executive branch administrative security classification system, and (2) the gross misrepresentation of the system as having the force and effect of the espionage statutes. Also, I suggested enactment of specific legislation to provide properly and Constitutionally for the Executive branch to designate information as requiring protection to preclude damage to the national defense.

Before commenting on the proposed Code, discussion of current law would be appropriate.

The outstanding characteristic of existing espionage law is that it provides adequately for punishing acts involving injury or intent to injure the nation *without abridging the freedom of speech or of the press.* Congress has refused to curtail the rights of the people for the convenience of Executive branch secrecy.

Existing law is predicated on the inherent responsibility of national defense agencies to protect their plans and operations themselves, if protection *can* be accorded and is really essential. The civilian population has no responsibility under law to protect information as such for the military forces. The crime that is chargeable to ordinary citizens is not the disclosure or misuse of national defense information *itself.* The crime is *intent to injure the nation.*

Through the years, the Executive branch has attempted to make it a crime for an individual simply to discuss openly any information classified by a person in that

branch with a Confidential rating or higher. The fact that over 99½% of the documents with classification markings contained information in the public domain or did not warrant protection for other reasons made no difference.

Having failed to get Congress to enact a national secrecy law, the Executive branch long ago adopted procedures designed to convince people that *with regard to information bearing a security classification marking*, the espionage law has the same application as would an official secrets law. For example, Executive Order 10501 requires the marking of classified documents with the following notice, regardless of how nonsensical they might be: "This material contains information affecting the national defense of the United States within the meaning of the espionage laws, Title 18, U.S.C. Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law." (*Note:* There is no such prohibition in any law.)

[EDITORIAL COMMENT: Pursuant to Executive Order 11652, which replaces 10501 June 1, 1972, the National Security Council directed May 17, 1972 that classified information furnished to Congressmen and other persons outside the Executive branch be marked as follows: "NATIONAL SECURITY INFORMATION—Unauthorized Disclosure Subject to Criminal Prosecution." The directive clearly strives to kill freedom of speech and the press.]

The attitudes of literally millions of people everywhere have been influenced toward the sanctity of the Executive branch classification markings of Confidential, Secret and Top Secret. People have been so thoroughly misled by this colossal classification hoax that they believe any violation of a classification marking should lead to a jail sentence. They have also been conditioned to accept the false philosophy that there is security in Executive branch secrecy.

The report of the Senate's closed sessions of May 2 and 4, 1972, as printed in the Congressional Record for May 5, 1972, states the facts better than I could describe them myself. The Senate could not decide whether publication of national policy matters about the Vietnam war, contained in the old Secret-marked National Security Study Memorandum No. 1, would be a violation of law.

Mr. Chairman, at this point it would be most appropriate to examine the proposed Code.

My analysis of the five new espionage sections show that they reflect the false values of Executive branch security philosophy which has prevailed in this country for years. Of course, the authors expressed respect for the First Amendment in their comments. However, in the draft law they incorporated fatal doses of poison for individual freedom by including some of the repressive measures sought in the past by the Executive branch.

The proposed new sections are so tainted with faulty concepts that I urge rejection of all of them. My reasons for rejection include the following:

(1) Substitution of "national security" and "national security information" for "national defense" and "information relating to the national defense" would broaden the reach of the law to the point of unacceptable conflict with the First Amendment. It is only in consideration of the *active defense* of this nation against hostile attack that any restriction on freedom of speech could possibly be justified. Furthermore, we must continue to concentrate on sanctions against treacherous acts that would affect the active defense of this nation. Our effort should not be dissipated in harassing citizens over multitudinous matters relating to passive security.

(2) The proposal to establish a definition for "national security information" and make it the basis of prosecution is a fatal defect. It has been proved impossible to devise a definition to show whether an act of disclosure was evil. Congress demonstrated the greatest possible wisdom by declining to define "information relating to the national defense" as used in existing law. It was the purpose of Congress to penalize acts involving *intent to injure the nation*, regardless of the type of national defense information that might be involved. Absent that intent, disclosure of the information is not evil.

(3) The proposal to substitute *"prejudicial to the safety or interest of the United States"* in section 1112 for *"injury of the United States"* also would broaden the reach of the law beyond any reasonable relationship to the defense of the nation.

(4) In the proposed section 1113, the substitution of *"reckless disregard of potential injury to the national security of the United States"* for *"reason to believe could be used to the injury of the United States"* would also expand the reach of existing law beyond measurable limits. Use of the "potential injury" concept would establish broader restrictions than would apply if Congress should enact an official secrets law, such as has been proposed in the past.

(5) Continued use in section 114, 115 and 116 of the discredited administrative term "classified" as a criterion for prosecutive action.

Mr. Chairman, the interests of this nation, including defense interests, would be served effectively by keeping the existing espionage laws. Technical improvements, if any are necessary, could be made without changing the substance or application. Here are suggestions for some perfecting changes:

(1) In 18 U.S.C. 793 (d) and (e), insert "or material" after "which information" to preclude any erroneous interpretation that the "injury" criterion would not apply if the information was communicated in a document or other material as opposed to oral, aural or visual means.

(2) In 18 U.S.C. 798 (a) and (b), delete the word "classified." That word adds nothing to the definition of "information" as meaning that which is "specifically designated by a United States Government agency for limited or restricted dissemination or use." However, use of the word in section 798 has led to serious confusion about the legal basis for the security classification system in Executive Order 10501. Executive branch spokesmen erroneously claim that the inclusion of "classified" in the law shows that Congress supports the President's classification system.

Also in subsection (b), substitute "defense" for "security." Congress should make clear the fact that concern for the active defense of the nation is the only basis for restrictive legislation.

(3) Repeal 50 U.S.C. 783 (b) and (c). Those sections, which apply only to public servants, have served the purpose for which they were enacted. They were part of an attempt to make it a crime for any person to disclose so-called classified information. The proposal was made as one of many measures taken against the serious threat of Communist Party activity shortly after World War II.

In the turmoil of the times, Congress was influenced to enact the two sections involving public servants and to adopt "classification" as representing a valid designation of important military information. In today's world, sections (b) and (c) constitute more of an entrapment for individuals than protection for our nation. The provisions of 18 U.S.C. 793, 794 and 798 are adequate as applied to public servants.

If retention of 50 U.S.C. 783 (b) and (c) is considered desirable, however, they should at least be limited, as follows:

(a) Substitute "defense" for "security" for previously stated reasons.

(b) Substitute "specifically designated" for "classified." This would end the current protection which the word "classified" gives to unjustifiable restrictions that are kept on information.

The word "classified" gives no real defense quality to an item of information. The act of classifying and declassifying is strictly a matter of the mind. Whatever can be classified in the Executive branch can be declassified just as quickly. For example, the nation recently saw the President on television reading a message he had received that day from the commander in Southeast Asia about the capability of South Vietnam to withstand the North Vietnam attack. Unquestionably, that message had a classification marking when it came to the President. But as soon as he decided to use it publicly, it became *unclassified*.

Mr. Chairman, I am grateful to have had the opportunity to submit comments and recommendations regarding a matter of such importance to the country as the espionage law. The law necessarily must reflect the need for a national defense capability unaffected by treacherous acts of spying or betrayal. But of even greater importance, the law must not limit our Constitutional right to free speech and a free press, or the national defense capability will have no purpose.

Thank you, Mr. Chairman.

QUESTIONS AND ANSWERS FOLLOWED FOR ABOUT 45 MINUTES, INCLUDING THE FOLLOWING

Mr. BLAKEY. If we don't need a classification system, it would be inappropriate for the Committee to attempt to enforce one through criminal provisions?

Mr. FLORENCE. Absolutely. I couldn't possibly be more specific in my representation that classification has no place in considering a criminal code for this country.

Senator HRUSKA. Is it your position that there is no need to engage in the type of classification that is found in Executive Order 10501?

Mr. FLORENCE. My representation was a distinction between the administrative usefulness of a classification system and the effort by Congress to distinguish between one person and another in a criminal sense.

Senator HART. I would agree with you on the point that the commander in Southeast Asia is not the one best equipped to decide whether the people of America shall have this or that information.

FINAL REPORT OF THE NATIONAL COMMISSION ON REFORM OF FEDERAL CRIMINAL LAWS

(Commission established by Public Law 89–801. Report submitted to President and Congress by Chairman Edmund G. Brown, 7 January 1971)

§ 1112. Espionage.

(1) Offense. A person is guilty of espionage if he:

(a) reveals national security information to a foreign power or agent thereof with intent that such information be used in a manner prejudicial to the safety or interest of the United States; or

(b) in time of war, elicits, collects or records, or publishes or otherwise communicates national security information with intent that it be communicated to the enemy.

(2) Grading. Espionage is a Class A felony if committed in time of war or if the information directly concerns military missiles, space vessels, satellites, nuclear weaponry, early warning systems or other means of defense or retaliation against catastrophic enemy attack, war plans, or any other major element of defense strategy, including security intelligence. Otherwise espionage is a Class B felony.

(3) Attempt and Conspiracy. Attempted espionage and conspiracy to commit espio-

nage are punishable equally with the completed offense. Without limiting the applicability of section 1001 (Criminal Attempt), any of the following acts is sufficient to constitute a substantial step under section 1001 toward commission of espionage under subsection (1)(a); obtaining, collecting, or eliciting national security information or entering a restricted area to obtain such information.

(4) Definitions. In this section:

(a) "national security information" means information regarding:

(i) the military capability of the United States or of a nation at war with a nation with which the United States is at war;

(ii) military or defense planning or operations of the United States;

(iii) military communications, research or development of the United States;

(iv) restricted data as defined in 42 U.S.C. § 2014 (relating to atomic energy);

(v) security intelligence of the United States, including information relating to intelligence operations, activities, plans, estimates, analyses, sources and methods:

(vi) "[classified] communications information" as defined in section 1114;

(vii) in time of war, any other information relating to national defense which *might be useful* to the enemy;

(b) "military" connotes land, sea or air military and both offensive and defensive measures;

(c) "foreign power" includes any foreign government, faction, party, or military force, or persons purporting to act as such, whether or not recognized by the United States, any international organization, and any armed insurrection within the United States.

(d) "agent" means representative, officer, agent or employee or, in case of a nation, a subject or citizen.

COMMENT

This formulation of espionage substantially carries forward existing espionage statutes, 18 U.S.C. §§ 793–798. The term "reveals" is used in subsection (1)(a), however, to deal with problems raised in connection with the transmittal of information in the public domain. It permits a court to distinguish between the assembly and analysis of such information so as to constitute a revelation, and the simple transmittal of, for example, a daily newspaper. The culpability requirement of subsection (1)(a) is taken from 18 U.S.C. § 798. The definition of national security information in subsection (4)(a) is suggested by judicial construction of existing law. Note the inclusion of restricted data under the Atomic Energy Act and of intelligence and communications matters, now covered by 42 U.S.C. § 2274 a nd 18 U.S.C. §§ 798 and 952.

Subsection (2) changes the grading scheme of existing law in a manner similar to the change with respect to sabotage. See comment to § 1105, *supra*.

Subsection (3) grades attempts at the same level as the completed offense, which will not always be the case under the general attempt provision, § 1001. By specifying conduct sufficient to constitute an attempt (provided culpability is also present), this subsection eliminates the need for separate statutes dealing with those matters. *Cf.* 18 U.S.C. § 793 (a) and (b).

See Working Papers, pp. 450–54.

§ 1113. Mishandling National Security Information.

A person is guilty of a Class C felony if, in reckless disregard of potential injury to the national security of the United States, he:

(a) knowingly reveals national security information to anyone not authorized to receive it;

(b) violates a known duty, to which he is subject as a public servant, as to custody, care or disposition of national security information or as to reporting an unlawful removal, delivery, loss, destruction, or compromise of the security of such information; or

(c) knowingly having possession of a document or thing containing national security information, fails to deliver it on demand to a public servant of the United States entitled to receive it.

"National security information" has the meaning prescribed in section 1112(4).

COMMENT

This section deals with reckless mishandling of national security information in substantially the same manner as does existing law, under 18 U.S.C. § 793(c) (d) and (e) and other Title 18 provisions addressed to communication with reason to believe the conduct may injure the United States. This section also covers provisions on restricted data under the Atomic Energy Act and provisions dealing with intelligence and communications matters. See 42 U.S.C. § 2274; 18 U.S.C. §§ 798, 952.

See Working Papers, pp. 454–56.

§ 1114. Misuse of Classified Communications Information.

(1) Offense. A person is guilty of a Class C felony if he knowingly:

(a) communicates classified communications information or otherwise makes it available to an unauthorized person;

(b) publishes classified communications information; or

(c) uses classified communications information in a manner prejudicial to the safety or interest of the United States.

(2) Attempt and Conspiracy. Attempt and conspiracy to violate this section are punishable equally with the completed offense.

(3) Definitions. In this section:

(a) "communications information" means information:

(i) regarding the nature, preparation or use of any code, cipher or cryptographic system of the United States or of a foreign power;

(ii) regarding the design, construction, use, maintenance or repair of any device, apparatus or appliance used or prepared or planned for use by the United States or a foreign power for cryptographic or intelligence surveillance purposes;

(iii) regarding the intelligence surveillance activities of the United States or a foreign power; or

(iv) obtained by the process of intelligence surveillance from the communications of a foreign power;

(b) communications information is "classified" if, at the time the conduct is engaged in, the communications information is, for reasons of national security, specifically designated by a United States government agency for limited or restricted dissemination or distribution;

(c) "code," "cipher" and "cryptographic system" include, in addition to their usual meanings, any method of secret writing and any mechanical or electrical device or method used for the purpose of disguising or concealing the contents, significance or means of communications;

(d) "intelligence surveillance" means all procedures and methods used in the interception of communications and the obtaining of information from such communications by other than the intended recipients;

(e) "unauthorized person" means a person who, or agency which, is not authorized to receive communications information by the President or by the head of a United States Government agency which is expressly designated by the President to engage in intelligence surevillance activities for the United States;

(f) "foreign power" has the meaning prescribed in section 1112(4).

(4) Congressional Use. This section shall not apply to the furnishing, upon lawful demand, of information to any regularly constituted committee of the Senate or House of Representatives of the United States or joint committee thereof. Inapplicability under this section is a defense.

COMMENT

This section substantially carries forward the provisions of 18 U.S.C. § 798. Subsection (1)(c), in present law, reads: ". . . in a manner prejudicial to the safety or interest of the United States or for the advantage of any foreign power to the injury of the United States." The latter phrase has been dropped as surplusage. The present law also contains the culpability requirement of "willfully," as well as "knowingly"; but that requirement, which would probably be "intentionally" under the Code formulations, has also been dropped. At the same time, however, the offense is graded somewhat lower than in present law (10 years), and the matters covered by this section are explicitly included in the definition of "national security information" in espionage (§ 1112), where intent to injure the United States is required and grading is at the Class A and B felony levels.

§ 1115. Communication of Classified Information by Public Servant.

(1) Offense. A public servant or former public servant is guilty of a Class C felony if he communicates classified information to an agent or representative of a foreign government or to an officer or member of an organization defined in 50 U.S.C. § 782(5) (communist organizations). "Classified information" means information the dissemination of which has been restricted by classification by the President or by the head of a United States government agency with the approval of the President as affecting the security of the United States.

(2) Defenses.

(a) It is a defense to a prosecution under this section that the public servant or former public servant was specifically authorized by the President or by the head of the United States government agency which he served to make the communication prohibited by this section.

(b) It is an affirmative defense to a prosecution under this section that the former public servant obtained the information in a manner unrelated to his having been a public servant or, if not so obtained, it was not classified while he was a public servant.

COMMENT

This section brings the provisions of 50 U.S.C. § 783(b) into Title 18, but extends the scope of the prohibitions to former public servants, subject to an appropriate affirmative defense. The section continues existing law in requiring proof only of intentional communication of classified information by a public servant to a foreign nation or the proscribed organization. No defense of faulty classification is provided. An alternative provision, prohibiting communication of classified information by anyone, together with a defense of inappropriate classification, has been considered. No need for a change from current policy to a broader prohibition, long rejected by the Congress, appears to have been established. See Working Papers, pp. 442, 450–53, 454–56, 457–61.

§ 1116. Prohibited Recipients Obtaining Information.

An agent or representative of a foreign government or an officer or member of an organization defined in 50 U.S.C. § 782(5) (communist organizations) is guilty of a Class C felony if he:

(a) knowingly obtains classified information, as defined in section 1115; or

(b) solicits another to commit a crime defined in sections 1112, 1113, 1114 or 1115.

COMMENT

This section is the counterpart of § 1115 for certain recipients of sensitive information and provides Class C felony treatment of such persons when they solicit violations of §§ 1112 to 1115. See Working Papers, pp. 442, 450–56, 457, 458–61.

COMMITTEE ON AGING CALLS FOR ACTION IN 1972

Mr. CHURCH. Mr. President, the Senate Special Committee on Aging has just issued its annual report entitled "Developments in Aging: 1971 and January-March 1972."

As the title indicates, the report covers more than the last calendar year. Publication date was delayed to permit discussion of important developments of 1972, including the President's message on aging of March 23. The report compares recommendations made at the White House Conference on Aging, actions taken by Congress, and the President's proposals.

Unfortunately, the comparison clearly shows that the Presidential message falls far short of conference recommendations and congressional initiatives. But the report also points the way to significant actions that can yet be taken while the momentum generated by the White House Conference is at a peak.

Another major theme of the report is that bipartisan congressional action has been responsible for many of the achievements in aging in 1971 and 1972. The distinguished ranking minority member of the committee, Senator FONG, has commented on this cooperative and effective teamwork; and I wholeheartedly agree with his views on the need for joint action whenever the need arises. It is, therefore, all the more important that the executive branch acts within the near future to present an action program far more definitive and challenging than it has yet offered. The White House Conference—and the fine leadership demonstrated by its Chairman, Dr. Arthur Flemming—deserve such a response from the administration.

Mr. President, my preface to the committee report gives my own personal view of the situation and makes an appeal for actions worthy of the White House Conference and the 20 million Americans now of age 65 or older.

I ask unanimous consent that the preface to the report be printed in the RECORD.

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

PREFACE

"Momentum" was the magic word before and during the White House Conference on Aging, now five months behind us.

Delegates were assured that their voices would be heard, and that their recommendations would be heeded.

The dynamics of a White House Conference—and the prospect of a Presidential campaign year—were said to guarantee action on immediate and long-range needs of Older Americans.

At last, "Towards a National Policy on Aging" would become a pattern of action rather than a slogan for talk at a Conference.

There *has* been momentum since the Conference.

But it has been expressed almost entirely through Congressional initiatives.

Administration action has usually been reaction to such initiatives, sometimes grudging.

Or—its spokesmen have come to Capitol Hill to speak against reforms such as realistic Social Security increases and a genuinely effective Federal agency on aging.

Long-awaited, the President's Message[1] on Aging of March 23 proved little more than a summation of the Executive Branch bent for "game plansmanship," long on promises and dismally deficient in substance.

It is not enough to offer proposals without commitment.

It is not enough to seek to pre-empt an issue by weaving it into a "grand design" that somehow is never implemented.

To say that the President's Message was a disappointment is an understatement.

To say that there is still time for policy reversals, however, is to express more than forlorn hope.

After all, the President must realize that his so-called comprehensive strategy is pathetically unresponsive to the strong and clear recommendations of the White House Conference.

The President must perceive that hopes for bipartisan action on aging will deteriorate rapidly if the Administration plays a crafty tactical game instead of fashioning a credible action program.

And the President should realize that many participants in the Conference—including the Conference Chairman, Dr. Arthur Flemming—regarded the Conference as a prelude to triumph over the problems that now blight the lives of many millions of Americans in or near retirement. That hope of triumph should not be transformed into despair or resentment.

For these reasons, I believe the President will, as he hinted in his message, make other statements on aging within the next few months. I think that he should, in particular, pay attention to these issues:

Income.—Administration policy now calls only for a 5 percent increase in Social Security benefits, despite powerful congressional sentiment for an increase of 20 percent and other significant reforms. The President's Message makes the point that since 1969, Social Security cash benefits have been increased twice—by 15 percent in January 1970 and by 10 percent a year later—boosting Social Security payments by $10 billion. But the Message fails to mention that the Administration resisted these increases and even threatened a veto on one.

Dismal enough as the Administration's record on Social Security is, it can further be harmed by the cynical view that the Administration must hold down its "bid" on benefit levels until it determines what position Congress is taking. This position, expressed by a high-ranking member of the Executive Branch at a recent hearing[2] says in unmistakable terms that there is no Administration policy on retirement income; the goal is to get by with as little increase as possible. The Administration seems willing to settle for the 5 percent and the automatic cost-of-living adjustment mechanism. Many in Congress want "inflation-proof" benefits, too; but we want the escalator to rise from a more nearly adequate base.

A successor to AoA.—June 30 is only two months away, and it is on that date that present authority for the Older Americans Act will expire. Under that Act, an Administration on Aging has worked for almost six years to become the Federal "focal point" on aging. But in the view of almost everyone who has studied its record—including a Presidential Task Force reporting in 1970—the AoA has failed to live up to its Congressional mandate in large part because of HEW downgrading.

Several Congressional bills would make significant changes designed to upgrade AoA and to elevate the Federal effort called for in the Older Americans Act. One bill would remove AoA from its present position within the Social and Rehabilitation Service and place it under the direction of a new Assistant Secretary on Aging within the Department of Health, Education and Welfare.[3] The Administration, however, opposes establishment of an Assistant Secretaryship and other important provisions of the legislation. It would keep AoA right where it is now, under the thumb of SRS administrators whose prime commitment is to welfare services.

This position is maintained by the Executive Branch despite the increase in AoA funding levels to $100 million voted by the Congress in direct response to the White House Conference. The Congress has also passed a nutrition bill for the elderly—and it was adopted after nearly two years of Administration opposition—calling for $100 million the first year and $150 million the next year.

Now that the Congress has acted, the Administration says it is ready to build the nutrition program into the "new" AoA as a major component in its service delivery system.

We in Congress have heard for a long time about Administration plans to develop a "comprehensive service network," but that network is always described in the future tense.

We are now told that the nutrition program will help us to that goal. So will the new, higher funding levels for AoA.

But can we really have confidence in an agency which appears still to have stepchild status and a murky mission despite the many uses to which the Administration wishes to put its new funding?

Medicare and health costs.—As of July 1, Medicare enrollees will pay $5.80 a month for the physician's service (Part B) offered under that program. The President's Message urges that this premium be eliminated, and it would be difficult to disagree with this goal. It has, after all, been recommended by the Senate Committee on Aging, by advisory councils to the Social Security Administration, and by many individual legislators. But there is a hidden danger in the President's proposal: to pay for the loss of premium income, he may reduce benefits or draw from the Social Security trust fund rather than from general tax revenues. This could require an increase in the payroll tax or depletion of the trust fund. If the premium suspension is to yield real gains, it should not cause the loss of other Medicare or Social Security benefits.

When all is said and done, Medicare pays for only 42 percent of all health costs of the

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[1] Full text of the President's Message appears on pp. 283–308. Earlier addresses by Democratic and Republican Senators on *The State of the Aging* appear on pp. 317–388.

[2] In response to a question by Senator Thomas Eagleton regarding the inadequacy of the Administration's "income strategy" for the elderly, Secretary of Health, Education, and Welfare, Elliott Richardson responded:

"It is obvious further, I think, that a Republican President could expect in many situations like this to be outbid no matter what he might propose, and, of course, this has happened again and again, and naturally we have to take that into account in the manner in which we deal with the evolving process between a given proposal originating on the congressional side and the eventual result of the legislative process." (Hearings before the Subcommittee on Aging of the Senate Labor and Public Welfare Committee; "The Older Americans Act"; March 23, 1972; hearings are not yet in print.)

[3] S. 3181, introduced by Senator Church, also calls for an Office on Aging in the Executive Office of the President. Additional details on that bill and on H.R. 12017, introduced by Representative John Brademas and others, appear on pp. 101–102.

elderly. One of the startling points made by this committee report is that older Americans are paying in 1972 almost as much in out-of-pocket medical expenses as they were before Medicare became law in 1965. They are paying more than twice as much in out-of-pocket payments than persons under age 65.[4]

In the face of such facts, the President offers very little, taking away with one hand what he proffers with the other.

Pension reform.—Apparently the Administration is unaware that a Senate Subcommittee study has made a powerful case for major reforms in our private pension system.[5] Congressional interest in this area is now at a high level. The President's Message, however, calls for little more than a watered-down vesting scheme and a program to make it more convenient for high-income individuals to put aside savings for their own retirement income, by means of "tax breaks" as incentives. Here again, the President seems to be waiting to see what Congress will do.

Nursing home care.—The President's 8-point program for upgrading of long-term care in the United States has been described in early reports by this Committee as little more than a "policing" and "inspection" package. A comprehensive program for elevating standards and care has been developed by Senator Frank Moss of Utah, Chairman of the Subcommittee on Long-Term Care for this Committee. Not only has the Administration failed to make a positive response to the Moss legislation; it has failed even to live up to regulations authorized by laws passed in 1969. In the meantime, nursing home costs continue to rise; patients and their families live with the fear or reality of victimization; and reputable institutions suffer from guilt by association.

Minorities.—Only the barest mention is made in the President's Message of those older Americans who suffer the multiple jeopardy which occurs when one is old, a member of a minority group, and—as is the case for nearly 50 percent of elders in such groups—living in poverty. And yet, the White House Conference had special sessions for Aging and Aged Blacks, the Asian-American Elderly, the Elderly Indian, and the Spanish-speaking Elderly. If the Administration had paid any attention at all to the statements and recommendations made by participants at these sessions, the President's Message would have had far more to say in this area. There is no Administration plan to raise *all* older Americans out of poverty. There is no statement by the Administration that it will take steps to make programs more responsive to elderly members of minority groups. There is no reply to criticisms that the Executive Branch tolerates an appalling dearth of research data about older members of minority groups. Of all the examples of unconcern provided in the President's Message, his indifferent attitude toward minorities is perhaps the most disturbing.

Service opportunities.—Speaking in December at the White House Conference on Aging, the President had kind words to say about programs which give older Americans an opportunity to serve others. He said that Federal programs to provide such opportunities have proven "remarkably successful at the demonstration level," and that they should now be established "on a broader, national basis."

Did this mean that the Administration would withdraw its opposition to Congressional proposals to establish a national senior service program? Did this mean that the President would, in his Message on Aging, provide details on a plan for a "broader, national basis?"

Not at all. The Message called simply for more of the same: demonstration at pitifully low levels of funding.

Property tax.—Here again, what was said in December did not produce much by March At the White House Conference, the President promised a study and relief. In his Message, he still promised study and was not clear at all about what form the relief could take.

Housing.—White House conferees emphatically supported Federal action to increase the production of units for the elderly to a minimum of 120,000 a year, to establish the position of Assistant Secretary on Housing for the Elderly in the Department of Housing and Urban Development, and to improve the availability and quality of services for tenants in publicly supported housing of many kinds. The President's Message makes much of the fact that guidelines on subsidized rental housing for the elderly have recently been published, even though these guidelines were at least a year overdue. He offers no overall goals; he does not withdraw Administration opposition to an Assistant Secretaryship and he proposes only more research to investigate one of the most immediate of problems: the effects of crime and street violence on elderly residents in housing projects.

Additional examples of unresponsiveness—as well as examination of those few substantial proposals made in the Message—are provided on the pages of the following report, but one other point should be made in this personal commentary.

Many of the Congressional accomplishments mentioned in this preface resulted from bipartisan action—action taken at times over the intense opposition of the Administration.

This spirit of legislative concern—or call it momentum if you will—is now the leading force for action to implement recommendations made at the White House Conference on Aging.

We will continue our efforts, but we think that the Administration should do its share, as well. Innovative ideas should be tested against each other; dialogue should be frequent and it should be candid.

Until it offers a more persuasive and vigorous effort, the Executive Branch will continue to give the distinct impression that—when White House recommendations were made—it was not listening.

FRANK CHURCH,
Chairman, Special Committee on Aging.

[4] For details on the finding and other issues related to health care, see pp. 23–30.

[5] A report, "Interim Report of Activities of the Private Welfare and Pension Plan Study, 1971," was issued by the Subcommittee on Labor, Senate Committee on Labor and Public Welfare on Feb. 22, 1972.

ANNOUNCEMENT OF POSITION ON VOTE

Mr. BOGGS. Mr. President, yesterday, I was necessarily absent during legislative vote No. 189, the vote on Senator BAKER's amendment to S. 1478.

Had I been on the Senate floor at that time, I would have voted for the amendment.

While I strongly support the intent of the Toxic Substances Control Act of 1972, I believe the amendment of the distinguished Senator from Tennessee (Mr. BAKER) would have provided a more reasonable basis for premarket testing, without undermining the intent of the bill.

THE GENOCIDE CONVENTION: STAND UP AND BE COUNTED

Mr. PROXMIRE. Mr. President, since the Treaty for the Prevention and Punishment of Genocide was written in 1948 most of the nations of the world have endorsed its humanitarian principles. This declaration, composed under the aegis of the United Nations, bears the signature of more than 75 nations representing almost all of the civilized people of the world. Among these 75 are our allies in Europe and our partners in the United Nations.

Still the United States refuses to endorse the treaty. We claim to be the leader of the free world and to embody the very essence of freedom and democracy, and yet we abstain from denouncing the most heinous crime against humanity imaginable. There is not one substantial reason for this shameful neglect. Critics have raised some minor technicalities but all have long since been cleared away.

If we are to retain our position of influence and moral leadership throughout the world we must participate in the affairs of the world. We cannot withdraw into our island continent. We must stand up and be counted as one of those unalterably opposed to violence and mass killing. Therefore, I urge the Senate to take up the treaty on genocide and move for swift ratification.

STATE AND LOCAL FISCAL ASSISTANCE ACT OF 1972

Mr. BROCK. Mr. President, on Tuesday, May 30, 1972, I joined my distinguished colleague from Tennessee (Mr. BAKER) and other Senators in cosponsoring the State and Local Fiscal Assistance Act of 1972, S. 3651. The bill, whose House equivalent was reported on April 26, 1972, by the Ways and Means Committee, seeks to provide for Federal revenue sharing with the States and local communities. I commend my able colleague, Senator BAKER, for his action in placing the bill before the Senate in order that we can demonstrate our desire for speedy action to relive the fiscal plight of States and local government.

This proposed legislation has 44 cosponsors and should prove an excellent vehicle to show widespread bipartisan support for the revenue-sharing concept. However, as Senator BAKER pointed out in his remarks introducing the bill, cosponsorship of the measure does not necessarily mean that any given Senator supports every part and provision of the bill as at present written. I myself plan to seek certain modifications of the present proposal and stand as a cosponsor in recognition of the imperative need for new mechanisms to aid our State and local governments in meeting their fiscal demands.

During the past quarter century, State and local expenses have increased twelvefold. In that same period, our gross national product, our personal spending, and even Federal spending have climbed at less than one-third of that rate.

On a per capita basis, State and local expenses have climbed almost 50 percent in the past 14 years alone. Property tax receipts are six times as great as they were 25 years ago. In addition, the sales tax and the property tax are both regressive, both tax the low-income family harder than those who are wealthy. These approaches are self-

defeating in that if raised to levels sufficient to support the needs of the community, they create an unbearable burden on the taxpayer and diminish the opportunity to bring in new business to enlarge the tax base. As an alternative, revenue sharing utilizes the Federal income tax as the communities' resource base.

Most important, revenue sharing will reverse the flow of money to Washington and return power to the American people. The local and State officials elected by the people know far better than the bureaucrats in Washington the areas of greatest need. The local elected officials are responsible to the people. I feel that it is essential that Congress pass at the earliest opportunity a revenue-sharing measure which will return to the people greater control over the manner in which their tax money is spent.

Although I support the overall objective of the State and Local Fiscal Assistance Act of 1972, I do have reservations concerning some of its provisions.

Specifically, I am opposed to the provision in the bill that contains a factor in the formula for distribution of funds to State governments which is based on State and individual income tax collections. This provision has as its purpose the forcing of States to adopt individual income taxes or in cases of small existing income taxes, to greatly increase such taxes. This is a most unfair provision. Nor do I feel it either wise or proper for the Federal Government to dictate to the States the manner in which they should levy taxes. This is a usurpation of the right of the citizens of each State to determine for themselves the manner in which they are to be taxed.

I plan to work with Senator BAKER and other Senators of like mind for a substitute formula that would be fair and would respect the rights of the citizens of each State to select the manner in which they choose to be taxed.

RESEARCH AND TRAINING IN GERONTOLOGY

Mr. CHURCH. Mr. President, an article published recently in Geriatrics magazine points to the current lag in research and training in gerontology and the need for improvement. The article summarizes the situation in these words:

Striking deficiencies in research and training in gerontology must be corrected as an indispensable basis of any national program to improve the life of the elderly.

As the article indicates:

Research and training are often overlooked in the process of developing large-scale socioeconomic improvement programs.

In an effort to help correct this oversight, the Special Committee on Aging, of which I am chairman, asked the Gerontological Society to prepare a working paper on research and training. This document, published by the committee before the White House Conference on Aging, helped focus the attention of the delegates on these crucial concerns.

The conference delegates responded with forceful recommendations in the areas of research and training.

And the Committee on Aging's latest annual report makes recommendations in accord with those of the White House Conference.

Mr. President, interest in research and training in gerontology must not be allowed to fade in the aftermath of the White House Conference. And steps to further development and expansion in these areas should receive the support of Congress.

The article from the February 1972, issue of Geriatrics cites key points from the working paper on research and training in gerontology published by the Committee on Aging and, in general, helps to make the case for immediate and long-range improvements in these areas.

I believe the article deserves the attention of the Senate, so I ask unanimous consent that it be printed in the RECORD.

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

GOVERNMENT AND GERIATRICS: GERIATRIC TEACHING, RESEARCH LAGGING, SENATE UNIT SAYS

Striking deficiencies in research and training in gerontology must be corrected as an indispensable basis of any national program to improve the life of the elderly.

The statement seems almost elementary, but the Senate's Special Committee on Aging believes that research and training are often overlooked in the process of developing large-scale socioeconomic improvement programs.

A so-called "working paper" on the subject, including many recommendations for better and more adequately financed programs of research and training, was prepared for the committee and released at the recent White House Conference on Aging. But, perhaps like the subject itself, it received scant public attention.

The deficiencies, says the report, have resulted in two major consequences: [1] Public policy in aging is based upon inadequate information. [2] Where programs exist, they often are directed or staffed by persons with limited experience, or even sympathy, with gerontology.

The papers in the report, which were prepared by individual members of the Gerontological Society, recommend:

Establishment of a National Institute of Gerontology

Significant programs of research, training, and services in all appropriate federal agencies

Greater effort by medical schools in teaching and research in geriatrics, with more significant and equitable federal financing

Greater support for biomedical science to conduct basic research on the process of aging

Development of tested information and systems which will lead to sound social policy and social service practice and delivery.

Dr. F. Marott Sinex, chairman of the department of biochemistry at Boston University School of Medcine and past president of the Gerontological Society, noted in his contribution on biomedical research that the Gerontology Branch of the National Institute of Child Health and Human Development has only 120 employees, compared to an original projected staff of 272.

Dr. Manuel Rodstein, chief of medical services and director of cardiology at The Jewish Home and Hospital for Aged, New York City, makes the point that a number of major medical problems that affect the elderly are in urgent need of in-depth research. Examples:

After 30 years of investigation and hundreds of clinical reports, no definitive statements can yet be made as to the value of drugs which slow down the clotting of blood in coronary artery disease.

The need for better methods of early diagnosis is shown by the fact that the course of cancer in the aged is often of a slowly progressive nature.

The cause of heart failure, the terminal point of aging hearts, remains poorly understood.

Dr. Joseph Freeman, a Philadelphia internist and another past president of the Gerontological Society, criticized what he believed to be inadequate attention of medical schools to the problems of the aged.

Of more than 20,000 faculty members in the nation's medical schools, a study showed that only 15 had "primary titular identification" in the field of aging, according to Dr. Freeman, who commented:

"Indecisive attitudes toward geriatrics, the clinical side of aging, stand out in contrast to the increasing organization, financing, and clarity of gerontological thought displayed in the research aspects of senescence. The fault may rest in the failure of clinicians to identify geriatrics as a distinctive field in which the small fraction of irremediable senility receives a disproportionate share of discouraging emphasis.

"When as much as one-third of the potential life-span falls in the realm of geriatric medicine, there can be no excuse for the dominance of the nursing home theorem involving the less than 5% of a special population over 65 years of age which requires full custodial care."

The focal point for geriatric education must be the medical school, but education on aging must begin in high schools and be carried through such organizations as the federal health service programs directed to support significant amounts of training, Dr. Freeman said.

Dr. James E. Birren, director of the University of Southern California Gerontology Center, recommended establishment of at least one major interdisciplinary training and research center in each major region of the nation, with a goal of five or six by 1976 and nine or ten by 1982.

A National Advisory Council of Aging should be created, with its scope to include training goals and programs of all concerned agencies of government, urged Dr. Birren. His associate in the report was Miss Kathy Gribbin, a Ph.D. candidate at Dr. Birren's center.

RETIREMENT OF BILL BROWNRIGG

Mr. TOWER. Mr. President, I feel it is only fitting that we pause in our deliberations to express our gratitude to a man who has given 25 years of brilliant and dedicated service to the U.S. Senate. Bill Brownrigg, until his recent retirement, had served Senators on this side of the aisle with a degree of loyalty unsurpassed in this body. As assistant secretary to the minority, he has been extraordinarily helpful to me, not only in the early years when his knowledge and experience in the ways of the Senate were invaluable, but also in most recent years when my responsibilities have increased with seniority. Without men of Bill's caliber, we could never serve our constituencies as effectively as we would like. He will be sorely missed.

MOBILE HOME SAFETY

Mr. MOSS. Mr. President, on May 15, 1972, the Senator from Tennessee (Mr. BROCK) introduced S. 3604, a bill to establish national standards for the construction of mobile homes. This is a most commendable piece of legislation and I congratulate Senator BROCK for his efforts.

So far as safety standards for mobile homes are concerned, the Commerce Committee has proposed that mobile homes be considered "consumer products" in S. 3419 legislation which the committee reported on March 24, 1972. During our hearings on product safety legislation, we devoted a significant amount of time to the design problems and concurrent safety hazards of mobile homes. I quote a portion of the committee report which states:

Because many inquiries concerning mobile home safety have been directed to the Committee, it would seem appropriate to express the Committee's intent with respect to mobile home safety. It is the Committee's intent to include mobile homes under the definition of "consumer product."

Thus, I would urge Senators who are interested in the problem of mobile home safety to be aware that an important step in this direction will be taken with the passage of S. 3419, which has been reported to the Senate Committee on Commerce.

HOODWINKING CONGRESS: THE FOSTER REPORT ON THE F–14

Mr. PROXMIRE. Mr. President, the Pentagon is concealing from Congress a comprehensive status report on the Navy's F–14 jet fighter program prepared earlier this year by Dr. John S. Foster, Jr., the No. 3 man in the administration's defense team.

Pentagon insiders are telling one story to Congress and another story to Secretary of Defense Laird in an attempt to cover up an impending $1.25 billion cost increase on the F–14.

The Navy persists in telling Congress that it can hold Grumman Aerospace Corp. to its present contract and require development and production of 313 F–14's at a total cost of almost $5.3 billion, or $16.8 million per plane.

I have learned, however, that Pentagon Research Director Dr. John S. Foster, Jr., put the projected total costs for these 313 aircraft at over $6.5 billion, or $20.8 million each, in a status report on the F–14 submitted to Secretary of Defense Laird in February of this year.

I have written today to Secretary Laird demanding public release of the Foster report and an explanation as to why no reference has been made to the facts contained in it in Navy testimony to the Congress.

I have learned, too, that the Navy and Grumman are already engaged in preliminary negotiations for a restructured F–14 contract.

Unless Congress acts soon, American taxpayers will soon be saddled with a bill for the F–14 $1.25 billion higher than the bill the Navy is now presenting.

It is my understanding that the differences between the Navy and Foster projections are due to three differing assumptions regarding the 227 F–14's not yet ordered, but counted on by the Pentagon.

First, Dr. Foster recognizes that cost overruns at Grumman have reached the point where the company will have to be bailed out if F–14 production is to continue.

Second, he recognizes that budgetary constraints, together with test program difficulties encountered thus far, will require a stretch-out of F–14 production, voiding other contracts on the plane and raising costs still further.

Finally, he recognizes that most of these planes will be equipped with advanced technology "B" engines, development work on which has continued ever since the Navy's decision to drop the engine last year from its official program.

The Foster report thus makes mincemeat of the Navy's argument that we should continue with the F–14, because the balance of the funding has already been committed and because it would now be relatively inexpensive to do so.

The report indicates that we have $3.75 billion to go, not the $2.5 billion the Navy tells us, and that the remaining 227 planes would cost an average of $16.5 million each, not the $10.2 million the Navy claims. Why doesn't the Pentagon tell us the truth?

Preliminary negotiations for the new Navy-Grumman contract are already underway. The new contract, and others with it, would be put into effect early next year after this year's F–14 funds have been approved, although the full costs implicit in those contracts would probably still not be revealed.

I understand that Grumman, in its latest proposal to the Navy has dropped all demands for the $140 million profit on future F–14 production which it insisted on in recent testimony to the Senate. It has now offered to build those planes at cost.

Congress should not be fooled by any such sacrifice on Grumman's part. Even if the company is given a $200 million loss like Lockheed's on the C–5A, taxpayers will still be stuck with an F–14 acquisition cost more than $1 billion higher than the Navy now admits.

Unless Congress acts now, it will be too late to avert another C–5A scandal. Any F–14 funds approved this year must be made subject to an ironclad, antibailout directive.

Actually, it would be much wiser to simply end the F–14 program after the 86 aircraft already on order have been produced.

The F–14 program is an exercise in gold-plated unilateral disarmament. How can we possibly hope to match the Soviets in fighter strength if each of our fighters costs as much as a whole squadron of Mig-21's?

We could buy four improved F–4's or new lightweight fighters for each F–14 the Navy wants.

Mr. President, I ask unanimous consent to have printed in the RECORD my letter on the Foster report to Secretary of Defense Laird.

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

CONGRESS OF THE UNITED STATES,
Washington, D.C., May 30, 1972.

Hon. MELVIN LAIRD,
Secretary of Defense,
The Pentagon,
Washington, D.C.

DEAR MEL: In January of this year, Grumman Aerospace Corporation notified the Department of Defense that it was unwilling to continue production of the F–14 jet fighter beyond the 86 aircraft already on order unless changes were made in the terms of its present contract with the Navy. In February, Director of Defense Research and Engineering Dr. John S. Foster Jr. submitted to you a comprehensive status report on the F–14 program.

As you well know, Dr. Foster's report took issue with previous Navy cost projections for the F–14. The report estimated that it would cost $3.7 billion to complete the program, an increase of $1.25 billion over previous Navy estimates of $2.5 billion. The average cost of the 227 remaining planes, the report suggested, would be $16.5 million, not the $10.2 million the Navy claimed. This implied total costs for a 313 aircraft F–14 program of over $6.5 billion, or $20.8 million each, up from almost $5.3 billion, or $16.8 million per plane.

Dr. Foster's report reviewed the various causes of the projected increase—cost overruns at Grumman, the need for a stretched delivery schedule, and the Navy's eventual desire to put advanced technology "B" engines on the later planes. The report discussed the relative costs and merits of alternatives to the F–14 and concluded with a specific set of recommendations.

No reference has been made to Dr. Foster's report—or to the unpleasant facts contained in it—in subsequent Navy testimony to the Congress. The Navy has continued to claim that it can meet its previous cost and delivery schedule projections, despite clear evidence that this is a practical impossibility.

The present status of the F–14 program raises serious policy issues, issues with which the Congress as well as the Executive branch must grapple.

If it is to deal responsibly with those issues, the Congress must receive a far more candid report on the status of the F–14 program—and the Defense Department's plans for it—than the Department has provided up to now.

The cause of candor can best be served by public release of Dr. Foster's F–14 report. I therefore call upon you to review the report for security purposes and to submit to the Congress an unclassified version of it, together with any additional comments you might wish to make.

Sincerely,

WILLIAM PROXMIRE,
Chairman.

MEDICAL REPORT ON HYPERTENSION AS IT AFFECTS BLACK AMERICANS

Mr. THURMOND. Mr. President, a new awareness of the unique medical problems of black Americans is apparent in the attention now being given the blood disease, sickle cell anemia. But our black population, like other ethnic groups, have other endemic medical problems which are just as serious.

Dr. Howard W. Kenney, an eminently qualified black physician, has written an excellent medical paper on hypertension and its special significance to black Americans. Dr. Kenney presented this paper at "The National Conference on the Status of Health in the Black Community," held at Meharry Medical College, Nashville, Tenn., December 9–11, 1971.

Mr. President, as Director of the Veterans' Administration North Eastern Medical Region, Dr. Kenney is the highest ranking Negro physician in VA. His responsibilities include the supervision of 33 hospitals with a combined bed capacity of 28,000 in the most populous section of the United States. These hospitals annually care for more than 150,000 veterans of whom approximately 17 percent are black. Dr. Kenney held a research fellowship in cardiovascular diseases at

Howard University School of Medicine, and he is board certified in internal medicine and a fellow of the American College of Physicians. He earned his B.S. degree at Bates College in Lewiston, Maine, his M.D. at Meharry Medical College, and took his internship at Sydenham Hospital in New York.

Mr. President, 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:

HYPERTENSION: A DISEASE OF SPECIAL CONCERN TO BLACK AMERICANS*

INTRODUCTION

As a prime purpose of this Conference is the examination of health in the black community, and the pinpointing of the most critical problems and priorities so that Group Discussions can then lead to a plan of attack upon such identified problems—it is most appropriate that the Program Committee has selected the subject of hypertension. A very recent article in the New York Times, in which the reporter was quoting an interview with the Hypertensive Study Group, a national body of heart disease authorities, stated: "Hypertensive cardiovascular disease has been singled out as the major disease problem of blacks, accounting for more than half the seven-year difference in life expectancy between whites and blacks".[1] It is most appropriate also, that this disease be highlighted at this particular point in time, since clinical research has recently so effectively demonstrated that the morbidity and mortality of this insidious disease can be so greatly reduced by improved health care.[2 3 4] I must add, too, my thoughts about how appropriate also it is for the Veterans Administration to participate in this Conference, since one might say the VA, too, has a vested interest, since approximately 17% of its enormous patient load represents black veterans; and even more importantly, with respect to hypertension, it was the results of a VA multi-hospital cooperative study in anti-hypertensive therapy, completed in 1969, that conclusively established the effectiveness of drug treatment. Dr. Edward Freis, Senior Medical Investigator at the Washington, D.C. VA Hospital, recently was awarded the Laker Award for his leadership role in this cooperative study.

However, for some unknown reason, the results of this important contribution by Dr. Freis and his associates have received little public attention—and even worse, inadequate emphasis in the medical literature. In his acceptance speech, Dr. Freis stated, "There are literally millions of Americans who do not even know they have high blood pressure. There is, therefore, the need to develop adequate mass screening for the detection of hypertension as well as more effective programs in public education." He also called attention to recent surveys and articles which have shown that only 20% of the patients with persistent known hypertension in the United States are receiving effective treatment.

Such a survey article appeared in the November 15th issue of the Journal of the American Medical Association and an accompanying editorial was very candidly critical of the physicians involved, and described their attitudes toward hypertensive patients as "cavalier".[2 4] The editorial concluded with this statement: "Finding patients with hypertension is easily accomplished, but these persons also deserve careful study and individualized therapy."

Footnotes at end of article.

THE RACIAL PECULIARITIES OF HYPERTENSION

Beginning in 1932, literally hundreds of articles have appeared in the medical literature emphasizing that hypertension is a more frequent and a more serious disease in the black population. In 1959, Phillips and Burch made an extensive review of these articles.[5] Though they pointed out the deficiencies and differences in these studies, they re-emphasized the uniform conclusion reached by these studies—there was at least a 2 to 1 increase in high blood pressure in blacks. They concluded, too, that hypertension was the leading cause of heart disease in both races, but to a greater degree in blacks.

The most reliable large-scale study was that conducted by the U.S. Public Health Service in 1960–62, and called the Health Examination Survey for Hypertension and Hypertensive Heart Disease in Adults.[6] This study (the H.E.S. Survey) embraced a nationwide probability sample of 7,710 non-institutionalized persons aged 18–79 years of age.

The H.E.S survey revealed an estimated 17.0 million adults (15.39%) to have definite hypertension; and another 16.2 million to have borderline hypertension. Though relatively uncommon in the teens, 20's and early 30's, hypertension, in all sexes and both races, reached a 10.9% incidence in the 35–44 age bracket and then rose progressively with each older age grouping. Men were more likely to have high blood pressure until age 50, but at that point on, the relationship was reversed. With respect to race, the H.E.S. Study revealed that of every age group covered, the prevalence of definite hypertension was roughly twice as great in the black population.

The statistical picture for hypertensive heart disease, which was found to be the most common specific form of heart disease, showed essentially similar results. The main variation was the more rapid rise in incidence of definite hypertensive heart disease, with age. The racial indices indicated an even greater involvement of Negroes over whites; in every age group, and of either sex, the prevalence of hypertensive heart disease was distinctly greater. Generally the rate was about 3 times as great for Negro men and more than twice as great for Negro females.

The H.E.S. Study also revealed a number of interesting and potentially significant demographic variables—several of which certainly need further close scrutiny and study. For example, whereas the overall incidence of definite hypertension was highest in the Northeast section of the nation, for black males it was significantly lower than predicted. Equally as surprising was the much lower incidence among black males in the larger metropolitan areas as compared with a startlingly higher rate in the rural areas. When income, education and occupation were related to the incidence of definite hypertension, and definite hypertensive heart diseases, the same differential between whites and blacks held up, but equally as striking and impressive was the disproportionately higher incidence among the poor, the ill-educated, and those working in the lowest paid, more physically demanding and menial type of jobs—black or white.

It is not within the scope of this paper to dwell extensively upon the many theories that have been advanced to explain the striking and important racial differentials that have been presented.[7 8 9] Suffice it to say, all such theories are only speculative and there is a glaring need for a comprehensive long-term multi-disciplinary study.

THE CURRENT STATUS OF ANTIHYPERTENSIVE DRUG THERAPY

Beginning in the late 40's, and particularly through the 50's and into the early 60's, progressive and remarkable progress was made toward the development of drugs that would effectively contain, improve and reverse hypertension, and especially the severer types, including the heretofore deadly malignant or accelerated hypertension. The combined results of many clinicians slowly, but surely, revealed a lower morbidity and mortality with vigorous, sustained and effective drug treatment of such patients. However, there was, and there has continued to be up to the present time, much difference in opinion as to whether patients with only moderate or mild hypertension should be subjected to continuous therapy with the associated expense and disturbing side effects of today's potent drugs.

Fortunately, that dilemma can now be considered passé. In 1956 Dr. Edward Freis, who had spent practically his entire career trying to find more effective drugs for hypertension, organized a 17 hospital cooperative study within the Veterans Administration. This 5-year study, whose results were publicized last year, established two major points, i.e., (1) the death rate from moderate hypertension could be reduced by 50% and the major complications (heart failure, stroke, and kidney failure) reduced by 67% with effective drug therapy, (2) the degree of protection afforded the individual patient depends on the extent of damage already present at the time of initiating treatment, and upon the adequacy of blood pressure control. The Citation which Freis received read, in part, as follows: "Dr. Freis offers a momentous opportunity to clinical medicine. It is an exemplary demonstration of the potential of preventive medicine for saving and prolonging the lives of tens of thousands of Americans."[3]

The preceding statement clearly indicates the challenge to clinical medicine and the responsibilities imposed upon each and every physician who takes it upon himself to treat patients with blood pressure elevation. After carefully and accurately establishing the presence of hypertension, and dependent upon the individual case, carrying out adequate diagnostic maneuvers to rule in or out the presence of a surgically correctible type of hypertension, he then must possess a good enough understanding of the pharmacology of today's drugs to go through the trial and error process to find the proper drug, or combination of drugs, for each patient. Most important and essential is the time spent educating the patient and explaining the importance of long-term, faithful cooperation on his or her part with the physician's instructions and the great benefits that can thus be gained.

However, a number of recent articles strongly suggest that the medical profession as a whole may not be properly delivering adequate health care as regards patients with hypertension. The November 15, 1971, issue of the Journal of the American Medical Association, the same one carrying the Lasker Awards, and in which Freis presents a very lucid and concise article on the current principles and benefits of chemotherapy, carries a special communication titled, "Evaluation of the Initial Care of Hypertensive Patients."[2] The authors had analyzed the entire calibre of care—from initial examination following admission to the hospital, to discharge—in four different hospitals. One hospital was a University hospital, one was a large VA hospital closely affiliated for teaching purposes with the same University, one was a nonaffiliated VA hospital, and the fourth was a typical modern community hospital.

The results of this retrospective analysis revealed shortcomings in diagnosis and management of a startlingly deficient type. Though the University hospital was the least deficient, it, too, was far from satisfactory in these respects. The authors very properly pointed out the glaring need for constant

educational reinforcement in the practicing physician.

The associated importance of patient education, understanding and cooperation has already been mentioned and has long been recognized. Wilder made an extensive survey of a typical Georgia County with the assistance of the Georgia Department of Public Health and the Division of Community Health.[12] Only 18% of a large number of patients—of both races—had ever been told they had hypertension, and of that group only two-thirds were on therapy at the time of survey. Finances was given as the reason for discontinuance in 16%, 12% didn't know they were supposed to continue their medications, and 30% said they stopped since they felt better, and 16% stated they only took their medicines when they felt like they needed it.

CONCLUSIONS

I believe it is quite clear at this point that arterial hypertension remains a serious and important disorder in all Americans, but particularly so in black Americans. Why it is so disproportionately more devastating in blacks has not been clarified and intensive, comprehensive, multi-disciplinary studies in this connection are overdue. There is good reason to believe that a large number of patients, and especially the underprivileged, undereducated, and poor are either receiving no attention or management of a very ineffective type.

The state of the art today is such that it is reasonable to expect that today's extremely high morbidity and mortality rates due to hypertension and its end results can be drastically reduced by an equally as drastic change in the methods by which the medical profession is approaching the problem. Hypertension must be looked upon as a public health problem—one that needs a coordinated, concentrated attack by federal, state and local health agencies working in close conjunction with all providers of health. The education and re-educating of the entire health team must have high priority and the dissemination of information to the public is just as vital. Such a nationwide educational program ought to be closely followed by carefully devised screening and detection surveys. The Guidelines for the Detection and Management of Hypertensive Populations as recently formulated and published by the Hypertensive Study Group (Of the Inter-Society Commission for Heart Disease Resources) represent a logical focal point for the formulation of specific recommendations.[13]

Because of the nature of the problem and recognition that hypertension is the "big" medical problem in Black America it is most appropriate, if not mandatory, for the black physician, the National Medical Association (with the full support of its many constituent societies), the National Dental Association, the Black Caucus, and the predominantly black medical schools, with the assistance of many lay and voluntary organizations to take the lead and spearhead these efforts. The problem is too big for doctors alone and is a political and socio-economic issue!

ADDENDUM

Shortly after completion of this paper, the author attended a luncheon meeting of the Washington Heart Association at the invitation of its current President, Dr. John B. Johnson, Professor of Medicine and Director of the Cardiovascular Research Laboratory at Howard University Medical School. That program so well demonstrated what hopefully will be done across the nation that a few comments are in order. First of all, let me add that the Washington Heart Association is a voluntary health agency dedicated to professional and lay education in diseases of the heart and blood vessels. Dr. Johnson, as principal speaker for this meeting, made the following statement: "In that period of life most vital for the development of home and the family, hypertension along with its complications is a grim reaper for the black American. Look at these astonishing figures. Between the ages of 25 to 44 years, hypertension kills black males 15.5 times as frequently as for white males; for black females 17 times."

Dr. Johnson urged the Association and the invited community leaders to actively become involved and stated, "if the heart problem is to be brought under control, it will be because of the cooperative effort of community leaders, the health agencies, the medical professionals and government".

FOOTNOTES

*Position paper read at the National Conference on the Status of Health in the Black Community, Meharry Medical College, Nashville, Tenn., December 9–11, 1971.

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[2] Freis, Edward D.: The Chemotherapy of Hypertension, *JAMA* 218:1009–1014, November 15, 1971.

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[4] Editorial. Hypertension: Treatment Success and Failures. *JAMA* 218:1043, November 15, 1971.

[5] Phillips, Jeff and Burch, George E.: Cardiovascular Diseases in the White and Negro Races. *The American Journal of Medical Science* 238:133–197, 1959.

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[7] Leonard, H. L. and Glock, C. I.: Studies in Hypertention. VI. Differences in the Distribution of Hypertension in Negroes and Whites, An Appraisal. *J. Chr. Diseases* 5:186, 1957.

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[9] Boyle, Edwin: Biological Patterns in Hypertension by Race, Sex, Body Weight, and Skin Color. *JAMA* 213:1637, 1970.

[10] Gantt, C. L.: Drug Therapy of Essential-Hypertension. *Modern Medicine* 39:94, 1971.

[11] Greenfell, R. F.: Drug Therapy of Hypertension. *Southern Medical Journal* 64:1358, 1971.

[12] Wilder, J. A.: Detection and control of Hypertensive Disease in Georgia in Epidemiology of Hypertension (Grune and Stratton, Inc.), 1957.

[13] Hypertensive Study Group: Guidelines for the Detection, Diagnosis and Management of Hypertensive Populations. *Circulation* Vol. XLIV: A–263–272, November 1971.

DISCRIMINATION AGAINST WOMEN IN LOAN AND CONSUMER CREDIT TRANSACTIONS

Mr. TUNNEY. Mr. President, last week the National Commission on Consumer Finance sponsored hearings on the important subject of discrimination against women in loan and consumer credit transactions.

The testimony revealed a shocking inequality of treatment of single, married, divorced, and widowed women as against men who attempted to obtain credit cards, charge accounts, mortgages, and other types of bank loans.

Three bills have been introduced in the House of Representatives to eliminate these forms of discrimination. I support this legislative effort.

I ask unanimous consent to have printed in the RECORD an excellent article on this subject that was published in the Los Angeles Times of May 26.

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

WOMEN CHARGE CREDIT BIAS AT HEARINGS

(By Marlene Cimons)

WASHINGTON.—When Jorie Lueloff Friedman, a Chicago newscaster, got married, she wrote to all the stores where she had charge accounts and asked for new credit cards with her new name and address on them. "That's all that had changed—my name and address," she said.

But Mrs. Friedman, who has supported herself for nine years and continued to work following her marriage, suddenly discovered that her credit rating—which had been good—had dissolved.

One store, she said, closed her account immediately. All of the others, she said, sent her new applications for brand new accounts. "These new forms asked for my husband's employer," she said. "There was no longer any interest in me, my job, my bank or my ability to pay my own bills. Marriage had made me a nonperson."

Mrs. Friedman's credit problems became further entangled when her bills from a leading credit card organization began being sent to her husband.

HUSBAND CHARGED

"For four months he paid his part of the bill and, with his check each month, he enclosed a note explaining that I, his wife, had paid $15 for the privilege of my own account and preferred to pay my own bills.

"We received no reply from the company," she said. "They persisted in charging my husband for my bills. The whole thing came to a head one night two months ago when my husband was here on business.

"He returned to his hotel to find he had been locked out of his room. The reason? The hotel had called the credit organization and had been informed that he had not paid his current bill and, therefore, was a bad credit risk."

A parade of witnesses told similar stories earlier this week at hearings sponsored by the National Commission on Consumer Finance, a group created by the Consumer Credit Protection Act of 1968 to study the consumer finance and credit industry and report to Congress and the President later this year.

The nine-member, bi-partisan panel sponsored the hearings dealing strictly with sex discrimination after letters of complaint began reaching its office.

"We got the idea right from the street," said Ira M. Millstein, chairman of the commission, who is an attorney with Weil, Gotshal & Manges in New York.

"Women kept writing in about these practices. They seemed to be going on for a very long time and women just accepted it. I think it's a question of awareness. The women's movement came along and women started becoming aware of these things and they became angry. I don't think business has been doing these things intentionally—I think it's just been in a rut for a long time."

DISCRIMINATION EXISTS

John P. Farry, president of the United States Savings and Loan League, a 4,800-member trade association, acknowledged during a second day of hearings that some discrimination probably exists within lending practices, but said he believes that the savings and loan business is now taking a more liberal view toward loans to women and working couples and that he has been encouraging this.

"There has been a substantial reshaping

of our thinking with respect to real estate credit involving women," he said.

Testimony concerned the various forms of discrimination experienced by single, married, divorced and widowed women as they attempted to obtain credit cards, charge accounts, mortgage loans and other types of bank loans.

"One woman in her 40s, the head of her family, desired to buy a home for herself and her children," said Illinois State Rep. Goudyloch Dyer. "She learned that in order to get a mortgage, her retired father, 70 years of age and living on a pension, would be required to sign for her."

Typical of other case histories described to the commission were:

—An unmarried widow with two daughters who was refused a rental contract for a certain apartment because she was a "woman alone," despite the fact that she had an adequate steady Social Security income and a veteran's pension from her husband, who had died while on active Marine Corps duty.

An employe of the State of Minnesota who was refused a finance company loan, as well as an account with a furniture company, despite bank accounts and good references, because her husband was a student and had no income.

A young working wife who found that a mortgage company refused to count her income when she and her husband applied for a loan because it was feared she might became pregnant and leave her job.

A widow, whose husband had been dead for six years, was unable to change her credit cards to her own name and now continues to use cards issued in his name because "it is obvious that a man who has been dead for six years has a higher credit standing than a woman widowed and working."

LOAN PROCESSING

Farry said that it was the position of the U.S. Savings and Loan League and the vast majority of savings and loan associations that loans should be made to any borrower, regardless of sex, who meets the qualifications.

"However, it is obvious that there are differences of opinion on these as well as other questions," he said. "No doubt there are some well-intentioned and sincere people in our business, as in other consumer finance businesses, who do not apply the same underwriting standards to women as they do to men. In these instances, unfortunately, it is not always as easy for a woman to get a mortgage as it is for a man."

Quinton Wells, director of the Office of Technical and Credit Standards, Housing Production and Mortgage Credit of the Department of Housing and Urban Development, said that Federal Housing Administration loan applications from single, divorced or widowed women are processed exactly the same as applications from single, divorced or widowed men.

However, he said, FHA does make a distinction between married applicants as opposed to individual men or women with no dependents. "A single man or woman has less motivation and need for the typical house than does the married couple with children," he said.

"The approval of a single man or woman will depend upon the applicant's age and type of property being purchased. A 21-year-old single man or woman without dependents likely would be rejected if the purchase involved a three-bedroom house but would likely be approved if the purchase involved a one-bedroom apartment in a condominium."

Why? "If the person is buying something they might be discontented with, or might want to dispose of, then there is a risk," he said.

Wells also said that the income of a working wife is now counted fully by the FHA. "The possibility of pregnancy is no longer a concern of FHA," he said.

IT'S POSSIBLE

Representatives from Sears, Roebuck & Co., one of the firms heatedly attacked in earlier testimony, said that although Sears preferred accounts in the husband's name, it was possible for a woman to hold one in her own name.

"If a wife indicates a preference for a separate account in her name 'Mrs. Mary Smith,' rather than 'Mrs. John Smith,' for example, and her circumstances qualify her as acceptable according to Sears' normal standards, the account should be established per her wishes," said Mildred Hagan, manager of the commercial accounts division of Sears' Boston credit central office.

BILLS INTRODUCED

While the hearings went on, Rep. Bella Abzug (D–N.Y.), who testified, denouncing the lack of legal consumer credit protections for women, introduced a series of bills designed to end sex discrimination in loan and consumer credit transactions. The first would cover all federally insured banks, savings and loan associations and credit unions and would prohibit them from discriminating against anyone because of their sex or marital status.

The second would provide the same coverage for federally related mortgage loans, while the third would amend the truth in lending act to cover sex discrimination in granting consumer credit.

"It is time that women exercise their right to take part in all aspects of American economic life," she said. "There is no rational reason to have any sort of obstacle to women who want to exercise their economic rights."

The commission, which, in addition to Millstein, consists of Douglas M. Head, former attorney general of Minnesota; Dr. Robert W. Johnson, professor of finance at Purdue University; Sens. John J. Sparkman (D–Ala.), William Proxmire (D–Wis.), and William E. Brock (R–Tenn.); and Reps. Leonor K. Sullivan (D–Mo.), Henry B. Gonzalez (D–Tex.), and Lawrence G. Williams (R–Pa.), does not intend to initiate legislation as a result of its hearings, but will file recommendations with its final report.

"I'm not sure at this point whether legislation is the answer," Millstein said. "But I do think these problems need exposure and I believe a lot of them are going to be cured."

THEY BURIED THE WRONG MAN

Mr. EAGLETON. Mr. President, Sam Smith, editor of the D.C. Gazette, has written a fascinating article entitled "They Buried the Wrong Man," about the Muskie campaign.

While I do not agree with some of the points made by Mr. Smith—I particularly disagree with his conclusion that Senator MUSKIE's candidacy is irrevocably dead—I do believe the author makes a powerful argument that Senator MUSKIE should be the Democratic presidential nominee.

I ask unanimous consent that the article, from the May issue of the D.C. Gazette, be printed in the RECORD.

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

MUSKIE: THEY BURIED THE WRONG MAN

(By Sam Smith)

Just after the Wisconsin primary, a fundraising dinner was held in Washington for Edmund Muskie. As the Senator's supporters gathered at their tables, the master of ceremonies announced, "Would everybody please be seated? The senator is about to be brought in." It wasn't a crowd used to spending money on behalf of incapacitated candidates, but the accidental use of verb brought a laugh anyway.

I was at the dinner because of some arm twisting by an old, close and otherwise considerate friend. I was feeling somewhat grumpy since I had determined not to get involved in the Democratic waterfight this year other than to support Shirley Chisholm, the favorite daughter of the state of alienation. But my friend had forced my hand and, yes, I certainly did want to see Nixon beaten and, yes, Muskie was the man who could do it most easily and, no, I certainly didn't want to see Humphrey nominated and, yes, Muskie could avoid a walkout by either wing of the party and, yes, I'll be there.

I ran into a few people I knew who were as surprised to find me there as I was. I told them I was a friend of the deceased and they went away quietly.

As it turned out, Muskie looked anything but dead. He gave a fine, and brief, speech on Vietnam, as eloquent as anything from McGovern and perhaps more impressive since it was harder to come by. As we have learned from Whittaker Chambers and Daniel Ellsberg, passion often accompanies conversion, and the verve with which Muskie has discovered Vietnam, Attica, William Loeb and George Wallace has provided this campaign with most of its few moments of non-plastic emotion.

It was difficult to believe that I was watching the unmaking of a president. In the days that followed, I began thinking more about Muskie and my interest grew inversely to the collapse of his campaign.

Part of this may be ascribed to political masochism on my part, but it is more, I think, that I, like most people, had taken Muskie very much for granted. Since we were going to end up voting for him regardless, there was no need to waste effort on his behalf.

It wasn't until Muskie stopped being inevitable, that there was cause to value his presence. All of a sudden, the well went dry and for the first time I noticed the lack of water. There we were, left with a good man who couldn't win, a bad man who couldn't win and an excruciatingly inadequate man who probably would get the nomination and might even be elected—the Red Skelton of the Democratic Party, who, every time he did his schtick you wondered why you ever thought it funny. Suddenly it was 1968 all over again, with tears, but without the teargas.

There's a story they tell in Maine about a town in which everyone always voted Republican except for one Democrat. No one knew for sure who it was but they suspected Oliver Thompson. Then one year, a few days before the election, Oliver died. When the votes came in, the results were Republican 626, Democrat 1. The local paper headlined the story: "We buried the wrong man."

As the returns came in from Pennsylvania and Massachusetts, the headline subliminally printed itself across my television screen. The Democratic Party, engaging in its usual preconvention excesses of ideological promiscuity, fratricide and other varieties of myopic idiocy was well on its way to, at worst, reelecting Nixon; at best electing a president who would kill and jail less people but who, in other respects, would reaffirm the growing national style of democracy interruptus.

Having participated in the McCarthy binge of 1968, I can share the enthusiasm of the McGovern camp, but not so much so that I forget the ending of that story. I fail to see the radical rationale for a strategy that results in the nomination of Hubert Humphrey twice in a row, even less for a strategy

that may result in the election of Nixon twice.

We're told that McGovern is the most radical candidate with a chance to win the nomination. To the extent that he has the most radical constituency, this is true. But it is worth remembering that McGovern went out looking for the constituency long before it found him. Without funds, charisma or identity, McGovern recognized that in the peace, youth, left movement was a considerable source of footpower and organizing skill. As a strategy for his own advancement out of the Lazy Liberal Bar and Caucus into national politics, it can't be faulted

But McGovern a radical? As the New Republic said the other day: "How the idea gained currency that George McGovern is a radical or even an unconventional politician is a puzzle." Indeed it is. Both McGovern and Muskie have served in Congress for thirteen years. A check of their ADA voting scores over those years produces an average "liberal quotient" for radical McGovern of 86.69% and for centrist Muskie of 85.46%. Which goes to show you that the difference between a moderate and a radical within the Democratic Party is 1.23%. (Lest you think that ancient history has skewed the figures, the McGovern's L.Q. for the past three years has averaged at 91.33% while Muskie's has come out to a round 90%.)

On one issue, McGovern stands far above Muskie. The War. Granted. As late as last October Muskie voted against an amendment by Senator Mike Gravel to prohibit the bombing of Indochina. October 1971 is very late to still be holding to insisting on "not tying the President's hands" and Muskie should have known better. But the practical problem is that almost anyone else the convention might select, other than Teddy Kennedy, would be far behind George on the war.

On other matters, McGovern has come up with a respectable package of proposals that make him a very promising candidate. In fact, in promising he has a slight edge over Hubert Humphrey in everything but money. HHH, in his various campaign speeches, has tripled the national budget in increments, assuring his constituencies everything from free kosher lunches in public schools in Jewish neighborhoods to subsidized access to the Montgomery Ward catalog for anyone who earns less than he does.

The question with George is whether he'll love us quite so much in November as he does in May. He is moving right pretty fast, switching from left wing bloc captain to would-be serious contender. He's ambitious enough to make the switch. As one senatorial colleague said after McGovern entered the presidential race in 1968, "I've seen ambition dancing in other politicians' eyes, but, Jesus Christ, McGovern's eyes look like slot machines." The other day, speaking of his intention to woo party bosses to his side, McGovern said:

"Some of the more rigid purists in my camp don't even want me to talk to these people. But they're just going to have to take me on my own terms. They've got to understand that I am a politician, and if I'm going to be the leader of this country, I've got to have communications with all segments of the country. I think I can reassure them that this doesn't involve any betrayal of fundamental convictions on my part. No labor leader, no party leader is going to get me to change my position on the war, or on the need for tax reform or on the necessity for a major reallocation of resources from the military to civilian purposes to achieve full employment. Those are three things I would not compromise on."

That's not a lot of issues to be uncompromising about, especially since all of them will probably be major planks in the Democratic platform no matter who's nominated.

If McGovern starts forgetting where he came from, it won't be the first time a Democratic politician has done so. Hubert Humphrey, civil libertarian, turned law and order. Adlai Stevenson the rational turned international counsel for a nation engaged in a total irrational war. Jack Kennedy, man of peace, tried to invade Cuba. Lyndon Johnson delivered us from Barry Goldwater just in time to turn mad bomber. Bobby Kennedy prosecuted Ralph Ginsberg. And Eugene McCarthy, man of commitment, left his own crusade at a critical point to return to the monastery. The symbol of the liberal wing of the Democratic Party should be a cock just into his third crow.

Muskie, on the other hand, has made very few promises he can't keep. What you see is what you get. It may not be all that much, but at least nobody's being fooled. And Muskie would be the most human president since Harry Truman. That's no small virtue. We have suffered too long at the hands of presidents who thought they could impose their will on destiny. At this very moment we find ourselves in a revolting international escapade because of a president's delusion that, despite the fact that he's on his own five yard line with two minutes left, he still can win this one for the Gipper.

We tend to forget in these days of participatory monarchy that presidents used to be fairly ordinary fellows. It was less than twenty years ago that Truman could still go for walks along the streets of Washington without the danger of undue Karma transference. The concentration of national power in the White House, and in the person of the president, has had a debilitating effect on the residual democratic spirit of the country. We no longer seem content to elect a leading politician; we seek a benign Napoleon.

Muskie as president would be more of a moderator, letting America's political struggles be played out where they must be played and how they will be played, rather than regarding himself as a cosmic Vince Lombardi, whipping a nation of rookies on to victory. I, for one, am tired of great leaders and fear for the safety of my family and myself if we have any more.

As an added benefit, Muskie would be more likely to help the cause of radical change than another ersatz freak like McGovern or an inveterate busybody like Humphrey, either of whom could be counted upon to suppress radical dissent by use of the full arsenal of co-optation. You don't cause change by winning the White House; you cause it by turning things around in the small places of this country, thereby redefining what is possible for national politicians.

I suspect that Muskie would be more inclined to let the people work their will; McGovern and Humphrey would keep trying to work the people.

Finally, Muskie embodies the definition that has been given for courage: grace under fire. Sadly, it took the dismemberment of his campaign to illustrate this quality, but the manner in which he has faced his political problems speaks well of him and stands in sharp contrast with the incumbent president's approach to his, as he struggles paranoically through his seventh crisis.

So what went wrong? Muskie had at least four major opponents in this election: himself, his staff, the press and the primary process.

Muskie injured himself politically by being himself. This would not have been as likely to have happened in a general election campaign as in the less organized primaries since there are always enough people around a candidate in the big race to prevent the people from finding out what he is really like.

Early in the campaign Muskie expressed doubts about his qualifications for the post. "Maybe I'm not the best man to be president," he would say. Such an admission is inadmissable. Among other things, it set him apart from the unflagging self-confidence of a McGovern. Robert Anson offers this insight into McGovern in a recent issue of the New Democrat:

He seems, if anything, almost too sure of himself, like a man unencumbered by self-doubt. An interviewer found that out when he asked McGovern whether it didn't require some extraordinary sense of righteousness, almost a power neurosis, to seek the highest office in the land. McGovern didn't hesitate a moment. "I don't think it requires a power neurosis," he replied evenly. "As a matter of fact, I would say that anyone in a position to make a reasonable bid for the Presidency, who has some reasonable understanding of what needs to be done (and) who backs away from it . . . is neurotic." On another occasion, a particularly persistent reporter in Green Bay, Wisconsin, challenged McGovern: "Are you a doubter?" "Doubt?" McGovern replied, as if he were just being introduced to the concept for the first time. "Doubt about what?" "About anything," the reporter pressed. "Just about life." Said McGovern: "No."

Anyone who has seen McGovern field questions from an audience will know what the reporter was getting at. The answer comes back as soon as the question is finished. There is never a pause, never a hesitation, and only rarely any qualifications.

Muskie, like Eugene McCarthy, paid the political price of raising questions as well as answering them.

Then he cried in New Hampsire. That was a mistake the press tells us, although without explaining why its was all right for Richard Nixon to become emotional about Checkers after being caught with his hand in the Hughes till, but not for Muskie to get upset by attacks on his wife.

He failed to display the sort of competitiveness that Richard Nixon and Curt Gowdey have taught us to love. And he expressed uncertainty on issues, rather than following the example of Hubert Humphrey who took two precise—and contradictory—stands on Nixon's busing proposals within a short space of 24 hours. He was, in short, more self-revealing than we have come to expect, or like, in presidential candidates. He was like Santa Claus taking off his beard in front of the kids. And a nation that thinks its presidents come down the chimney doesn't go for that sort of thing.

Muskie's staff left plenty to be desired. It totally underestimated the challenge and treated Muskie like an incumbent running for reelection rather than what he was, a name in search of an identity. One of Muskie's biggest mistakes was lining up so many big-name endorsements. There was an excess of people around him who wanted more from him than he was able to expect out of them—the reverse of McGovern's situation. When the Muskie freight slowed down, these political boomers hopped off and grabbed the next one passing by.

But even more important was the media whipsaw in which Muskie found himself. One of the prime functions of the press is operating the national elevator. It determines who goes up and who comes down. When it spots a riser, whether it be Abbie Hoffman the revolutionary or Muskie the president, it hastens their ascent. But the moment a downtrend is perceived, it greases the slide and puts a pile of broken glass at the bottom so everyone can hear the howl. Muskie was treated to both rides.

Finally, the primary system itself hurt Muskie. For a sizable portion of the electorate Muskie was, and probably still is, its second choice. As voters emerged from the Pennsylvania precincts, for example, a poll was taken that showed that those who voted for Humphrey preferred Muskie over McGov-

ern as their second choice by a margin of two to one. Conversely, of all those who voted for McGovern, the second choice also went to Muskie by a four to three margin. Unfortunately, there was no place on the ballot for penultimate selections. This could be changed. A method of proportional voting in which the electorate could cast its votes in order of preference would minimize the present tendency of the primaries to narrow down to those who represent the most irreconcilable segments of the party.

As it is, it looks as if the forces of truth and justice have rallied around McGovern and will troop to Miami with a majority of righteousness and a minority of votes. And in the chaos, Hubert the Cat will spring to life again.

Even if it works out differently; even if, through some quirk and fancy political footwork, McGovern sneaks through as the nominee, the end result may be even worse. For after the convention it will be time for Phase II, when all the millions of people who don't vote in Democratic primaries (and how many McGovern supporters didn't vote in primaries where they had an opportunity?) including members of the second largest party in America, the independents, will have their chance. Does anyone really think there is a liberal silent majority out there, just drooling for a chance to elect McGovern president? If the price of virtue is another four years of Nixon, I'd just as soon sin a bit.

It's still not too late for Muskie. There is no reason to believe that the next few months will be as devoid of surprises as the past few months have been full of them. If America is willing to recycle Richard Nixon and Hubert Humphrey, why not Muskie? He's hardly been used.

There is no reason not to expect a crisis at the Democratic convention; the mind of man can't recall when there hasn't been one, except when the party has been in power. And if the party has to turn to someone to resolve that crisis, better that it turn to Muskie than to Teddy Kennedy. Admittedly Kennedy has only caused the death of one girl in the past few years compared with Nixon's tens of thousands of victims, but will the voters care? It'd be better not to have to find out.

A Muskie nomination would still be an exceedingly pragmatic and moderately pleasant expedient for the Democratic Party. Muskie as a national campaigner, as opposed to Muskie in the Democratic intramural scramble; Muskie vs. Nixon as opposed to Muskie vs. Humphrey has shown his strength. He is one of the few vice presidential candidates who has added lustre to a presidential campaign. And he could do even better on his own. If he gets the chance. . . .

DEVELOPMENT OF READING SKILLS

Mr. SCOTT. Mr. President, a recent poll conducted by the Louis Harris Agency indicates that 21 million Americans, a full 15 percent of the adult public 16 years of age and over, lack some or all of the basic functional reading skills necessary to deal successfully with even the simplest everyday experiences. Equally sobering are the estimates by educators that 30 to 50 percent of those entering junior colleges require remedial reading help. Under present circumstances, America's teachers and classrooms simply cannot cope with the huge demand for special reading instruction.

To meet this growing need, the Commonwealth of Pennsylvania has launched a new and significant citizen volunteer movement to help Pennsylvania's children develop competent reading skills. The Pennsylvania Department of Education and the National Reading Center, a national nonprofit corporation dealing with reading skills, have jointly organized a workshop to train a group of tutor-trainees and coordinators to aid teachers in teaching reading. One of the primary functions of these trainees will be to provide individual training to students who require a little extra help.

Pennsylvania is one of 20 States participating in this novel approach toward ending the growing illiteracy in our Nation. I think special thanks and recognition should go to the Pennsylvania Department of Education and the National Reading Center for recognizing this problem and dealing with it effectively. I ask Senators to join me in applauding this program, and I ask unanimous consent that a list of the Pennsylvania counties participating in this program be printed in the RECORD.

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

FORTY-THREE PENNSYLVANIA COUNTIES PARTICIPATING IN NATIOAL READING CENTER VOLUNTEER READING-TUTOR PROGRAM

Fayette, Greene, Washington, Allegheny, Butler, Lawrence, Mercer, Crawford, Erie, Warren, Bedford, Blair, Cambria, Somerset, Cameron, Elk, McKean, Potter, Adams, Franklin, York, Lancaster.

Lebanon, Berks, Cumberland, Dauphin, Perry, Columbia, Montour, Snyder, Northumberland, Union, Luzerne, Wyoming, Lackawanna, Susquehanna, Wayne, Carbon, Lehigh, Bucks, Chester, Delaware, Beaver.

MARYLAND OPTOMETRISTS PIONEER VISION CARE PROGRAM FOR THE ELDERLY

Mr. BEALL. Mr. President, as the ranking minority member of the Senate Labor and Public Welfare Subcommittee on Aging, I am aware of the many problems facing senior Americans.

I want to take this opportunity to call to the attention of my colleagues a new and important initiative in my State. I am referring to a project being conducted by the Optometric Center of Maryland employing mobile clinics to bring much-needed vision care to Maryland nursing home residents and other elderly citizens. The White House Conference on Aging reported that nearly all persons over 65 have vision problems. Yet less than 20 percent receive adequate care. Optometrists in Maryland are determined to improve delivery of vision care to senior Marylanders and I hope that their program will be duplicated in other States as well.

I ask unanimous consent that an article which appeared in the "Daily Record" on May 20, 1972, be inserted in the RECORD.

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

VISION CARE ON WHEELS PROPOSED

Mobile clinics may be the solution to delivering much-needed vision care services to Maryland nursing home residents, the Optometric Center of Maryland reported. The observance of National Nursing Home Week prompted the Center to make known pilot programs now being conducted by optometry to develop improved ways of bringing vision care services to the elderly.

"In working with elderly patients, we have found that requiring the patient to move from familiar surroundings for vision or other health care services often has a traumatic effect on his psychological security. He may become anxious and fearful about where he is and how he will get back to his home again," Dr. Sheldon Leibowitz, President of the Optometric Center of Maryland, said.

CRIPPLING HANDICAP

A mobile unit completely equipped and professionally staffed for providing thorough vision examinations, as well as needed optical aids, would be an asset in reaching these people. In testimony before the 1971 White House Conference on Aging, the American Optometric Association stated that nearly all persons over 65 have vision problems but less than 20 percent receive adequate care.

"As uncorrected vision problem can be a crippling handicap to the older person, but one that usually can be improved or overcome with professional vision care," Dr. Leibowitz said. "Uncorrected poor vision limits mobility, increases the risks of accidents, and restricts the enjoyment of hobbies and participation in community and civic activities by older Americans."

He added that regular vision examinations for the elderly are important in the detection of glaucoma, cataract and other eye conditions and diseases which should be treated in their early stages, when their progression most likely can be controlled.

At present, the Optometric Center of Maryland has an ongoing nursing home care program which requires the installation of specially designed portable examination equipment into each nursing home. Through this involvement efforts of optometrists in Maryland and throughout the nation are being directed toward improving methods of delivering needed vision care to all older Americans, whether they are confined to nursing homes, live in other institutions for senior citizens, or reside in private homes.

THE MOSCOW SUMMIT

Mr. TUNNEY. Mr. President, I wish to offer my support and congratulations to President Nixon on his historic visit to Moscow last week. He accomplished unprecedented results.

He brought home agreements in a wide variety of important areas. He demonstrated that America's national interests require international accommodation. He concluded agreements which prove that American interests need not be compromised in the course of obtaining agreement with the Soviet Union—that, regardless of ideological disputes and national competition, peace, and economic development is in the interests of both powers.

Regardless of the fanfare surrounding the accomplishments in Moscow, the substance of the agreements is impressive. The subjects of agreement are vital to the interests of both countries and the agreements should improve the prospects for peace.

The summit demonstrated clearly that the two sides have an easier time agreeing on bilateral matters than on international concerns which directly involve third parties. The joint communique on the Middle East and on Indochina left matters, at least on the surface, essentially unchanged.

But on bilateral matters, the achievements were proudly presented for the world to behold: First. A truly historic arms control agreement, whereby the two superpowers attempted to curb the arms race and to recognize that its continued escalation serve the interests of no one and jeopardizes the peace of all nations. Second. Both countries pledged to work toward establishing more favorable conditions for developing commercial and economic ties between the United States and the Soviet Union. Third. America and Russia agreed on measures which would prevent incidents at sea and in the air. Fourth. They agreed to cooperate in science and technology and to create a joint U.S.-Soviet Commission on scientific and technological cooperation. Fifth. They agreed to cooperate in space and designed a dramatic new mission for the joint U.S.-Soviet exploration of space in 1975. Sixth. Both sides agreed to collaborate and cooperate in the control of disease and the improvement of health; to initiate efforts in medical cooperation that hopefully will be broadened in the years to come. Seventh. They agreed to initiate a program of cooperation in the protection and enhancement of man's environment and to consult together in the near future on specific cooperative projects in this area. Eighth. And they agreed to continue and expand exchanges in the fields of science, technology, education, and culture.

Clearly, some of these agreements are more important than others. Clearly, some have more dramatic implications. The trade agreement is disappointing but, taken together, they mark an impressive and constructive development.

Taken together, they mark a clear departure from the rhetoric and conflict of the cold war. They signal an atmosphere of cooperation. They suggest the importance of preserving and protecting the peace.

It is unfortunate that international events cast a cloud over some of these developments. It is tragic that the war in Indochina continues and that the superpowers remain immersed in tensions elsewhere which could spark more tension and increase the risk and extent of conflict.

But in light of that risk and in the midst of those threats, the leaders of both countries are to be congratulated on their attempt to make the world a safer one and in their effort to improve relations between the United States and the Soviet Union.

THE MORATORIUM ON BUSING

Mr. PELL. Mr. President, S. 659, as passed by the Senate, contains a moratorium on busing. The Department of Justice on April 29 released a listing of school districts which could be affected by the moratorium. I ask unanimous consent that the statement and list from the Department of Justice be printed at this point in the RECORD.

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

STATEMENT FROM THE DEPARTMENT OF JUSTICE

The Department of Justice listed today 157 school districts in 25 states that could be affected by President Nixon's proposed legislation to place a moratorium on court-ordered busing and to establish uniform national standards for the desegregation of public schools.

According to records available to the Justice Department and the Department of Health, Education and Welfare, the two categories of school districts that could be affected are:

At least 45 districts to which the moratorium on new busing orders may apply. These districts are involved in some stage of litigation or administrative action.

At least 112 districts that have implemented or been ordered to implement new student assignment plans since the *Swann* decision a year ago.

In addition, HEW has supplied a list of 20 school districts as examples of desegregation plans involving racial balance.

Section 202 of the proposed Equal Educational Opportunities Act states that "The failure of an educational agency to attain a balance, on the basis of race, color, or national origin, of students among its schools shall not constitute a denial of equal edutional origin, of students among its schools the laws."

The lists are not intended to be all inclusive and there may be many other districts in these categories.

The list of districts that could be affected by the moratorium includes those whose cases are pending in federal district courts, whose cases are on appeal, and whose cases are in formal hearings before HEW.

The districts on the second list have implemented or been ordered to implement new or revised desegregation plans since the Supreme Court ruled in the case of *Swann* v. *Charlotte-Mecklenburg Board of Education* on April 20, 1971.

Section 406 of the proposed Equal Educational Opportunities Act states that "On the application of an educational agency, court orders in effect on the date of enactment of this Act and intended to end segregation of students on the basis of race, color, or national origin shall be reopened and modified to comply with the provisions of this Act."

The extent of modification that a school district could expected to obtain would depend, of course, upon the limitations on busing established by Congress.

SCHOOL DISTRICTS THAT COULD BE AFFECTED BY THE MORATORIUM

1. Pending in the Districts Courts:

Alabama: Conecuh County, Fairfield, Gadsden.
Arkansas: Little Rock.
Delaware: Wilmington.
Georgia: Atlanta.
Indiana: Indianapolis.
Louisiana: Shreveport.
Michigan: Detroit.
Mississippi: South Pike.
South Carolina: Darlington County.

2. Pending in courts but no trial on merits yet held:

Connecticut: Hartford, Waterbury.
Michigan: Grand Rapids.
Minnesota: Minneapolis.
Missouri: Kinloch.
North Carolina: Edgecombe County, Robeson County.
Texas: El Paso, New Braunfels.
Wisconsin: Milwaukee.

3. Cases on appeal (effect depends upon whether or not issues on appeal involve busing).

Alabama: Jefferson County, Marengo County, Troy City, Wilcox County.
California: San Francisco.
Colorado: Denver (Supreme Court).
Georgia: Decatur City, Elbert County, Newton County, Taylor County.
Louisiana: Pointe Coupee.
Michigan: Benton Harbor.
Oklahoma: Oklahoma City.
Tennessee: Shelby County.
Texas: Austin, Corpus Christi, Dallas, Ft. Worth, Midland.
Virginia: Newport News, Richmond.

4. HEW cases in formal hearings:

Georgia: Tift County.
Maryland: Prince George's County, Wicomico County.

SCHOOL DISTRICTS UNDER POST-SWANN DESEGREGATION PLANS

Alabama: Bessemer City, Butler County, Calhoun County, Hale County, Huntsville City, Jefferson County, Limestone County, Marengo County, Mobile County, Oxford City, Perry County, Russell County, Wilcox County.
Arkansas: Blytheville, Camden, El Dorado, Little Rock.
California: Oxnard Elementary, San Francisco City Unified.
Delaware: Milford.
Florida: Broward County, Duval County, Hendry County, Hillsborough County, Jackson County, Orange County, Palm Beach County.
Georgia: Bulloch County, Chatham County, Clayton County, Muscogee County, Upson County.
Kansas: Wichita.
Kentucky: Paducah.
Louisiana: Grant Parish, Jefferson Parish, Lafayette Parish, LaSalle Parish, Lincoln Parish, Morehouse Parish, St. Helena Parish.
Maryland: Calvert County, Dorchester County.
Michigan: Kalamazoo City, Pontiac City.
Mississippi: Biloxi, East Tallahatchie, Greenwood, Humphreys County, Jackson, McComb, Madison, Simpson County.
North Carolina: Alamance County, Bladen County, Burlington City, Fayetteville City, Forsyth County-Winston Salem City, Goldsboro City, Granville County, Greensboro City, Mecklenburg County-Charlotte City, Nash County, New Bern City, New Hanover County, Raleigh City, Rocky Mount City, Sanford City, Shelby City, Wayne County.
Oklahoma: Crooked Oak, Hugo, Tulsa City.
South Carolina: Aiken County, Chester County, Florence County #1, Marlboro County, Orangeburg County #5, Richland County #1, Spartanburg County #7.
Tennessee: Bedford County, Chattanooga City, Memphis, Nashville-Davidson County, Shelby County, Williamson County.
Texas: Austin, Beeville, Bryan, Daingerfield, Dallas, Fairfield, Fort Worth, Henderson, Houston, Oakwood, Waco, Weslaco, West Orange Cove.
Virginia: Alexandria City, Charles City, Chesapeake City, Culpepper County, Henrico County, Henry County, Norfolk City, Northampton County, Petersburg City, Portsmouth City, Roanoke City.
West Virginia: Marion County.

DISTRICTS WHERE DESEGREGATION PLANS HAVE RESULTED IN RACIAL BALANCE

Alabama: Auburn City, Bullock County, Lanett City.
Florida: Tampa.
Georgia: Augusta, Chattooga County, Clarke County, Floyd County, Muskogee County, Savannah.
Louisiana: Jefferson Parish.
Michigan: Pontiac.
North Carolina: Charlotte-Mecklenburg, Salisbury City, Winston-Salem.
South Carolina: Allendale County, Florence No. 2, Greenville, Greenwood No. 50, Newburry County.

Mr. PELL. Mr. President, I understand that the following school districts would also be affected by the moratorium: Oxnard, Calif., Augusta, Ga., elementary only, and Nashville, Tenn.

REFORMS IN THE BANKING SYSTEM—ADDRESS BY SENATOR BENNETT

Mr. BROCK. Mr. President, on Tuesday, May 23, 1972, the Senator from Utah (Mr. BENNETT) addressed the California Independent Bankers Association in Los Angeles. The Senator's remarks dealt with constructive reforms now being instituted within our banking system. Particularly noteworthy is the account of the resolution of a number of critical issues facing the banking industry which had inhibited its ability to serve the public interest.

Because the Senator's statement centers in large part on the recommendations of the President's Commission on Financial Structure and Regulation and their implications for the future development of our economic and financial institutions, I believe it merits careful review.

I ask unanimous consent that Senator BENNETT's remarks be printed in the RECORD.

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

REMARKS BY SENATOR BENNETT BEFORE THE CALIFORNIA INDEPENDENT BANKERS ASSOCIATION

The President's Commission on Financial Structure and Regulation was appointed because of problems, stresses and trends, which in 1969 affected all financial intermediaries, commercial banks, savings banks, savings and loan institutions, and credit unions. After struggling with its assignment for about 18 months, it issued its report with many recommendations at the end of last year. What will be the effect of the Commission's report and what can you, as independent bankers, do to influence the change it may make in your operations and your place in the banking system.

There were several conditions existing in 1969 that prompted the establishment of the President's Commission on Financial Structure and Regulation. One of the major problems that existed at that time was represented by the one-bank holding company issue which was then pending before the Congress. That issue included both the question of appropriate regulation of one-bank holding companies and the need to define the scope of permissible bank-related activities in which holding companies could engage. These were basic questions, and it was thought by some that a Presidential commission could best provide evidence that would be needed in setting a pattern for the most effective development of bank holding companies. As it turned out, the Congress was not willing to wait for the final Commission report nor in fact, was the Commission able to provide us with interim information to help us decide the issues. It is interesting to note, however, that the Commission recommendations on bank holding companies when they appeared were in line with what the Congress did.

Another major issue at that time which is not vital today was the lack of mortgage money for home building. You will remember that then there was a major crunch in mortgage money due to the attempt of the Federal Reserve Board to slow inflation through monetary policy. Today, as you know, there is no lack of mortgage money, and home building is proceeding at a record clip. Thus the two major immediate problems which existed in 1969 do not exist today.

In addition to these two major immediate problems confronting the Congress in 1969, but very much related to them, there was a feeling that the existing structural arrangement, in the banking industry, with its specialized institutions and the divided but strict regulatory control over these institutions was not meeting the needs of the public in the most efficient and effective manner possible. There was much evidence that the traditional specialized institutional approach had helped create some of the major problems facing both our financial institutions, and those whom they were intended to serve. One of the problems was the inability of savings and loan associations to compete for savings during a period of tight money and rising interest rates, these institutions had for some time been pressing for and obtaining, a gradual broadening of their lending powers. They had also been able to obtain a preferential rate under Regulation Q on savings deposit interest payments in order to stimulate savings which were limited by law to be used for housing which was lagging because of tight money conditions. As the result of the existence of Regulation Q, however, all financial intermediaries were put at a disadvantage, which made them unable to compete with interest rates being offered on other debt instruments offered in the market.

To add to the difficulty, the differing institutions were operating under the control of different regulatory agencies with different objectives, and some aspects of the regulation were criticized as being restrictive, duplicative, unnecessary, and burdensome. Over a period of many years recommendations had been made by various groups and studies for restructuring the regulation of all types of financial institutions but no legislative action had been taken on those recommendations, including the Federal Reserve Board's recommendation that all commercial banks be required to be members of the Federal Reserve System, in order to make Federal Reserve Board monetary policy more effective.

Thus the Commission came into being because there was an awareness that institutions and their regulatory agencies, as then structured, were not meeting the needs of a changing society as efficiently as they should. As a matter of fact, both the regulations and the institutions they affected had grown and developed their various purposes quite without any definite pattern and in spite of occasional attempts by both the institutions, their agencies and the Congress to improve the situation, the overall problem had never been squarely faced and solved.

Why was an attempt made in 1969 for a complete overhaul? A new President had been recently elected, eager to take action to solve as many of his inherited problems as possible. In this field he decided to appoint a Commission to study the situation and make recommendations for necessary and desirable changes. In the 1970 Economic Report of the President, the Council of Economic Advisers announced this policy decision. The Report stated:

"Our expanding and increasingly complex economy must have financial institutions reflecting the vitality that comes from vigorous innovation and competition. Financial services required by tomorrow's economy will differ in as yet undefinable ways from those appropriate today. The demands on our flow of national savings . . . will be heavy in the years ahead, and our financial institutions and financial structure must have the flexibility that will permit a sensitive response to changing demands. Thus the time has come for a thorough examination of needed changes in our financial institutions and our regulatory structure. This study will be carried out by a commission to be appointed by the President early this year."

On June 16, 1970, when names of the members of the Commission were announced, the President gave them a broad responsibility in these words "to review and study the structure, operation, and regulation of the private financial institutions in the United States, for the purpose of formulating recommendations that would improve the functioning of the private financial system."

One and one-half years later the Commission issued its report. How well its recommendations respond to the President's request is a matter of opinion, but there is no doubt that it touches on most, if not all of the problems of, and conflicts within, the industry.

A careful analysis of the Report leaves one with the conclusion that the Commission did not really recommend any new or revolutionary concepts. Nor did the Commission do much of any major basic new research. Instead, it gleaned its ideas from the many studies and recommendations which had been made before. Such studies included the Report of the Commission on Money and Credit in 1961, the Friend Study of the Savings and Loan Industry in 1969, the study on Bank Regulatory Structure by the Conference of State Bank Supervisors in 1971, and others. The Commission tried to weave the best recommendations from all these sources into a rational system which would provide the maximum freedom from unnecessary regulation and the widest opportunity for flexibility so that all financial institutions to compete as nearly as possible on equal terms in all markets, instead of trying to preserve the segmented, specialized approach which now exists throughout our present system.

Early in its deliberations, the Commission adopted two major principles which run through all its recommendations: (1) They wanted to allow the greatest amount of freedom possible to the institutions involved consistent with a safe financial system, and (2) they wanted to assure that no competitor in any market has a special regulatory or tax advantage over any other competitor in that market.

I believe too that the Commission recognized existing trends which have developed from competitive forces, and built its recommendations on those trends. One of the trends upon which its recommendations were built has been the gradual movement away from specialization by financial institutions toward a broadening of services in an attempt to become more nearly one-stop financial service centers. This is not so much different from the trend that has taken place in other segments of our economy outside of the financial community. The change from independent small-corner grocery stores and independent meat markets to the present day supermarket is a clear example of that trend. The supermarket concept was successful because it was more competitive, more efficient, and more convenient for consumers. It is reasonable to expect that the same benefits will accrue from one-step, full service financial centers. At the same time, we know that there are still many specialty shops which are equally successful as the supermarkets. They are successful because under some conditions—and for some customers—a more personal and more specialized service is desired. I believe that the same will always be true of financial services. If free competition is allowed, and the legal, regulatory, and tax burdens are equalized to the greatest extent consistent with a safe financial system,

every institution will be free to compete either through the development of a full service approach or through a specialized approach, depending on the needs of its own customers and community and on the capabilities of the institution.

The Commission made specific recommendations which are intended to bring the present system more in line with these concepts. Certainly these recommendations are not perfect nor could it be expected that any group of 20 Commissioners with varied backgrounds, despite their excellent qualifications, would produce a flawless model for a complex financial system. As is always the case in such a situation, we must realize that the Commission's recommendations are inevitably the result of compromises, and that perhaps none of the Commissioners agree with all of the recommendations in the Report. Having served on various Commissions, I know very well the degree of give and take that is involved and necessary. I also know that the final reports are compromises with which no member is completely satisfied. Furthermore, the Hunt Commission obviously attempted to preserve as much of the traditional system as possible and make only recommendations which could be put into effect without disastrous consequences to any of the present segments of the system.

Considering the responsibility which the President gave to the Commission to recommend changes to improve the functioning of the private financial system, it is natural that the recommendations would affect different types of financial institutions differently. Even within the commercial bank segment, the recommendations it adopted will have a much different effect on the operations of independent banks, banks with branches, and banks which are part of a holding company, not to mention differences between small and large banks with state or national charters. I know many of you feel that the small independent banks may have had the worst of it, and will agree with part, if not all of the following quotation from a banker-member of the Commission.

"It seems that everyone gets a nice slice of pie except for the small bank. I think this is a valid criticism of the Hunt Commission Report. This happened not because of any desire to create opportunities for larger banks, but because of a desire to create a more efficient financial mechanism. I would add, however, that the report is saying that any financial system which contains 22,000 separate units is horribly inefficient . . . that we have more financial institutions than we have financial institution managers . . . that we inefficiently fractionate our capital within these institutions . . . and so I think that implicit in this report is an attitude that this number has to somehow shrink . . . though to what extent is debatable. The numbers must come down; this is the issue, not what is the best package of 'goodies' for all."

Against this background, let us now look more specifically at the areas in which the Commission recommendations seem to cause the most concern to independent bankers.

1. State-wide branching.
2. Mandatory Federal Reserve membership.
3. Removal of Regulation Q ceilings on savings.
4. Checking accounts for financial institutions other than commercial banks.
5. Greater consumer loan powers for savings banks, savings and loan institutions, and credit unions.
6. Bank holding company powers for commercial banks.

Perhaps we should discuss each of these areas and how it relates to the current evolution of banking which was and is going on and would continue I think even in the absence of the Hunt Commission Report.

First, branching. Strict limitations on a bank's right to operate outside of a narrow geographic area have been breaking down for years. In 1930, branching was prohibited in as many as 30 states. Today 19 states and the District of Columbia permit statewide branching, and sixteen states permit branching in the same county or contiguous counties, but today only 15 states provide for no branching or limiting services which include teller windows or military facilities. This, however, does not tell the whole story. In addition to branching the holding company device has been developed and is now being used ever more widely to provide the practical effects of branching both in states which limit branching, as well as in states which authorize branching.

Much of the current holding company development results from the legislation which we enacted in 1970 amending the Holding Company Act and giving the Federal Reserve Board the responsibility of determining appropriate activities which may be engaged in by holding companies. The Congress established only two basic guidelines to that authority: (1) that permissible activities be closely related to the business of banking, and, (2) that on balance the activities provide a public benefit. It has been suggested by some that the Federal Reserve Board has not followed the intent of Congress in its decisions under the Holding Company Act Amendments of 1970.

The fact is that the Board *has* followed the intent of Congress. We intended that there be flexibility effective within proper limits of service to the public and that a bank holding company's permissible activities not be too tightly proscribed. I believe that the Federal Reserve Board has followed that policy. In any event, there can be no doubt that through various means of their own devising, banking institutions are becoming more competitive through their use of branching and holding company organizations. The Hunt Commission did not bring about this trend any more than it brought about the trend from independent corner groceries to the present supermarkets.

2. Mandatory Federal Reserve membership for commercial banks has long been proposed by the Federal Reserve Board. The Board's desire for such membership in light of its monetary policy responsibility is understandable. The Congress, however, to date has not seriously considered this proposition. I personally doubt that the Hunt Commission recommendation will have much, if any, effect in bringing about such a membership requirement soon. I do not say, however, that compulsory Federal Reserve membership will not be required some time in the future.

3. The eventual removal of Regulation Q ceilings on interest on deposits has been recommended by many for years. While ceilings on interest rates payable on deposits do perform a function, there are many undesirable side effects. Consumer groups are very vocal about a regulation that limits the amount of interest that can be paid on their savings when the amount of interest they pay on loans from the same institutions is not under governmental control.

Regulation Q has been acceptable from a political point of view largely because those intermediaries whose activities are generally limited to housing would otherwise be unable to compete for funds in a tight money market. Banks, on the other hand, are able to compete because of the shorter term nature of their loan portfolio, and some of the large money market banks during the last stringent monetary policy period were paying as much as 13 percent on certificates of deposit in the Euro-dollar market. Such a situation, however, left non-monetary banks in the position of paying low rates for money and lending at high rates which appears to be profiteering during a period of crisis at the expense of borrowers. Our recent experience proves that something must be done to make it possible for institutions to compete for savings without relying on the artificial ceilings on rates paid on deposits unless we want to see more and more commercial institutions and individual bypass intermediaries and put their funds directly into market instruments. Of course, no banker wants to see rates on savings accounts swing with the short-term money market, but it is my opinion that such limitations cannot long be enforced without damage to the whole financial intermediary system.

4. Checking account services have long been limited to commercial banks. However, there has been a gradual eroding of this exclusive privilege recently. Today, Rhode Island permits credit unions above a certain size to offer checking account services. Mutual savings banks may offer checking accounts in Maryland, and third party payment programs very similar to checking accounts are now being used by savings and loan associations. Although the Hunt Commission has recommended authorizing checking accounts for other financial institutions, these developments were occurring before the Hunt Commission was established and would have continued without the Hunt Commission Report. This is one area, however, where the Commission Report may be used in persuading state legislatures to accelerate the trend.

5. Now, what about greater consumer loan powers for savings institutions as recommended by the Hunt Commission? These powers have been slowly increased every time we have a housing bill before the Congress (which is nearly every year) and nearly every time the Federal Home Loan Bank Board issues new regulations. Less than two weeks ago, on Thursday, May 11, the Federal Home Loan Bank Board proposed new regulations which would permit savings and loan associations to make loans for items such as chandeliers, dishwashers, draperies, phonographs, radios, television, and venetian blinds without being tied to the mortgage. Such loans are significantly different from those now made by savings and loan associations and will increase their competition with other financial institutions including yours. If one is concerned, however, with the flow of funds into housing from private rather than government sources, he is almost compelled to come to the conclusion that lending powers of savings institutions must be broadened into these types of loans to make them more competitive in times of monetary stringency. Again, this trend has been occurring and will continue with or without the Hunt Report.

6. The final item which I listed as a possible consideration for concern by independent bankers was bank holding company powers for commercial banks. It is only natural that commercial banks which are not part of a holding company organization would desire to be competitive with those which are. Under the bank holding company organization pattern, affiliated banks have a degree of independence which protects them from damage if some other unit of the holding company is unprofitable or suffers losses. If banks were allowed to engage in all activities which are permissible under the holding company organization, the independent bank could be more adversely affected by such losses. In my opinion, the Congress will need to carefully consider this difference before authorizing banks to engage in related non-banking activities.

The reactions to the report by various industry groups and government agencies are just about what one would have expected. Those who have been against the evolutionary trends which I have discussed would inevitably oppose the recommendations of the Commission. Those who think they can profit by these trends will be glad to see them recommended in the report.

The central theme of the Report, that there be an opportunity or freedom to com-

pete on equal terms so far as authorizing law, regulation and tax burden are concerned, is good news to some institutions, primarily those aggressive, efficient, expansionary institutions which are straining against present restrictions. To others, particularly those who have relied on regulations protection from competition in the past, it represents a shocking departure and perhaps a threat to their existence.

While most of us proclaim or believe in competition, in fact, we generally desire it for those from whom we purchase goods or services, and deplore it when we are on the selling side. Every business institution, whether financial or otherwise, would love to have just a little bit of a monopoly position and to persuade its customers that it has no real competitors for its goods or services. Independent bankers are no different in this regard.

Official statements from agencies and industries which would be affected by the recommendations made in the Hunt Report have been generally rather cautious. It appears to me that all segments of the financial community are still carefully studying the recommendations of the Report. There have, however, been some comments, both favorable and unfavorable, on some of the Report recommendations from the staff of the Federal Home Loan Bank Board and from some industry representatives. Mutual savings bank industry representatives are the only ones of which I am aware who have expressed strong support for the Report. There is no doubt of the fact that the Report recommendations are generally favorable to that segment of industry, and include its major legislative goal of Federal chartering for mutual savings banks. The reaction by independent bankers, on the other hand, has been generally quite critical, expressing the feeling that there is something for everyone else but nothing for independent banks except more and deeper inroads into your business. I cannot disagree with that general reaction as I have already said, but you and I both know that the general trend of evolution in the financial community has been unfavorable the independent bank for many years.

Let me move on to what can be expected so far as legislation based on the Commission Report is concerned. There are several very important reasons which lead me to conclude that there is little chance that legislation will be enacted this year on the basis of recommendations made in the Report. The first and most important is that this is an election year for all members of the House, one-third of the Senate, and for the President of the United States. Unfortunately, all legislative decisions in such a year tend to be politically motivated, and one does not need to be a superior political analyst to conclude that there is little if any vote appeal in changing the structure or operation of financial institutions. The average voter doesn't know very much about the complex structure of our banking system or about the differences between present financial institutions nor is he interested in the competitive postures of present institutions or the need for a realignment of supervisory agency responsibilities.

The Treasury is presently considering the Report recommendations and discussing its problems with various industry groups which feel the recommendations would hurt their industry. This exchange of views and search for answers will require some time. Furthermore, there is no immediate crisis which requires this legislation for its resolution.

In the longer run, I expect the legislative process will face all the recommendations but the process will be a long and difficult one. This is true for several reasons. First, the Commission's Report raises many questions so difficult which should be carefully and thoroughly considered by the Congress and by state legislatures. Hasty legislative action would be tragic.

While no one can argue with the recommendations of the Commission that the proposals be considered as a package, competing institutions can be expected, as they always have, to prepare for those recommendations which they believe to be in their competitive interest and oppose those which they believe may take away any special advantage they now have or grant advantages to their competitors. The bank regulatory agencies whose responsibilities may be changed by Commission recommendations can also be expected to oppose any diminution of their authority.

Conflicts like these will not be easy for the Congress and state legislatures to resolve. I think we have been moving toward the philosophy contained in the Report, there is by no means a unanimity among members of Congress that we should favor the creations more generalized institutions all covering the whole field as compared with the various specialized institutions which we now have.

Turning to the practical question of procedure, let me also suggest that it seems utterly impossible for Congress to consider at one time the whole package as recommended by the Commission. The recommendations cut across the jurisdiction of several Congressional Committees and will require action by both Federal and state legislatures. The very complexities of the proposals dictate that many of the recommendations must be considered separately.

With little competitive gain to be seen for most of the financial institutions involved, with bureaucratic inertia tending to support the status quo, and with no easily identifiable direct consumer benefits which consumer advocates might use to arouse public support, it appears that there will be little immediate pressure for legislation and, therefore, it may well be several years before any major segments of the Commission's recommendations will be enacted.

Obviously this is not altogether undesirable for those who may disagree with the Commission's recommendations. They could hope that enactments would either never occur or would at least be as long as possible in coming. On the other hand, if you support the recommendations, gradual change would be less likely to disrupt the present system and would allow existing institutions to adjust their operations to meet the emerging patterns.

Therefore, as to just what form legislation will take, I do not know. The Administration is now carefully studying them and it should decide to support the Commission Report or any major segments thereof, we can expect the Treasury Department to submit legislation to accomplish its objectives. Since in my opinion no omnibus bill could be drafted which could be handled by a Senate Committee it is most likely that the Administration would develop a package of separate proposals adjusted to fit the jurisdiction of the Committees involved.

It is altogether possible, of course, that various associations representing particular segments of the industry will not wait for the Treasury, but will draft bills to implement the recommendations they support.

In any event I believe it will be years before the major recommendations of the Report will be approved by the Congress. This has been our experience with other attempts to make significant changes in existing financial structures. The Financial Institutions Act proposed by former Senator A. Willis Robertson in the fifties, after passing the Senate, was not even considered by Mr. Patman's Committee in the House.

Most of the Robertson proposal, however, has been enacted piecemeal over the years since that time. So may it be with this attempt to restructure our financial institutions and their regulatory agencies.

With this in mind, it is only natural that you, as independent bankers, are concerned about what you can be doing to make sure that the legislation that is finally approved will benefit your individual institutions. On a legislative level, I would suggest that you begin now to develop a program which you would like to see adopted and to gather facts to support that program. In this effort, you may desire to seek an alliance with others who have interests close enough to yours so that with some give and take you can by joint effort develop proposals that can have broad support, and, of course, you must be prepared to defend your recommendations at hearings both before the Federal Congress and the state legislatures. In other words, what I am suggesting is that you start on your homework so that you can have a part in the process that will produce the legislation under which you will have to operate in the future. If your position can be shown to be in the public interest, I'm sure the Congress will be receptive to it. If it cannot, then you will have great difficulty getting it adopted.

Turning finally to the welfare of your own banks, I would recommend that you study the trends within the whole industry, as they affect all types of financial intermediaries in order to prepare contingency plans of your own should some or all of the Commission's concepts become laws and which, if adopted, will force you to change your present structure or policies. As you see such proposals move toward approval, be prepared to make the necessary changes to enable you to meet them, such as:

1. Reorientation of your service pattern.
2. Internal reorganization.
3. Merging—even with a savings and loan institution.
4. Changing your affiliation from state or national charter.
5. Selling out to another institution or holding company.

Finally, in conclusion, now that the Report is out, we discover that:

1. There is nothing new in it.
2. It recognizes, and within limitations, legitimizes current trends.
3. As one analyst said: "There is nothing in the Report that is not going to happen anyway." I think that may turn out to be a pretty shrewd observation—give or take a detail or two—and if I were you, I would try to be ready when it happens.

COMMENCEMENT ADDRESS BY SENATOR MAGNUSON AT GALLAUDET COLLEGE

Mr. COTTON. Mr. President, during most of my service in the Senate, it has been my privilege to be constantly associated with the distinguished senior Senator from Washington (Mr. MAGNUSON), 15 years on the Committee on Commerce, and I am the senior minority member. He is chairman of the Subcommittee on Labor, Health, Education, and Welfare of the Appropriations Committee, of which I am the senior minority member. Probably few Members of the Senate, even those on his own side of the aisle, have had a greater opportunity to observe his work and watch him in action. I have always marveled at his detailed knowledge of the many varied and complex subjects handled by both of these committees. I have always admired his devotion to the unfortunate and the handicapped in our society.

On the 22d of this month Gallaudet

College, located in this Capital City, and the pioneer of higher education for the deaf, which for more than a century with substantial support from the Federal Government has set the pace for education for the deaf throughout the Nation, held its 108th commencement.

The commencement exercises took place at the Cathedral Church of St. Peter and St. Paul. Some 190 degrees were awarded: 119 bachelor of arts, 45 bachelor of science, 24 master of arts, and 3 master of science in audiology. The graduates came from 34 States, the District of Columbia, Puerto Rico, Australia, Canada, Hong Kong, Norway, and Sierra Leone. Gallaudet is currently serving students from all the States and 14 foreign countries.

The guest of honor at this 108th commencement who delivered the commencement address and received an honorary degree was Senator WARREN G. MAGNUSON.

I believe that all of his Senate colleagues and the vast number of people both in his home State of Washington and throughout the Nation who are familiar with and have deep appreciation for his life of public service will be interested not only in his powerful commencement address but also in the remarkably appropriate and accurate remarks of Dr. Merrill, president of Gallaudet, in introducing him and the well-deserved citation of WARREN G. MAGNUSON as he was presented the degree of doctor of laws, honoris causa.

I therefore ask unanimous consent that these may be printed in the RECORD.

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

INTRODUCTORY REMARKS BY DR. EDWARD C. MERRILL, JR., PRESIDENT OF GALLAUDET COLLEGE

The Senate of the United States is the senior legislative body of our government. It consists of only 100 people who make decisions on major national policies affecting every aspect of our daily lives. When one thinks of the complexity of modern life and of the range of interests which Senators must consider, it is amazing that our speaker this morning could take a personal interest in Gallaudet College and its programs. He not only knows about us; he knows *everything* about us. He knows that we serve students from 48 states and 14 foreign countries. He knows that we are responsible for not only undergraduate and graduate programs but two demonstration schools of national significance. In fact, he even knows that we have a leaky roof here and there.

It would be flattering to believe that Senator Magnuson took a special interest in Gallaudet College, but this is not the case. He is interested in Gallaudet College but he is also interested in the National Technical Institute for the Deaf, the Seattle Community College Program for the Deaf, and deaf people throughout the land. He has provided nationwide leadership in developing a program of continuing education for deaf adults. Hopefully, this program will enable deaf adults to have access to many fine continuing education programs in various colleges and universities across the United States.

It is a privilege for me to introduce to you at this time a man who is committed to serving people. A man who is extremely perceptive of the needs of people. A man who works for the best interests of people. The Honorable Warren G. Magnuson will now present our Commencement Address.

COMMENCEMENT ADDRESS BY WARREN G. MAGNUSON, U.S. SENATOR

I was highly honored when Dr. Merrill extended your invitation to be your graduation speaker this year. That personal pleasure was magnified when I learned that the Board had voted to award me with an Honorary Degree. Now I can appreciate even more the pride that all of you justly feel about the degrees that you have earned.

In thinking about the remarks that might be appropriate today, for you and your parents, family and friends, who all share this day with you—I was tempted to address the particular mission of Gallaudet, the problems in educational programs for the deaf, the role of the Federal government in helping to meet this particular needs, and I do intend to comment on these issues. They are too well known to you and to me, and such programs always boil down to one thing: funding. Appropriations adequate enough to meet the needs and achieve the goals.

But today, you all join with thousands of other College graduates of 1972 and become members of that select group in our nation who have earned post-secondary degrees. You have proven your academic abilities. You have also overcome all those requirements that the faculty and society at large placed in your way. You've perservered, and you are about to receive a physical evidence of achievement: the time-honored sheepskin.

While I share the pride your family and friends have in your achievement, I am also a bit envious of you and all the 1972 graduates. Envious because you are just beginning your adult lives in what I believe will be one of the most constructive exciting eras in human history.

Truly exciting because I feel this is a time when society can shape itself into more practical patterns to achieve better results for all. In short: From here on human history can become more humane.

Your parents and I, the faculty by and large, we all witnessed at least part of the first half of the 20th Century that was a time of extreme troubles for man. A time of World Wars. The immediate post World War II years, were years of shock over the fact that man could be so self-destructive, and years of indecision over what to do about it.

More than ever, we must, you must, now begin the long trail to prove that there are better ways to solve problems in the world than killing people to prove a point that man only proves to be senseless.

We live in an age that has been characterized by many titles. It has been called the Atomic Age—the Jet Age—the Space Age—the Computer age. Each of those titles symbolizes a giant step in science and technology. That is the common characteristic of all those names: they revolve around things, rather than people—around gadgetry, however important, rather than the basic purposes which gadgets must serve: Man.

I do not intend to be critical, or to depreciate the value of scientific discoveries or technology. To do so would be to deny much of my own activities in the Congress of the United States and progress, even progress for the handicapped. But I prize most highly my personal role in helping to establish the National Cancer Institute, the National Science Foundation, and expanding Federal programs of bio-medical research and bioengineering at the National Institutes of Health.

To conquer diseases that haunt mankind and to bring the delivery of better health care to our people still remains one of the most important goals that we must have as a nation.

As we look ahead, we must conclude that man himself is our most precious resource. We must do that which can make man's life better, and we need more consciousness and dedication to leadership in the dark field of man's relationship to man.

Today, hundreds of millions of people in our world still have sickness that could be prevented; too many die before their time because they do not have access to adequate health care; far too many are ill-fed, ill-housed and ill-educated.

Our world is a world of great contrasts, and in those things that matter most to man: his health, the well-being of his family, the education of his children, the purity of the air he breathes and the water he drinks.

Man shares with all men some very real goals: peace—freedom—growth—fulfillment—security—happiness.

Peace—we must all recognize that there will never be enduring peace in this world until these great inequities among men and nations are moderated. To eliminate ignorance, bigotry, poverty, and disease are all preconditions to the elimination of war.

I am, and you should be, an optimist. All is not as bad as it may appear. Some of those clouds that have hung over man could be clearing. We could realize our fullest promise if we now direct our energies toward human goals, and you are uniquely equipped to help make society more humane.

I know it is an age old problem. What is new, is that we have the know-how and the resources to do something about man's problems. We either have the technology or know it can be developed, and with the proper utilization of our human and fiscal resources, we can solve those problems.

You are part of the promise those clouds will clear. You can help provide the leadership—not only the protests—and help provide the solutions, and above all, help establish the right order of priorities.

The challenges are enormous. We have stupid wars. In our natural environment we find man doing things that threaten the very pattern of nature. Man holds a dagger to the very heart of life. He jeopardizes not only our inheritance—political and otherwise—but our inheritors as well—the hopes and achievements of unborn generations.

Solutions can and must be found. In man's relationships to man, if peaceful revolutions are not possible, then violent ones will be inevitable.

In solving these problems, I do not know what your individual roles might be. However, I do know that with the training and education that you have received, you are now better equipped to assume more active roles in resolving them than your predecessors. But remember, whatever your role might be, you will never get away from that emerging responsibility—as an educated human—to help man get along better with man. Otherwise, your world will be no better than a pretty shoddy today!

In the pursuit of excellence in human endeavor there are some specific dangers that are ever present. Like the plagues of medieval days, these dangers attack not only the individual, but the body politic.

They attack the mind and the soul of man. For society, there is no vaccine—there is no antidote—unless we have a sensibly educated people. These dangers fester in a stagnant state of mind. They might change their attacks, their strategy, but the traits that animate tnem are always with us: Bigotry—Conformity—and Fear.

These are forces that block progress and could prevent the attainment of our goals. We must guard against them and attack them.

Bigotry is the noisiest and gaudiest of the three. In a time of profound changes at home and abroad, the forces of bigotry would

batten down the hatches against change, or even the exploration of change.

In a day of exploding knowledge and better informed people, the bigot reads history and economics, sociology and science, in terms of what has been—rather than what is, or what could be.

The bigot waits in the snug harbor of some America Past—bombarding every landing party of the present or the future. Bigotry attacks from every direction, and the future is in jeopardy whenever critical examination is thwarted or blocked whether it be from the right, left or center.

Anyone who limits inquiry for the sake of his own cluster of causes is a dangerous foe, and the bigot constantly stands in the pathway of progress.

Conformity is the second danger. Conformity arrives in drab, protective clothing. Whispering, rather than shouting, rarely making headlines or drawing attention of any sort.

Conformity argues its case with a variety of spurious reasons: prudence—good taste—"no sense in rocking the boat". But conformity is no less deadly than bigotry when, in its quiet fashion, it reduces honest dissent, divergence and difference within society. It is a state of mind which is deadening to free inquiry and to education upon which all growth ultimately rests.

We should protect non-conformity which leads to the ceaseless seeking of the Why of things, not merely the so-what of things. And you can be a non-conformist who still respects the opinions of others and does not violate decent procedures.

The third danger is Fear. A common retort of the Fear-mongers when their works are condemned, is to insist that there are indeed things to fear. They are right, of course.

There are causes of anxiety and concern in our world today. We live in a period of human history where the race is between civilization and catastrophe. We are called upon for wisdom and leadership unmatched in the past. We can provide leadership only out of a quality of mind which is open, and exploring, and free and sensible.

No one can provide this leadership out of fear. The fear-mongers would sow a whirlwind of panic.

Most of the fears they would post in our nightmares are vague and diffuse. Fears about hidden enemies so secret that we can't hope to see them. Fears about ideologies so insidious that they are said to infect Presidents and Supreme Court Justices, Members of Congress, teachers in our neighborhood schools, and professors in our colleges.

Those are the panic-born fears that Fear-mongers would peddle, while keeping the silence of the dead about the true dangers in our society—the dangers of smugness, and indifference, and complacency.

So, mount your chargers, because whatever your role in helping to meet the challenges of our time, you must expect to come up against bigotry, conformity and fear. I'm sure that you've already faced them—in your personal lives, and at a very early age. But you've all persevered. And in so doing you won over some of those who had doubts, and fears, and reservations about deaf people.

As you leave Gallaudet, you will be severely tested in the most vital quality that any college can encourage—your individuality and how you can fit into, and help make this a better world.

You are more formally entering a society in which you can trade your individuality for togetherness; your freedom of mind for conformity; your common sense for panic or pessimism.

There will be many pressures to do so. It will be easy to give in. Some of you might, but if you do you will default on the highest promise that is yours. But I know that you will not take the easy way.

That is why your parents, your home states, and the Federal government has made such a deliberate investment in each of you. That is why Gallaudet was established and became a national responsibility. As you know, only too well, Gallaudet is unique.

But again, you are all pretty typical of all 1972 college graduates because the public and private contribution towards the expense of these educational programs far exceeds the tuition and fees paid by students. On that count, Gallaudet only differs in the degree of that Federal support.

Along with other members of the Congress, I have been happy to be in a position to be of some assistance directly to Gallaudet; to assist the special programs on your campus at the elementary and secondary levels that are about ready to come into full bloom and that are setting a pace for the whole nation to follow; and recently, we've moved Gallaudet into an area of leadership that has been too long neglected—continuing education programs for deaf adults. We hope that program too will have an impact in communities all over the nation.

We want to do more, not just on the Gallaudet campus, but all over our nation. Right now there are three special pilot programs for the deaf underway at Community Colleges in Seattle, St. Paul and New Orleans. If the initial results of these efforts hold up, it is obvious we should have many more such programs in local communities across the land.

This brings me to a very personal challenge that I feel all of you graduates face. Historically it was the hearing who decided what was best for the deaf, and then did it. Granted, it was good that something was done.

Yet that was a very paternal, patronizing way of doing things. The fact that some successes resulted means that such an approach was not all wrong. But, it was not all right either.

The deaf can't be content to be told what they should do, and how they should do it, by their hearing brethren. The deaf must not only ask, but demand a voice in the private and public agencies concerned with deaf people.

As college graduates, you have an extra responsibility to carry the ball for your brethren. You must become active and involved citizens in your home communities—in civic and community affairs, and yes—in politics.

You must demand a voice in these decisions concerning programs for the deaf, and you must fight to see that the right decisions are made.

The right decisions that establish good programs to meet the needs of the deaf, and the right decisions in the perennial efforts to secure adequate funds to support those programs.

In closing, might I say again that it is you who have honored me by inviting me to be a participant in your graduation ceremonies. I know that feeling is shared by all of my colleagues from the Congress who are also here today.

It has been a special pleasure for me because I view each of you as a notch above the average college graduate. You have had special challenges in your lives. Each of you met those challenges head on, you persevered and overcame, and that speaks highly for each of you.

That confirms that fact that each of you has those qualities that our nation needs for our future, and that the future of our nation can be a better one.

My congratulations to you all—we wish you well.

Senator MAGNUSON was awarded a doctor of laws, honoris causa, by Gallaudet College and the following citation was presented during those ceremonies:

CITATION OF WARREN G. MAGNUSON ON BEING PRESENTED THE DEGREE OF DOCTOR OF LAWS, HONORIS CAUSA

Senator Warren G.. Magnuson is one of the great statesmen of American political life. Representing the people of the state of Washington in the United States Congress for the last thirty-five years, the Senator has proven his concern for the "little man." He has been a knowledgeable and influential advocate in the fields of environmental protection, health care, bio-medical research, voting rights, air safety, and consumer protection. Bringing his considerable experience and expertise to bear on these problems, he has authored major pieces of legislation and has become identified as the "father of the consumer movement." Senator Magnuson, who ranks fourth in seniority in the United States Senate, has several key committee assignments, including chairmanship of the Committee on Commerce. He is a member of the Senate Appropriations Committee and Chairman of its Subcommittee on Labor, Health, Education and Welfare. In this capacity, he introduced and guided through the Senate the Act establishing direct medical care to private citizens living in rural and urban poverty.

Continuing his interest in the neglected groups in American society, the Senator recently has sponsored the appropriation of funds for continuing education services for deaf adults in the United States. Deaf people have not often had a more effective champion than Senator Magnuson. We are pleased to recognize him today, not only for his services to the deaf, but for his broader contributions to the quality of life in the nation.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

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. 9669. An act to amend the Subversive Activities Control Act of 1950, as amended.

HOUSE BILL REFERRED

The bill (H.R. 9669) to amend the Subversive Activities Control Act of 1950, as amended, was read twice by its title and referred to the Committee on the Judiciary.

FOREIGN RELATIONS AUTHORIZATION ACT OF 1972

The ACTING PRESIDENT pro tempore (Mr. HUGHES). Under the previous order, the Chair lays before the Senate the unfinished business, which the clerk will state.

The legislative clerk read 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 Senate proceeded to consider the bill.

ORDER OF CONSIDERATION OF AMENDMENTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the pending amendments to the unfinished business be temporarily laid aside and remain in a temporarily laid-aside status until the amendments proposed by the Senator from Delaware (Mr. ROTH), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), and the Senator from Illinois (Mr. PERCY) are disposed of.

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

In accordance with the previous order, the following amendments are to be considered in the following order:

Amendment No. 1202 of the Senator from Delaware (Mr. ROTH), on which there is a time limitation of 30 minutes.

Amendment No. 1196 of the Senator from Virginia (Mr. HARRY F. BYRD, JR.), on which there is a time limitation with the vote to occur not later than 12:15 p.m.

Amendment No. 1209 of the Senator from Illinois (Mr. PERCY), on which there is a time limitation of 1 hour in the event he wishes to call up that amendment.

The Senator from Delaware is recognized.

AMENDMENT NO. 1202

Mr. ROTH. Mr. President, I call up my amendment No. 1202.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

On page 27, after line 24, insert the following:

REPORT TO CONGRESS

SEC. 303. (a) The Arms Control and Disarmament Agency with the cooperation and assistance of other relevant Government agencies including the Department of State and the Department of Defense, shall prepare and submit to the Congress a comprehensive report on the international transfer of conventional arms based upon existing and new work in this area. The report shall include (but not be limited to) the following subjects:

(1) the quantity and nature of the international transfer of conventional arms, including the identification of the major supplying and recipient countries;

(2) the policies of the major exporters of conventional arms toward transfer, including the terms on which conventional arms are made available for transfer, whether by credit, grant, or cash-and-carry basis;

(3) the effects of conventional arms transfer on international stability and regional balances of power;

(4) the impact of conventional arms transfer on the economies of supplying and recipient countries;

(5) the history of any negotiations on conventional arms transfer, including past policies adopted by the United States and other suppliers of conventional arms;

(6) the major obstacles to negotiations on conventional arms transfer;

(7) the possibilities for limiting conventional arms transfer, including potentialities for international agreements, step-by-step approaches on particular weapons systems, and regional arms limitations; and

(8) recommendations for future United States policy on conventional arms transfer.

(b) The report required by subsection (a) shall be submitted to the Congress not later than one year after the date of the enactment of this Act, and an interim report shall be submitted to the Congress not later than six months after such date.

Mr. ROTH. Mr. President, the amendment I am offering to the Foreign Relations Authorization Act requires the Arms Control and Disarmament Agency—ACDA—to prepare a comprehensive report to the Congress on the international transfer of conventional arms from producing to recipient countries. I want to thank Senators BOGGS, CASE, HART, HUMPHREY, PROXMIRE, and SCHWEIKER for their cosponsorship of this amendment. The amendment spells out a number of topics that should be covered by this report, including the problems and possibilities of international agreements regulating and limiting the transfer of such weapons and recommendations for future U.S. policies in this particularly vital and sensitive area of arms control. Let me outline my reasons for offering this amendment.

In recent years there has been tangible progress toward controlling the testing, emplacement, and transfer of nuclear weapons. The most recent significant development is the United States-Soviet agreement announced Friday which limits the race in numbers of offensive and defensive nuclear missiles. It is important to continue to seek a fuller measure of nuclear arms control consistent with our national security requirements, but it is equally important to begin to explore seriously ways and means of reducing and regulating the massive international traffic in conventional armaments. Although all the wars occurring among the developing countries since World War II have been largely fought with foreign supplied weapons, little national or international attention has been given to the control of this traffic. Yet, the greatest danger to world peace may well lie not so much in the sudden outbreak of nuclear warfare between the superpowers, as in the step-by-step escalation of a local war fought with conventional weapons into an international war fought with nuclear weapons.

While there are no precise figures on the total magnitude of the traffic in conventional arms, all the estimates point to massive and growing dimensions. The total annual value of transferred weapons is estimated to be around $6 billion. Researchers at the Massachusetts Institute of Technology collected data for 52 developing countries for the period from 1945 through 1968. They estimated that during that period these countries acquired from foreign sources more than 8,000 combat aircraft; over 2,000 military transport aircraft; nearly 4,000 trainer aircraft; 1,300 light transport, observation, and liaison aircraft; 1,500 helicopters; nearly 14,000 tanks; 9,000 armored personnel carriers; 3,000 armored cars; 300 warships; nearly 500 landing ships and landing craft; and over 900 patrol craft.

The same study estimated that for these countries merely to maintain constant force levels by replacing this equipment as it wears out, their annual demand would be on the order of 850 aircraft, 500 tanks, 400 armored personnel carriers and armored cars, and 45 naval craft. These figures represent only a part of the total transfer of arms and military technology; they do not take into account small arms and ammunition which are the basic weapons required by insurgent groups, artillery, or the costs of transferring military expertise.

The expense of arming small countries is prodigious. The U.S. military assistance programs currently run around $1.5 to $2.5 billion annually. The Soviet Union also bears substantial costs and has expanded its military transfers to the developing world during the past decade. Even China, a comparatively much poorer country, has been a major source of military supplies for Pakistan. It is more and more difficult to ascertain benefits to these programs commensurate with their material, political, and human costs. Thoughtful Americans, for example, are increasingly questioning the traditional rationale for our military assistance programs.

They ask: Do the grants or the credit sales of military equipment by this country to developing nations help to defend incipient democracies against internal threats or do they alter the internal balance of power within these countries in favor of indigenous military elites? Do our military assistance programs help to stabilize regional balances of power or have they provided smaller nations with the capability to project their limited power beyond national boundaries and hence the means for aggression? Do military assistance programs reduce the likelihood of American involvement in local wars in developing countries by enhancing these countries' self-defense capabilities or do they provide the links and rationale for U.S. involvement where intrinsic American interests do not exist? Do such programs give the United States leverage over the military policies of its allies and customers and hence some power of restraint or do they make us the hostage of these countries as our honor becomes entangled with their military performance? Are our gifts used in ways consistent with our purposes in extending the aid or are they ultimately employed in ways quite different from those we intended?

The same questions might well be asked by Soviet policymakers. One sees very little evidence that the Soviet Union has acquired any tangible rewards from Indonesia or the United Arab Republic commensurate with the massive military aid programs it has extended to these countries. Nor can one discern any special benefits China has received from its military aid to Pakistan. The arming of developing countries has not led to any changes in the international balance of power. It does, however, carry within it the inherent threat of superpower confrontation as recent events in Southeast Asia so well illustrate. It may not have caused any wars that might otherwise have not taken place, but it certainly has made the wars in such places as Southeast Asia, South Asia, and Nigeria more bloody and destructive. The main results of the massive arming of developing countries have been stalemate and an increased level of international tensions.

I believe that it would be the beginning of wisdom for both superpowers to en-

gage in negotiations leading toward the regulation and limitation of supplies of military weapons to other countries. President Nixon, in his address to the Soviet people, spoke of the responsibility of the superpowers "to practice restraint in those activities—such as the supply of arms—that might endanger the peace of the developing areas." I very much hope that the Soviet Union will heed this call. At the same time I believe that we must look to our own part of this responsibility by developing an American policy toward the international transfer of conventional arms. I believe that the report required by this amendment would provide, in broad outlines, the basis for such a policy. And I believe that an expression of congressional interest in this subject and a public document of our intent will not only strengthen our Government's efforts to make progress toward limiting arms transfer, but may stimulate other governments—including the Soviet Union—to declare their intentions as well.

I am aware that the Arms Control and Disarmament Agency has prepared and sponsored a number of studies on the subject of conventional arms transfer. I am also aware that the United States has called for greater attention to this issue at the Geneva-based Conference of the Committee on Disarmament. But there is nothing yet approaching a cohesive set of American policy objectives, nor, to my knowledge, has the United States presented any specific proposals for limiting conventional transfer at any international forum.

The lack of progress in this area is partly a reflection of the many difficult and complex considerations that require the attention of our diplomats and executive departments before an American policy can even be formulated. Let me give some illustrations of the considerations which ACDA must grapple with in preparing the report required by this amendment.

What would constitute a reasonable level of military assistance to smaller countries? Obviously, these countries do have legitimate internal security needs, and some, like Israel, whose right to existence has not been acknowledged by her neighbors, also have legitimate external security problems. It would not be wise to stimulate the growth of many costly and inefficient arms industries in the developing world at the expense of economic progress by restricting the external supplies of weapons to levels below those required to meet legitimate security requisites. At the same time, the superpowers should halt the practice of aggressively peddling arms and emphasizing security threats to potential recipients that exist more in the imaginations of the donors than in the perceptions of their clientele.

What categories of weapons are most susceptible to international agreements? For example, a beginning might be made in sophisticated and conspicuous equipment such as warships, which could provide an impetus for further international cooperation dealing with other weapons systems much as the Limited Test Ban Treaty helped provide the psychological atmosphere which contributed to later agreements on nuclear arms.

What forums are appropriate for negotiations on the transfer of conventional arms? For some categories of weapons bilateral agreements between the superpowers may be enough to impose a reasonably satisfactory degree of control. For other weapons, a multilateral conference of the Committee on Disarmament at Geneva may be a more appropriate negotiating body.

What possibilities exist for limitations on arms supply to specific geographical regions? Would the countries within these regions have to initiate such limitations? Would an arms limitation agreement require a great power accord to underwrite it, for example, a neutralization agreement such as the one proposed by several Southeast Asian countries?

What can be done about the vast quantities of weapons that are considered obsolete by the superpowers? As the superpowers introduce more modern aircraft, ships, and small arms, the weapons these replace are often given to developing countries as military assistance instead of being scrapped. This practice tends to make the level of assistance linked more closely to the rate of weapons development in the donor countries than to the actual security needs of the recipient countries. Perhaps international agreements could be reached on the disposal of obsolete equipment.

How can middle-sized arms suppliers be induced to cooperate in efforts to reduce the traffic in weapons? This is a particularly difficult issue because the middle-sized suppliers incur fewer political risks from their activities than the superpowers, and may achieve significant economic benefits both in balance-of-payments terms and in support for maintaining profitable levels of production of more sophisticated weapons.

Other problems exist. How can we more effectively prevent the retransfer of weapons from our aid recipients to countries or groups whose interests may be entirely different from our own? Would the collection of statistics on conventional arms movements by the U.N. as proposed by several member governments facilitate greater international appreciation of the size and growth of this traffic?

There are no simple answers to these and the many other questions that must be considered when reassessing our policies toward the arming of smaller countries. But, we begin to examine these questions and formulate specific policy proposals. This is why I am asking for a report from the Arms Control and Disarmament Agency containing policy recommendations. A vote for this amendment is a request for a thorough evaluation of the policy options on conventional arms transfer open to this country. It is an exercise in responsible congressional participation in foreign policy. Certainly we can all agree that this would be a better and safer world if the number of instruments of coercion were reduced. And all can agree that the vast material and monetary resources we and other countries pour into weapons could be better used to enrich the quality of our lives and societies.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. FULBRIGHT. I yield myself 5 minutes.

Mr. President, I think the amendment by the distinguished Senator from Delaware is excellent. I certainly will support it. It is an area in which the Arms Control Agency has authority; but, so far as I know, it has never undertaken such a comprehensive review of conventional arms.

Hopefully, in view of the ending of the war in Vietnam, there will be great surplus there and elsewhere in the world.

I think it is an excellent amendment, and I would be pleased to accept it. If I had thought of it in committee, I would have offered it there. I congratulate the Senator for bringing it up. I think it is a worthwhile and timely amendment. We should encourage them to make a thorough review and a comprehensive report on the status of conventional arms all over the world. We ourselves have done a great deal in distributing the arms. It is our responsibility, I think, to review the situation. So I would be very glad to take the amendment and I certainly assure the Senator I will support it as hard as I can in conference because it is a good amendment.

I am prepared to yield back my time if the Senator from Delaware wishes and we can vote on his amendment at once.

Mr. ROTH. I thank the Senator for his kind comments.

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

Mr. FULBRIGHT. Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore (Mr. HUGHES). All time on this amendment has now been yielded back.

The question is on agreeing to amendment No. 1202 of the Senator from Delaware (Mr. ROTH).

The amendment was agreed to.

AMENDMENT NO. 1196

The ACTING PRESIDENT pro tempore. Consideration of amendment No. 1196 by the distinguished Senator from Virginia (Mr. HARRY F. BYRD, Jr.) now recurs under the previous order.

The clerk will state the amendment.

The assistant legislative clerk proceeded to read the amendment as follows:

On page 30, delete lines 12 through 18.

The language sought to be deleted is as follows:

REPEAL OF RHODESIAN SANCTIONS PROVISIONS

SEC. 503. (a) Section 10 of the Strategic and Critical Materials Stock Piling Act, as added by section 503 of Public Law 92-156 (relating to military procurement authorizations for fiscal year 1972), is repealed.

(b) Section 11 of such Act is redesignated as section 10.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time not be taken out of either side.

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

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STEVENSON). Without objecton, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Virginia is recognized for 5 minutes.

Mr. HARRY F. BYRD, JR. Mr. President, the pending amendment would keep the law as it is now insofar as the importation of chrome from Rhodesia is concerned. Last year the Senate and then the House of Representatives passed legislation which said that if a strategic material is being imported from a Communist-dominated country, the President could not prohibit the importation of that same strategic material from a non-Communist country.

The Senate adopted that provision and the House approved it by a vote of 251 to 100. The Foreign Relations Committee in the Foreign Relations Act of 1972 now seeks to eliminate that provision. The pending amendment which I have introduced would keep the law as it is.

Mr. President, it seems to me appropriate that if the United States finds it necessary to import a strategic material from a Communist-dominated country—which in this case is Russia—the same material should not be prohibited from being imported from a non-Communist country.

The situation that the United States found itself in—and the reason the legislation was enacted last year and became effective January 1 of this year after having been signed by the President—was that up to that point 60 percent of all the importation of chrome came from Communist Russia. That is another way of saying that the United States became dependent on Communist Russia for this vital raw material. And when the Congress considered the matter, it reached the conclusion that that was not a very logical situation to permit to exist.

I do not know why the Committee on Foreign Relations wants to repeal an act which just became effective this past January. Nevertheless, it has been proposed that this provision be repealed.

I want to emphasize that when the roll was called in the Senate and in the House of Representatives, taken together, representatives from 46 of the 50 States supported the provision which subsequently became law. So this is not a regional matter; it is a national matter. It is not a State Department matter; it is a national defense matter. Does the United States want to continue to be dependent on Communist Russia for a vital war material? That is the issue.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HARRY F. BYRD, JR. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time? If no one yields time, time will run equally against both sides.

Mr. McGEE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wyoming.

Mr. McGEE. Mr. President, I will take only a very few moments at this time. We have colleagues, I suspect, coming into the Chamber who wish to address themselves to this question.

Before I proceed I ask unanimous consent that the legislative director of my staff, Mr. Robert Bullock be permitted to join me on the floor during the course of this discussion.

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

Mr. McGEE. Mr. President, I wish to make two or three points quickly as we recapitulate the issues in connection with this question.

Considering where we are today some 8 or 9 months since the Senate acted on this question last October 6, it is vital that we have a look backward at what has happened in the wake of that Senate action. During the debate in October last year one of the points that was made repeatedly in this Chamber was that we should at least hold off with Senate action for about 30 days until the British and the Rhodesians could complete their negotiations, which were even then underway. They had been negotiating off and on for a considerable length of time to try to reach a compromise on their impasse in regard to the status of the Ian Smith government in Rhodesia, in its relationship to the United Kingdom, and most important of all, its proposals for effecting a transition into independence with an accord that would spell some hope for the 95 percent or more black Africans in Rhodesia's population.

The Senate in its wisdom chose not to suspend any action until those negotiations were over. In fact, we acted even as the talks between the British and the Smith government were reaching a climax. The result, in hindsight, is now very clear: The moment the Senate took the action it did, that vote was transmitted by the news services to Rhodesia, at which point we have the testimony of both Governments that it froze and hardened the Rhodesian Government's negotiating position. The upshot of it was that out of those talks came a less than equitable compromise. The Rhodesian government of Ian Smith was emboldened to resist even more firmly the pressures for compromise and its firmness in resisting them was triggered in large measure, we are told, by the action of the U.S. Senate on the sanctions.

I have just returned from a conference on the Isle of Jersey this month with our British contemporaries, many of our Canadian contemporaries, and an assortment of experts on Africa. The purpose of the conference was to examine the status of many African questions now, but the point made to me personally by leaders of the Labor Party in England and by the leaders of the conservative government, was that the bargaining in a realistic sense once the Senate took its action withdrawing from sanctions against Rhodesia; and the substance of this judgment is borne out now by the Pearce Commission report.

The Pearce Commission was set up to assess the consequences of the agreement that was reached between the British conservative government and the Ian Smith government in Rhodesia. What the Pearce Commission concluded after long, tortuous, and everyone agrees, fair hearings, was that the terms of the hardened agreement were unacceptable to the 95-percent-black population in Rhodesia. What this meant in very blunt terms is that the Senate of the United States, by its action in withdrawing its full participation in sanctions against Rhodesia, contributed to the sabotage of efforts to negotiate an equitable compromise between Rhodesia and Her Majesty's government in London.

That is a serious charge, Mr. President, but it is a charge that the Senator from Wyoming alone does not make; it is a charge contained now in the record of the history of those times that we are now privileged to examine in hindsight.

My petition here today is that the Senate soberly reconsider what it did. The British petitioners, the African petitioners, and the United Nations petitioners, too, request that action. They ask for one more chance to look at the question. Again and again, those persons coming out of Rhodesia and those who are more widely versed in connection with the entire vast continent of Africa are saying that the prospect of a violent settlement of these questions in that part of the world is greater now in the wake of the continued impasse in Rhodesia than before. I would be the first to point out that the United States single-handed cannot solve all the problems of the world, but we have influence and what we do and say makes a great difference to people all over this globe, and it makes a particular difference to people in Africa. I would stress that what looms even larger than it did last October is a second implication involved in the action that this body is now being requested to take.

That is the role of the United States itself in the Jnited Nations, and the role of the United Nations as man's only remaining hope of something just a little bit better for our world.

Let me spell out why the U.N. looms very large this morning as we share our thoughts on this troublesome problem. At the point away back in 1966 when relations between Great Britain and Rhodesia had reached their crisis, when it appeared at that time as though the only likely recourse was a shoot-out in Rhodesia, the United States interceded as an honest broker and begged the British not to take a precipitous position; begged the Rhodesians not to respond in a precipitous way, and said, "Let us give it one more chance." We urged that the issue be taken to the United Nations, where it had not been lodged until that time. Partially at our behest, through our persuasion as the honest broker in that dispute, the question was turned over to the U.N.

My friend from Virginia has often reiterated his strong support of the United Nations. I have reiterated mine. That is why I think it is important that we look at the U.N. role in this question and what is at stake, because by the judgment of the United Nations, a program of sanctions was ordered against Rhodesia.

A program of sanctions, in the modern world with modern communications, is always a complication. As we well know, there were numerous asserted violations of the sanctions once they were imposed by the United Nations; but, even so, it was a serious enough matter that the Ian Smith government still today squirms under the worldwide question mark that is thrown over the legitimacy of that regime by this official U.N. sanctions program, and Smith is still striving to get out from under the program.

It is also well to note that even the Republic of South Africa, even Portugal, two nations that might have been expected to be more or less sympathetic with the Rhodesian question, have not formally acted to break the sanctions program.

The irony of it is that the United States of America, one of the principal architects of the original document that came out of San Francisco at the end of World War II, the United States within whose boundaries this great international body is lodged, the United States which at its own initiative persuaded the British to turn this matter over to the United Nations rather than go to the next stage, which could have been force, which both sides feared—the United States became the one member of the United Nations which, by the action which this body initiated, formally and openly broke faith with a United Nations commitment.

That, Mr. President, is what our country is going to be on the line for. That is the judgment that we shall have to account for as we stand before the bar of history when we profess in our rhetoric and in our profuse oratory about how we believe in the U.N. and how important it is that the U.N. succeeds. I say here it is going to take a great deal more than rhetoric to reestablish our own integrity in the U.N. It is well enough to say we pay more than anybody else in the U.N., but you do not buy principles with dollars; you support principles with the integrity of your deeds. That is why the whole question of the U.N. is a paramount issue here as this body debates this question today.

The United Nations has been in a low state for the past few months, for many complicated reasons. The big powers have been on the front pages and the front line, trying to resolve the differences of the world. But, Mr. President, let us not be the one that gives up the last ray of hope for collective action through an organization of all of the nations, not just some of them. We have committed a great deal of that faith.

We now have a new Secretary General of the United Nations. The United Nations is now seeking to get off the ground again, in its effort as peacemaker and honest broker; in efforts to resolve the differences of man around the world. This is an hour when a constructive action in this body, reinstituting the good faith of the Senate of the United States in our commitments under the Charter of the United Nations, would be a veritable shot in the arm to that sometimes beleaguered body in New York.

Mr. President, that is the case that I wanted to make this morning in these brief remarks and to say that we are being judged all over the world by where we stand now. We are being judged in black Africa as to the sincerity, as to the credibility of our oral commitments to equality among all peoples around the world; by these same black Africans who predominate in that vast continent—we are not talking about a minority; they are the majority; they are the majority; they are the minority only in a few governments—who are looking to us for some flickering gesture at the very least to give them some hope for following our lead.

President Nixon is in foreign lands today—has been for over a week—leading in an effort to ease the tensions of the world. The President has scored some breakthroughs in China, in the East, and still more breakthroughs in the trip to Moscow, and now in Iran, and today he goes to Poland. But I say, Mr. President, the world is round. It is not flat. In is not elongated. It is round, and a part of that round is the second largest continent in the world, the continent of Africa. And we are being judged in Africa today.

So I say, Mr. President, that I think it is of the utmost importance that, without risk, without compromising the security of this country, without contravening in any way the President's heroic efforts to bring peace in the world, but, in fact, complementing them and implementing them, this body would do well to rejoin the United Nations in its action in enforcing sanctions against the Government of Rhodesia for the duration of the judgment of the U.N., which until now at least has been conditioned on the negotiating efforts between the British Government and the Rhodesian Government to work out a livable compromise of their differences.

Mr. President, I yield the floor.

Mr. BROCK. Mr. President, will the Senator from Virginia yield me 5 minutes?

Mr. HARRY F. BYRD, JR. I am glad to yield 7 minutes to the distinguished Senator from Tennessee.

Mr. BROCK. Mr. President, perhaps I might be accorded the privilege of sort of wondering aloud at some of the comments made by the Senator from Wyoming.

He has mentioned the rhetoric of this debate. I would agree that it has wandered far afield on occasion. But when he begins to talk about the United Nations, about a consistency of philosophy and a consistency of position, perhaps I might be permitted a response, and perhaps even an evaluation of the consistency of that remarkable body.

There is not a Member of the Senate or a Member of Congress who does not hope that the United Nations will play a role in creating a greater chance for peace in this world. But if they are going to do that, they are going to have to develop a consistency of philosophy, a consistency of position, a consistency of integrity as well as this Nation, and this they have not demonstrated.

When one talks about the United Nations and its right to impose sanctions, it should be remembered that a part of the United Nations Charter says that body shall not interfere in the affairs of another nation, it shall not determine the form of government of any nation. Yet that is exactly what they are attempting to do in this particular instance.

It has the perfect capacity to recognize and create all kinds of nations if it likes them, if it wants their vote in the United Nations. But if it does not like them, as it apparently does not like Rhodesia, it does not recognize them, it just says, "We are going to impose sanctions on you and keep you from existing."

I marvel at the people in this country who talk about integrity of principle, and who say that the United States should not be a world policeman. I agree with that. But then what are they doing meddling with Greece? What are they doing coming before Congress and saying that we should not have any relationship with Greece because that nation does not fit their own personal standards of majority rule?

Look at the utter hypocrisy, the sheer, rank hypocrisy of the United Nations in the instance of Taiwan. They did not happen to like the country of Taiwan. They happened to decide they wanted to play the power game, so they chose a big guy over a little guy, and said, "We are going to bring Red China into the United Nations, and at the same time we are not going to give the 14 million people on that island representation; we are going to throw them out." What a bunch of garbage there is in that position. Consistency? It is not consistency, it is hypocrisy, pure and rank.

Talk about the equality of all people. That is an objective we all share. I guess you can say that the people of Eastern Europe are equal in terms of the degree of slavery they suffer. But where were these people who speak out for equality when the people of Poland, the people of Hungary, or the people of Czechoslovakia sought their own freedom? Where were they then?

You see, it depends on whose ox is being gored. The shoe does not seem to fit on both feet. There is no consistency of position here. It just depends on which side you are on. You do not like Rhodesia, so you say, "impose sanctions," and then you plead and cry about wanting to increase trade with Eastern Europe and with the Soviet Union.

I do not think that is an unfair objective. I think trade can create an interdependency that will enhance the prospect of peace. But let us be honest about it. People who talk about one country and one standard should apply that standard around the world, or they should shut up.

I do not think the people of this country are being treated honestly. I do not think they are being treated honestly in the United Nations, and I do not think they are being treated honestly by some of our political leadership, who have the remarkable talent to select those areas where we are going to have principles and to select other areas where we will not have principles.

If there is any kind of principle in this country, if we are going to meddle in the affairs of men and nations, if we are

going to say, "We are not going to deal with your country because we do not like your form of government," then let us talk about dictatorships wherever they exist. Let us talk about inequality wherever it exists. Let us be honest about it, and have a common and consistent approach to that particular problem.

But do not come to me and say, "Well, we do not like dictatorships, but we will accept some because they are liberal and we will not accept others because they are repressive," or whatever derogatory term they want to use about them. Are they dictatorships or are they not? Is there equality or is there not?

Does a Russian Jew have equal treatment? Does a Russian Baptist have equal treatment? Does a Russian Catholic have equal treatment? Does a Russian black have equal treatment? Does a Ukrainian have equal treatment? Does someone in Czechoslovakia, or Hungary, or Poland, or Rumania, or Bulgaria, or Albania? Are they equally treated? Are they?

If we are going to say, as I think we should, that it is for the people of a country to determine their own destiny, that it is not for this Nation to try to impose its will, that this is a consistent principle which we are going to adhere to, it would require that that principle apply in all areas, not just in Eastern Europe, not just in Vietnam or Asia. It would apply in Rhodesia and Africa as well.

But let us decide which angle we are going to take. Let us decide where the consistency is, where the principle is, where the integrity is, and then let us adhere to it. And I would be perfectly willing to do that. You see, I happen to agree with a lot of those people in this country who have been critical of our actions in Southeast Asia, in one instance, when we say we have got to make a decision whether an action we take is in our national self-interest first, because this Nation cannot really be the guardian of the peace if it is not strong, and if we destroy ourselves, we are not going to be very effective in saving anyone else.

Where is the American self-interest in this particular question? I think it is fair to ask. Is it in our self-interest to leave ourselves totally at the whim and wish of one nation, the Soviet Union, for our supply of a terribly strategic material like chrome? Is it? Or should we not have an alternative source of supply?

Is it in our national interest to pay double the world price for chrome? Because that is what happened the day we put the embargo on. The world price went up by two, and the American housewife, the American consumer, the American defense industry, and the American taxpayer are paying the difference.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BROCK. May I have 2 additional minutes?

Mr. HARRY F. BYRD, JR. Mr. President, I yield the Senator from Tennessee 5 additional minutes.

Mr. BROCK. The American taxpayer pays for the policies of the Government that decided it wanted to impose its will upon other governments. What is the real difference between military intervention and imperialistic intervention by an economic device? It is the same thing. It is an imposition of will, an infringement upon the free process.

I happen to think that our national interests are very much at stake in this particular matter. I happen to think the United States cannot afford to be dependent upon the Soviet Union for its sole source of chrome. I happen to think the U.S. taxpayer, the U.S. consumer, has a right to expect his Government to allow him to buy any material he wants, any place he can, at the best price he can possibly buy it for. If that means we can buy it in Rhodesia or Canada or South Guam, I do not care. But to say otherwise is to violate his freedom, and that is not the prerogative of this body. It is not the prerogative of this body to infringe upon the free process of Americans wherever they be and whatever activity they want to undertake, so long as that activity does not infringe upon the rights of others.

We have a basic question before this body. The question is whether or not this country is going to be consistent, whether it is going to be impartial, whether it is going to have integrity of principle, or whether it is going to play the game of catering, catering to a few in the intellectual world or in the press who say, "We want to select whom we are going to deal with. We are going to select those people we want to associate with. We are going to make the American people pay for it whether they like it or not."

Well, it is wrong. I support the Senator from Virginia.

Mr. McGEE. I yield myself 5 minutes.

Mr. President, I respond to the Senator from Tennessee by way of making sure that the record stands correctly in accord with at least the best facts on which we can lay our hands.

First, in regard to the allegation that we are meddling in the internal affairs of another government, an independent government. Mr. President, I challenge that, as a matter of fact. Southern Rhodesia is a part of the British Empire. Rhodesia has not been set up legally as an independent entity. That is what part of the negotiations are all about. It is a member of the British Empire by international law. We did not interfere in Rhodesia. The British requested that this matter be turned over to the United Nations. We are a member of the United Nations. We are participating as a member of that collective body that has voted to take collective action on the sanctions question. This is not meddling in the internal affairs of an independent nation.

Part of the problem is how to bring about the legal transition of Rhodesia, a member of the empire, into some kind of status of independence, and that is basically Britain's question. This phase of it she sought to turn over to the United Nations, as many colonial questions have been, in the hope of finding a solution to it.

The second fact that needs to be kept clear on the record has to do with the Soviet Union and our dependence on it for chrome we need. Let us set that record straight. First of all, the President of the United States happens to have believed that our security was enough at stake to go to Moscow. The President of the United States believes that we can negotiate a deescalation of the tensions of the world by dealing with the Russians, not by fighting them or by isolating from them at the moment.

Let me say to the Senator that, in addition, the Senator no doubt is aware of the fact that since our dialogs here last October, the trade figures for last year, 1971, are now a matter of record and have been submitted to the President by the U.S. Bureau of Mines. Last year, the imports of chrome from the Soviet Union fell almost by half. In 1970, almost 2 years ago, we were importing 58 percent of our chrome from the U.S.S.R. Last year we imported 36 percent from the Soviet Union. Where did we get the difference? Our imports from Turkey last year—and may I submit that Turkey is an ally of the United States—were 39 percent.

I think we ought to lay to rest the factor of where we are getting our chrome, even in terms of its price.

We ought to remind ourselves, as well, that this body, after our action last fall, passed S. 773. That measure authorizes the disposition of 1,300,000 tons as excess to our chrome ore strategic stockpile. That in itself should remind us that there is no great sense of urgency in national security and defense needs, if, by the best judgment of those whose responsibility it is to maintain that stockpile—and by the judgment of the Armed Services Committee we passed this release of 1,300,000 tons—we can afford to do that without risk to this Nation. I agree with that.

What it does put back into perspective is the issue of the sources of our chrome ore. Some of our chrome ore, Mr. President, is coming from the Soviet Union, from whence it has come for a good many years. It is coming even more from Turkey now. For that reason, I sought to inject these modifications of the suggestions that were being made by the Senator from Tennessee.

The PRESIDING OFFICER. The time of the Senator has expired.

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

Mr. HARRY F. BYRD, JR. I yield to the Senator from Tennessee such time as he desires.

Mr. BROCK. Let me say, first, that there is no Member of this body for whom I have greater respect, affection, and regard, in terms of protecting our national interest, than the Senator from Wyoming. I know of his integrity and his ability in this matter. We happen to be thoroughly in disagreement on this issue, and I respect him for that as well.

But let me point out that when we are able to release some chrome from our stockpile, it is because we have alternative sources of supply, because the Senate authorized the purchase of chrome from many sources.

If we did not have alternative sources of supply, if we were totally dependent, as the Senator's position would leave us, on the Soviet Union, then we could by no

means have any confidence that we should reduce our stockpile of chrome.

Second, why do we buy chrome from Turkey? One reason is that the Soviet Union jacked up the world price so high that it made it possible for inefficient producers to get into the market, and we can begin to see higher prices elsewhere. As a matter of fact, we were paying double the world price because the Soviet Union put it there, and we had no choice but to buy chrome there.

With respect to the President's trip to Moscow and the fact that the Senator believes the President went to Moscow because he had confidence in our ability and our strength to negotiate with the Soviet Union from a sincere position on both sides, I think the President's trip to Moscow was one of the greatest steps toward peace in my lifetime, and I support the President in his effort. But I point out to the Senator from Wyoming that the President did not go to Moscow and sign a treaty which turned over to the Soviet Union the responsibility for our collective defense. He did not ask the Soviet Union to defend America. He did not ask them to put their missiles in front of our shores to protect this country from attack. He went over there to negotiate an arms limitation on both sides, so that neither would fire at the other.

What the Senator from Wyoming is asking us to do is to put our defense in their hands, at their disposal; because if we are dependent, in fact, upon the Soviet Union at some future date because of his amendment, if we are dependent upon them as the sole source of chrome, then he is saying that we might as well put our entire collective security at their disposal and say, "Protect us from harm." The Senator obviously knows that we are not going to do that sort of thing. That is why I think it is terribly dangerous for this country not to afford itself of any source of supply we must have in order to maintain our security.

Mr. McGEE. I thank the Senator for his further development of this matter.

I would hasten to add two things. The first is that this administration has endorsed my position. The President of the United States has said that they approve of this section of the bill. This is the same President the Senator has been alluding to, who went to Moscow, and he is not about to let our defenses down.

I certainly agree that anything we might reduce is on a quid pro quo basis. It is negotiated. That is the only sensible thing. But let me add to that what the release of the stockpile really represents. 1.3 million tons is being authorized in this pending legislation. What is coming in from Rhodesia in the so-called new source of supply if the present rate continues for the full year, will be 50,000 tons. The Senator cannot tell the Senator from Wyoming that that was the reason for our releasing 1.3 million tons from our own strategic reserves. The real reason is, if I may point out, this was recommended by the President even before the issue came up a year ago.

We have enough reserves left excess to the stockpile, 2.2 million tons, to meet the defense needs for 20 years at the present time, according to the emergency stockpile board. We have enough for 2 years if diverted totally for commercial use without touching the basic stockpile. Keeping this record straight and in perspective, the amount of ore we will be getting from Rhodesia by letting down our sanctions and giving away a principle, sabotaging United Nations policy and calling into question our own commitment to the United Nations, injuring our image in a vast continent where we hope to improve our relations and protect our flanks if need be, and would amount to about 50,000 tons from Rhodesia. That is the anticipated sum for this year. The President has endorsed this proposal of mine to resume sanctions with our Government officially pledged to full compliance. I say to my good friends from Tennessee it begins to look like a pretty thin case to argue that our strategic interests are at stake.

Mr. BROCK. With regard to the President of the United States, I could say that he can be wrong, too.

Mr. HARRY F. BYRD, JR. Mr. President, the distinguished Senator from Wyoming says that we want to set the record straight, and I think it is a good thing to do. It is important that we set the record straight.

The expert on the stockpile situation is the distinguished Senator from Nevada (Mr. CANNON), who is the chairman of the Stockpile Subcommittee of the Armed Services Committee. He will be here in a few minutes to discuss the stockpile situation.

But I will say at this point that the record will show the Senator from Nevada stated last year, in debate on the floor of the Senate, that his subcommittee and presumably the Armed Services Committee as a whole, would not recommend the release of this stockpile of 1.3 million tons were the proposals which I made last fall to be rejected. It was because of what Congress did last year that the Stockpile Subcommittee recommended the release of 1.3 million tons from the stockpile.

The stockpile today has roughly a 3-year supply of chrome. There are probably some Senators who do not believe in a stockpile. Maybe they would say to take it all out. But the purpose of the stockpile is to protect the United States in the event of an emergency.

It has been concluded that the United States needed a 3-year supply in the event of an emergency. That is approximately what the United States has today.

As I say, the distinguished Senator from Nevada (Mr. CANNON) will be here shortly to give the exact figures. The figures I have given are close to being the precise figures.

The Senator from Tennessee raised several important points. One is that the United States has no business interfering in the internal affairs of another country. That is what it is doing.

Whether Rhodesia should be dependent on Great Britain, a colony of Great Britain, or whether it should be independent of Great Britain, is a matter to be decided by those countries. The United States has no business getting involved in that. We have been involving ourselves in too many things all over the world. Certainly we have no business getting involved in that matter, as to whether Rhodesia should be independent of Great Britain.

The fact is that the only thing Rhodesia is doing is what the United States did in 1776, seeking their independence——

Mr. HARRY F. BYRD, JR. I do not say on the floor of the Senate whether they should have independence, but I think they should have the right to obtain that independence if that is their desire. I do not think the United States should seek to prevent that from being done.

The able Senator from Tennessee raised another point about the cost of this material having been substantially raised as a result of unilateral action by the President of the United States some years ago.

You know, Mr. President, Congress never put these sanctions on. It was done unilaterally by the President. As a result of those sanctions, the price has skyrocketed. It is affecting jobs all over America.

Mr. President, I hold in my hand a telegram from William J. Hart, director of District 19 of the United Steelworkers of America. The telegram is sent from Tarentum, Pa. It reads:

> Once again I urge you to oppose repeal of the Byrd amendment as contained in section 503 of S. 3526. This matter is of great concern to the specialty steel industries and as a consequence is directly involved in the continued employment of United Steelworkers of America members.

So, Mr. President, that is another reason why the action taken by Congress last year should not be overturned. There are many jobs at stake.

The distinguished Senator from Wyoming (Mr. McGEE) mentioned my strong support for the United Nations. That is correct.

I came back from Okinawa in the Pacific in May of 1945 at the time the United Nations was being formed. I felt it would be a world organization which would make it unnecessary for persons like myself in future years to have to be sent into battle on foreign soil in faraway areas.

I had great hopes for the United Nations, but I must say that it has not lived up to those hopes. It is a different United Nations today from what it was then. There were 51 members at that time, all with long-established governments. Today there are 131 member nations, very few of which have a history of established governments.

But, be that as it may, my concern is for the United States. That should be our foremost concern. We certainly want to help the United Nations if we can but I, for one, do not want to put the affairs of this country in the hands of the United Nations.

Mr. President, just why an effort should be made here to repeal a law which passed and became effective only in January is not entirely clear to me.

You know, Mr. President, under existing law, the President can prevent the importation of chrome from Rhodesia.

All he has to say is that we shall not import any chrome from Russia and then, under the terms of existing law, it will be impossible to import chrome from Rhodesia.

It is obvious, however, that if we do not need chrome ore, the President would do just that. He would say that it is not necessary to import chrome from Russia. Therefore, under the law it is not possible to import chrome ore from Rhodesia.

So there is a means under the present law to uphold the action of the United Nations if this is what the Government wants to have done. We do not have to change the law. It can be done under the present law.

The President signed this into law last December. So I do not know why we have all of this concern about the United Nations being so heavily involved.

The sanctions were put on unilaterally by the President of the United States, President Johnson, some years ago. And the only time that Congress has had an opportunity to express itself on this issue was last fall. Both the House and the Senate then voted to make it possible to lift the sanctions insofar as this one strategic material was concerned.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER (Mr. MONDALE). The Senator from Virginia has 30 minutes remaining.

Mr. HARRY F. BYRD, Jr. Mr. President, I reserve the remainder of my time.

Mr. McGEE. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 5 minutes.

Mr. McGEE. Mr. President, I would like to respond to my good friend, the Senator from Virginia and cooperate with him and try to get along until the Senator from Nevada (Mr. CANNON) gets here. We have a commitment with him regarding his speech. I want to respond to some of the points raised by the distinguished Senator from Virginia.

Mr. President, I think we ought to keep the record clear on where the steelworkers of America stand on this issue, since the Senator from Virginia raises that point.

During the debate last fall we submitted the testimony of Mr. Abel, the president of the United Steelworkers of America. The president of the United Steelworkers of America said that under no circumstances have the steelworkers of the United States endorsed the Byrd amendment. Mr. Abel said they believe in the United Nations and they want the record to be straight. Nor does Mr. Hart, Mr. Abel went on to say, speak for the steelworkers. Mr. Hart, a member of the executive board, speaks for himself. The steelworkers go on record as stressing the fact that American jobs are not at stake with regard to this issue. And we believe that is one of the important facets of American policy.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter from Mr. I. W. Abel, president of the United Steelworkers of America, that stresses once again, as this matter comes up for a vote, that they want to make it clear that the steelworkers go on record as being in favor of the sanctions imposed against Rhodesia.

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

UNITED STEELWORKERS OF AMERICA,
Pittsburgh, Pa., September 29, 1971.

Hon. GALE W. MCGEE,
Washington, D.C.

DEAR SENATOR MCGEE: Recently the Senate debated a provision of the Military Procurement Authorizations Act, 1972 (H.R. 8687), reported out by the Senate Armed Services Committee, which would permit the United States unilaterally to breach the United Nations' embargo against Rhodesia for the purpose of importing chrome ore or chromite. Because of the official social and racial injustices perpetrated by the Rhodesian government against its citizens, the UN applied the economic solution of an embargo until such time as that government through negotiations would correct such indignities. The impact of the embargo, as far as chromite is concerned is that the American ferroalloy producers have increased their purchases of Russian chrome ore from a level of 33 per cent in 1966 to a level of 58 per cent in 1971.

During the floor debate on your amendment to delete this morally indefensible section and to maintain the embargo, Senator Harry Byrd (Va.) read a telegram from a Mr. William Hart, who specifically identified himself as a member of the executive board of the United Steelworkers of America, in support of the effort to destroy the effectiveness of the embargo. Let me assure you that his telegram neither was endorsed by the executive board of nor does it reflect the position of the Steelworkers.

The United Steelworkers of America supports the intent of the embargo and its continuation. We feel that as a nation, and in conjunction with other nations, we must be socially concerned about basic human justice and, if need be, sustain an economic price for that conviction. Furthermore, this is one of the few occasions on which the United Nations acted as the moral conscience of the world. Its effort, therefore, should continue to have the support of this country if the purpose of a United Nations organization is to be meaningful. To break the embargo on this item will surely lead to a breaking of the embargo on other items.

Arguments on the floor indicated that the Senate Foreign Relations Committee had previously rejected this measure; that fully three years before the embargo we were already importing almost 40 per cent of chromite from Russia (49 per cent in 1963); and that there is a governmental request to release 1.3 million tons of chrome from the strategic stockpile, thereby belying any charge of strategic shortage of this mineral.

However, as regards to the threat of job loss in the specialty steel industry in Pennsylvania or elsewhere, it is in no way affected by the importation of chromite from Russia. Our problem in that industry is due to the inordinate levels of specialty steel imports from Japan and Europe and not to the source of chromite imports. To correct the specialty steel trade imbalance we have supported steel quota legislation and/or voluntary agreements. However, the importation of chrome ore from Russia does not aggravate the importation of specialty steel. It certainly did not do so in the three years prior to the embargo.

The ferroalloy industry is also beset by ferroalloy imports. We have supported their contention before the Office of Emergency Preparedness for quota relief. But the relief was to be directed against ferroalloy imports, for example ferrochrome, and not the ferro ores, for example chromite, upon which the industry depends. The lack of access to Rhodesian chrome ore fields does not affect the volume of chrome ore imports. The fact that some ferroalloy producers own properties in Rhodesia should not away the United States decision to maintain the embargo.

Our problems, therefore, in the specialty steel industry and the ferroalloy industry can be solved by quota controls and not by breaking the Rhodesian embargo on chrome ore. We hope that this untimely and socially indefensible provision of H.R. 8687 will be dropped either in conference or by further action by the Senate. The price of human dignity should not be measured in terms of the cost of chromite in the United States market.

Sincerely yours,

I. W. ABEL,
President.

Mr. McGEE. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from John J. Sheehan, legislative director of the United Steelworkers of America.

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

UNITED STEELWORKERS OF AMERICA,
Washington, D.C., May 4, 1972.

Hon. GALE W. MCGEE,
U.S. Senate, Washington, D.C.

DEAR SENATOR MCGEE: The United Steelworkers of America has maintained that upholding the United Nations embargo against Rhodesian chrome ore does not affect jobs of American Steelworkers. The recent release of excess chrome from the strategic stockpile further indicates that it is not necessary for the United States to continue to violate the embargo.

A February 22, 1972 article in the *American Metal Market* stated that, "Uncertainties continue to surround the Rhodesian chrome ore picture with respect to prices and supplies moving to the United States . . . The Rhodesian government has controlled the production and sale for all mines in Rhodesia since the sanctions were imposed by the United Nations. At the present time, the Rhodesian government has not indicated to Union Carbide how much ore will be available in 1972 [except for] an immediate shipment of about 20,000 tons of ore." Such uncertain circumstances would seem to place in question any assertion that the opening of Rhodesian imports would provide insurance against a real or potential crisis.

Surely we do have some commitment to prevent political exploitation of minorities and we should express that commitment through economic sanctions rather than ultimately being involved, directly or indirectly, in bloodshed.

We, therefore, support and urge your support of Section 503 of the Foreign Relations Authorization Act of 1972 (S. 3526), which would rescind the previous action of Congress which resulted in a breaking of the embargo.

Sincerely,

JOHN J. SHEEHAN,
Legislative Director.

Mr. McGEE. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of the Steelworkers legislative appeal under date of May 30, 1972.

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

CHROME ORE IMPORTS

The issue of the United Nations-sanctioned embargo of Rhodesia, as it applies to chrome ore, will again be before the Senate very shortly. The debate which has swirled about this issue has brought to the fore many

claims of undue hardship to the American speciality steel industry and threats of job loss to American steelworkers.

As the union which would be directly affected by this alleged adversity, let me again emphatically state that the United Steelworkers of America fails to see any credence in these claims. Furthermore, we have always supported the embargo in the past, and we support its reinstatement now.

A number of points concerning competition on the affected marketplace must be made clear:

(1) *Voluntary Trade Restraints*—On May 6, 1972, the White House announced that new import accords had been reached with the Japanese and European steel producers. These agreements are designed to prevent any further erosion of the domestic steel market by imports, explicitly including the specialty steel market (which is the market sector affected by chrome ore). In other words, our domestic production of specialty steel, for domestic consumption, will not be adversely affected because of different prices of chrome ore from different sources.

(2) *Price to the American Consumer*—A picture has been painted by some that the American consumer is being gouged because of the removal of the Rhodesian supply as a competitive factor. *Barron's* magazine, for example, states in its May 29, 1972 issue that the "sanctions cost United States consumers of stainless steel an estimated $100 million per annum. . . ." The inference is that the cost of Russian chrome ore rose dramatically after the imposition of the embargo, with a resulting $100 million windfall being charged off onto the American consumer. But State Department figures reveal the following:

U.S.S.R. CHROME ORE IMPORTS INTO THE UNITED STATES

	Tonnage	Percent of total U.S. chrome ore imports	Value
Year:			
1969	299,000	57	$7,800,000
1970	409,000	58	13,700,000

With the dollar value of over half of the imports being at the amounts listed in the above chart ($7.8 and $13.7 million), it is inconceivable that excess profits on the Soviet imports or even on the total imports could be $100 million.

Prices may indeed be somewhat higher for non-Rhodesian ore. But we find no assurances from Rhodesia from which to gauge what we might expect from them in the future. A February 22, 1972 article in the *American Metal Market* stated that, "Uncertainties continue to surround the Rhodesian chrome ore picture with respect to price and supplies moving to the United States . . . The Rhodesian government has controlled the production and sale for all mines in Rhodesia since the sanctions were imposed by the United Nations. At the present time, the Rhodesian government has not indicated to Union Carbide how much ore will be available in 1972 [except for] an immediate shipment of about 20,000 tons of ore." Such uncertain circumstances would seem to place in question any assertion that the opening of Rhodesian imports provides any panacea for American consumers.

(3) *Steel Market Fluctuation*—The rapid increase in price of USSR chrome after the imposition of the embargo has been exploited as an example of the loss of competition in the market. But another factor must also be considered. The period of this price increase coincided with boom years in the world steel market. That market has now deflated, and so has the Soviet price of chrome ore (down 15 per cent from the 1971 price).

(4) *Reliance Upon the USSR*—In the years of 1969 and 1970, we did in fact import the majority of our chrome ore from Russia. In 1971, however, Turkey became the leading importer at 39.4 per cent, with the USSR falling back to 35.8 per cent—almost its pre-embargo level.

* * * * *

We feel that the economic arguments against the embargo are unfounded. But more important, we feel that the Rhodesian embargo must rest on its own social, not economic merits. This nation owes a deep moral commitment to the objectives of that embargo.

We, therefore, support and urge your support of Section 503 of the Foreign Relations Authorization Act of 1972 (S. 3526), which would rescind the previous embargo-breaking action of Congress.

* * * * *

Mr. McGEE. Mr. President, the suggestion has been made repeatedly here that somehow the Steelworkers have copped out on this question, because they are concerned about jobs. The United Steelworkers of America point out that American jobs are not at stake. They are not concerned about jobs. They are concerned about the higher principles that are involved. They do not see that any jobs are affected by the sanctions on chrome from Rhodesia. The jobs may be Rhodesian jobs, but they are not jobs in the United States of America.

Mr. President, I think this ought to be spread on the RECORD as part of the true perspective of where the Steelworkers, who theoretically would have the most at stake in the Senator's proposal, stand. They support a return to this program of sanctions.

Mr. President, I return once more to the reminder that the President of the United States has endorsed this approach because this approach is simply another one of the facets of the international policy to help strengthen the American hand. It was his emergency board that made the decision, with all due respect to the Armed Services Committee, that 1.3 million tons of chrome were in surplus. Yet, my friend, the Senator from Virginia, and the Senator from Tennessee, would have us believe here that by the purchase of 50,000 tons of chrome from Rhodesia, we justify the release of 1.3 million tons from our stockpile. That is nonsense. No one who can examine the implications of that statement can believe it. It says that we have more chrome in the stockpile than we know what to do with, and by releasing the excess we are insuring ourselves of enough for our entire defense and domestic needs for 2 or 3 years ahead, besides what remains in the stockpile, which is far more.

The decision says that chrome is not in any critically short supply.

It further says that the price of ore is set in the world market and not in the machinations that go on in terms of Rhodesia.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McGEE. Mr. President, I ask unanimous consent that an editorial from the New York Times of today, entitled "Atoning on Sanctions" be printed in the RECORD.

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

ATONING ON SANCTIONS

The Senate will get an opportunity, probably today, to start pulling the United States back from a violation of international legal obligations and the United Nations Charter. It will vote on Senator Gale McGee's bill to repeal a 1971 provision that had the effect of breaching sanctions twice invoked against Rhodesia's white minority Government by the U.N. Security Council.

Prospects for repeal improved greatly with a strong declaration of support from the Administration, which made no fight against Senator Harry F. Byrd's 1971 amendment. In a letter to Mr. McGee, Acting Secretary of State John N. Irwin demolished arguments for the Byrd amendment, particularly the charge that by barring Rhodesian chrome imports the United States left itself dependent on the Soviet Union for strategic material.

"There was no chrome shortage last year and there is none now," Mr. Irwin said. In fact, there are 2.2 million tons of excess top-grade chrome ore in the strategic stockpile. Months before Mr. Byrd submitted his amendment the Administration had asked Congress for permission to sell off 1.3 million tons—sufficient to supply this country's total chrome requirements for eighteen months or to meet defense-related needs alone for fifteen years.

The United States imported more chrome in 1971 from its ally, Turkey, than from Russia. The Administration also refutes the rumor that Russia itself is violating the sanctions and reselling Rhodesian chrome to this country. Tests of Soviet ore by the Bureau of Customs have produced no evidence of this whatever.

When Congress passed the Byrd bill it seemed probable that Britain would soon settle the Rhodesian problem with the white regime, making sanctions academic. But Rhodesia's black majority rejected the settlement and Britain perseveres with the sanctions. By passing the McGee repealer, Congress can bring the United States back into line with most of the international community and restore its traditional position in support of the United Nations, the rule of law and majority rule in southern Africa.

Mr. HARRY F. BYRD, JR. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Virginia is recognized for 2 minutes.

Mr. HARRY F. BYRD, JR. Mr. President, the Senator from Nevada (Mr. CANNON) is the chairman of the Stockpiling Subcommittee of the Committee on Armed Services. In the CONGRESSIONAL RECORD under date of September 30, 1971, the Senator from Nevada said:

> We have 4.4 million tons in the stockpile. We held hearings on that and determined that we should not release it.

They did not release it until this legislation was enacted last fall.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be taken equally from each side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CHILES). Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I yield 10 minutes to the Senator from Nevada (Mr. CANNON), chairman of the Stockpile Subcommittee of the Armed Services Committee.

Mr. CANNON. Mr. President, I thank the distinguished Senator for yielding to me.

I wish to comment on the repeal of the Rhodesian sanctions on chrome ore since I was personally involved last year as the chairman of the Senate's Stockpile Subcommittee.

As we all know, section 503 of S. 3526, the Foreign Relations Authorization Act of 1972, provides for the repeal of the Rhodesian chrome amendment—the Byrd amendment—enacted last year as section 503 of the Military Procurement Authorization Act. In order to put the issue in proper perspective, the following review may be helpful in connection with the Rhodesian sanctions provision.

The Byrd amendment, enacted last year as section 503 of Public Law 92–156, provides, in effect, that the President may not prohibit the importation into the United States of a strategic commodity unless imports of such commodity from Communist-dominated countries are also prohibited by law. In practical effect, the section would permit U.S. imports of chrome and other strategic and critical materials from Rhodesia despite the U.N. sanctions against Rhodesia and the U.S. Executive order enforcing the U.N. sanctions.

CHROME AND ITS USES

The principal commodity affected by the Byrd amendment is chrome. "Chromium is one of the top strategic metals and in 1939 along with three other metals, it was the first to be designated for stockpiling"—Mineral Facts and Problems, Bureau of Mines Bulletin 650, 1970 edition. The U.S. consumption of metallurgical grade chrome was 911,000 tons in 1970, the bulk of it going into stainless steel and other types of high performance steels.

There is no adequate replacement for chromium in the manufacture of these steel products. About 10 percent of the domestic production went directly into military and defense applications—but a large percentage of chrome is devoted to other essential applications. In the electric power generating industry, stainless steel is required for steam turbine blades because of its corrosion and heat-resistance properties. Stainless steel is essential for many transportation uses, in addition to its application in jet engine components. Industries where cleanliness and sanitation are critical also use substantial quantities of stainless steel because of its corrosion resistance—it does not chemically react with other materials to which it is exposed and hence will not contaminate those materials. Hospitals, food-processing facilities, and pharmaceutical production are examples. Household appliances and kitchen tools also use chrome—but in 1968 only about 5 percent of U.S. chrome usage went for these purposes, according to U.S. Bureau of Mines data.

NATIONAL SECURITY CONSIDERATIONS

There are important national security considerations involved in our current reliance on the Soviet Union for the bulk of our national needs for chrome. There is no domestic production of chrome ore. The only domestic source for chrome comes from disposals from the U.S. stockpile of strategic and critical materials. The Soviet Union was the source of nearly 60 percent of U.S. chrome imports in 1969 and 1970. The Russians supplied more than 40 percent in 1971. The other major suppliers were Turkey and South Africa.

It would defeat the very purpose of the stockpile if the United States were to rely on it as a major source of chrome in the future, as it has in recent years. While there is currently a surplus of chrome in the stockpile, the surplus is not large enough to meet our needs for very long.

"POLITICAL" CONSIDERATIONS

Like other minerals, chrome must be mined where it is found. With the exception of Turkey, all of the other major sources of metallurgical grade chrome ore are located in countries which the United States may have moral or political differences. Rhodesia and South Africa are both under the control of governments which practice discrimination against blacks. The Soviet Union, of course, discriminates against Jews and many other racial and religious groups. The United States, to put it plainly, would cut off its nose to spite its face if we refused to buy chrome produced in countries whose policies we do not agree with.

THE ECONOMIC CONSIDERATIONS

As the dominant world suppliers of chrome, the Russians have driven the price from a presanction level of about $25 per ton to a 1971 high of more than $61 per ton. Witnesses from the American Iron and Steel Institute testified before Congress that this increase in the price of chrome cost U.S. consumers of stainless steel more than $100 million a year.

Foreign producers of stainless steel, some of whom have benefited from the Rhodesian sanctions—because they, in fact, bought lower cost Rhodesian ore in defiance of the U.N. sanction—have increased their penetration of the U.S. steel market. In 1971, imports of cold rolled stainless steel sheets accounted for 32.9 percent of the domestic supply, imported stainless steel wire for 48.3 percent of domestic supply, and imports of stainless wire rod accounted for 56.3 percent of the domestic supply. Imports at this level clearly have a serious impact on employment and production in the domestic steel and ferroalloys industries.

EFFECT ON RHODESIA

The enactment of the Byrd amendment last year, at best, has had only a token effect on the economy of Rhodesia. In the presanction era, chrome exports accounted for only 2 percent of Rhodesia's export trade. In 1964, for example, Rhodesia's total exports were valued at $354 million, but only $7 million came from chrome.

There is some reason to believe that the U.S. action in permitting chrome imports may not have benefited the Rhodesian economy at all. This is so because:

First. Rhodesia has never stopped producing or marketing chrome ore and the Byrd amendment did not make more chrome ore available on the world market than was available before its enactment. It only enabled U.S. firms to legally import chrome that would otherwise have gone, in secret, to other steel-producing countries.

Second. The Byrd amendment has helped produce a reduction in the world price of chrome ore. The published price of Russian chrome ore today is from $7 to $9 per ton lower than the 1971 price. The 1972 published Russian price is from $52.82 to $54.24 per ton, delivered to a U.S. port, down from $61.50 in 1971—Rhodesian ore in 1972 is $48.36 per ton, delivered to a U.S. port.

Third. This reduction in the price of chrome is likely to reduce the amount of foreign exchange received by Rhodesia for the sale of chrome ore, and the Byrd amendment will, therefore, not benefit its government.

EFFECT ON U.N. AND A RHODESIAN SETTLEMENT

The U.N. sanctions against Rhodesia can probably be regarded as a failure, regardless of what Congress does about the Byrd amendment. Economic sanctions have never been a particularly successful diplomatic weapon. The Rhodesia sanctions have been in effect almost 5½ years without, apparently achieving their objective. The sanction also have been frequently violated. More than 110 cases of sanctions violations have been reported to the U.N. Sanctions Committee, including 32 which deal with chrome.

Congressional action on the Byrd amendment, either last year or this, is not likely to affect the effort to reach a settlement between the United Kingdom and Rhodesia. The United Kingdom Government reached an agreement with the Rhodesian Government after the congressional passage of the Byrd amendment, but there is no evidence that the action of Congress had any effect whatsoever on the agreement. One of the features of that agreement called for appointment of a British commission which would attempt to determine the views of the blacks in Rhodesia with respect to the agreement. That commission, the Pearce Commission has completed its work in Rhodesia and was scheduled to submit its report to the British Government by April 30, 1972. The report, however, is not expected to be made public for a month or more, to allow the British Government time to review it. There is no sign that any action by Congress will affect the course of action with the United Kingdom and Rhodesia may take in the future.

It might also be noted that the U.N. sanctions were imposed by the Security Council and cannot be lifted without a vote by the Security Council and that the Soviet Union can veto the lifting of sanctions. I, therefore, recommend that the Byrd amendment be kept intact and that the section 503 of the Foreign Relations Authorization Act of 1972 which provides for the repeal of the Byrd amendment be defeated.

Mr. HARRY F. BYRD, JR. Mr. President, I thank the able Senator from Nevada for the excellent presentation

he has just made and the facts which he has brought out. I think it is very important that the facts be made available, and the Senator from Nevada, as chairman of the Stockpile Subcommittee of the Armed Services Committee, is in a unique position to present to the Senate the facts in this case, which he has just done.

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

Mr. HARRY F. BYRD, JR. I yield.

Mr. CANNON. I may say that last year, when we were considering this matter, we had before us in the Stockpile Subcommittee a proposal to release or permit the sale of chrome from the stockpile on the ground that it was in excess.

The Stockpile Subcommittee held up that release, because we felt that we needed some source of supply other than from a Communist dominated country, and it was only after the Byrd amendment passed last year that the release of the chrome was agreed to by the Stockpile Subcommittee. And I may say for myself that we certainly would not have permitted the release of chrome from the stockpile had not the Byrd amendment been adopted by the Senate. If we were to go back to that position, it would be my position, certainly, that we make a mistake in not withholding from disposition from the stockpile of any of the chrome that we now have.

Mr. HARRY F. BYRD, JR. That is a very important point the Senator from Nevada has made, and I am glad he brought it out at this point in the debate.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. McGEE. Mr. President, I yield myself 5 minutes to respond to a couple of points the Senator from Nevada has developed here.

The first is a repetition on my part of a point I made as we were discussing this question before the Senator from Nevada arrived to make his speech. It is simply that the best estimate that we can get from our own Government is that the rejection of these sanctions, or withdrawal from the sanctions on chromium, at the very most this year will bring in about 50,000 tons of ore. That is the estimate of our own agencies.

It is inconceivable to me that the release of 50,000 tons of ore by lifting the sanctions is going to permit even the Armed Services Committee to change its point of view, let alone the board that controls the strategic reserve, so that they would release 1,300,000 tons.

I think the Senator will recall with me that last year when we were debating this question, the decision had already been made by the board itself that that 1,300,000 tons was not needed with or without sanctions against Rhodesia, and that this action had been confirmed and has now been confirmed by the Armed Services Committee in releasing that 1,300,000 tons in exchange for the 50,000.

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

Mr. McGEE. I will on the Senator's time. I am trying to husband my time.

Mr. HARRY F. BYRD, JR. I yield the Senator 2 minutes.

Mr. CANNON. Mr. President, that is simply not a fact. The Armed Services Committee released that ore on the basis that the Byrd amendment had been adopted. That amount would remain in the stockpile as of now had not the Byrd amendment been adopted. So this was not a decision of the Armed Services Committee independent of the Byrd amendment.

It is a fact that the administration did propose the release from the stockpile, and we went into the matter and did not agree with them.

Mr. McGEE. But the Senator is missing my point. That is my very point: It is not what the Armed Services Committee chose to do, it is how they equate 50,000 tons of chrome ore now, this year, from Rhodesia, as an excuse for releasing 1,300,000 tons, which the Senator said we could not release while the Byrd amendment was pending and until the Senate had acted upon it. That does not hang together for me, or I would think for others. You do not agree to the release of 1,300,000 tons because, through breaking the sanction, you make available 50,000.

But I wonder whether the Senator has taken into account the second factor; namely, that the whole stress has shifted dramatically in the last year, and that our importation from the Soviet Union, which was always a critical factor, amounting to nearly 60 percent—I believe 58 percent, according to the figures supplied us—in 1970, has dropped to 36 percent this year, according to the Bureau of Mines.

Where are we getting the new ore? Not from Rhodesia, in spite of the lifting of the sanctions. We are getting it instead from Turkey, an ally of the United States.

However, all of this is really a little bit beside the point. I want to turn to another point that the Senator from Nevada made: that there is nothing in the record to suggest anything happened because of the action of the Senate of the United States last October 6 when it adopted the Byrd amendment lifting sanctions. Again, earlier in the day I detailed with great care my own visit in England with the labor party members who are out of power but were the government at the time all this began, and with the conservative government which is in power now, and which is involved in the negotiations and had been involved in the negotiations last October.

The leadership of both parties made it undeniably strong that their negotiations hit a stone wall the moment the Senate of the United States took that action. I have since had occasion to talk with political groups on both sides in Rhodesia, the one group, the Ian Smith government, saying, "We jumped with joy the night we got the news of the Senate's action lifting the sanctions," and the other group saying, "We came apart, because that was the one remaining hope we had for an equitable solution."

The record is now clear. The Senator suggests that there has been a Pearce Commission meeting and we are still waiting for the report. Well, I have the report. This is the Pearce Commission report. It was the subject of our conference earlier this month with the British parliamentarians, the Canadian parliamentarians, and all the African experts we could corral at that time.

What the report says is that the forced negotiation was inequitable and would be unacceptable, by their judgment as a result of their hearings, as a settlement in Rhodesia. I shall be glad to share this report with my friend from Nevada. That is the Pearce Commission study. But it says further that the role the U.S. Senate took last October 6 hardened and toughened the Rhodesian negotiating position, and the result was that the negotiations came up short of the kind of thing that would be acceptable to all the groups in Rhodesia.

I yield the floor, Mr. President. That is all I will take the time to say at this point.

Mr. CANNON. Mr. President, will the Senator yield me 2 minutes?

Mr. HARRY F. BYRD, JR. I yield the Senator 2 minutes.

Mr. McGEE. Let us go ahead with the colloquy, yes.

Mr. CANNON. Is it the Senator's position that we should seek, by our actions on the Senate floor, to assist factions of foreign governments in their dealings with each other? I do not see that at all.

Mr. McGEE. No, I agree.

Mr. CANNON. We did not seek such results initially, and should not now.

Mr. McGEE. No, the Senator is absolutely right.

Mr. CANNON. If we are going to reverse our position now, we would be getting right into the middle of negotiations again, as the Senator has suggested we were in the middle of them before.

Mr. McGEE. No, if the Senate stands on its position there may be no new negotiations. There is no reason for Rhodesia to negotiate.

But let me add this one factor that he leaves out. That is that our action was no interference in Rhodesia. Our role was as the middleman and the broker between Great Britain and one of its territories, a relationship that was seeking to negotiate a way to independence for another member of the old British Empire.

The British then took this matter to the United Nations, and our action on sanctions had nothing to do with backing the British; it had to do with living up to our responsibility, our commitment, if you will, in the United Nations.

The United Nations voted the sanction. Britain alone did not vote it. The United States alone did not vote it. The United Nations did, and we are a signatory member of that body. We did it in good faith. We followed through in good faith, and the Senate of the United States initiated the action that took the United States of America, as the only member of the United Nations, officially out of a commitment by the U.N. We formally broke our commitment. Nobody else broke it that way; we did it here.

Mr. CANNON. Well, Mr. President, I simply say that if we broke our commitment, we are one of many. There are

many, many members of the United Nations that are completely disregarding the Rhodesian chrome sanctions against Rhodesia.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CANNON. I ask for half a minute more.

Mr. HARRY F. BYRD, JR. I yield the Senator an additional minute.

Mr. CANNON. As a matter of fact, Russia is a member of the United Nations, and we are buying Rhodesian ore from Russia, which is highly suspected of being shipped from Rhodesia to Russia and processed back to us at a higher price.

Mr. McGEE. Mr. President, I yield myself 2 more minutes. That charge has been made before, that the Russians are buying Rhodesian ore and smuggling it into the United States as Russian ore. The only one making that charge is one of the members of the steel industry, because they are trying to groom their own horse.

Our own Bureau of Mines, our own Government agencies, our own geologists have verified, upon examining the ore, that it is an entirely different ore, that it is Russian ore. I am not a great geologist. I do not know what those differences are. But they point out that Russian ore is superior in grade, that it has a different coloration, and that it has other characteristics which are identifiable, if one wants to be objective about it.

The Russians, in fact, are sending us less ore—almost half the amount they were sending us a year ago. That is the reason why it is important that we keep the record straight. Let us not plunge into this for the wrong reasons, with misinformation. That is the latest information that the Bureau of Mines of the Government of the United States has at its fingertips. It is a summary of what happend last year.

I say to the Senators who differ with me on this measure that I am afraid that what this is boiling down to is the powerful influence of two or three powerful corporations, multinational corporations, who have sought this for the importation of chrome. Labor does not want it. The U.S. steelworkers have said, "No go. We want to support the United Nations. Our jobs are not at stake in this."

This administration, the President of the United States, has endorsed this proposal. They believe that this is the way to go. I cite from the administration's statement on it.

> We opposed the Byrd amendment last fall. We oppose it for many relevant reasons this year.

This comes at a time when the President of the United States has been in Russia, negotiating with the Russians, and is now on his way home by way of another Communist country, Poland.

I think we ought to quit dragging red herrings across the stage, because it is important that this area in Africa, which means so much to many people, including the United States, not be penalized.

I would add to this the role of other American business groups in Africa. While we take this step of lifting sanctions against Rhodesia, at the same moment we have prejudiced the activities of other American business interests in Africa. This endangers American business in over three-fifths of our African trade and two-thirds of our permanent investments all over independent black Africa. These are the interests, too, that require representation here by the actions of this body. What do we end up doing? We pass a measure that is of particular interest to Union Carbide, to Foote Mineral, and one or two other companies.

I do not mind trying to protect the American interests. But the larger American interest, the administration confesses and says to this body, is in the elimination of the Byrd proposal now.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McGEE. I yield myself 1 additional minute.

The shift of our imports of ore from Russia—we have cut it almost in half and are now buying more chrome ore from Turkey, our ally, than from the Soviet Union—is a dramatic shift that occurred last year, according to our own Bureau of Mines.

These are factors, Mr. President, that I think require that we try to reverse an action many took in good faith last fall. The history of events since has suggested that this matter carries with it more complications and more problems than the small gains of 50,000 tons of ore that are coming in this year, if all the schedules are kept, from Rhodesia.

Mr. President, I reserve the remainder of my time.

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

Mr. HARRY F. BYRD, JR. I yield 2 minutes to the Senator.

Mr. CANNON. Mr. President, the economic consideration was raised that this is benefiting some big companies. This is not the fact. The benefit is to the consumers of the stainless steel products in this country.

This is at a time when the administration is trying to institute price controls, to get at the problem of inflation. The estimate is that $100 million was saved by consumers last year by the removal and thus the lowering of the price, because the price has lowered very dramatically since the Byrd amendment was adopted last year. It is important to me if we can find areas in which we can reduce prices $100 million, in effect, to the American consumer.

Mr. McGEE. I yield myself 1 minute.

In response to that, may I say to the Senator from Nevada that, indeed, the price of chrome ore on the world market has dropped 15 to 18 percent in the last year. It has nothing to do with the release of chrome ore from Rhodesia, 50,000 tons, when by the action of the Armed Services Committee we are preparing to release 1,300,000 tons from the American strategic stockpile. There was the great factor, that was the explanation for part of the drop in this price, as all the money markets in New York will confirm.

The second reason for the drop had to do with the shift of the market. Russian chrome is the highest grade chrome and commands a higher price than most other sources on the world market. The shifting of the chrome imports from Turkey simply reflects that what Russia is producing and Turkey is producing and other countries are producing has satisfied the chrome market. This is what brought down the price of chrome some 15 percent.

It is relevant when one remembers the admonition from the United Steelworkers and from the AFL–CIO. Both organizations say, "If anybody has a stake in keeping the steel industry going, it is us. We find no relevance to the lifting of sanctions and importing chrome ore to our jobs or our chance for jobs. Our best chance lies in restoring the dignity of the United Nations, in not undercutting the President at this time, while he is underway with his mission to Europe and tc Asia so recently."

So, Mr. President, I ask that the Senate reject the pending amendment of the distinguished Senator from Virginia.

The PRESIDING OFFICER. Who yields time?

Mr. HARRY F. BYRD, JR. Mr. President, what is the situation with regard to time?

The PRESIDING OFFICER. The Senator from Virginia has 7 minutes remaining, and the Senator from Wyoming has 10 minutes remaining.

Mr. HARRY F. BYRD, JR. I may say to the Senator from Wyoming that, as a result of a technicality, when the distinguished Senator from Nevada yielded to him, he was yielding on my time.

Mr. McGEE. And I was yielding on my time. The Senator from Nevada was on the Senator from Virginia's time, and I was on my time.

Mr. HARRY F. BYRD, JR. No. The response of the Senator from Wyoming was taken out of my time.

Mr. McGEE. Mr. President, if the time for my response was taken out of the time of the Senator from Virginia, I ask that it be taken out of my time instead. I apologize.

The PRESIDING OFFICER. One minute will be transferred.

Who yields time?

Mr. HARRY F. BYRD, JR. I yield myself 2 minutes.

Mr. President, I think the Senator from Nevada made a very important point, in that the consumers of this country have been affected to the extent of $100 million—$100 million on an annual basis. That is a very significant point to me.

The Senator from Wyoming spoke of what Mr. Abel, of the United Steel Workers, sitting in his top office, thinks about this matter. But if one will talk to the Members of the House of Representatives who represent steel districts in Pennsylvania, who represent the steel workers themselves, as elected officials of this Government, he will find out how concerned they are about this matter.

One of the finest speeches I have heard in the House of Representatives was by Representative JOHN DENT of Pennsylvania, last October, when he was arguing the effect the ban on Rhodesian chrome had had on the jobs of the steelworkers of the United States.

I think it is fine to think about the situation in England and how it might

be affected by what we do or do not do in the U.S. Senate, but I think, first, we want to think about the United States, the people of our own country. I submit that we should not put this country in a straitjacket in regard to a vital defense material.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. CHILES). Who yields time?

Mr. McGEE. Mr. President, I will yield whatever time may be necessary to keep this about equal. How many minutes would that be?

The PRESIDING OFFICER. The Senator would have to yield himself 3 minutes.

Mr. McGEE. Mr. President, I yield myself, then, 3 minutes, in that circumstance.

We have been discussing here the consequences of our action to lift sanctions and what it means for the chance of some successful negotiation.

I did not add in my colloquy with the Senator from Nevada the fact that again and again groups who have to live in Rhodesia came before our parliamentary meeting there in British territory, from both sides, saying that this hardening of the position that our action induced on the part of the Rhodesian Government brings it dangerously close to the violent stage. If that unleashes itself in Rhodesia, it would be difficult to say how it could be stopped short of the Republic of South Africa. Therefore, it is imperative that we not, in even a small way, contribute by our actions to a sharpening, or a harshening, or a worsening of prospects to avoid a blood bath in all of southern Africa. Yet that is precisely what they fear. That is what has surfaced—but only a part of it has surfaced.

I quote now from a Johannesburg newspaper, in the Republic of South Africa, where they say that with the publication of the Pearce Commission Report reflected the negative consequences of the action of this body—the iceberg is not only blocking a settlement in Rhodesia but stating that a real hazard to peaceful settlement in all of black Africa is a real one indeed. Considering the source of that particular publication, I think it should lay stress on what has happened, in their judgment, in this regard.

I point out once more that neither the Republic of South Africa, which might be regarded as a friend of Rhodesia, nor Portugal, another friend, has formally violated the sanctions in any action by their governments, nor have they recognized the independence of Rhodesia. One might have expected them to do so, but they have not. They are obviously living up to their commitment.

I say once again that only the United States of America formally broke its commitment to the United Nations. That is a pretty serious charge in times like these, when the President of our country is seeking to heal the wounds of many nations.

Mr. President, I reserve the remainder of my time.

Mr. HARRY F. BYRD, JR. Mr. President, I yield myself 1 minute. I point out that Portugal did report noncompliance with sanctions to the Secretary General of the United Nations. It appears in the U Thant report on sanctions, 1970–71.

I will point out also, since the Senator from Wyoming mentioned the defiance of the United Nations embargo, that the U.S. delegation to the United Nations, in a formal presentation, said that virtually every member of the Security Council has violated the sanctions.

Mr. McGEE. I yield myself 1 minute or 2 to respond to the Senator's comments. I must say that I misspoke myself in a technical sense in regard to Portugal, and I appreciate the Senator's correction.

The Portuguese Government never accepted the sanctions at the beginning. What I should have said was that the Portuguese Government has never taken that last step which should follow if they were believers; that is, that they recognized the independence of the Rhodesian Government. This they have not done. Neither has the Republic of South Africa, the point of it being that they still see this as competition within the British Empire—the British Commonwealth of Nations.

I should add to my friends from Virginia and Nevada that, of course, sanctions have not been perfect. Of course they have not been. There are 110 violations charged at the present time. But those violations have not yet been established. Obviously, some must take place.

The question is: Is the United States supposed to be as bad as the other guy, or is the United States supposed to be the leader in the world, trying to set a good example?

The total amount of ore to come in under the lifting of sanctions is still a mere trickle. For that reason, I think we should return to the sanctions program and restore American participation through the United Nations.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Wyoming has 4 minutes remaining.

Mr. McGEE. I yield 3 minutes to the distinguished Senator from Massachusetts (Mr. KENNEDY).

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 3 minutes.

Mr. KENNEDY. Mr. President, I support the position of the Senator from Wyoming. I think it is eminently sound, and for a wide variety of reasons.

The American people must be pondering the action we are considering today when we have our President just returning from the Soviet Union, who is talking about expanding trade, and expanding areas of cooperation with the Soviet Union. We have had trade with them on chrome ore already. The Soviet Union has lived up to its requirements in the past.

Here, in effect, we are providing a roadblock in what has been an area of successful trade in the past.

Thus, this does not make any sense in terms of what the President is trying to do regarding our relations with the Soviet Union. It also does not make any sense from the point of view of the strategic position of the United States, which is more basic and more fundamental.

In reviewing the record and the testimony given before the committee, I have been impressed with the fact that the United States, with its present chrome reserves, has sufficient chromite on hand for some 40 years to meet our defense requirements. So it does not make any sense from the strategic position of the United States.

We have seen, with the action taken by the House and the Senate, that lifting the sanctions for the sake of chrome ore has been a vehicle to open up a wide variety of opportunities for trade with Rhodesia. The licenses granted under the provisions last year provide not only for imports of chrome but for 72 different items.

What we are effectively doing is opening up a wide variety of trading opportunities with Rhodesia at a time when they clearly have violated the fundamental Charter of the United Nations.

I think, Mr. President, that one of the fundamental difficulties with American foreign policy is that it has failed to live up to the kinds of values, the kinds of interests, and the kinds of concerns that we like to think are basic to our system and to what the American people desire.

When we violate the fundamental Charter of the United Nations, I fail to see why the United States, which stands for the principles of democracy and freedom for all the world, should be out there championing a violation of the United Nations Charter.

In summary, it does not make any sense from our strategic point of view, and it does not make any sense from the point of view of expanded opportunities for good relations with the Soviet Union. But the removal of sanctions against Rhodesia does violate the United Nations resolutions which the United States has agreed to. I do not want to see the United States in the lead of those countries which are violating United Nations resolutions.

I therefore hope that the position of the Senator from Wyoming will be sustained.

Mr. President, once again I wish to express my strong opposition to U.S. trade with Southern Rhodesia. For that reason I intend to vote against amendment No. 1196 offered by the distinguished Senator from Virginia as an amendment to S. 3526, the Foreign Relations Authorization Act of 1972. As proposed, the Senator's amendment would delete section 503 of Public Law 92–156, thereby permitting U.S. industry to continue flaunting a United Nations ban on trade with Southern Rhodesian companies.

The issue at this time is essentially the same as it was last summer when, through a series of votes, the Senate failed to uphold the provisions of a United Nations resolution banning U.S. trade with Southern Rhodesia. America voted with other Security Council members in December 1966 to impose selective mandatory sanctions in response to

the rebel Rhodesian regime's withdrawal from the British Commonwealth.

But we violated that resolution last year by withdrawing sanctions against Rhodesia. At that time it was a serious matter. Now it is even more serious, because this country can no longer claim that Rhodesian chrome is required in order to reduce America's dependence on chromite from the Soviet Union. Senate supporters of trade with Rhodesia insisted that, because the United States purchases chrome ore from Russia, American industry is threatened by relying on communism for a strategic material. Moreover, it was claimed that the jump in price of Russian chromite from $58 per ton in presanction days to $71 per ton in 1971 was inflationary. It is unbearable, therefore, to those who supported the clamor for Rhodesian chrome, that the United States should continue its reliance on Russian sources. Yet, the President's current visit to Russia seeks not only to establish arms agreements, but also involves our Nation's mutual concerns regarding trade. Where is the logic in halting shipments of chrome ore from Russia while at the same time we explore other trade possibilities with the Kremlin? If it is at all right for the Treasury Department to support American industry negotiations on a $6 billion deal for liquefied natural gas from Russia what is so risky about a $14 million deal for Russian chromite?

Mr. President, although I can appreciate the irritation of those who oppose our heavy purchase of Russian chromite because of the price, that argument is not ample justification for refuting America's pledge to support the struggle for human decency wherever it is made.

Southern Rhodesia's 250,000 whites are moving closer toward apartheid—the dehumanizing system of race hate that would enslave the Nation's 5.3 million black citizens. There is no reason for the United States to profit in the exploitation of black Rhodesians.

A full look at the issue of purchasing chromite from Southern Rhodesia makes it clear that arguing for Rhodesian chromite is a farce of the cheapest sort. Last July when the Senator from Virginia testified before the Committee on Foreign Relations—regarding the matter of Rhodesian chrome—he asserted that:

> The United States today faces an imminent and serious shortage of chrome. This material is essential in the manufacture of such critical defense items as jet aircrafts, missiles, and nuclear submarines.

Yet, in those same hearings, State Department officials testified that the U.S. inventory of metallurgical grade chrome as of May 31, 1971, amounted to 5,344,000 tons. The Department verified that our stockpiles of chromite had thereby accumulated an excess of 2,244,000 tons.

In other words, the United States not only had no shortage of chrome ore, we enjoyed a substantial over abundance of this so-called critical, strategic material.

Clearly, it is nowhere close to the mark to insist that chromite is in serious shortage or that the manufacture of strategic materials is threatened. David D. Newsom, Assistant Secretary of State for African Affairs, told the Foreign Relations Committee last year that:

> Approximately 10 percent of our chrome imports go to direct defense requirements.

That leaves the other 90 percent to be consumed in the manufacture of kitchen knives, automobile trimmings and for other consumer products.

What then, can be a justifiable excuse for permitting imports of Rhodesian chrome to enter this country?

I submit that there is no such justification. There is simply no reason why the United States should purchase chrome ore from Southern Rhodesia. Moreover, the Senate and the American public must understand the folly of the situation in which we have placed ourselves regarding imports of Rhodesian chrome.

Last week, on May 23, the Pearce commission reported that the terms of the proposed settlement of Rhodesia's 6-year dispute with Great Britain was rejected by the people of Rhodesia. As a result, Sir Alec Douglas Home, announced that Britain would continue its economic and diplomatic boycott of the white rebellious Rhodesian Government. Thus, in spite of U.S. action lifting the ban on trade with Rhodesia last year, Great Britain has steadfastly maintained sanctions against the rebel government.

The Foreign Relations Committee recognized the need to maintain sanctions against Rhodesia and refused last year to report out Senator BYRD's provision to lift the ban on trade with Rhodesia. But the Senate got an opportunity to vote on the issue anyway—because it reached the floor last September as part of the military procurement bill.

The Senate voted five times on that measure. In one instance, by a vote of 45 to 43, the Senate approved the Fulbright amendment authorizing presidential discretion in granting trade with the Government of Southern Rhodesia.

Ultimately, however, the Senate lifted the ban—voting 38 to 44 in favor of the Byrd amendment on October 6, 1971.

On November 1, the House accepted the Senate approved conference report by a 151 vote margin, and on November 17, 1971, the President signed the $18 billion Military Procurement Act with the Byrd amendment included.

The administration took quick action. The Treasury Department on January 25, 1972 issued a general import license authorizing "imports of strategic and critical materials of Southern Rhodesian origin." Somehow that was interpreted to permit 72 different commodities including goose down, to enter American ports from Rhodesia.

With a license in hand—it was clear sailing for Foote Mineral Corp. They received a 25,000-ton shipment of Rhodesian chromite on March 20, 1972. Not to be outdone, the Union Carbide Corp. received a similar shipment days later. Now, I am told, other shipments are due in this country shortly.

Thus, last year, the Congress, apparently bought the argument that Rhodesian chrome is vital to our national defense and that we were running out of reliable sources for the material. But, on March 21, 1972, 1-day after the first shipment of Rhodesian ore docked at a Louisiana port—the Senate approved S. 773—a bill that allows U.S. industry to obtain chrome ore from our vast inventory of excess stockpile ore, Excerpts from Committee Report No. 92-698—describe the purpose of S. 773 and why disposal of the stockpile was proposed:

> PURPOSE OF THE BILL
>
> The proposed bill is a part of the legislative program of the General Services Administration for 1971. It would authorize the disposal of approximately 1,313,600 short dry tons of metallurgical grade chromite from the national stockpile and the supplemental stockpile and would waive the 6-month waiting period normally required before such disposal could be started.
>
> WHY DISPOSAL IS PROPOSED
>
> The material to be disposed of is excess to stockpile needs. The total inventory of the material in the national and supplemental stockpiles as of October 31, 1970, was 5,390,373 short dry tons. The stockpile objective established March 4, 1970, is 3,100,000 short dry tons, leaving an excess of 2,290,323 short dry tons, of which 978,000 short dry tons were previously authorized for disposal.

As expressed in the report language "the material, chrome ore—to be disposed of "is excess to stockpile needs."

If the chromite in the stockpile is excess to our needs then why do we need to purchase chromite from Southern Rhodesia? Even more baffling is the following report language justifying the release of "stockpiled chromite:"

> RHODESIAN ORE
>
> At the time this measure was originally considered by the committee in April 1971, sanctions against Rhodesia precluded the importation of Rhodesian ore, formerly one of the principal sources. With the enactment of section 503, Public Law 92-156, the Treasury Department has granted a general license under the Rhodesian sanctions regulations authorizing imports of strategic and critical materials of Southern Rhodesian origin. In light of this, the committee believes that the release of metallurgical grade chromite from the government stockpiles will not be detrimental to the interests of national defense.

According to the report, stockpiled chromite can be released because we voted to lift the ban on Rhodesian ore and—

> The release of metallurgical grade chromite from the government stockpiles will not be detrimental to the interests of national defense.

Who are we kidding? American industry consumes 900 thousand tons of chromite annually. We obtain that amount from the world market—without buying from Rhodesia.

Under the new authority permitting disposal of 1.3 million tons of stockpile ore—we would not need to buy chrome ore for 18 months. And even then, our remaining stockpiles of 4 million tons would sustain our defense needs for 40 years or more.

Mr. President, I submit that this Senate must not overlook these facts. The legislative history on his matter clearly shows that we failed to act properly on the merits of this matter last year.

The United States did not need Rhodesian chrome on March 29, 1971 when the Senator from Virginia introduced S. 1404, to lift the ban on Rhodesian trade. The Foreign Relations Committee knew that and refused to report the bill. The United States did not need Rhodesian chrome last September or October as the

Senate debated the Military Procurement Act. We demonstrated that at one point by voting against the Senator from Virginia. Predictably, the United States has still failed to demonstrate a need for chrome from Southern Rhodesia.

And so it is, that today we have one more opportunity to deny shipments of Rhodesian chrome or any other Rhodesian commodity from entering American ports. I can see no legitimate reason for continuing to admit chrome ore shipments into this country. All evidence shows that our national requirements can be and are being satisfactorily met from other sources.

Those who would insist otherwise can be motivated only by the insensitive claws of racism.

Supporting Rhodesian chrome imports lends support to the cruelly repressive doctrine of the white minority-ruled Rhodesian regime. Southern Rhodesia broke away from Great Britian in 1965 because it could not win approval of its national system to persecute over 5 million black Africans who deservedly seek to enjoy basic human rights and privileges. Even the British Government has reaffirmed its opposition to Rhodesia's repressive policies.

After the Senate's vote last October, it was believed that the Rhodesian premier, Ian Smith, had gained considerable leverage in his delicate negotiations to gain legal independence for the rebel government. But the Pearce Commission was obviously more impressed by the fervent expressions of rejection by African people than by the desire to reopen economic trade channels.

I am firmly opposed to trade with Southern Rhodesia as long as that nation persists with its inhuman racist policies. Bishop Abel Muzorewa, the African Methodist bishop, readily dispels any notion that sanctions are damaging to the welfare of black Rhodesians. In my talks with the bishop on May 4, I was deeply impressed with this one man's mighty conviction to stand up against the rigidity of the ruling Government. He knows that the terms of the Pearce Commission are a sellout of the African people. He also knows that the world's powers must be held accountable for their dealings with his country's rulers. If the United States is not prepared to do the right thing regarding Rhodesia, then we should do nothing—12,000 participants in last week's African American National Conference on Africa emphasized that the "right thing" can only be an end to America's complicity with the Rhodesian rulers whose distorted views violate America's pledge to seek human justice for all.

Congressman CHARLES DIGGS, the distinguished chairman of the House Subcommittee on African Affairs, could not be more exact in saying that nothing gives African people greater concern than our position of mere lipservice against the evils of apartheid and minority rule.

I believe that if we fail to replace sanctions against Rhodesian trade we will completely destroy any credibility we may have with other African nations and we will erode the faith of concerned citizens—here at home—both black and white—who see our Nation increasing its support of countries that officially maintain racist policies.

It is time that we in the United States act to affirm the claim that all people must be granted personal rights, self-determination, and fundamental freedoms without regard to race.

It is clear that violating our United Nations resolution to ban trade with Rhodesia is totally inexcusable.

Mr. President, I shall vote to defeat the Byrd amendment, and I urge each Member of the Senate to vote against the amendment.

Mr. MONDALE. Mr. President, will the Senator from Massachusetts yield?

Mr. McGEE. This is all on the 3 minutes now, otherwise we are out.

Mr. KENNEDY. I yield.

Mr. MONDALE. Mr. President, I am sure that our country would not directly pursue a foreign policy which would be a common, ordinary foreign policy. I think it is our dream——

The PRESIDING OFFICER. The 3 minutes have now expired.

Mr. MONDALE. That we have something special, that we have higher standards in this country that would dictate—it would seem to me—a rejection of the amendment of the Senator from Virginia (Mr. HARRY F. BYRD, JR).

Mr. HARRY F. BYRD, JR. Mr. President, I yield myself 1 minute. The distinguished Senator from Massachusetts said that this proposal would throw a roadblock in the way of trade with Russia. It would do no such thing. All the proposal says is that the United States can trade with Rhodesia as well as with the Soviet Union. It keeps Russia from having a monopoly. It does do that. I do not suppose anyone wants to argue that Russia should have a monopoly on things.

Mr. KENNEDY. Do we not also get chrome from Turkey as well?

Mr. HARRY F. BYRD, JR. Yes.

Mr. KENNEDY. So, we do not have a monopoly with the Soviet Union.

Mr. HARRY F. BYRD, JR. The bulk of the imports have been from the Soviet Union.

Mr. KENNEDY. The Senator is correct.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. HARRY F. BYRD, JR. Mr. President, I yield myself one-half minute.

Mr. President, this does not prevent the importation of chrome from Russia. It does not affect trade with Russia. It says that Rhodesia can also be traded with.

Mr. President, I yield 2 minutes to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 2 minutes.

Mr. ALLEN. Mr. President, I rise in support of the pending amendment by the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.).

The bill before the Senate would deny the United States the right to import certain stockpiled minerals considered essential to our national defense from non-Communist nations but permit importation from Communist nations.

Mr. President, whether or not the Senate should agree to the amendment must be considered in the light of unavoidable consequences of its rejection.

From the standpoint of consequences, it is crystal clear that enactment of the bill without the amendment would benefit the Soviet Union and other Communist nations. A second consequence is that the United States might well become dependent upon the Soviet Union and Communist-bloc nations for a strategic defense material. Other adverse consequences relate to our domestic industry which, unless the amendment is agreed to, will be compelled to use inferior-grade chrome ore and pay almost twice the price of a superior grade of chrome available from the independent nation of Rhodesia.

Furthermore, it would seem that the motive underlying the pending bill is punitive in that it is intended to damage the economy of Rhodesia and eventually force that nation to alter its constitution.

Mr. President, let us sum up the consequences: First, the provisions of the bill would benefit the Soviet Union and Communist nations; second, they would seriously impair our national defense; third, they would impose unnecessary burdens on our domestic industry; and fourth, proclaim our intention to damage the economy of Rhodesia and help nullify the constitution of that nation.

Mr. President, it is reasonable to ask what the proponents of the bill as pending offer to justify these adverse consequences. Since the State Department is the chief proponent, the Department's positions are instructive. It is said that the American people and Congress are bound by the United Nations treaty to uphold a specific decision by the United Nations Security Council that Rhodesia constitutes a threat to world peace. Incidentally, the mere suggestion that Rhodesia is a threat to world peace is an absurdity. It is even ludicrous when suggested by an organization vested with a responsibility for maintaining international peace and security of nations.

Nevertheless, we are asked to believe that on the basis of this determination we are obligated to implement the Security Council's decision to impose economic sanctions against Rhodesia in order to suppress the supposed threat of that nation to international peace and security.

Mr. President, let us put aside the ridiculous and purely fictitious idea that Rhodesia is a threat to world peace, which is the basis for asserting United Nations jurisdiction and thus the basis for asserting the power to impose economic sanctions on that nation. Instead, let us turn to the more fundamental argument that the American people and Congress are bound by the United Nations treaty to "gee and haw" on command of the United Nations Security Council.

Mr. President, why should the people of the United States and this Congress be bound by the United Nations Security Council with respect to measures which we must take against other nations, including the use of Armed Forces? Does the Soviet Union feel bound by the same

treaty to accept the dictation of the United Nations Security Council? It does not. Do Communist bloc nations feel bound in the same manner? They do not. Does Red China feel bound to obey the dictates of the United Nations Security Council? It does not. Why, then, should we feel bound when other nations do not?

Is it not true that the United Nations is now insolvent or at least on the brink of insolvency for the sole reason that the Soviet Union, Communist bloc nations and France refused to be bound by United Nations Security Council dictates in its so-called "peace-keeping" efforts in Nigeria?

It was almost 2½ years ago that the United Nations Security Council launched its great "peace-keeping" venture against Biafra. One result of that mission was the loss of 2 million lives in Biafra through starvation and malnutrition alone, apart from the casualties of battle. Close to 5 million people were uprooted and settled in refugee camps during the "peacekeeping" efforts of that monumental tragedy which eventually cost approximately $594 million. Most of the casualties in this great "humanitarian" effort were innocent women and children.

Whether or not the United Nations war in Nigeria was justified is not the question. The question is whether or not the American people and this Congress are bound by a treaty which does not bind other member nations to the treaty.

Mr. President, the administration, through its State Department, takes the position that we should be bound by the determinations of the United Nations Security Council even though other nations are not bound. The reasons advanced for this position were clearly set out by Richard F. Pederson, Counselor of the Department of State, in a speech delivered before the United Nations Association in Stockton, Calif., on April 21, 1972.

In substance, the administration position is that the United States should be bound by Security Council decisions even in the matter of committing our Armed Forces. Further, that neither the United States nor any other nation has the right to veto or to avoid Security Council determinations including those to the use of our Armed Forces and those which call upon us to participate in economic boycotts against other nations.

The argument begins with the assumption that we must make the United Nations work as an instrument to maintain international peace and security. It is readily admitted on all sides that it has not.

The greatest obstacle to this goal, according to this argument, is the reluctance of member states to respect the authority of the Security Council—particularly among permanent members of the Council.

Therefore, it is argued, if we are to make the United Nations Security Council work, we must take advantage of and I quote:

> Ad hoc pragmatic opportunities to make use of peace keeping arrangements as political circumstances permit.

Under present political circumstances, Communist nations have agreed to sanctions imposed against Rhodesia by the United Nations Security Council. Accordingly, we must take advantage of this political circumstance and follow suit because such opportunities, and I quote:

> Are more important for the United Nations effectiveness than any other factor. It is contended that, it could well turn out that this is the only way for it—the United Nations—to continue to develop.

Mr. President, it boils down to a very simple proposition. The State Department is advocating the surrender to the United Nations of the sovereignty of the United States over decisions respecting the use of our Armed Forces and lesser measures such as economic boycotts and sanctions. In fact, the Soviet Union has been criticized by the State Department because it has not been able to persuade what the Department refers to as "a sovereignty—conscious and conservative Soviet Union," to surrender its sovereignty over decisions affecting the extent of the use of troops and armed forces and economic sanctions and the like which may be demanded by the Security Council.

Mr. President, it must be clear that there is a great contradiction in the positions of those who contend, on the one hand, that the President of the United States does not have the power to commit the Armed Forces of the United States in defense of this Nation and the position, on the other hand, that the United Nations should have that power without the right of veto on the part of the Government of the United States.

It will be extremely interesting to compare the votes of those who insist on handcuffing the President in the use of our Armed Forces in Vietnam during the present process of disengagement and those who vote in support of the contention by the State Department and this administration that all such decisions should be vested in the United Nations without the right of veto by our Government or by Congress.

Mr. President, the issue presented by this proposed amendment is whether or not we are bound by the Security Council dictates in the imposition of economic sanctions against Rhodesia. The precedent to be established or rejected is one that involves the larger issue of commitment of our Armed Forces by the United Nations in actions around the world. A vote against this amendment is a vote for the proposition that we are bound by such Security Council determination. I urge that Senators reject that proposition by voting for the amendment.

Mr. President, I urge the adoption of the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. McGEE. Mr. President, how much time remains?

The PRESIDING OFFICER. One minute remains to each side.

Mr. KENNEDY. Mr. President, might I ask the Senator from Wyoming a question?

Mr. McGEE. I could only yield for 10 seconds. I have 1 minute remaining, which is a slightly short time for me.

Mr. KENNEDY. That is perfectly all right.

Mr. McGEE. Mr. President, there is one issue here that has not been discussed very fully. It concerns the role of some of the multinational, giant corporations. It leaves out Allegheny Ludlum and Union Carbide. It leaves out all of the other economic interests affected, all of which would benefit from this action. It likewise raises the prospect that the British themselves may lift their sanctions.

Mr. President, today this body votes on an issue which will test the faithfulness of this Nation to its commitment to the United Nations and to that organization's future importance and influence.

I am referring to an amendment which is being offered by the distinguished senior Senator from Virginia, Mr. BYRD. That amendment would delete section 503 from the State Department-USIA authorization bill. Section 503 would reverse action taken by this body last year which allowed us to import chrome ore and other strategic materials from Rhodesia in violation of sanctions imposed by the United Nations.

Rather than repeating the mistake we made last year, I strongly urge this body to give the United Nations a chance at survival. The organization has a new leader in Mr. Kurt Waldheim of Austria who assumes his post at a time when the U.N. is in very low status. Whatever slight hopes we may have of the United Nations becoming an effective organization must not be dashed by a repeat performance of last year. We must give the U.N. a chance rather than taking action which can only undermine both the organization and Mr. Waldheim.

There is one critical point which proponents of violating the U.N. sanctions have conveniently chosen to overlook in presenting their case. One of the complications associated with the action of the U.S. Senate last fall—and we warned of that danger during the debate at that time—was that we were taking action at a time when the British and Rhodesian Governments were in the midst of negotiations to arrive at an equitable settlement. All the direct reports from the Rhodesian capitol, the morning after the Senate took its action, stated that the Smith government's attitude had hardened completely. The spirit of give and take which had marked the negotiations up until our action had been completely destroyed.

These reports were substantiated when I consulted with the leaders of both the British Labor and Conservative parties during my trip to the Isle of Jersey earlier this month to participate in the Anglo-American Conference on Africa. The leaders of both parties were adamant in reporting to me that the action of the Senate, coming when it did, hardened the Rhodesian Government position and resulted in a proposed settlement far less equitable than what everyone had hoped for. This, in turn, resulted in the predictable negative response the Pearce Commission received

in determining the sentiment for or against the proposed settlement. Just last week the Pearce Commission report was issued and the Commission rejected the proposal because a vast majority of the blacks, who comprise 95 percent of the Rhodesian population, opposed the settlement.

Again, I emphasize, this was a direct consequence of action taken by this body last October. We urged the Senate, last fall, to hold off on consideration of the Rhodesian chrome ore issue until the negotiations were completed. But the U.S. Senate chose to ignore this plea, and, as a result, we literally sabotaged any chance for a livable compromise to be worked out between the two governments. The British have announced they will continue to abide by the sanctions until a workable settlement can be ironed out and they are hopeful that we will do the same. It, therefore, becomes even more imperative that the U.S. Senate reserve the action it took last fall and vote to reimpose our observance of the sanctions.

Another point which is essential to a realistic assessment of the issues involved in the Senate vote today centers around our role in attempting to find a nonviolent solution to the British-Rhodesian problem in 1966. At that time, the British and Rhodesian Governments were on the brink of armed conflict. We goaded the British into going to the U.N. as an alternative to armed conflict—at least give the U.N. a chance to come up with an alternative to violence. We interceded as an honest broker. Now we have become the only country to formally break the sanctions. As a result, this issue becomes more than just honoring our commitment to the U.N. It has become a matter of honoring our own commitment in acting as an honest broker. Our integrity as an honest broker is at stake.

In light of these circumstances, it becomes all the more important that the United States detach itself from policies which convey the impression that we are prepared to put up with and profit from the exploitation of Rhodesian blacks. By continuing to violate the sanctions we are thus conveying this very impression.

The Senate vote also comes at a time when the President has completed his summit talks with the Soviet Union in Moscow. One of the primary purposes of the President's meeting was that of hammering out an agreement for expanding trade between our two nations. By tossing the outworn scare tactic of trading with a Communist nation into the arena of debate on the Rhodesian chrome issue, the U.S. Senate is only serving to undermine the President's efforts to seek a relaxation of tensions around the world.

The Senate is now in a position to restore our international leadership in the United Nations. Section 503 would return the United States to a position where it obeys international law and fulfills its obligations under the United Nations Charter. If we wish to see peaceful change take place in southern Africa, we will have to recognize that the sanctions program, for all of its inadequacies, has had a detrimental effect on the Rhodesian economy. In spite of the known violations of the sanctions, the proponents of violating the sanctions against Rhodesia have yet to explain how the failure of other nations to enforce the sanctions releases the United States from its obligations in terms of the international law of treaties.

There have been allegations made by those who advocate we violate international law that our defense needs require that we not be dependent on Russian chrome to meet these needs. This is nothing more than a deliberate hoax. Events since the vote last October have served only to bear out the misleading innuendo and phoniness associated with this allegation. None of the chrome which is now being imported from Rhodesia is going into our strategic stockpile. Our national defense was never imperiled by our observance of the United Nations boycott. To further compound the phoniness of this issue, the Senate, on the recommendation of the Armed Services Committee, recently passed S. 773 releasing from the national stockpile 1,313,600 short dry tons of metallurgical grade chromite.

The critical point to keep in mind is that Rhodesian chrome is not going into the strategic stockpile. Government authorities have assured us that there are 2.2 million tons of excess chrome in our national stockpile. The 1.3 million tons proposed to be drawn out under S. 773 will meet our total defense and industry needs for 2 years, and our defense needs alone for almost 20 years.

It should be further pointed out that contrary to statements by proponents of our violating the sanctions, we actually imported less chrome ore from the Soviet Union in 1971 than we did from one of our allies—Turkey. The imports from Russia declined from 58 percent in 1970 to 36 percent in 1971, according to data from the U.S. Bureau of Mines. Imports from Turkey totaled 39 percent of our total imports in 1971.

It has been alleged that the Russian ore is really Rhodesian ore. From all the evidence available to us, this also appears to be nothing more than a fabrication. Russian ore is clearly different in color, substance, and character from Rhodesian ore and is of considerably higher grade. Authorities at the Department of Commerce and the U.S. Geological Survey find no evidence that Russian ore is really Rhodesian ore transshipped. Proponents of our violating the U.N. sanctions have brought forward no scientific proof to support this allegation.

Those who oppose the U.N. sanctions ignore a very important economic factor relating to other U.S. business interests exclusive of such companies as Union Carbide, Foote Mineral Co. and Allegheny Ludlum, in those African nations which are not dominated by white governments. Independent black Africa, which views our position on southern African issues as a test of our commitment to self-determination and equality, have been seriously disturbed by our violation of the sanctions. This has endangered our economic and political interests in those nations which account for over three-fifths of our trade and nearly two-thirds of our investment in Africa. It would hardly be equitable to those American business interests which would be on the receiving end of economic retaliation on the part of those African nations because we were shortsighted in not adhering to the sanctions.

This brings me to another important point. I am very much concerned over the growing influence of multinational corporations on this Nation's foreign policymaking. In fact, the Senate Foreign Relations Committee is so concerned about the growing number of incidents in this area that we will be holding hearings into that question in the near future. Yet, Foote Mineral Co. and Union Carbide have been very instrumental in pressuring for congressional approval of our violating the U.N. sanctions to serve the economic interests of these two companies. They have been very instrumental in distorting the truth and the real issues involved in our adherence to the sanctions. These two companies have been very instrumental in fabricating the case for our ignoring the sanctions. It is, indeed, a sad day when the U.S. Senate falls victim to a ploy as reprehensible as this and allows foreign policy considerations to be determined by two corporations which have significant holdings in Rhodesia. I can tell you right now that both Union Carbide and Foote Mineral Co. will have some tough questions to answer as to their role in the Rhodesian chrome issue when these hearings open.

To allow sanctions to be broken for some American corporations and not for others creates injustices and places the Government in the anomalous position of prosecuting fertilizer manufacturers. It is interesting to note that American tobacco companies have profited handsomely from the exclusion of Rhodesian tobacco from the British market by the sanctions program, yet I have not seen a proposal offered which would lift the sanctions on Rhodesian tobacco.

In conclusion, I would like once again to refer to the letter I received from John Irwin III, Acting Secretary of State, who outlined the administration's support for section 503 of the State Department authorization bill.

Mr. Irwin stated:

> Repeal now would serve to make us less vulnerable to unfavorable international reaction. As a result of the legislation now in force, our international interests have suffered in other respects. In Africa, where our position on Rhodesia has heretofore been seen as a test of our commitment to self-determination and racial equality, our credibility has suffered. The depth of African concern has been particularly strong in some nations where our interests far outweigh those in Rhodesia. In the United Nations, we will face, with each shipment of chrome or other commodity, an increasing erosion of our position. While we have sought and continue to seek means of making the existing sanctions against Rhodesia more effective, and less liable to circumvention by others, our ability to do so is seriously limited by the legislation now in effect.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. McGEE. Mr. President, I simply conclude by saying to my colleagues that

I have heard of selling one's birthright for a mess of potage, but never for a crock of chrome.

Mr. HARRY F. BYRD, JR. Mr. President, the amendment which we are about to vote on would leave the law as it is now and as Congress passed it last year.

Mr. President, I yield whatever time I have remaining to the Senator from Nevada.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. CANNON. Mr. President, we have heard a lot about how this action would damage the results of the President's recent visit to Russia. However, it is very interesting to note that we have not heard one word from Russia that they have negotiated their policy toward the Soviet Jews. Yet we are dealing with that nation and buying chrome from them at the same time that we are trying to invoke a sanction against Rhodesia. The policy of Russia with respect to the Soviet Jews is equally abhorrent to me.

This is a very specious argument. It is an argument that does not hold water. We would save $100 million here for the American consumers.

Mr. MOSS. Mr. President, the United States must not forfeit its long-term interests in Africa for a few more boatloads of Rhodesian chrome.

Today I ask the Senate to reject the amendment offered by the Senator from Virginia. I urge its rejection, not out of blind repugnance toward Ian Smith's racist purposes, but as a matter of pragmatic national policy. Our continued purchases of Rhodesian chrome, which this measure would permit, is simply not worth the price we would have to pay in terms of our international position.

The State Department has quite understandably urged rejection of this amendment. The administration's reasoning is sound. To accept the Byrd measure would be to deny our country's international treaty obligations and to renege on our historic record of a 100-percent support for the U.N. Security Council. Moreover, it would mean a U.S. rejection of world peace through law at the time in which we are trying to construct such a framework.

These last few days have seen major breakthroughs in the development of world law. The United States and the Soviet Union have taken major steps toward substituting peaceful for military competition.

In no part of the world is there such a ground for peaceful competition among economic systems as in Africa.

Africa, itself, has not yet felt the curse of the cold war. Hopefully it never will. The long battle against colonialism, however, continues. If the United States is to maintain its good relations with independent Africa, it must be an ally in this great crusade.

Rhodesia is a symbol of that struggle. It stands as a living memory to the centuries of European colonialism in Africa. Its racist policies stand as a sharp indignity to the people of that continent, an indignity which touches them daily.

Rhodesia is an indignity to the United States as well. Here is a country ruled by less than 5 percent of its population, which sees itself as a part of the free world. It longs for membership in the Western non-Communist world. It especially seeks the economic and moral support of the United States. That support must be denied.

Today the Senate must take a firm position on the Rhodesian question. It must state to the Rhodesian people, black and white, that the United States will not sell out its principles for short-term economic gain. It will not forsake international law, its hope for peaceful development in Africa, even its essential belief in the equality of man just to get a better deal on chrome.

Mr. BROCK. Mr. President, once again the actions of this Senate's Committee on Foreign Relations appear to have been formulated in a vacuum.

I have reference to the committee's steps to restrict importation of chrome from Rhodesia and thus restore the Soviet Union to a virtual monopoly position on sales of critical chromium ore to the United States.

The illogic of this move is deepened by the fact that on September 23 of last year during deliberations on the military procurement authorizations bill, the Senate decidedly rejected attempts to restrict U.S. purchases on this one vital element from this tiny African nation.

Moreover, because of crucial negotiations between Britain and Rhodesia which were pending at the time the Senate affirmed its support of ending purchase restrictions on chrome, I offered an amendment to delay implementation of section 503 until January 1, 1972. This amendment was accepted and, therefore, the section has only been in effect little more than 5 months.

It may be worthwhile to recount some of the reasons why we found ourselves in the predicament of having to support the most powerful Communist nation with chromite purchases at a price artificially controlled by the Soviets.

In late 1966, the U.N. Council, in which we hold the right of veto, imposed selective sanctions on Rhodesia. Later, the embargo became total.

Following the action by the United Nations, President Johnson ordered an embargo on trade with Rhodesia. This action was unilaterally taken by the President without allowing the Congress the opportunity to express itself.

Prior to President Johnson's decree, the United States had imported the vast majority of strategic chromite from Rhodesia. Since there is no domestic production of the metal in this country, this action and subsequent approval by our U.N. representatives of the Security Council embargo forced the United States to turn to the U.S.S.R. for about 60 percent of its chrome ore.

During last year's debate to permit the purchase of this single strategic commodity from Rhodesia, the Subcommittee on National Stockpile and Naval Petroleum Reserve found that, since Russia became the chief U.S. source of chrome ore, she had increased the price per ton from $25 to $72 on an increase of 188 percent.

We were being had.

Mr. President, in our zeal to show our disapproval of Rhodesia's declaration of independence from Britain and minority rule over a majority, we were in actuality perpetuating a far more inequitable situation in the U.S.S.R., the domination of a tiny Communist minority over some 240 million Russians.

Furthermore, the Rhodesia sanctions have proved to have little or no effect on her economic viability.

It is foolhardy to limit ourselves to purchases of chrome from the Russians when we can purchase the same ore at a lower price from an ally; especially, when the total sanctions against Rhodesia have had little effect in altering the policies which we disapproved.

There is a double edge to the sword of economic sanctions imposed on Rhodesia. Intended to topple the existing government, they also deprive the black Rhodesians of jobs and opportunity which result from trade. Once such sanctions prove ineffective for their political motive, they should be lifted so as not to prolong the deleterious effects on the general populus.

From practically every angle the United States would be cutting off its hand to spite its face were the Senate to reinstitute restrictions on ore purchases from Rhodesia. We pay a higher price for the commodity when purchased from U.S.S.R. We create a dependency for strategic material. We harm the people of Rhodesia while doing nothing which alters the political structure of the country. By reinstituting a Johnson policy which seek to interpose ourselves in the internal affairs of another state, we perpetrate the same arrogant philosophy which sank us into our involvement in Southeast Asia.

In my judgment, there is no redeeming justification to support a renewed embargo on chromium imports from Rhodesia. Most importantly, Mr. President, there is no reason so compelling to justify our dependency for a strategic defense material on a Communist-dominated state.

I hope the Senate again reaffirms its early position that when we have the option to purchase a strategic material from a free-world nation at a competitive price that there should be no legislated impediments to exercising the option when it would require us to purchase the same commodity from the Communists at an inflated rate.

Mr. BROOKE. Mr. President, I strongly oppose the pending amendment to strike section 503 from the State Department-USIA authorization bill. This section of the bill, as drafted, would undo the unfortunate action which Congress took last year in lifting the embargo on importing Rhodesian chrome into the United States.

Many of the issues raised during last year's debate are involved today. These arguments concern national security, our relations with the United Nations and Africa, and the basic question of whether the United States should implicitly sanction the continuance of the racially repugnant policy of the current Rhodesian Government. If these were the sole points under discussion, then I would expect

that the Senate vote today would reflect last year's tally.

However, I firmly believe that the Senate has an even greater obligation this year to oppose Rhodesian chrome importation. The political situation in Rhodesia is at a most sensitive point. A proposed British settlement with the Rhodesian Government has been rejected by the majority of the Rhodesian blacks who constitute 95 percent of that country's population. As a result, the future international economic policy toward Rhodesia, as well as the continued viability of the Ian Smith regime, remain open questions.

In 1966, a minority white government proclaimed its independence from British colonial rule, at a time when the British were attempting to work out a fair policy for permitting Rhodesia's black majority to participate in the political process of that country. The blatantly racist rule that has characterized that Government during the intervening 6 years has been a dark blemish in the overall record of growth for African independence and majority rule.

The imposition of economic sanctions, adopted by the United Nations General Assembly with only two dissenting votes, has represented an effort by the world community to register its opposition to the continuation of the apartheid policy. Because of these sanctions, Rhodesia cannot now freely trade with the world community.

Last year's congressional action was a direct refutation of that international agreement. By stating that the United States can import chrome from Rhodesia, Congress violated a policy which our own Government had initially advocated and which the administration still supports.

It is of the utmost necessity that the United States respect its international commitments.

We should also be responsive to world opinion. The peoples and nations of Africa in particular have expressed deep concern with the recent American action in reopening trade with Rhodesia. It has been difficult, indeed, for our Government to attempt to explain to these governments why the United States has lifted the sanctions on chrome at the same time that it has encouraged self-determination and racial equality for all African people.

In addition, it should be clear that the United States and our Nation's businesses do not need Rhodesian chrome. The amount already in the stockpile, as well as that authorized for disposal in legislation approved this year by the Senate, would fulfill our domestic needs for about 18 months. And, according to the State Department, defense requirements amount to only 10 percent of our total domestic needs.

There are also available large amounts of chrome from other nations, including the Soviet Union. At a time when President Nixon is returning from that nation with the announced intention of opening up additional trade avenues with the Soviets, it seems counterproductive for the Senate to continue to place itself on record against the importation of chrome and related minerals from Communist nations. Also, adequate chrome resources remain available from Turkey and the Philippines, allies with whom we maintain active and mutually beneficial trade relations.

In short, Mr. President, there exists no sound or logical purpose for the United States to continue to flaunt the United Nations' economic sanctions against Rhodesia. The Senate Foreign Relations Committee recognized that fact by recommending a halt to last year's resumption of trade. I hope that the Senate will agree to retain the committee's provision.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment of the Senator from Virginia. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. GRIFFIN (when his name was called). On this vote I have a live pair with the Senator from Tennessee (Mr. BAKER). If he were present and voting he would vote "yea." If I were permitted to vote, I would vote "nay." I withhold my vote.

Mr. RIBICOFF (when his name was called). On this vote I have a live pair with the Senator from Arkansas (Mr. MCCLELLAN). If he were present and voting he would vote "yea." If I were permitted to vote I would vote "nay." I withhold my vote.

Mr. CANNON (after having voted in the affirmative). On this vote I have a pair with the Senator from Maine (Mr. MUSKIE). If he were present and voting he would vote "nay." I have already voted "yea." I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from New Mexico (Mr. ANDERSON), the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. ERVIN), the Senator from Oklahoma (Mr. HARRIS), the Senator from Indiana (Mr. HARTKE), the Senator from Minnesota (Mr. HUMPHREY), the Senator from North Carolina (Mr. JORDAN), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Montana (Mr. METCALF), the Senator from Maine (Mr. MUSKIE), and the Senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

On this vote, the Senator from Minnesota (Mr. HUMPHREY) is paired with the Senator from Mississippi (Mr. EASTLAND). If present and voting, the Senator from Minnesota would vote "nay" and the Senator from Mississippi would vote "yea."

On this vote, the Senator from South Dakota (Mr. MCGOVERN) is paired with the Senator from North Carolina (Mr. ERVIN). If present and voting, the Senator from South Dakota would vote "nay" and the Senator from North Carolina would vote "yea."

On this vote, the Senator from Indiana (Mr. HARTKE), is paired with the Senator from West Virginia (Mr. RANDOLPH). If present and voting, the Senator from Indiana would vote "nay" and the Senator from West Virginia would vote "yea."

I further announce that, if present and voting, the Senator from Montana (Mr. METCALF) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from New Jersey (Mr. CASE), the Senator from Hawaii (Mr. FONG), the Senator from Wyoming (Mr. HANSEN), the Senator from Oregon (Mr. HATFIELD), and the Senator from Iowa (Mr. MILLER) are necessarily absent.

The Senator from Maryland (Mr. MATHIAS) is absent on official business.

The Senator from Arizona (Mr. GOLDWATER) and the Senator from South Dakota (Mr. MUNDT) are absent because of illness.

If present and voting, the Senator from New Jersey (Mr. CASE) would vote "nay."

The pair of the Senator from Tennessee (Mr. BAKER) has been previously announced.

On this vote, the Senator from Arizona (Mr. GOLDWATER) is paired with the Senator from Oregon (Mr. HATFIELD). If present and voting, the Senator from Arizona would vote "yea" and the Senator from Oregon would vote "nay."

The result was announced—yeas 40, nays 36, as follows:

[No. 193 Leg.]

YEAS—40

Allen	Cotton	Roth
Allott	Curtis	Saxbe
Beall	Dole	Schweiker
Bellmon	Dominick	Smith
Bennett	Ellender	Sparkman
Bentsen	Fannin	Spong
Bible	Gambrell	Stennis
Brock	Gurney	Taft
Buckley	Hollings	Talmadge
Byrd, Harry F., Jr.	Hruska	Thurmond
Byrd, Robert C.	Jordan, Idaho	Tower
Chiles	Long	Weicker
Cook	Montoya	Young
	Pearson	

NAYS—36

Aiken	Hughes	Packwood
Bayh	Inouye	Pastore
Boggs	Jackson	Pell
Brooke	Javits	Percy
Burdick	Kennedy	Proxmire
Church	Magnuson	Scott
Cooper	Mansfield	Stafford
Cranston	McGee	Stevens
Eagleton	McIntyre	Stevenson
Fulbright	Mondale	Symington
Gravel	Moss	Tunney
Hart	Nelson	Williams

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—3

Griffin, against.
Ribicoff, against.
Cannon, for.

NOT VOTING—21

Anderson	Hansen	McClellan
Baker	Harris	McGovern
Case	Hartke	Metcalf
Eastland	Hatfield	Miller
Ervin	Humphrey	Mundt
Fong	Jordan, N.C.	Muskie
Goldwater	Mathias	Randolph

So the amendment of Mr. HARRY F. BYRD, Jr., was agreed to.

Mr. HARRY F. BYRD, JR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CANNON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENTS NO. 1209

Mr. PERCY. Mr. President, I call up my amendments No. 1209.

The PRESIDING OFFICER. The clerk will please state the amendments.

The assistant legislative clerk read the amendments offered by Mr. PERCY

(for himself and Mr. TUNNEY), as follows:

S. 3526

On page 3, line 10, insert "(1)" immediately after "(a)".

On page 3, line 14, strike out "two Deputy Under Secretaries of State" and insert in lieu thereof "an Under Secretary of State for Political Affairs, an Under Secretary of State for Economic Affairs, a Deputy Under Secretary of State".

On page 3, between lines 15 and 16, insert the following new paragraph (2):

"(2) Section 2(b) of the Act of May 26, 1949, as amended (22 U.S.C. 2652), is repealed."

On page 4, between lines 23 and 24, insert the following new paragraphs:

"(2) Section 5314(9) is amended by striking out 'or' before 'Under Secretary of State for Economic Affairs' and inserting in lieu thereof 'and'.

"(3) Section 5315(10) is amended to read as follows:

"'(10) Deputy Under Secretary of State.',"

On page 4, line 24, strike out "(2)" and insert in lieu thereof "(4)".

The PRESIDING OFFICER. The time of the amendment is under control. Who yields time?

Mr. PERCY. Mr. President, I yield myself such time as I require. For the information of the Senate, I shall not use all of the time allotted to me, and probably will complete my comments in only 5 or 10 minutes.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. The yeas and nays have been ordered heretofore.

Mr. PERCY. Mr. President, at the present time the Department of State is headed by a Secretary and an Under Secretary. S. 3526 proposes changing the title of the Under Secretary to Deputy Secretary to reflect the fact that the No. 2 officer in the Department acts as the full deputy and alter ego to the Secretary.

The No. 3 position in the Department is now authorized to be either an Under Secretary for Political Affairs, as it is now, or an Under Secretary for Economic Affairs, as it has been at times in the past. With the increasingly complex nature of the foreign affairs process, the Department should have officers at the full Under Secretary level in both the political and economic areas. It has requested legislation authorizing such a position, a request that has the full support of the Office of Management and Budget. The amendment which Senator TUNNEY and I are offering would make this possible. We cite the following reasons in support of this amendment:

First, having economic affairs raised to the importance of political affairs would reflect the fact that the Department is increasingly concerned with the economic side of foreign policy and international relations.

Second, as an agency vitally concerned with foreign economic policy, and providing important support to the President's Council on International Economic Policy, the State Department should and wishes to play a major role in correcting present shortcomings in this field. For this an Economic Under Secretary would be a significant help.

Third, to play the role envisaged for him, the Department requires a man of great skill, experience and stature, a man who is recognized and respected both within the Government and in the business community. Such an individual could not be attracted unless he were assured of a position, rank, and salary just below the Secretary and the Deputy Secretary. As we are aware, the current incumbent, Mr. Nathaniel Samuels, has resigned his position after more than 3 years of loyal and diligent service in support of this Government's efforts to strengthen its international economic position.

Fourth, while the Secretary and Deputy Secretary may from time to time become involved in economic affairs, the man in day-to-day charge of the Department's activities in this area should be able to deal, himself, with other Cabinet and sub-Cabinet officers. This would be difficult without having the requisite rank in the Department.

Fifth, the negotiations that lie ahead in trade, monetary, and commercial matters are of such extraordinary importance to the United States that the Department of State should normally be represented by an official at the sub-Cabinet level as this would permit. Needless to say, the complex East-West trade issues that combine so many political and economic considerations will require a very significant Department of State input which such an official could provide. In addition, the chief economic official in the Department is the alternate Governor of the World Bank and of certain of the regional development banks. He often heads delegations to meetings of these institutions in place of the Secretary of the Treasury, who is the Governor.

I believe that this amendment will be an effective piece of legislation to strengthen our Government's team in the vitally important field of international economic relations.

I ask unanimous consent that the complete text of a letter dated May 31, 1972, from the Acting Secretary of State, John Irwin, be incorporated in the RECORD at this point.

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

THE UNDER SECRETARY OF STATE,
Washington, D.C., May 31, 1972.

Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: I write in response to your request for an explanation of the need for establishing the position of Under Secretary of State for Economic Affairs.

As you know, your amendment to S. 3526 would enable us to upgrade the importance of international economic affairs in the Department of State. At present the senior Department official exclusively responsible for economic and commercial matters is the Deputy Under Secretary for Economic Affairs, at the fourth level of our organization. We wish to raise economic and commercial affairs to the third level, at which we now have an Under Secretary for Political Affairs.

The need for this restructuring derives from several pragmatic considerations arising from the Secretary's determination to give greater stress to our economic and commercial responsibilities.

First, is the problem of recruiting an outstanding authority to replace Mr. Nathaniel Samuels, who is resigning as our Deputy Under Secretary for Economic Affairs, effective May 31. I have found that the possibility of our securing the services of a man of this stature will be very much enhanced if he can be assured a position at the full Under Secretary level.

Second, the negotiations that lie ahead in trade, monetary and commercial matters are of such extraordinary importance to the United States that the Department of State should normally be represented by an official at the sub-Cabinet level as this would permit. Needless to say, the complex East-West trade issues that combine so many political and economic considerations will require a very significant Department of State input which such an official could provide.

Third, the strengthening of the Department's economic organization will assure other agencies of the most authoritative level of cooperation in our common efforts to improve our balance of payments and to expand our exports.

The Office of Management and Budget advises that the creation of this position is consistent with the objectives of the Administration for the general organization of the Department of State.

With kindest regards,

Sincerely,

JOHN N. IRWIN, II,
Acting Secretary.

Mr. PERCY. Mr. President, for the benefit of my colleagues, I should simply like to point out that Secretary Irwin indicates that the Office of Management and Budget advises that the creation of this position is consistent with the objectives of the administration for the general organization of the Department of State.

Mr. TUNNEY and Mr. FULBRIGHT addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. PERCY. May I yield to my distinguished colleague from California?

Mr. TUNNEY. Mr. President, does the Senator from Arkansas wish to speak on this amendment?

Mr. FULBRIGHT. Yes.

Mr. TUNNEY. I have a statement in favor of the amendment, but if the Senator wishes to proceed, he may do so.

Mr. FULBRIGHT. If the Senator does not mind, I would like to do so.

Mr. President, the committee considered and rejected a proposal to create a new Under Secretary position in the Department of State.

There is no need for a new position. The statute already provides for an Under Secretary position for economic affairs, if the President wants to designate a nominee as such. The position, by statute, can be designated as either "Under Secretary for Economic Affairs" or "Under Secretary for Political Affairs." It so happens that the present incumbent, U. Alexis Johnson, was designated as Under Secretary for Political Affairs. But over the years there have been a number of Under Secretaries for Economic Affairs—Thomas C. Mann, George W. Ball, C. Douglas Dillon, and William L. Clayton. There is nothing to prevent the President from sending up tomorrow the nomination of a person to be Under Secretary of State for Economic Affairs—if he is willing to replace Mr. Johnson. Or, he can change Mr. Johnson's title to Under Secretary for Economic Affairs.

I might point out that in addition to having this authority to designate the

existing Under Secretary position as one for economic affairs, there are now two other high-level positions in the Department dealing with economic affairs—a Deputy Under Secretary for Economic Affairs, Mr. Nathaniel Samuels, and an Assistant Secretary for Economic Affairs, Mr. Willis Armstrong. So I think the Department's capacity—personnelwise—to look after our economic interests in foreign affairs is there, if the President chooses to emphasize this facet of the Department's work.

I wish to make one other observation. The Department of State is probably the most top-heavy Department in the executive branch. This amendment would make it more so. The State Department has 17 positions at the Assistant Secretary level and above. Next in rank is the Department of Justice with 12 positions; the Department of Defense has only 10. The principal reason the committee rejected the Department of State's plan for additional top-level positions was because what the Department has now in the way of top level positions is so far out of line with other departments of our Government.

I urge that the amendment be rejected.

I ask unanimous consent that there be included as a part of my remarks a list of the number of top level positions, Assistant Secretary level and above, at other State departments.

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

NUMBER OF TOP-LEVEL POSITIONS BY DEPARTMENT, ASSISTANT SECRETARY LEVEL AND ABOVE

State (17 positions): Secretary, Deputy Secretary (title to be changed by this bill), Under Secretary, Coordinator of Security Assistance (Under Secretary level), 2 Deputy Under Secretaries, 11 Assistant Secretaries.

Treasury (9 positions): Secretary, 2 Under Secretaries, 1 Deputy Under Secretary, 5 Assistant Secretaries.

Defense (10 positions): Secretary, Deputy Secretary, 8 Assistant Secretaries.

Justice (12 positions): Attorney General, Deputy Attorney General, Solicitor General, 9 Assistant Attorneys General.

Interior (9 positions): Secretary, Under Secretary, Deputy Under Secretary, 6 Assistant Secretaries.

Agriculture (7 positions): Secretary, Under Secretary, Deputy Under Secretary, 4 Assistant Secretaries.

Commerce (8 positions): Secretary, Under Secretary, Deputy Under Secretary, 5 Assistant Secretaries.

Labor (8 positions): Secretary, Under Secretary, Deputy Under Secretary, 5 Assistant Secretaries.

HEW (10 positions): Secretary, Under Secretary, Deputy Under Secretary, 7 Assistant Secretaries.

Housing and Urban Development (9 positions): Secretary, Under Secretary, Deputy Under Secretary, 6 Assistant Secretaries.

Transportation (8 positions): Secretary, Under Secretary, Deputy Under Secretary, 5 Assistant Secretaries.

The PRESIDING OFFICER. Who yields time?

Mr. PERCY. Mr. President, I yield the distinguished Senator from California such time as he may require.

Mr. TUNNEY. I thank the distinguished Senator from Illinois, and compliment him on his leadership in bringing this amendment to the floor. I feel that it is a very important amendment.

Mr. President, I am certain that we all share the concern that America's economic interests should be accorded the same dignity abroad as her political interests. The passage of the Percy-Tunney amendment creating the position of Under Secretary of State for Economic Affairs will help insure that such importance is underscored for our economic affairs.

The State Department should be given the opportunity to play an important role in first, elevating the priority of America's foreign economic affairs, and second, insuring that those matters are integrated as effectively and as smoothly as possible with other foreign affairs of the United States. Creating the position of Under Secretary of State for Economic Affairs will help the State Department to elevate that priority as well as to integrate these matters smoothly and effectively.

The creation of this position will also: First, help the Department attract capable men to fill these positions related to economic affairs. As the Senator from Illinois has stressed, such individuals could not be attracted unless they were assured of the position, rank, and salary just below that of the Secretary and the Deputy Secretary.

Second, this position will help enable the person responsible for economic matters to deal personally with other Cabinet and subcabinet officers. He will be assured of the position which will help him to make the necessary personal contacts.

Third, the creation of this position will help the representative of the Department of State to deal with economic officials of comparable rank in foreign countries.

As some of us know who have had the opportunity to travel abroad and meet with officials of other nations, they put great stock, in many European countries, in a man's title and the position that he holds in his government. There is a very clearly defined pecking order, and we must have a person of substantial rank representing the United States when he meets with European officials and officials of other nations as well, who put such great stock on a person's position when there are negotiations.

Finally, and most importantly, it will help insure that the Department of State itself will be increasingly concerned with the economic and commercial implications of foreign policies of the United States.

Accordingly, Mr. President, I am pleased to join with my colleague from Illinois in introducing this amendment which should be a significant contribution to the coordination and elevation of the economic side of our foreign policies.

I think the Senator from Illinois is to be congratulated for the extensive work he has done in this area, and for giving the Senate the opportunity to vote to make such a position available in the State Department. I personally feel that this amendment should be adopted. It would be most beneficial to the United States at this time when we are having great difficulties with our balance of trade and great difficulties with our economy here at home, and need to promote exports.

The PRESIDING OFFICER. Who yields time?

Mr. PERCY. Mr. President, I wish to express my appreciation to my distinguished cosponsor. I think his comments certainly underscore the very important role that this position will have.

We have now come to a very unusual stage in our economic history. We are challenged as we have never been challenged before. We have the first trade deficit in the United States since 1888, and we have not had it for just one quarter: we had it in the last quarter last year and the first quarter this year. It now looks as if the trade deficit this year may be larger than last year, exceeding $2 billion. Therefore, the role that the Under Secretary of State for Economic Affairs can play in the future is far more important than it has been in the past, and that is not meant to underestimate its importance in the past.

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

The PRESIDING OFFICER. On whose time?

Mr. PERCY. I ask unanimous consent that the time for the quorum call be divided between the two sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. PERCY. I yield back the remainder of my time.

Mr. JAVITS. Mr. President, on behalf of the Senator from Arkansas, as a member of the committee, I yield back the remainder of his time.

Mr. PERCY. I ask unanimous consent that the order for the yeas and nays be rescinded.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? Without objection, the order for the yeas and nays is rescinded.

The question is on agreeing to the amendment offered by the Senator from Illinois and the Senator from California.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. PERCY. 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.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the Speaker

had affixed his signature to the following enrolled bills:

H.R. 1915. An act to provide for the conveyance of certain real property of the United States;

H.R. 5199. An act to provide for the disposition of funds appropriated to pay judgments in favor of the Miami Tribe of Oklahoma and the Miami Indians of Indiana in Indian Claims Commission dockets numbered 255 and 124–C, dockets numbered 256, 124–D, E, and F, and dockets numbered 131 and 253, and of funds appropriated to pay a judgment in favor of the Miami Tribe of Oklahoma in docket numbered 251–A, and for other purposes;

H.R. 8116. An act to consent to the Kansas-Nebraska Big Blue River Compact; and

H.R. 13361. An act to amend section 316(c) of the Agricultural Adjustment Act of 1938, as amended.

The PRESIDENT pro tempore subsequently signed the enrolled bills.

THIRTY-MINUTE RECESS

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess for 30 minutes.

The motion was agreed to, and at 12:50 p.m. the Senate took a recess for 30 minutes.

The Senate reassembled at 1:20 p.m., when called to order by the Presiding Officer (Mr. SPONG).

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 legislative clerk proceeded to call the roll.

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

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 9580) to authorize the Commissioner of the District of Columbia to enter into agreements with the Commonwealth of Virginia and the State of Maryland concerning the fees for the operation of certain motor vehicles; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MCMILLAN, Mr. STUCKEY, Mr. NELSEN, and Mr. BROYHILL of Virginia were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 625) providing for a joint session of the two Houses of Congress on June 1, 1972, to receive such communication as the President of the United States shall be pleased to make to them, in which it requested the concurrence of the Senate.

JOINT SESSION OF THE TWO HOUSES TOMORROW

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 625.

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution 625, which was read as follows:

H. CON. RES. 625

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on June 1, 1972, at 9:30 p.m., for the purpose of receiving such communication as the President of the United States shall be pleased to make to them.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. MANSFIELD. Mr. President, what time is the joint session to be held tomorrow?

The PRESIDING OFFICER. 9:30 p.m. tomorrow, June 1, 1972.

The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 625) was agreed to.

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. SPONG). Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, are we operating on a time limitation at the moment?

The PRESIDING OFFICER. We are not operating on a time limitation, and the pending amendment is the amendment of the Senator from Michigan (Mr. GRIFFIN), amendment No. 1200.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I be recognized for 1 minute.

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

FIFTY-FIFTH ANNIVERSARY OF BIRTH OF LATE PRESIDENT JOHN FITZGERALD KENNEDY

Mr. MANSFIELD. Mr. President, Memorial Day, May 29, marked the 55th anniversary of the birth of this Nation's 35th President, John Fitzgerald Kennedy. I simply wish to note the occasion in this fashion. It is a reminder of the legacy of this great man, cut down in his prime so violently, so cruelly, so senselessly. It is a legacy of ideas, designed to heal over wounds that had been left open to fester in this Nation after years and years of inattention and unconcern. Even more, it is a legacy of inspiration and idealism that in my judgment will live as a monument to a man whose achievements unfortunately cannot be measured in years of service. An assassin's bullet made that impossible.

His achievements can and will be measured, however, by the hope he engendered for a better world, a world without fear, without suffering, without war, devastation and destruction. If mankind does reach these goals—and I pray that one day it will—it will be said then that along the way John F. Kennedy made a significant contribution.

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.

Mr. GRIFFIN. Mr. President, have the yeas and nays been ordered on the pending amendment?

The PRESIDING OFFICER. They have not.

Mr. GRIFFIN. Is it in order for the junior Senator from Michigan to withdraw his amendment without unanimous consent?

The PRESIDING OFFICER. It is.

Mr. GRIFFIN. Mr. President, at this time I withdraw my amendment, and I ask what is now the pending question?

The PRESIDING OFFICER. The pending question, the Senator from Michigan having withdrawn his amendment, is the Church-Case amendment, as amended.

The question is on agreeing to the amendment, as amended.

The amendment, as amended, was agreed to.

Mr. GRIFFIN. Mr. President, what now is the pending question before the Senate?

The PRESIDING OFFICER. The pending question now recurs on the amendment of the Senator from Mississippi, amendment No. 1175. The amendment is on page 38 of the pending legislation, to strike out lines 1 through 12, inclusive.

Mr. GRIFFIN. I thank the Chair.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on the motion to be made by the distinguished Senator from Mississippi there be a time limitation of 10 minutes, the time to be equally divided between the distinguished Senator from Mississippi and the distinguished senior Senator from Idaho (Mr CHURCH).

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CHURCH. Mr. President, if the Senator from Mississippi will yield to me, I need only 1 minute.

Mr. STENNIS. Mr. President, I yield the Senator from Idaho 2 minutes of his time.

Mr. CHURCH. Mr. President, in view of the action that the Senate took by

a rollcall vote adding the addendum offered by the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) to the original Church-Case amendment, it is no longer acceptable to the sponsors, and for that reason I will not oppose—indeed, I intend to support—the motion soon to be made by the Senator from Mississippi to strike the entire provision from the bill.

I think we will have an opportunity later, on a different bill, to take up the question of how the Senate should best proceed to try to bring this endless war in Southeast Asia to a conclusion; but under the circumstances, now is not the time.

I simply want the RECORD to make clear that I will not oppose the motion of the Senator from Mississippi to strike this language from the bill. I thank the Senator for granting me this time.

Mr. STENNIS. Mr. President, I yield myself 3 minutes of my time.

This amendment was filed for two reasons on my part. I am opposed to the merits of section 701, which undertakes to cut off the funds on a date certain with reference to military matters in Vietnam.

Additionally, at the time it was filed, it was just prior to to the summit conference that the President was going to have in Moscow. Preliminary preparations and the atmosphere of preparations in Moscow and here were consuming the time, primarily of the governments, and I was determined that, so far as I was concerned, this section not be passed, if avoidable, during the pendency of those highly important matters. Now they have already occurred.

I want to say that I was very much impressed, as well as pleased, that the sponsors of section 701, after it has reached this stage, were willing to defeat this section. That includes the Senator from Idaho. I remember the Senator from Arkansas had some sentiments to that effect. I commend them and others of the same opinion. In fact, I think it is the overwhelming sentiment of this membership not to pursue this matter under the circumstances.

We still have the war on our hands. It is a serious matter. I am as anxious as others that it be concluded. There is merely a difference of opinion as to how it should be done. Section 701 has taken its final form.

A parliamentary inquiry, Mr. President. Amendment No. 1175 is now the pending order of business. Is it not?

The PRESIDING OFFICER. The Senator from Mississippi is correct.

Mr. STENNIS. If that amendment is adopted now, it will strike out the entire section, including the parts that have been amended. Is that correct?

The PRESIDING OFFICER. The Senator from Mississippi is correct.

Mr. STENNIS. Mr. President, I am glad to yield back the remainder of my time, unless some other Senator wants to use some of it, and we can have the vote now.

The PRESIDING OFFICER. The time of the Senator from Mississippi is yielded back.

Mr. CHURCH. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Mississippi.

The amendment was agreed to.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I wish the RECORD to show that I voted "No" on the adoption of the amendment by Mr. STENNIS.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be discharged from further consideration of H.R. 14734, an act to authorize appropriations for the Department of State and the U.S. Information Agency, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 14734) to authorize appropriations to the Department of State and the United States Information Agency.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas that the committee be discharged? The Chair hears none, and it is so ordered.

Is there objection to the present consideration of the House bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. FULBRIGHT. I ask unanimous consent that all after the enacting clause of H.R. 14734 be stricken, and that the language of S. 3526, as amended, be substituted therefor.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from New Mexico (Mr. ANDERSON), the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. ERVIN), the Senator from Alaska (Mr. GRAVEL), the Senator from Oklahoma (Mr. HARRIS), the Senator from Indiana (Mr. HARTKE), the Senator from Minnesota (Mr. HUMPHREY), the Senator from North Carolina (Mr. JORDAN), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Montana (Mr. METCALF), and the Senator from Maine (Mr. MUSKIE), are necessarily absent.

I further announce that, if present and voting, the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. ERVIN), the Senator from Indiana (Mr. HARTKE), and the Senator from Minnesota (Mr. HUMPHREY), would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from New York (Mr. BUCKLEY), the Senator from New Jersey (Mr. CASE), the Senator from Hawaii (Mr. FONG), the Senator from Wyoming (Mr. HANSEN), the Senator from Oregon (Mr. HATFIELD), and the Senator from Iowa (Mr. MILLER) are necessarily absent.

The Senator from Maryland (Mr. MATHIAS) is absent on official business.

The Senator from Arizona (Mr. GOLDWATER) and the Senator from South Dakota (Mr. MUNDT) are absent because of illness.

The Senator from South Carolina (Mr. THURMOND) is detained on official business.

If present and voting, the Senator from New York (Mr. BUCKLEY), the Senator from Hawaii (Mr. FONG), and the Senator from South Carolina (Mr. THURMOND) would each vote "yea."

The result was announced—yeas 76, nays 1, as follows:

[No. 194 Leg.]

YEAS—76

Aiken	Eagleton	Pearson
Allen	Ellender	Pell
Allott	Fannin	Percy
Bayh	Fulbright	Proxmire
Beall	Gambrell	Randolph
Bellmon	Griffin	Ribicoff
Bennett	Gurney	Roth
Bentsen	Hart	Saxbe
Bible	Hollings	Schweiker
Boggs	Hruska	Scott
Brock	Hughes	Smith
Brooke	Inouye	Sparkman
Burdick	Jackson	Spong
Byrd, Harry F., Jr.	Javits	Stafford
Byrd, Robert C.	Jordan, Idaho	Stennis
Cannon	Kennedy	Stevens
Chiles	Long	Stevenson
Church	Magnuson	Symington
Cook	McGee	Taft
Cooper	McIntyre	Talmadge
Cotton	Mondale	Tower
Cranston	Montoya	Tunney
Curtis	Moss	Weicker
Dole	Nelson	Williams
Dominick	Packwood	Young
	Pastore	

NAYS—1

Mansfield

NOT VOTING—23

Anderson	Gravel	McClellan
Baker	Hansen	McGovern
Buckley	Harris	Metcalf
Case	Hartke	Miller
Eastland	Hatfield	Mundt
Ervin	Humphrey	Muskie
Fong	Jordan, N.C.	Thurmond
Goldwater	Mathias	

So the bill (H.R. 14734) was passed.

Mr. FULBRIGHT. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the title of H.R. 14734 be amended so as to read "An act to provide authorization for certain agencies conducting the foreign relations of the United States, and for other purposes."

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make appropriate technical corrections in H.R. 14734.

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

Mr. FULBRIGHT. Mr. President, I move that the Senate insist upon its amendments to H.R. 14734 and request a conference with the House, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. FULBRIGHT, Mr. SPARKMAN, Mr. MANSFIELD, Mr. CHURCH, Mr. AIKEN, Mr. CASE, and Mr. COOPER conferees on the part of the Senate.

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

Mr. FULBRIGHT. I yield.

Mr. MANSFIELD. Will the Senator name a junior Democrat to serve in my place?

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the Senator from Virginia (Mr. SPONG) be substituted for the Senator from Montana (Mr. MANSFIELD).

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that S. 3526 be indefinitely postponed.

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

ORDER FOR PRINTING OF H.R. 14734

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that the text of H.R. 14734 which passed the Senate earlier today be printed as it passed the Senate.

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

ANNOUNCEMENT OF POSITION ON VOTE

Mr. MILLER subsequently said: Mr. President, earlier today, I was absent for the votes on the Byrd Amendment No. 1196 to S. 3526 and final passage of H.R. 14734.

I wish to be positioned "aye" on both votes.

TRIBUTE TO SENATOR FULBRIGHT, SENATOR AIKEN, AND OTHER SENATORS

Mr. MANSFIELD. Mr. President, I wish to commend the able and distinguished Senator from Arkansas (Mr. FULBRIGHT) for his handling of the State Department-USIA authorization proposal. As always, his advocacy and great skill contributed to the overall success of the measure. In the end, this measure did not serve as a vehicle for congressional efforts concerning the war in Southeast Asia, but in no way, may I say, have those efforts been diminished—not as far as the Senator from Montana is concerned, not as far as the Senate is concerned.

There were many other issues involved in this proposal and it is well, indeed, that they were finally resolved. It was due in large measure to Senator FULBRIGHT's leadership that, at long last, the Congress retains the capacity to review the State Department and its many programs and policies from an authorizing standpoint. The Senate is deeply grateful.

The Senate is grateful as well to the distinguished senior Senator from Vermont (Mr. AIKEN) whose splendid cooperation and assistance was vital to the disposition of this proposal. As the ranking minority member he has joined consistently to aid the efficient handling of all such legislation.

It should be noted that many Senators contributed to the discussion on this measure over a long period. The distinguished Senator from Kentucky (Mr. COOPER) and the distinguished Senator from Indiana (Mr. BAYH) deserve commendation for their efforts. The distinguished Senator from New Jersey (Mr. CASE) and the distinguished Senator from Idaho (Mr. CHURCH) deserve equal praise. Their interest and concern about the tragedy in Vietnam is unsurpassed in this body.

Many other Senators should be singled out for their contributions and cooperation. The Senators from Wyoming (Mr. MCGEE), from Illinois (Mr. PERCY), and Massachusetts (Mr. BROOKE) should be included, together with many other Senators.

To the Senate as a whole I wish to extend the thanks of the leadership for its action today achieved through the joint efforts of every Member of this body.

AUTHORIZATION FOR THE COMMITTEE ON FOREIGN RELATIONS TO HAVE UNTIL MIDNIGHT TONIGHT TO FILE ITS REPORT ON S. 3390

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the Committee on Foreign Relations have until midnight tonight to file a report on S. 3390, a bill to amend the Foreign Assistance Act of 1961, and for other purposes.

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

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate go into executive session to consider the nomination of Richard G. Kleindienst, of Arizona, to be Attorney General, and other nominations.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

DEPARTMENT OF JUSTICE

The assistant legislative clerk read the nomination of Richard G. Kleindienst, of Arizona, to be Attorney General.

Mr. MANSFIELD. Mr. President, this debate will take some time.

Mr. ROBERT C. BYRD. Mr. President, the Senate is not in order.

The PRESIDING OFFICER (Mr. SPONG). The Senator will suspend. The Senate will please be in order. The Senate will suspend until all Senators take their seats.

The Senator from Montana may proceed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending nomination be temporarily laid aside and that the Senate proceed to the consideration of nominations beginning with New Reports, on page 2.

The PRESIDING OFFICER. Without objection, the pending nomination will be temporarily laid aside and the Senate will proceed to the consideration of nominations, beginning with New Reports, on page 2 of the Executive Calendar.

U.S. DISTRICT COURTS

The assistant legislative clerk read the nomination of Norman C. Roettger, Jr., of Florida, to be U.S. district judge for the southern district of Florida.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

U.S. ARMY

The assistant legislative clerk proceeded to read sundry nominations in the U.S. Army.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc, except the last one, on page 6 of the Executive Calendar, Lt. Gen. George Irvin Forsythe.

The PRESIDING OFFICER. Without objection, it is so ordered, and the nominations, except for Lt. Gen. George Irvin Forsythe, are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, will the Chair now call up the nomination of Lieutenant General Forsythe?

The PRESIDING OFFICER. The clerk will report the nomination.

The assistant legislative clerk read the nomination of Lt. Gen. George Irvin Forsythe, major general, U.S. Army, to be lieutenant general.

Mr. MANSFIELD. Mr. President, it is with some degree of pride that I note the name of Lt. Gen. George Irvin Forsythe, major general, U.S. Army, to be promoted to lieutenant general.

Lieutenant General Forsythe used to be a student of mine while I was on the

faculty at the University of Montana. It is with regret that I note this distinguished soldier and citizen is retiring from the Army. The Senate should be aware of the fact that General Forsythe has been the moving force behind the possible creation of an all-volunteer Army.

Mr. President, I have known General Forsythe for more years than I care to remember. I knew his family quite well. I know the area where he was raised—in the Gregson-Hot Springs area—between Butte and Anaconda. He was an outstanding student. He is an outstanding soldier.

I wish for Lieutenant General Forsythe all the best in retirement. He is a good man.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

U.S. NAVY

The assistant legislative clerk proceeded to read sundry nominations in the U.S. Navy.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations are considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The assistant legislative clerk proceeded to read sundry nominations in the Air Force, which had been placed on the Secretary's desk.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

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

NOMINATION OF JEFFREY M. BUCHER—UNANIMOUS CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that today, at approximately 2:30 p.m., the nominaton of Jeffrey M. Bucher, of California, to be a member of the Board of Governors of the Federal Reserve System for a term of 14 years from February 1, 1972, be taken up; that there be a time limitation of one-half hour on the nomination, to be equally divided between the Senator from Utah (Mr. BENNETT) and the Senator from Wisconsin (Mr. PROXMIRE).

The PRESIDING OFFICER (Mr. TAFT). Without objection, it is so ordered.

PROGRAM

Mr. SCOTT. Mr. President, as in legislative session, I rise to ask the distinguished majority leader, now that the Kleindienst nomination is pending, to say, first, that I shall have something to say on it later. Of course I support the nomination. I hope that the debate will not take too long because we have other nominations following it.

I should like to ask the distinguished majority leader, what is the prognosis for other legislation at this time?

Mr. MANSFIELD. Clear, may I say to my distinguished colleague, because the calendar is fairly clear. There are only four or five other items which we can take up and we cannot take them up at this time.

After the Bucher nomination, which will be considered around 2:30 p.m. today, it would be the intention of the leadership to stay with the Kleindienst nomination at least for the next several days, in the hope that it can be disposed of within that time.

I point out that the few bills remaining on the calendar, which will be considered at the appropriate time by the Senate, are: Calendar No. 526, H.R. 9096, an act to amend chapter 19 of title 38 of the United States Code, to extend coverage under servicemen's group life insurance to cadets and midshipmen at the service academies of the Armed Forces; Calendar No. 758, H.R. 9092, an act to provide an equitable system for fixing and adjusting the rates of pay for prevailing rate employees of the Government, and for other purposes; Calendar No. 760, S. 3617, to strengthen and expand the Headstart program; Calendar No. 759, S. 3010, to provide for the continuation of programs authorized under the Economic Opportunity Act of 1964; and Calendar No. 785, H.R. 13188, to authorize appropriations for the procurement of vessels and aircraft and construction of shore and offshore establishments, and to authorize the average annual active duty personnel strength for the Coast Guard.

That is about it, as it stands now.

Mr. SCOTT. Mr. President, let me point out that the distinguished majority leader and I have been extremely anxious to get action on what is known as H.R. 1, the welfare legislation, which is still pending in the Finance Committee where its distinguished chairman, the Senator from Louisiana (Mr. LONG), has tried for a long time to be able to bring forth a bill.

I should like to inquire as to the prospects for that bill. I know that the chairman has done his very best. He has been plagued, however, with problems including the lack of quorums from time to time.

Mr. MANSFIELD. Yes, he most certainly has. The majority leader met with the chairman of the committee today, at the request of the distinguished President pro tempore, the chairman of the Appropriations Committee, the Senator from Louisiana (Mr. ELLENDER). At that time, the chairman of the Finance Committee, the Senator from Louisiana (Mr. LONG), said that he thought it would be reported out about the 9th of November——

Mr. SCOTT. Not November.

Mr. MANSFIELD. No—the 9th of June. [Laughter.] Who knows? I guess my mind was somewhere else. Anyway, that is a little delay from what I indicated a few days ago.

Mr. SCOTT. That could be the 9th of "never." I am glad he expects to report it out in June.

Mr. MANSFIELD. That is the best information I have, the way it looks at the present time.

It does not appear, because of the complexity of the report which is to be drawn up, that we will get to it, unfortunately, until after the first of the two conventions has been concluded.

Mr. SCOTT. I have heard that there will be conventions this year. [Laughter.]

I thank the distinguished majority leader.

Mr. JAVITS. Mr. President, I would like to ask the distinguished majority leader whether there is any chance of consideration of Calendar No. 752, Senate Resolution 299, which is a housekeeping matter for us, to establish a select committee to deal with secret and confidential Government document questions, which arose out of the closed-door session we had here and which, as I understand it, involves one question—to wit, the motion to refer to the Judiciary Committee which I think would be decided very, very promptly. I certainly would not take any major time on it.

Mr. MANSFIELD. If the Senator could reach agreement with those who hold the opposite point of view, to have a limited period of time today, we would consider it. But I think, beginning with the formal debate on the Kleindienst nomination tomorrow, that we will have to wait until that is disposed of.

Mr. JAVITS. I raise the question in the leader's catalog, there is only one that I am directly interested in, but in the leader's catalog, he did not list it. I wonder whether we could hope that that would be taken up. I would be willing to agree on the shortest possible time—a half-hour.

Mr. MANSFIELD. May I say that I was hoping it could be worked out. I was aware of one Senator's interest. I did not mention it intentionally, in the hope that some agreement could be worked out.

THE NOMINATION OF RICHARD G. KLEINDIENST

Mr. TUNNEY. Mr. President, will the distinguished majority leader yield?

Mr. MANSFIELD. I yield.

Mr. TUNNEY. Could the majority leader give some indication of what the schedule will be for the confirmation of Mr. Kleindienst, as to debate?

Mr. MANSFIELD. It is my understanding, may I say to the distinguished Senator from California (Mr. TUNNEY) that the minority findings are still in galley form and will not become available for distribution to all Senators until tomorrow. Therefore, the formal debate from the minority point of view would start tomorrow.

It is my further understanding that several Senators will speak on this matter this afternoon. Then, of course, the Senate has already been granted unani-

mous consent to call up the nomination of Mr. Bucher, of California, at 2:30.

Mr. TUNNEY. It is anticipated, however, that the debate will continue on Friday and go over until Monday on Mr. Kleindienst?

Mr. MANSFIELD. I would not be the least surprised.

Mr. TUNNEY. It could go on through Tuesday and Wednesday or Thursday.

Mr. MANSFIELD. Possibly.

Mr. SCOTT. Mr. President, I understood earlier from the distinguished Senator from California (Mr. TUNNEY) that it was not expected that there would be any undue delay here, that some speeches would be made and that all Senators who wanted to speak would be heard. However, I had the impression that there was no desire to delay this into the heat of summer and into the unnecessary heat of debate.

Mr. TUNNEY. There is certainly no intention on my part to enter into a long filibuster. I personally do not believe in filibusters. I have always felt that filibusters thwart the will of the majority. However, I do believe that we ought to have an extensive debate on the matter. We took almost 10 weeks in hearings. And a great deal of material came out through the hearings. Some Members of the Senate believe that Mr. Kleindienst should not be confirmed. I think that we have the responsibility to lay out to the Senate our concern and the reasons for our belief.

I was trying to get some sense of what the majority leader intended to do for the remainder of this week and for next week.

As I understand it, we will be debating Mr. Kleindienst's confirmation on Thursday and Friday, and presumably on Monday and Tuesday and until we finish that debate.

Mr. MANSFIELD. We will stay with it until it is finished. If it is finished tomorrow, fine. If it is finished on Friday, fine. If not, we will go into next week.

Mr. TUNNEY. Will we be operating on the dual-track system?

Mr. MANSFIELD. No, nothing will be done on that basis unless it is done on the basis of a unanimous consent request. I would only add that Senators who are very interested in this nomination on the opposing side will be given every consideration.

Mr. SCOTT. Mr. President, I was about to say that on about the 17th of February the nomination came here. The Department of Justice has been deprived of the services of an Attorney General for whatever reasons there may be, and while the debate should cover the subject like a lady's dress, I hope that it will be long enough to cover the subject and yet short enough to make the debate interesting.

Mr. JAVITS. Mr. President, I have discussed the matter of the consideration of Senate Resolution No. 299 with the Senator from Nebraska (Mr. HRUSKA), who feels that though he cannot agree on a specific period of hours, he does not intend to take very long with it. And I certainly do not. The Senator wishes to inform the members of the Judiciary Committee that the matter will come up.

I hope that the majority leader would include this matter perhaps early tomorrow.

Mr. MANSFIELD. I would be glad to do so.

Mr. HRUSKA. Mr. President, there would be no disposition on my part to delay it or to engage in long or extensive discussion. We can agree, I think, to consider the matter at any time following the consideration of the Kleindienst nomination.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is on the confirmation of the nomination of Mr. Kleindienst.

ORDER FOR ADDITIONS, CORRECTIONS, OR SUPPLEMENTS TO EXECUTIVE REPORT NO. 92–19 TO BE FILED AT OR BEFORE 5 P.M. TODAY

Mr. KENNEDY. Mr. President, I ask unanimous consent that any additions, corrections, or supplements to part 3 of Executive Report No. 92–19, dealing with the Kleindienst nomination, may be filed at or before 5 p.m. today, to be printed as part 4 of such report.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and as in executive session it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, is not the Senate in executive session now?

The PRESIDING OFFICER. The Senate is in executive session.

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair.

The PRESIDING OFFICER. The question is on the confirmation of the nomination.

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished Senator from Wyoming (Mr. MCGEE) be recognized for not to exceed 5 minutes, to speak out of order, as in legislative session, after which the Senate then proceed to the consideration of the nomination of Mr. Bucher.

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

THE RHODESIAN CHROME ISSUE

Mr. MCGEE. Mr. President, I rise slowly at this moment and with no eagerness to say what I am now compelled to say. I think my credentials as having been a strong supporter of the President's foreign policy efforts in the past are unchallengeable. My support will continue in the future when I think he is right.

However, today the U.S. Senate voted to continue our flagrant violation of U.N. sanctions against Rhodesia. All of us have been reading in the press the past few weeks about the importance of overturning the chrome decision. We have seen statements from the President and from the State Department concerning how important this action is.

In his third annual report on the state of the U.S. foreign policy issued on February 9 of this year, President Nixon discussed the potential of the United Nations, his continued belief in this vital institution, and his concern over a seeming decline in congressional support for the United Nations. In deploring certain congressional actions he specified the point that—

> The Congress exempted strategic and critical materials, notably chrome, from the U.S. implementation of the mandatory U.N. sanctions on imports from Rhodesia.

Moreover, the report issued by the Secretary of State just last March contained the following statement:

> U.N. sanctions, adopted in response to Southern Rhodesia's unilateral declaration, remain in effect. The United States' firm and effective support of the U.N. measures is qualified only by the recent Congressional adoption of the Byrd amendment, which in effect freed chrome ore from the U.S. application of sanctions. The Administration made clear its opposition to that amendment.

In light of the President's commitment to the U.N. and his opposition to our violation of the sanctions against Rhodesia in his February 9 report, and the assurances I received from spokesmen in the White House that things would be different this time around, it seemed, in light of these two incidents, we should try again. I did so on the basis of the encouragement given me by the White House on these two different occasions.

But, I now regret to report that the handling of the Rhodesian chrome ore question on the part of the administration was no different than it was last time. This time I personally appealed to the White House for assistance. I asked that they make only five or six telephone calls to marginal Senators on the administration's side of the Senate aisle—several of whom had already told me a "call from the administration would be necessary to change my vote." As it turned out, the White House would have had to make only three calls to turn the tide in our favor.

But no call was forthcoming. The administration had put its rhetoric behind the McGee bill and the U.N., but did not lift the telephone even once to back that rhetoric up.

My purpose in speaking at this time is to set the record completely straight. After all the high sounding rhetoric and the pious pronouncements, the White House alone must bear the burden and responsibility for the defeat today.

Let us keep one fact straight. It is not the Congress who can now be blamed for this defeat. It is not the Foreign Re-

lations Committee. It is not the steel companies or the steelworkers unions. The White House, for whatever reasons, chose not to try to win.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator may be allowed to proceed for 2 additional minutes.

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

Mr. McGEE. The President's rhetoric is right. But the President was not willing to put his leadership muscle with his oratory. If it is important that this country back the United Nations, then the chrome amendment passed by Congress last fall should have been repealed today. If it is important to improve our profile and image in black Africa, and I believe it is, then the chrome amendment should have been repealed today.

I am not being partisan in my remarks concerning the administration's role in this issue. A high principle is at stake and we cannot afford to project an image of hypocrisy by saying one thing and doing another. The world has become too sophisticated to accept doubletalk. The time has come when the African nations will also no longer accept doubletalk and hypocrisy from this country as it concerns their vital interests and needs. Either we believe in those aspirations or we do not. Either we believe in the United Nations, or we do not. We cannot have it both ways.

On this side of the aisle, for better or worse, the vote was about 2-to-1 in support of the President's avowed position on the chrome question.

All I am saying, Mr. President, is that if I had thought there was the slightest inkling, that there was any uncertainty behind it again, that they did not mean it when they said, "It is going to be different this time, Mr. McGEE," I would never have volunteered to bring it up, for the reason that I think the damage is greater in having the Senate vote again that which negates the rhetoric of the President, rather than to have left it untouched at all.

So I say this with a heavy heart, Mr. President, in the hope that, somehow, all those many groups will try to keep the President of the United States on the track and try to keep his position together and sort out their priorities and sort through their rhetoric and sort through their personal commitments, and lay their cards on the table, and see if we cannot stand consistent before the rest of the world.

The PRESIDING OFFICER. Pursuant to the previous order, the Senate will now proceed to the nomination——

Mr. HARRY F. BYRD, JR. Mr. President——

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent—and I do so with some trepidation, since the distinguished senior Senator from Utah has been patiently waiting and the distinguished Senator from Wisconsin has also been patiently waiting, but I believe the Senator from Virginia wishes to have 2 minutes to reply—that the Senator from Virginia (Mr. HARRY F. BYRD, JR.) be allowed to proceed now for 2 minutes.

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

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. President, I had not planned to say anything on the vote which was recently taken—I think the vote speaks for itself—but since the Senator from Wyoming has seen fit to rehash the debate, so to speak, I want to make a few comments.

The Senator from Wyoming pointed out in his debate in the Senate today that the State Department had given out a letter against the proposal offered by the Senator from Virginia. He pointed out that a press conference had been held at the White House in opposition to the amendment offered by the Senator from Virginia, and he pointed out that the President of the United States had opposed the amendment offered by the Senator from Virginia.

I did not take exception to that at all. The State Department has a perfect right to oppose the amendment. The President had a perfect right to oppose it, as the Senator from Wyoming pointed out.

And the Senate had a right to disagree with the State Department and the President—which the Senate did by a vote of 40 to 36.

The Senator from Wyoming complains, because the President did not pick up the telephone and try to dictate to the Members of the Senate. Whether he should have done so or should not have done so, or whether he did or did not do it, I do not know. But I as one Senator feel that the Members of the Senate can make up their own minds. I see no reason why the President should be condemned, because he does not pick up the telephone and try to influence a Member of the Senate on a piece of legislation. So I certainly do not agree with the Senator from Wyoming in his recent comments.

Mr. McGEE. May I have 1 minute?

Mr. ROBERT C. BYRD. Mr. President, I hope we will not prolong this matter any longer than 1 more minute. I ask that the Senator from Wyoming be recognized for 1 more minute.

Mr. McGEE. Mr. President, I do not lock horns with the Senator from Virginia. He established his position and won the victory, and his victory is only the more complete because he had leaned over backward to accommodate me for the last several weeks.

But the Senator knows, having been around here long enough—and I have been here longer than he has—what the price of leadership is. He has been here long enough to know that when the President wants something, he gets on the telephone. How did they know what the USIA vote would be? Not because he made a speech in March. It was because they got on everybody's back and tried to persuade them that the President's position was the wise one.

He cannot force a Senator to vote against his will, but he can let his position be known. That is the purpose in floating. As the Senator knows, it is done on both sides. If it is an issue that makes a difference, you get on the telephone, or do it some other way. You have a caucus, or whatever it may be. We all know how that business operates. And the conspicuous absence of it in this case suggested to me that there was less than devotion to the principle, or an attempt to play both sides on that principle.

ORDERS FOR THE CONVENING OF THE SENATE ON THURSDAY, FRIDAY, AND MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, tomorrow, and Friday, it stand in adjournment until 11 a.m. on Thursday, 10 a.m. on Friday, and 11 a.m. on Monday next.

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

EXECUTIVE SESSION—FEDERAL RESERVE SYSTEM

The PRESIDING OFFICER. Under the previous order, the Chair lays before the Senate the nomination of Mr. Bucher, which the clerk will state.

The second assistant legislative clerk read the nomination of Jeffrey M. Bucher, of California, to be a member of the Board of Governors of the Federal Reserve System.

Mr. BENNETT. Mr. President, I rise to support the nomination of Mr. Bucher to serve as a member of the Federal Reserve Board, and in that capacity I represent 12 other members of the committee, which voted 13 to 1 in support of the nomination. There was one member who abstained. I have talked with the Chairman of the Federal Reserve Board, Dr. Arthur Burns, who has the respect of most of us as an economist and as a dedicated public servant, and I find that he supports the nomination of Mr. Bucher, and in fact recommends him highly.

I ask unanimous consent to have printed in the RECORD at this point a letter from Chairman Burns to that effect.

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

FEDERAL RESERVE SYSTEM,
Washington, May 18, 1972.

Hon. WALLACE F. BENNETT,
U.S. Senate,
Washington, D.C.

DEAR WALLACE: It occurs to me that it may be useful to put in writing what I have said to you in earlier conversations regarding Jeffrey Bucher. I am very pleased that he has been nominated to be a member of the Board of Governors. His experience in banking will be valuable to the Board, and he has intelligence, judgment, and a sincere desire to apply his talents to serving the public as a member of the Board. In conversations with me he has shown a broad understanding of the problems the Board must deal with, and a willingness to weigh alternative solutions with an open mind. I have no question that he will justify the confidence that the President and the Senate Committee on Banking, Housing and Urban Affairs have shown in him.

With warm regards,
Sincerely yours,

ARTHUR F. BURNS.

Mr. BENNETT. At this point, I reserve the remainder of my time in order to

give the Senator from Wisconsin an opportunity to express his position.

Mr. PROXMIRE. I yield myself 10 minutes.

Mr. President, I am strongly opposed to the nomination of Mr. Jeffrey M. Bucher to the Federal Reserve Board. In so doing, I intend no personal disrespect for Mr. Bucher. I am sure that he is a fine man in his field. But in my view, he is totally unqualified to serve on the Federal Reserve Board—the most powerful economic agency of the Federal Government.

The decisions of the Federal Reserve Board can make or break our economy. A mistake in judgment by the Fed can plunge our country into a deep recession or a runaway inflation. We, therefore, should insist that only the most qualified and knowledgeable men are appointed to the Board. The safety and well-being of our economy is too important to be entrusted to inexperienced amateurs. We would not dream of appointing a man to the Supreme Court with no experience in constitutional law.

Why, then, should we permit the appointment of a man to the Federal Reserve Board who has had virtually no training or background in economics or monetary policy?

The Federal Reserve Board has been only partially successful in stabilizing the American economy. Throughout most of its history, the Fed was dominated by bankers and businessmen who were able men in their chosen field, but who had no special training in monetary policy. A study by the Library of Congress shows that between 1913 and 1961 there were 40 members appointed to the Fed. Only one of these was a professional economist. A second was a professor of business administration. The rest were bankers, lawyers, businessmen, or farmers. Their track record has not been overly impressive.

For example, during the 1929–33 depression, the Fed permitted the money supply to drop by 33 percent despite the fact that one-quarter of the job force was unemployed. As Friedman and Schwartz have so eloquently pointed out in their comprehensive "Monetary History of the United States," the Fed was largely responsible for the nosedive taken by the economy from 1929 to 1933. During this period, there was only one member of the Fed who was a professional economist. The rest were bankers, lawyers, farmers, and one ex-politician.

Following this disaster, the Fed largely withdrew from monetary policy until the Fed-Treasury accord of 1951. The Fed subsequently embarked upon a policy of "leaning against the wind" under the leadership of William McChesney Martin, a former stockbroker. Unfortunately, whenever the Fed was leaning one way, the economy was leaning in the opposite direction. Many economists feel that the erratic stop and go policies of the Fed during the 1950's were largely responsible for the three recessions experienced during that period. There were no professional economists on the Board during this period, although one member had been a professor of business administration and economics.

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. Presidents Kennedy and Johnson made five appointments to the Fed—four were professional economists.

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 supported. However, during the last 3 months, the administration has sent the Congress two notably weak appointments—Mr. Jack Sheehan last February and now Mr. Jeffrey Bucher. We seem to be taking a major leap backwards to the days when bankers and businessmen were calling the shots with tragic results for the American economy. While the record of the Fed was not perfect when the Board was dominated by economists, the Board did at least avoid repeating the disastrous blunders committed by previous Boards.

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. Reierson of Bankers Trust, Leif Olson of the First National City Bank, Tilford C. Gaines of Manufacturers Hanover, Guy E. Noyes of Morgan Guarantee, Beryl W. Sprinkel of Harris Trust, or Walter E. Hoadley of Bank of America would all be qualified to serve on the Fed. All are conservative bank economists with an intimate knowledge of banking and monetary policy. Even 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.

Mr. President, forget about economics on the Board. Mr. Bucher has had virtually no previous training in economics or monetary policy which would equip him to understand and intelligently decide upon the complex issues facing the Federal Reserve Board. However, even if we admit that noneconomists can be appointed to the Board, I believe there are other and equally compelling reasons for opposing 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. In fact, the former superintendent of banking in the State of California has testified that Mr. Bucher is not even qualified to be the head of a small bank. As I shall indicate in a moment, he is emphatically opposed to Mr. Bucher's appointment.

Second, Mr. Bucher would bring to the Board a serious conflict of interest. He comes from the Nation's largest multibank 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 procompetitive and anticompetitive effects of bank 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 multibank 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 multimillion-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. President, 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 Congress has the right to regulate our monetary system. Article I, section 8 of the Constitution specifically gives Congress the right to "coin money and regulate the value thereof." These powers belong exclusively to Congress and not the Presi-

dent. They have been delegated to the Federal Reserve Board by Congress. The Fed is therefore an agent of the Congress. It was deliberately created to be independent of the executive branch but not of Congress.

I intend to vote for confirmation of the nomination of Mr. Kleindienst because he is the President's lawyer, but the Federal Reserve Board is our agency. We should exercise far greater care in passing on a nomination to that Board.

Since the Federal Reserve Board is the exclusive agent of 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.

Mr. President, anyone who takes the time to read the hearing record on Mr. Bucher's nomination, will quickly come to the conclusion that Mr. Bucher is totally unqualified for the job. On almost every major question I asked him in the field of bank regulation, he had no clear-cut views. He said he would have to study the issue more before he could give an opinion. He did not know about phasing out regulation Q as recommended by the Hunt Commission. He was not sure about the separation of trust services from commercial banking. He was not sure about interstate branching under the Bank Holding Company Act. He wanted more time to study whether the Fed should support the housing market during a period of tight money. That is supposed to be his field—housing. In short, he had no concrete opinion on any of the regulatory problems facing the Fed. Surely, we can find a more knowledgeable appointment.

Mr. President, I reserve the remainder of my time, and I will be delighted to listen to the distinguished Senator from Utah.

Mr. BENNETT. Mr. President, I yield myself such time as I may require.

The statement which has just been put into the RECORD by the Senator from Wisconsin is similar to the statements he made in the committee both before and after Mr. Bucher's nomination was considered there. I wonder whether the Senator realizes that in repeating the statement after 13 of the 15 members of the committee voted to confirm Mr. Bucher's nomination, he is saying in effect that we have no competence to judge whether a nominee does in fact meet the requirements.

The Senator from Wisconsin has made quite a thing about the fact that Mr. Bucher is not an economist and that this is important in the economic health of our Nation. I wonder whether the Senator remembers the specific language in the Federal Reserve Act delineating the kind of people who are supposed to be appointed to the Board. I read from section 10 of the act:

> In selecting the members of the board, not more than one of whom shall be selected from any one Federal Reserve District, the President shall have due regard to a fair representation of the financial, agricultural, industrial, and commercial interests and geographical divisions of the country.

Nowhere does it say that the Board must be made up of economists or in fact that there must be any economists on the Board. Actually, the Board and its top staff may be a little top heavy with economists. There are four economists on the Board and 250 on the staff, of which approximately 100 are Ph. D.'s. So the Board has economists running out of its ears.

Also, the Senator from Wisconsin goes on to repeat the charges he made that Mr. Bucher is completely without experience in banking; and he quotes the former superintendent of the California banking department, who said that in his opinion Mr. Bucher was not fit to be the president of a small bank.

After we had listened to the former chief of the California banking department for about an hour in the committee, it became obvious to me that he did not have a basis on which to judge Mr. Bucher, because both the witness and the Senator from Wisconsin admitted that they never had met him before. This man was angry with the bank. He had sued it, and his animus was showing through his testimony before the committee. This was a chance for him to get back at the bank, so he was trying to destroy Mr. Bucher because he did not like what the bank had done.

Senator PROXMIRE has listed a number of well-known economists who he said would make better members of the Federal Reserve Board. I agree with him that they would make excellent members of the Federal Reserve Board; but, we must realize that Senator PROXMIRE is not the President, and it is the President who has the power to make the nominations.

My impression of Mr. Bucher is that he is a very able young man. In this day, when the accent should be on youth, I think it is commendable that the President has appointed this very capable young man as the only banker to serve on the Board.

Mr. President, all this fuss about a single banker not being fit to serve on the Federal Reserve Board because he is a banker intrigues and amuses me, because one of Utah's sons who served as a member and as Chairman of the Federal Reserve Board, Mr. Marriner S. Eccles, who is in his middle eighties, still a powerful intellect, said of himself in his autobiography, "Beckoning Frontiers":

> With my graduation from the high school level of Brigham Young College in 1909, my formal schooling was completed.

He is a brilliant economist and I think would be so regarded, but he has no academic credentials in economics. He is also an excellent banker. Yet, according to the standards that the Senator from Wisconsin would set, Marriner Eccles had no business on the Federal Reserve Board.

Mr. PROXMIRE. Mr. President, I yield myself 3 minutes.

It is very interesting to hear the distinguished Senator from Utah refer to Marriner Eccles. I have in my hand a letter from Professor Bridenstine, professor of economics at San Diego State College. He says:

> Senator Bennett helped rather than hindered your cause by mentioning Marriner Eccles as a banker serving a member of the Board of Governors. One need only read Mr. Eccles "Beckoning Frontiers" to recognize that a great difference regarding knowledge of monetary affairs exists between the two men.

That is, between Bucher and Eccles.

Mr. Bridenstine, who is familiar with both men, says:

> Thank you for giving me an opportunity to help you oppose the appointment of Mr. J. M. Bucher to the Federal Reserve Board of Governors. I congratulate you on your alertness and concern for the efficiency of this ever-so-powerful group.

Mr. President, I might also state that Professor of Economics Carl G. Uhr, of the University of California at Riverside, writes:

> I have read your recent letter and the enclosed reprint of the hearing on the nomination of Mr. Bucher with much interest. I agree wohleheartedly with your analysis, and it is a constant source of wonder to me how the Nixon Administration manages to nominate people of such questionable ability and background for such important functions in the government.

I have a letter from Prof. Norman F. Keiser, of the San Jose State College, Calif., which is the State where Mr. Bucher comes from. Mr. Keiser writes:

> I agree 100 percent with your evaluation of Mr. Bucher. It seems that the Fed has been subjected to a long list of inadequately prepared if not outright incompetent appointees, starting (during my period of interest) with former Chairman Martin himself. I definitely support your position that Bucher's appointment is an outrage.

A letter from J. Frank Jones, of Stockton, Calif., reads, in part:

> Mr. Bucher's experience does not qualify him in my opinion to be a member of this board. Coming from the nation's largest multi-holding company, Mr. Bucher can hardly be expected to act impartially in cases involving holding companies.

Mr. President, I yielded to myself 3 minutes. How much of that time have I remaining?

The PRESIDING OFFICER. The Senator from Wisconsin has a minute and a half remaining.

Mr. PROXMIRE. Of the time I yielded to myself?

The PRESIDING OFFICER. Yes.

Mr. PROXMIRE. I should like to read from a statement by Mr. William A. Burkett. Let me qualify him, because he was an important witness, in my view. He is a man with a very significant background in this field. He is a former superintendent of banks of the State of California; a former president of the National Association of Supervisors of State Banks; a former director of the Department of Employment, State of California; a member of the Cabinet of Gov. Goodwin J. Knight; a former chairman of the Li-

aison 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 and secretary of the National Bank of Monterey County, Calif. He said of Mr. Bucher:

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.

Further, he said:

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.

He said:

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 banking holding company, and possibly by the powerful California bankers, C. Arnholt Smith and Frank L. King.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. PROXMIRE. I yield myself an additional minute. I continue to read from Mr. Burkett's testimony:

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.

Mr. BENNETT. Mr. President, it is interesting to listen to the same tirade again. Just to show how much impressed I am with the type of argument that is being used, we have heard, over and over again, that the UCB is the largest multibank-holding company in the United States. Unfortunately, the Senator from Wisconsin has apparently not even chosen to check that.

The largest is the First National City Bank of New York, which is more than twice as large as the Western Bank Corp. The second largest bank is the Chase Manhattan.

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

Mr. BENNETT. I yield.

Mr. PROXMIRE. The bank the Senator is talking about is a one-bank holding company.

Mr. BENNETT. It is now a multibank-holding company.

Mr. PROXMIRE. When did it become a multibank-holding company?

Mr. BENNETT. I do not have that information, but according to the American Banker magazine of May 12, 1972, the largest multibank-holding company is the First National City Corp. of New York; the second is the Chase Manhattan Corp. The Western Bankholding Co. has less than half as much as the largest, and not much more than half as much as the second, and is in third place.

The largest bank holding company in the world is, of course, the BankAmerica Corp.

Mr. President, we have before us the nomination of a fine young man who has been endorsed by the Chairman of the Board, Arthur Burns.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. BENNETT. I yield myself 2 additional minutes.

Yet the Senator from Wisconsin would like to wipe him out completely, as though he had no standing, and say that he is a man of no character, a man of no education, the worst possible kind of appointment the President could make.

Then he quotes Mr. Burkett. Anyone who sat in that hearing could feel the venom in Mr. Burkett's attitude directed against Mr. Bucher, using this man as a vehicle to express his spleen. I do not think we should be moved by that kind of attitude, an attitude which is based on something personal, one which I do not completely understand, and which Mr. Burkett did not completely explain.

But when we come back to the simple problem before us, we have for consideration the nomination of a capable young man with an excellent record. He is a lawyer. He will be the second lawyer to serve on the Board. He is also a banker. He has the endorsement of the Senators from his State. He was nominated by the President. He has the approval of the Chairman of the Federal Reserve Board. He has the approval of 13 of the 15 members of the committee. I hope the Senate will join with them and approve the nomination of Mr. Bucher.

Mr. PROXMIRE. Mr. President, I am about to yield back the remainder of my time; but before I do so, I should like to make two points in response to the Senator from Utah. In the first place, the Senator from Utah's information concerning multi-bank-holding companies may or may not be later than my own. But I have the information that comes from the Bank Stock Quarterly, issue of April 2, 1972.

This publication shows conclusively the United California Bank is the largest multi-bank-holding company in the country. After all, even if it is the second or third largest on May 31, my point is that it is a large—a $13 billion—multi-bank-holding company, and as governor, Mr. Bucher would be in a position to regulate multi-bank-holding companies.

The distinguished Senator from Utah indicated that I would wipe this man out; that I attacked his character. The Senator apparently was not listening when I read my statement earlier. Let me read it for the third time.

I am opposing the nomination of Mr. Bucher to the Federal Reserve Board. In doing so, I have no personal disregard for Mr. Bucher. I am sure he is a fine man in his field.

I said that here. I said it in our committee. I say it now. That does not mean that every person with a fine character ought to be on the Federal Reserve Board. We could find many persons on the streets with such qualifications.

I say that he has neither the training nor the background for this position. Could one imagine taking someone of good character off the streets and putting him on the Supreme Court? It would be just as ridiculous to put him on this highly technical and vital Board just because he is a fine man.

Mr. President, I ask unanimous consent that the letters to which I have referred to be printed in the RECORD.

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

WEST COVINA, CALIF.,
May 15, 1972.

Senator WILLIAM PROXMIRE,
Member, Senate Banking Committee,
U.S. Senate, Washington, D.C.

DEAR SENATOR PROXMIRE: I am writing to express my admiration for your stand in connection with the Senate Banking Committee's hearings on the nomination to the Federal Reserve Board of Jeffrey M. Bucher, Senior Vice President of the United California Bank.

You are quoted in the May 13, 1972 edition of the Los Angeles Times as stating that in your opinion Mr. Bucher was "totally unqualified" to serve as a member of the Federal Reserve Board. Speaking as a former vice president in the Trust and Investment Division of United California Bank and one who has known and worked with Mr. Bucher for several years, I can only say that I am in complete agreement with your assessment.

Mr. Bucher's experience with United California Bank has been divided among the Law Department, a term as Secretary of the Bank, head of the Court Trust Administration division of the Trust Department and subsequently as head of the Trust Department. While he would have necessarily been exposed to economic matters as well as money and credit markets, in no one of these areas would he have obtained the type of experience which would even remotely qualify him for consideration to this important post.

Having been associated with the banking industry for over twenty years and still active in the securities business, I have developed an increasing respect for the powers and obligations of the Federal Reserve Board. I am becoming more and more aware of the Board's role in shaping the course of the nation's economy. It is unthinkable to me that anyone save those with the most impeccable credentials would be considered for membership on the Board, let alone one whose background and experience are marginal at best. Membership on the Federal Reserve Board is no place in which to discharge political obligations, as I am sure you will agree.

My association with United California Bank terminated by mutual agreement in July of last year, and my feelings toward that organization to this day are not without some degree of prejudice. So you will have to accept my comments with this knowledge in mind. I have no desire to cast any aspersions on Mr. Bucher's abilities in certain other fields, but I do feel strongly that there are many other well qualified candidates who would prove to be superior additions to the Board.

Thank you for your efforts, Senator, in seeking to make certain that membership on the Federal Reserve Board goes only to the best qualified individuals for these vitally important positions.

Sincerely,

PHILIP W. BURGE.

MAY 22, 1972.

Senator WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: I am in full agreement with the viewpoints you expressed regarding Mr. Jeffrey M. Bucher's nomination to the Federal Reserve Board.

I am opposed to putting one so closely allied with a huge multibank holding company in a position of such vital importance to the Nation's economy. Surely there are many men better qualified to serve the country in this key role, and the fact that Mr. Bucher has been pushed into line for this nomination is reason enough to suspect the motives of his backers.

I am writing to Senators Cranston and Tunney asking them to oppose this unfortunate nomination, as well as to continue to oppose the confirmation of Mr. Kliendienst. The pervasive influence of the ITT's, the Lockheed's, and the United California Bank's in attempting to control and use government for their own ends needs to be stopped.

I commend you on your difficult but worthwhile fight on behalf of our basic democratic institutions.

Sincerely,

WILLIAM N. MCNAIRN.

MAY 22, 1972.

Senator ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: I have read the minutes of the hearings by the Senate Banking Committee on the nomination of Mr. Jeffrey Bucher to the Federal Reserve Board.

I am opposed to appointing Mr. Bucher to the Board on several grounds:

a. he is not qualified;

b. he represents a powerful economic special interest; and

c. the country needs the best leadership and guidance it can get from the Board in dealing with our mounting economic problems.

I respectfully ask your assistance in opposing Mr. Bucher's nomination to the Federal Reserve Board, as well as in opposing the confirmation of Mr. Kleindienst to the office of attorney-general. Both of these men represent big business interests too closely to discharge their responsibilities without taint, and in these times we can't afford to discredit our key government offices and institutions.

Sincerely,

WILLIAM N. MCNAIRN.

MAY 22, 1972.

Senator JOHN TUNNEY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR TUNNEY: I have just read the minutes of the hearings by the Senate Banking Committee on the nomination of Mr. Jeffrey Bucher to the Federal Reserve Board.

Mr. Bucher, in my opinion, should not be appointed to the Board for several reasons:

1. He is not qualified;

2. He represents a powerful economic special interest; and

3. Better qualified individuals are available who can contribute much more significantly to our country's economic guidance than he could do.

I respectfully ask your assistance in opposing Mr. Bucher's nomination to the Federal Reserve Board.

Please, also, keep up your good fight against the confirmation of Mr. Kleindienst.

Nothing will bring our democracy into serious trouble faster than the appointment of men like these to positions of key influence over our economic and legal destinies.

Sincerely,

WILLIAM N. MCNAIRN.

ASSOCIATION OF DATA PROCESSING SERVICE ORGANIZATIONS, INC.,
New York, N.Y., May 23, 1972.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: We have become aware of the nomination of Jeffrey M. Bucher to the position of Governor of the Federal Reserve Board. We are writing to you to express our concern with this nomination and our disappointment with Mr. Bucher's background.

Unavoidably, our industry now finds itself indirectly regulated by the Federal Reserve Board as a result of its promulgaton of Regulation Y of the One Bank Holding Company legislation. The very permissive guidelines of Regulation Y as well as the administrative responsibility for this regulation resting with the promulgator place us, by definition, in a very sensitive position.

It may well be that highly competent economists and administrators will, over time, make reasonable sense of this new law and protect our industry which many predict will someday be our country's largest. That type of rational evolvement is far less likely when yet another banker born out of the industry and sired by the American Banking Association potentially appears on this august Board.

For these reasons, we are opposed to Mr. Bucher's nomination and ask you to resist it.

Sincerely,

BERNARD GOLDSTEIN,
President.

SAN JOSE STATE COLLEGE,
May 22, 1972.

Hon. Senator WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: Thank you for your letter of May 17th concerning the nomination of Mr. Jeffrey M. Bucher to the Federal Reserve Board.

I cannot personally imagine that a man like Mr. Bucher without formal training in economics or monetary policy should be appointed as a Governor of the Federal Reserve Board. I particularly agree completely with Mr. Burkett's statement as he appeared before the Committee hearing that a trust officer is the last man in the financial field that should be appointed the Federal Reserve Board.

As Senior Vice President in charge of Trust Division of the United California Bank and to have the subordinates investing in the commodities and lose $48 million, it appears to me that Mr. Bucher fails to exercise his leadership.

In my opinion, if a man is incapable of exercising his leadership, how can he be expected to take the leadership role in managing the economic and monetary affairs of the most powerful agency in this country.

I think your move to oppose the appointment is a wise decision.

Respectfully yours,

JAMES C. MA,
Associate Professor of Business.

WASHINGTON, D. C., *May 22, 1972.*

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: I have noted the nomination of Mr. Jeffrey M. Bucher to membership on the Federal Reserve Board, and am writing to you to express my opposition.

During my tenure as Chairman of the Council of Economic Advisers, and equally during the 19 years since then, I have studied closely the policies of the Fed and their economic and social impact. I have regarded the main thrust of these policies since 1953 as one of the main causes of the undue amount of inflation which we have suffered since then, the deficient rate of economic growth, and the excessive idleness of plant and manpower, and the progressively regressive distribution of national income with all of its social evils. In general, in my view, the policies of the Fed have become worse during the most recent years, despite some deviations.

My full views on this subject are known to you and many other members of the Congress through my books and other writings on this subject, and through voluminous testimony before Congressional Committees, including the Joint Economic Committee, the Senate and House Banking Committees, the Senate Finance Committee, and the House Ways and Means Committee. It seems apparent to me that the policies of the Fed can be corrected promptly and vigorously in the public interest only if the long-term practice of recruiting its membership to large degree, though not exclusively, from banking circle is abandoned, and if the membership of the Fed is refreshed and strengthened by bringing in more and better representation of other types of experience, interest, and alliance.

These seem to me to be sufficient reasons why Mr. Bucher's appointment to the Fed should not be confirmed. As to the other disclosed reasons which suggest his ineligibility, I have not examined these carefully enough to venture a judgment, except to say that the record is certainly not impressive in his favor.

Very sincerely yours,

LEON H. KEYSERLING.

MASSACHUSETTS INSTITUTE OF TECHNOLOGY,
Cambridge, Mass., May 24, 1972.

Re Mr. Jeffrey M. Bucher, nomination to the Federal Reserve Board.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: I am glad to respond to your request for a comment on the nomination of Mr. Jeffrey M. Bucher to the Board of Governors of the Federal Reserve System. I have no independent knowledge of the particular nominee. From the transcript of the hearings of the Senate Banking Committee, it seems plain that the best one can say is that it is an undistinguished nomination, perhaps worse.

As a general matter, monetary policy is a difficult and important matter at all times, and especially now that the international monetary system is in the process of reformulation. It can hardly do the United States any good, either at home or abroad, to have its policy made and its interests represented by people of little ability and less experience. To be a good Governor, it is neither necessary nor sufficient to be a professional economist.* But there must be many people in California with experience or training or both that would at least contribute to intelligent monetary policy at a time when our country and the world badly need it.

Sincerely yours,

ROBERT M. SOLOW,
Professor of Economics.

SAN JOSÉ STATE COLLEGE,
San José, Calif., May 24, 1972.

Senator WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: Thank you very much for your letter of May 17th and for providing me with a copy of the hearings of the Senate Banking Committee on the nomination of J. M. Bucher to the Federal Reserve Board.

I do not know Mr. Bucher either personally or by banking reputation on the West coast. However, I agree with you completely that there is nothing in the record of the hearings to suggest that he is qualified for member-

*But it is desirable.

ship on the Federal Reserve Board. I am sure that few professional economists would argue that all members of that important Board need be professionally-trained economists. However, it must be equally obvious that membership on that Board requires substantial knowledge of the reality of the American economy and the ability to translate at least certain elementary principles of monetary fiscal and debt management theory into the banking policies over which that Board has such important control.

It seems to me a great shame that the initial high quality of the administration's appointments to that Board reflected in the initial appointment of Dr. Arthur Burns should now be so diluted by the appointments of people such as Mr. Bucher. I agree with the point you make in the hearings that there surely are and must be other people from the West coast in banking and private industry who are better qualified by knowledge and training to serve the important regulatory and control functions which the members of the Federal Reserve Board carry out.

I certainly wish you well in your efforts to examine the qualifications of nominees to the Federal Reserve Board and to subject these nominations to the glare of national publicity.

Sincerely,

JAMES F. WILLIS,
Chairman.

SAN DIEGO STATE COLLEGE,
San Diego, Calif., May 26, 1972.

Senator WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: Thank you for giving me an opportunity to help you oppose the appointment of Mr. J. M. Bucher to the Federal Reserve Board of Governors. I congratulate you on your alertness and concern for the efficiency of this ever-so-powerful group.

Woodrow Wilson, shortly after passage of the Federal Reserve Act, was approached by bankers with the idea that certain of their members be appointed to the then named Federal Reserve Board. President Wilson explained that he believed it inconceivable that the governed be permitted to sit as governors. I subscribe to this view and furthermore would generally recommend use of Wilson's alternative plan: appoint bankers to the Federal Advisory Council.

Mr. Bucher, though, would hardly qualify for this group. Views of trust officers are hardly to be of much use in giving Federal Reserve representatives meaningful input about commercial-banker reactions to monetary matters.

I was very pleased, Senator, to find your listing of very competent economists employed by banks who would serve much better than Mr. Bucher. Possibly James Meigs, recently associated with the National City Bank of New York, might also be added to the list. Surely the men you mentioned possess knowledge of monetary economics: a basic prerequisite of being a member of the Board of Governors.

Senator Bennett helped rather than hindered your cause by mentioning Mariner Eccles as a banker serving as a member of the Board of Governors. One need only read Mr. Eccles' *Beckoning Frontiers* to recognize that a great difference regarding knowledge of monetary affairs exists between the two men. Mr. Eccles was already molded to put on the suit of a central banker.

Members of the Board of Governors should be above commercial interests, total commitment to a singular monetarist or fiscal view, and above political linkages. Proper management of the nation's money supply requires knowledge of the functioning of the economy and its reaction to money-supply forces. Certainly Mr. Bucher cannot be given a grade of 100 on these requirements.

Finally, I believe the remarks of Mr. W. A. Burkett, former Superintendent of Banks in California, carry great weight. Mr. Burkett should know whether or not Mr. Bucher is a qualified banker. Mr. Burkett's answer was no; I cannot do other than agree.

Respectfully yours,

DON C. BRIDENSTINE,
Professor of Economics.

UNIVERSITY OF CALIFORNIA, RIVERSIDE,
Riverside, Calif., May 23, 1972.

Hon. WILLIAM PROXMIRE,
U.S. Senate, New Senate Office Building, Washington, D.C.

DEAR SENATOR PROXMIRE: I have read your recent letter and the enclosed reprint of the hearing on the nomination of Mr. Bucher with much interest. I agree wholeheartedly with your analysis, and it is a constant source of wonder to me how the Nixon Administration manages to nominate people of such questionable ability and background for such important functions in the government.

Thank you for calling this and other matters of this importance to my attention.

Sincerely yours,

CARL G. UHR,
Professor of Economics.

SAN JOSÉ STATE COLLEGE,
San José, Calif., May 23, 1972.

Senator WILLIAM PROXMIRE,
U.S. Senate, Washington, D.C.

DEAR SENATOR PROXMIRE: I agree 100 percent with your evaluation of Mr. Bucher. It seems that the Fed has been subjected to a long list of inadequately prepared if not outright incompetent appointees, starting (during my period of interest) with former Chairman Martin himself. I definitely support your position that Bucher's appointment is an outrage.

Incidently, may I request a copy of your recent JEC hearings on the Price Commission?

Sincerely,

NORMAN F. KEISER.

STOCKTON, CALIF.,
May 24, 1972.

Hon. WILLIAM PROXMIRE,
Senate Office Building, Washington, D.C.

DEAR SENATOR PROXMIRE: I should like to register a vigorous protest against the confirmation of Mr. Jeffrey M. Bucher as a member of the Federal Reserve Board.

Mr. Bucher's experience does not qualify him in my opinion to be a member of this board. Coming from the nation's largest multi-holding company, Mr. Bucher can hardly be expected to act impartially in cases involving holding companies.

Finally, Mr. Bucher's nomination has been opposed most forcefully by Mr. William Burkett, a former Superintendent of Banking in California.

I hope you will use your influence to block Mr. Bucher's confirmation in the Senate.

Cordially,

J. FRANK JONES.

Mr. BENNETT. Mr. President, I did not think that we would get so involved in the details of this nomination here on the Senate floor. Since we have, I feel that it is appropriate to discuss in full the allegations that have been made in opposition to the nomination.

Mr. President, there has been some opposition to this appointment because Mr. Bucher is not a professional economist. Various charges and allegations have been made regarding the qualifications of Mr. Bucher, and it has been suggested that his nomination is a political payoff for campaign contributions. It has also been suggested that he was recommended by a person who could be benefited in his financial operations by decisions which would be made by Mr. Bucher as a member of the Board. It has been further stated that Mr. Bucher is unfit to serve on the Federal Reserve Board because of alleged improper actions by the Chairman of the Board of the United California Bank and the actions of a foreign affiliate of that bank.

The Federal Reserve Act established the Board of Governors of the Federal Reserve System and provided that the members of that Board be appointed by the President with the advice and consent of the Senate. We have a responsibility to carefully and objectively consider these nominations and make our judgment on the basis of the record of the individual nominated, his background, and the contributions he could make to the decisions of the Federal Reserve Board. All opposition arguments and allegations should be carefully considered. I would like the Members of this body to know that I have looked into the background of the nominee through several sources and have found no support for the opposition arguments nor have I found any other reason to oppose the nomination. Indeed, my investigation has confirmed my support for Mr. Bucher.

We held hearings on the nomination of Mr. Bucher on Friday, May 12. At that hearing, members of the committee had an opportunity to question the nominee. In addition, another witness, Mr. William A. Burkett, testified on the nomination. On May 15, the Senator from Wisconsin, who opposed the nomination in the committee, had the transcript of the hearings printed in the CONGRESSIONAL RECORD. It is interesting to note that before inserting the transcript in the RECORD, the Senator from Wisconsin altered his own statements in more than 50 instances, including the deletion of full paragraphs. The few statements which he made which might be considered as somewhat favorable to the nominee were also deleted.

Mr. President, the Senator from Wisconsin stated in his introductory remarks when he had the transcript printed in the RECORD that he emphatically supported the judgment of Mr. Burkett. Both the Senator from Wisconsin and Mr. Burkett, who had obviously provided information upon which some of the questions used by the Senator were based, made statements which do not agree with the facts which I have available.

I hope that the members of this body have read the transcript record inserted by the Senator from Wisconsin in the CONGRESSIONAL RECORD of May 15, because even with the changes made in his statements and the mistakes contained in the transcript, it is obvious that there was an attempt to discredit Mr. Bucher, using guilt-by-associaion allegations. I also hope that the members of this body have read the statement and conclusions of the Senator from Wisconsin regarding the Chairman of the Federal Reserve Board, Dr. Burns.

On May 8, 1972, the Senator from Wisconsin made his first statement to

this body in opposition to the nomination of Mr. Bucher to serve on the Federal Reserve Board. He opposed Mr. Bucher at that time and during our hearings primarily because Mr. Bucher is not a professional economist and the Senator stated "that only professional economists should be appointed to the Federal Reserve Board."

While one may agree with the Senator that it is important to have professional economists represented among the members of the Board, there is certainly no reason why all of them should be economists. The Federal Reserve Act was very specific in requiring that Board members represent a broad segment of interests. Section 10 of the Act states:

In selecting the members of the Board, not more than one of whom shall be selected from any one Federal Reserve district, the President shall have due regard to a fair representation of the financial, agricultural, industrial, and commercial interests, and geographical divisions of the country.

In my opinion, the competency of the Board would be reduced if all members were required to be professional economists. Certainly individuals with other backgrounds are necessary to provide depth to the overall judgment of the Board.

It is obvious from the letter I read earlier that Chairman Burns, who is himself a capable economist, believes that the appointment of Mr. Bucher would strengthen the Board. Nor is Chairman Burns alone among economists in this view.

According to an article in the American Banker of May 17, 1972, Mr. Karl R. Bopp, retired president of the Federal Reserve Bank of Philadelphia, a professional economist and authority on the economics of international banking, thinks the Board is overloaded with economists. I ask unanimous consent to have the article printed in the RECORD.

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

ECONOMIST MAY BE NO GREAT ASSET TO FEDERAL RESERVE PERFORMANCE

(By J. A. Livingston)

PHILADELPHIA.—Is chairman Arthur F. Burns seeking to dominate the Federal Reserve Board by packing it with "inexperienced amateurs" who are "ill-equipped to understand the complex issues facing the economy?" Sen. William Proxmire, D., Wis., thinks so.

As a member of the Senate Banking Committee, he opposed President Nixon's nomination of Jeffrey M. Bucher—pronounced Bu-er to rhyme with fewer—to replace Sherman J. Maisel, former University of California professor of economics. Mr. Bucher, a 39-year-old lawyer, is senior vice president in the trust and investment division of the United California Bank of Los Angeles.

Karl R. Bopp, retired president of the Federal Reserve Bank of Philadelphia, will not be defrocked—have his Ph. D. robe taken away—by the American Economic Association for disagreeing with Mr. Proxmire.

Mr. Bopp, an authority on the economics of international banking, thinks the Board is overloaded with economists and that economists suffer from a professional disease: They are apt to be doctrinaire—wedded to theory. Yet each economist is sure that he, himself, is immune to doctrinarism. "That," says Mr. Bopp smiling, "goes for me, too."

Including Mr. Maisel, the Board had five economists—Mr. Burns, Andrew F. Brimmer, J. Dewey Daane and George W. Mitchell. The two remaining members are J. L. Robertson, a lawyer with a government-career background, and John E. Sheehan, a Harvard Business School Graduate who had been president of a Corning Glass subsidiary in Louisville. Mr. Proximire also opposed Mr. Sheehan as a noneconomist.

If Mr. Bucher is confirmed, the Board's economist-to-noneconomist ratio will be restored to what it was when William McChesney Martin Jr. was chairman—four-to-three. Incidentally, Mr. Burns, who succeeded Mr. Martin, is the first economist-chairman.

As further support of Mr. Bopp's contention that the Reserve System is overeconomisted, eight of the 12 Federal Reserve Bank presidents are economists. And five of them, in systematic rotation, serve with the seven Board members on the Open-Market Committee which decides on monetary policy.

"Economists," say Mr. Bopp, "would rather be right than realistic. They want history to record that what they predicted came true. But a member of the Reserve Board must be constantly concerned with reaching the best solution of a problem today without creating a greater problem for tomorrow. This may often require compromise."

Mr. Bopp's ideal Board members would be a competent, forthright, independent man of affairs who is attuned to social, and financial parameters. In moments of stress, he ought to be able to talk to businessmen and bankers as "one of them." Economists can do this with other economists but may not have rapport with businessmen.

A preponderance in the Reserve System of economists is a post-World War Two development. The first Board had only one economist, Adolph C. Miller, and he opposed Federal Reserve intervention in the government bond market to expand credit. He regarded open-market policy as a form of government interference—non-laissez-faireism. This doctrinaire position, Mr. Bopp points out, was opposed by Benjamin Strong, president of the Federal Reserve Bank of New York, who was trained as a banker.

In addition to economists as members and as Reserve Bank presidents, the Reserve System has one of the finest economic research staffs in the world. And each bank has its own research staff. There is no dearth of economists, economic advice, or economic information.

So, if Mr. Burns dominates the Board and the Open-Market Committee, it will not be because they are packed with "inexperienced amateurs," but because he is persuasive and knows his stuff. And that can be said for any other person who might be chairman, or for that matter, any member of the Board of any Reserve Bank president who has the personality, perspective and perspicacity to sway a group.

The Senate Banking committee Tuesday approved Mr. Bucher by a vote of 13 to 1, with one abstention.

Mr. BENNETT. The article also points out that in addition to the four members of the Board who are economists, eight of the 12 Federal Reserve bank presidents are economists, and five of them in a systematic rotation serve with the seven-man Board members on the Open-Market Committee which decides on monetary policy.

Mr. Bopp's ideal Board member would be a person who is attuned to social and financial parameters. He suggests that he ought to be able to talk to businessmen and bankers as "one of them," in times of stress. He further states that economists can do this with other economists but may not have rapport with businessmen. In my opinion, Mr. Bucher meets these requirements admirably.

It is not unusual that members of the economics profession would not be so sold on their own profession as is the Senator from Wisconsin. Those within the profession can see both the strengths and weaknesses which an outsider may overlook.

In direct contrast to his great confidence in economists, the Senator from Wisconsin seems to have little if any confidence in businessmen and bankers.

The Senator states:

Previous administrations under President Kennedy and President Johnson have wisely upgraded the competence of the Fed by appointing able economists. The present administration is taking a giant leap backward by restoring bankers and businessmen to their former positions of power.

Mr. President, let me clarify the record on this point. In January 1969 when Mr. Nixon became President, four members of the Board were economists and three were not. The Chairman of the Board was not an economist and one member of the Board had a banking background. President Nixon's first appointment was Dr. Arthur Burns to be Chairman of the Board. Dr. Burns is, of course, an eminent economist. When Mr. Bucher's nomination is approved, the Board will again consist of four economists and three noneconomists. One of the noneconomists will have a banking background. There is one important change so far as economist representation on the Board is concerned, and that is that the Chairman is now an economist. Even on the Senator from Wisconsin's terms, this is no leap backward.

Now what about the claim that bankers and businessmen are being restored to their former positions of power? That claim also falls of its own weight. Traditionally, there has been at least one and frequently more than one former banker on the Federal Reserve Board. Bankers have been represented on the Board for all but 11 of the 68 years the Board has been in existence. At one time—in 1936—four Board members were former bankers. When Mr. Bucher's nomination is approved, there will be only one former banker on the Board. I am somewhat dismayed by the Senator from Wisconsin's lack of confidence in Board members who have not had a formal background in economics. Such a background is not a necessity to function well as a Board member. The present Vice Chairman and very capable member of the Board, J. L. Robertson, is not an economist. One of the most prominent chairmen that the Federal Reserve Board has had was Marriner S. Eccles who came from my State of Utah. In his autobiography, Beckoning Frontiers, on page 27, Mr. Eccles said,

With my graduation from the high-school level of Brigham Young College in June 1909, my formal schooling was completed.

Marriner Eccles was a banker and a businessman and nobody complained in those days because he was not a trained economist. I might add, I seriously doubt that anyone today would argue that he was not competent in his understanding of the economic concepts necessary to

be Chairman of the Federal Reserve Board.

Furthermore, I have inquired and have been informed that there are 250 economists on the staff at the Federal Reserve Board. Approximately 100 of these have their doctorate degrees in economics, so the Federal Reserve Board is not without the services of trained economists. Moreover, as I have already stated, when Mr. Bucher's nomination is approved, a majority of the Board will still be economists.

There is, on the other hand, presently no member of the Board who has had a banking background or who has been in charge of a bank trust department. The Senator from Wisconsin suggested in our hearings:

One of the most significant issues to face the banking industry and the Federal Reserve Board over the next 10 years is whether a similar conflict of interest exists between a bank's trust department and its commercial lending activities.

Now I would like to ask the members of this body if that is to be one of the most significant issues to be before the Federal Reserve Board in the next 10 years. Would not it be a good idea to have one member of the Board who has had some experience in both the commercial banking side and who has also been the head of a trust department of one of our major banking institutions? Since none of the other present members have had experience in that area, I believe Mr. Bucher's experience will be invaluable as this issue is discussed by the Board.

The second major argument used by the Senator from Wisconsin is that confirmation of Mr. Bucher would put the Federal Reserve under the control of the President. He stated,

If we confirm the Bucher nomination, I believe we will weaken the traditional independence of the Federal Reserve Board by placing it under control of the President and the executive branch of the Government.

Mr. President, there are two assumptions which must be made in order to come to this conclusion. First, we must accept the Senator's assumption that there are now three members of the seven-man Board who are controlled by the President, Second, we must accept the Senator's assumption that Mr. Bucher will be controlled by the President. I find absolutely no evidence that either of these assumptions is correct and ask the Senator from Wisconsin to point out to this body the three members of the Board who are now under the control of the President. I also ask the Senator to give us the evidence if in fact he has any that Mr. Bucher will be under the control of the President. In his testimony before our committee when questioned about being controlled by either the President or by the Chairman of the Federal Reserve Board, Mr. Bucher stated unequivocally:

I assure you, however, that I will be my own man and that is under all circumstances in every situation.

The Senator from Wisconsin continues by saying the reason that approval of this nomination would place the Federal Reserve Board under the control of the President is

Because the appointment of inexperienced men such as Mr. Bucher will increase the power of Chairman Burns to dominate the Board.

He added:

By confirming Mr. Sheehan and Mr. Bucher, we really give Mr. Burns three votes. He only needs one more to control the Board.

He further states:

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.

The attempted tie-in here is obvious. If approval of this nomination would put control of the Federal Reserve Board under the President, as the Senator from Wisconsin flatly states, and if Mr. Bucher is supposed to be under the control of Chairman Burns, it follows that the Senator is alleging that Chairman Burns is under the control of the President. There is no other logical way to explain the statement. He clarifies this, saying:

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.

I reject this suggestion by the Senator from Wisconsin that Chairman Burns or any other member of the Federal Reserve Board is a passive rubberstamp to the White House. I, for one, am appalled at the blatant allegation. There is, in my opinion, no basis for it in fact, nor do I believe there is any evidence that the Senator can produce to substantiate the charge. If the Senator from Wisconsin has such evidence, even the slightest shred, I think he should present it so that we may consider it in making this important decision. All the evidence I have is to the contrary. To give only two examples, Chairman Burns recommended a wage and price review board for more than a year while the administration opposed any controls over wages and prices. Just recently, on May 15, the American Banker reported that:

Federal Reserve Board chairman Arthur F. Burns asserted the independence of the nation's central bank here Friday when he presented a 10 point agenda for negotiation on international monetary reform.

Mr. President, this is such a serious matter that I believe the Senator from Wisconsin should either produce evidence showing that Chairman Burns is under the control of President Nixon and that other members of the Board are under the control of President Nixon or retract his statements to that effect. I believe that it is a disservice to the country to engage in such unfounded statements.

I cannot accept such a claim that because President Nixon appointed Chairman Burns and also Mr. Sheehan and Mr. Bucher that Mr. Sheehan and Mr. Bucher will automatically be rubberstamps for the Chairman. The record shows at least three instances in which Mr. Sheehan and Chairman Burns have cast opposing votes on supervisory matters. These three votes were very significant. It is difficult to provide clear evidence of the independence or lack of independence of Mr. Sheehan in votes on monetary policy matters, because votes taken in the last 90 days are not public. In this regard, however, I would like to remind the Members of the Senate that open market policy, the principal means by which monetary policy is effectuated, is determined by the Federal Open Market Committee. This Committee is composed of the seven members of the Board of Governors and five of the 12 Reserve Bank presidents.

This, of course, means that Chairman Burns would have to control either the entire Federal Reserve Board, or all of the bank presidents and one member of the Federal Reserve Board, or some other combination totaling six of the other 11 members of the Open Market Committee to control monetary policy. Since the Federal Reserve bank presidents are appointed by directors who are elected by the banks in the Reserve Districts, one's imagination has to be stretched pretty far to even suggest that Chairman Burns would have control of Federal Reserve System operations even if he were to have control of Mr. Bucher. Furthermore, Mr. Bucher said specifically in his testimony before our committee that he would be his own man. I believe that we must take that statement at face value since there is no evidence, I repeat, no evidence to the contrary.

Building upon his "rubberstamp" assumption, which I believe I have completely discredited with the facts, the Senator from Wisconsin said,

I can only conclude that Dr. Burns is more interested in building a personal power dynasty than with getting the best economic judgment needed to run the Federal Reserve System. Such an exercise in personal empire building can only weaken the Board and produce tragic results for the American economy.

Mr. President, that statement carries with it the implication that 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 cannot carry out except with the rubberstamp connivance of other men who have been appointed by President Nixon. The implication is that President Nixon is also involved in some kind of a plot against the independence of the Federal Reserve Board and against the soundness of the American monetary system.

To me, all of this is ridiculous and I hope the ridiculousness of it will be as apparent to all Members of the Senate as it is to me.

Another argument used by the Senator from Wisconsin is that Mr. Bucher's appointment could represent a serious conflict of interest, because he comes from the largest multibank holding company in the country, a holding company with more than $13 billion in assets, and as a Governor of the Federal Reserve Board he would have a prime

responsibility for regulating multibank holding companies.

First, let me say that according to my information the Senator is mistaken in saying that Mr. Bucher comes from the largest multibank holding company in the country. According to the American Banker as of May 12, 1972, the largest multibank holding company in the country was the First National City Corp. in New York with $29.3 billion in assets. The second largest multibank holding company at that time was the Chase Manhattan Corp. of New York, with $24.5 billion in assets. Western Bancorporation, the holding company with which the United California Bank is affiliated, has $13.2 billion in assets. While that is certainly a sizable amount, it is less than half the assets of the country's largest multibank holding company and just over half as great as the assets held by the second largest multibank holding company.

Second, the Senator from Wisconsin listed several individuals whom he said would be well qualified to serve on the Federal Reserve Board. He said:

I believe that such men as Roy L. Reierson of Bankers Trust, Leif Olson of the First National City Bank, Tilford C. Gaines of Manufacturers Hanover, Guy E. Noyes of Morgan Guarantee, 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.

I agree with the Senator from Wisconsin that any of these individuals would be qualified to serve on the Federal Reserve Board. Let me state for the record, however, that every one of them is associated with a bank which is affiliated with a bank holding company and therefore the criteria of the Senator from Wisconsin during the hearing and in his letter of May 17 to Members of this body stating that Mr. Bucher's appointment could represent a serious conflict of interest "because he comes from the largest multibank holding company in the country" would disqualify every one of these individuals under the Senator's own standard.

Furthermore, one of the individuals suggested is associated with the Bank of America which is an affiliate of the world's largest bank holding company, BankAmerica Corporation. Another of the Senator's suggested nominees is connected with the First National City Bank, an affiliate of the First National City Corporation, the Nation's largest multibank holding company. If, as the Senator from Wisconsin claims, it would represent a conflict of interest for Mr. Bucher to be a member of the Federal Reserve Board, would it not also follow that a representative from the world's largest bank holding company or the Nation's largest multibank holding company, would also represent a conflict of interest since both of these institutions are more than twice as large as Western Bancorporation?

The Senator from Wisconsin opposes the nominee because he says he is "not even qualified to head a small bank." In saying this, the Senator also states that he emphatically supports the judgment of Mr. William A. Burkett, who in my opinion completely discredited himself by his own testimony before our committee, which I intend to discuss later.

The Senator states that Mr. Bucher's background has been in the trust department of banking and that:

This 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.

He adds:

It is like getting a man to coach football who's had only experience in baseball.

Mr. President, such statements are not based on the evidence, in my opinion.

I say this because Mr. Bucher has had a much broader background in banking than serving as the chief trust officer in a major bank. During our hearings, he gave us a statement making that completely clear. He said:

I was with the bank's law division for a number of years. This was prior to 1967, and, in that capacity, I was involved in various functions as the bank's representative in negotiating loan agreements, working with the commercial department, the installment credit department, the 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 have looked into the background of Mr. Bucher, as I have stated earlier, and I find that he was very competent during the years he served in the legal department and as the secretary-treasurer of the Board of Directors of the United California Bank. His service as the senior officer in charge of the trust department of the bank has been outstanding to the extent that his activities have been featured in the Institutional Investor publication of May 1969. He has also been a major speaker in trust management conferences.

Mr. President, I would also like to bring to the attention of this body that many other very capable bankers, literally dozens, have come from the trust department. One is my good friend, Eugene H. Adams, the president of the First National Bank in Denver and the president-elect of the American Bankers Association. Another is Samuel H. Ballam, Jr., president of the Fidelity Bank in Philadelphia, a $1.6 billion bank, and another is LeRoy B. Staver, chairman of the board of the U.S. National Bank of Oregon in Portland, which is a $1.7 billion bank. No doubt these capable individuals had experience with other departments of banking, just as Mr. Bucher has had, and I only mention these individuals as examples of the fact that trust department experience does not disqualify a person as a capable banker.

Finally, because of my deep interest in getting the facts on this issue, I took the opportunity to talk with the present superintendent of banks in California, Mr. Donald E. Pearson, when I was in California on Tuesday, May 23. He knows Mr. Bucher and stated that he is one of the most capable young bankers in California.

The Senator from Wisconsin stated that:

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.

Indeed Mr. Bucher was not involved in the so-called Swiss fiasco, and he told us in the committee that the Swiss affiliate was acting in opposition to an express statement by the United California Bank not to participate in commodity speculation. In any event, the speculation occurred and there was a loss.

The Senator's conclusion, however, that appointing a person associated with the United California Bank would impair foreign confidence in the soundness of our bank regulatory system is completely unwarranted, in my opinion. I have received a letter from Mr. Donald E. Pearson, the California superintendent of banks, along with a copy of the judgment and a translation of the oral remarks of the Chairman of the Court of Appeals in Switzerland. The letter deals specifically with the issue of foreign confidence, and I ask unanimous consent to have it printed in the RECORD.

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

STATE OF CALIFORNIA,
STATE BANKING DEPARTMENT,
Los Angeles, Calif., May 24, 1972.

Re United California Bank—Basel AG.

Hon. WALLACE A. BENNETT,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BENNETT: Again let me express to you my appreciation of your speech before the Independent Bankers of California on May 23, 1972. Also I was pleased to have an opportunity for our brief discussion.

In accordance with our discussion, I am enclosing herewith a copy of the Judgement of August 27, 1971 rendered by the Court of Appeals of the Canton Basel-City. Attached to the official decision is a translation of the unofficial oral remarks of the Chairman of the Court of Appeals. There are two portions of this translation from which United California Bank can take deep satisfaction. The first is that during the course of the proceedings the court came to regard the word of Mr. King as "absolutely trustworthy". The second is the expression of gratitude by the court for the "honorable promise given and fully kept" regarding the payment in full of all depositors.

The action of United California Bank in protecting the depositors of the subsidiary has undoubtedly enhanced the international reputation both of United California Bank and of American banks generally.

Had United California Bank chosen to do otherwise, it would have taken all American banks several years, perhaps decades, to kindle world confidence in American financial institutions.

If I can be of any further assistance please do not hesitate to contact me.

Very truly yours,

DONALD E. PEARSON,
Superintendent of Banks.

Mr. BENNETT. Of specific interest is the conclusion by the Court of Appeals that Mr. King's word was absolutely trustworthy and that the promises made by United California Bank a year ago were fully kept. The court expressed gratitude for these facts. Indeed, I believe that Mr. Pearson is correct in saying that the action of the United California Bank has undoubtedly enhanced the international reputation of both the bank and of American banks generally.

The Senator from Wisconsin criticized the nominee for his responses to questions presented to him during our hearings. He said:

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.

I would like to point out that Mr. Bucher did answer many of the Senator's questions. Others, in my opinion, were not deserving of an answer. I suppose it is not appropriate for me to say which of the Senator's questions were substantive and which were not. Let me, however, give some illustrations of questions which were answered and those which were not.

Senator PROXMIRE. 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. 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 have to be honest with you. I do not have any plans . . . I really have not made any plans and I assure you, I have made no commitments.

Senator PROXMIRE. 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. 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. I think one of the significant tests should be the competitive factor. Therefore, I don't want to say categorically that I think crossing state lines is bad.

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. 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 10 years is whether a similar conflict of interest exists between a bank's trust department and its commercial lending activities.

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.

Senator PROXMIRE. 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 sizable equity interest in the company?

Mr. BUCHER. No, I do not.

Mr. President, if these are not questions of substance, I wonder why the Senator from Wisconsin asked them of the witness. I do not understand how the Senator could claim that Mr. Bucher did not give a single specific answer to any of these questions.

As I said earlier, Mr. Bucher did not give specific answers to some questions involving management of the United California Bank, the actions of a foreign affiliate, and decisions that have been made by the Federal Reserve Board. We must remember that Mr. Bucher was not involved in the areas of management about which he was questioned. Nor has he been serving on the Federal Reserve Board. Since he had no involvement in the decisions, I believe that he was fully justified to decline to make a judgment without further information. We need members of the Federal Reserve Board who will consider the facts before rendering a judgment.

After the nominee had stated that he had no plans to go into banking after his 14-year term on the Federal Reserve Board and that he certainly had made no commitments, the Senator from Wisconsin asked:

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?

To my knowledge, no previous nominee to the Board has been requested to make such a commitment, nor do I believe it would have been proper for the candidate to have answered the question.

A further question asked by the Senator from Wisconsin was:

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?

Mr. Bucher answered:

I think the best anwer 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.

Is this the answer of a person trying to evade a question? I do not think so. In my opinion, we want men on the Federal Reserve Board who do not make snap judgments without any facts. We want men who will consider the facts available before making a judgment on negligence, or conflict of interest, or proper banking activity. In the absence of a consideration of the available facts, a preconceived judgment would not strengthen the Federal Reserve Board.

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—of course these are of a fiduciary nature—unregistered stock would not be a type of investment I would recommend.

Senator PROXMIRE. 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 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.

Mr. President, I have not given all of the questions which were asked of the nominee. They are all printed in the RECORD of May 15, 1972. I do believe, however, that Mr. Bucher made a very responsible showing before our committee, as is indicated by the fact that the committee supported his nomination by a margin of 13 to 1.

Mr. William A. Burkett, who testified against Mr. Bucher, listed 14 reasons why his nomination should not be approved. However, Mr. Burkett completely discredited himself by his own testimony. His statements were wrong. His allegations were unsupportable and he showed a surprising lack of understanding of the banking system and its operations.

After we had heard the testimony of the nominee that he had been involved in all aspects of banking, as a legal officer, secretary-treasurer of the board of directors, and chief trust officer of a major bank, Mr. Burkett stated:

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.

Whose statement should we take on this matter? Should we believe the nominee and the present California superintendent of banks who knows Mr. Bucher or a person who admitted before our committee that he had never had any experience with Mr. Bucher nor had he ever seen him before the hearing at the committee and had no knowledge of him other than the biographical sketch which was included in our record? Since the hearings as I have already stated, I have investigated the background of the nominee further and find his statements to be accurate and factual.

On the same lack of information, Mr. Burkett stated that:

Mr. Bucher would not be qualified for appointment to the presidency of even the smallest bank in California because of his total lack of knowledge and experience in banking.

The Senator from Wisconsin states that he emphatically supports Mr. Burkett's judgment. I cannot agree with the judgment of a man who does not base that judgment on facts.

Mr. Burkett states:

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.

This statement is ridiculous and untrue. Obviously, bank trust departments actively compete to obtain corporate pension business. However, it is a violation of the Clayton Antitrust Act for a bank to require that corporations transfer their pension business to a bank trust department as a condition for a loan. Furthermore, it would be physically impossible since large corporations generally borrow from more than one bank because the loan limits of individual banks are not sufficient to meet corporate needs. Mr. Burkett himself referred to the Lockheed loans. The fact is that six California banks made large loans, ranging from $5 million to $30 million, to Lockheed. Certainly all of them could not require Lockheed's pension business even if it were not illegal to have such a requirement.

Mr. Burkett also objected to the nomination because Mr. Bucher served as secretary-treasurer to the board of directors of United California Bank and he does not see how Mr. Bucher could escape involvement in the loss of $48 million by a subsidiary in Basel. The fact is that Mr. Bucher became the chief trust officer in 1967, 2 years before the Basel subsidiary was acquired and, according to his testimony before the committee, he had nothing to do with the purchase or any of the activities of the subsidiary.

Mr. Burkett stated that:

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.

According to the April 1972 Federal Reserve Bulletin, of the total 13,784 commercial banks in operation as of December 31, 1971, 8,056, or over 58 percent, are not even members of the Federal Reserve System, but are nonmember State banks. Only a few of these are affiliated with holding companies and are thus subject to Federal Reserve supervision.

Moreover, all national banks have the option of becoming State banks, and State banks are not required to be members of the Federal Reserve System. Between the end of 1960 and 1970, 403 banks withdrew from the Federal Reserve System by changing their status from national members to State nonmembers and from State members to State nonmembers.

As long as this possibility exists, the Federal Reserve Board actually does not have life-and-death control over any bank in the United States.

Mr. Burkett also states that Western Bancorporation is the world's largest bank holding company. I have already shown that this statement is not true.

Mr. Burkett added:

Finally, another point against the Bucher appointment is that Mr. Arnholt Smith recently purchased 94.5 percent of the Fidelity Bank of Beverly Hills, Calif., 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 Corp.

Mr. President, if it is true that Fidelity Bank of Beverly Hills is being merged into U.S. National Bank of San Diego, the merger would have to be approved by the Comptroller of the Currency rather than the Federal Reserve Board because the surviving bank is a national bank. Under the Bank Merger Act of 1966, the only role of the Federal Reserve Board in such a case is to file an advisory opinion with the Comptroller on the competitive aspects of the merger.

If, in fact, Mr. Burkett were the banking expert which he indicated in his testimony before our committee, one would think that he would be more familiar with the sizes of bank holding companies, with the responsibilities of the Federal Reserve Board as compared to those of the Comptroller of the Currency, and one would certainly expect him as a former State bank supervisor to know that the Federal Reserve Board does not have life or death control over nonmember State banks which are not affiliated with bank holding companies.

Mr. Burkett did not limit his criticism of the nominee to the banking area. He stated that the appointment was a political payoff and that Mr. Bucher's present employer could stand to benefit by the appointment. To clarify his position, during our hearings the Senator from Wisconsin asked:

Are you saying that this is in the way of a political payoff, that Mr. Bucher is appointed as a payoff 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 replied:

To the best of my knowledge and belief, I believe this to be nothing else than exactly what you stated, a political payoff.

Yet he had nothing in the way of evidence to support this statement.

Mr. President, after considering all of the allegations and all of the evidence I have been able to obtain, I find no reason to oppose the nomination of Mr. Bucher. I feel that he is a qualified young man who can make a significant contribution to the deliberations of the Federal Reserve Board. I recommend that his nomination be approved by the Senate.

Mr. TOWER. Mr. President, the nominee now before us for the Federal Reserve Board, Jeffrey M. Bucher, is thoroughly qualified to fill this important post. The very evident intelligence and competence of Mr. Bucher, in combination with his general banking experience, will make him a definite asset to the important policymaking functions of the Board.

The claim has been made that Mr. Bucher is not qualified to be on the Federal Reserve Board because, supposedly, only professional economists are qualified to sit on the Board. This simply is not so. The Board is necessarily engaged in its macro-economic policymaking with the state of the economy, and business and employment conditions generally. Along with economists on the Board and its large staff of professional economists, some 250 of them, the Board needs several accomplished businessmen and lawyers who can bring an element of the real business world into the considerations of the Board. That agency does indeed manage the Nation's monetary system, but virtually all of their decisions are ultimately based on the understandings and assumptions of the Board members about the direction and course of business spending, borrowing, employment, and the like.

A large element of business decisionmaking is not directly dependent on statistically analyzable or economically analyzable data, but rather upon the psychology of the businessman and the sense of the business community about the general direction of the economy, about future Federal spending prospects, about our international relations, and the like. Thus, as important as professional economists are to the Board and to other economic-policy agencies for statistical and economic anlysis as a sound background to policymaking, the ultimate decisions of an economic agency like the Fed are substantially dependent on the social and political—in the general sense—understandings of the Board members about the business community, about the consumer, about other governmental plans, about international developments, and about the attitudes and aspirations of the American people generally. In this regard, it certainly cannot be said that trained economists are superior to any of the other thousands and millions of intelligent, educated, worldly men and women of high integrity that we have in our country today. In fact, a Board of economists will tend to have fairly similar outlooks on matters by virtue of their similar educations and professions that will bias their policymaking in a fairly narrow vein, if they are not intermixed with the fresh thoughts and orientations of people from other walks of life and with other experiences to draw upon.

Mr. President, one of the great virtues of our country is that we have many talented, capable people and that our system of government is such that we can draw upon those resources very flexibly to fill top policy positions in our Government. We are not bound in a political system, such as a one-party system, where the top policy positions are filled with career men and women who are specialists in their field and who stay in Government until they retire. We believe in fresh people and fresh thinking in top policy positions of the Government, and we believe in having a strong measure of the good sense of the generalist mixed into these top policy positions, for they bring the voice of the people much closer to the functions of Government.

If we followed the theory that the Senator from Wisconsin advocates—that is, filling top Government positions with specialists only—we who sit on the Banking, Housing, and Urban Affairs Committee would not be qualified to sit on it because virtually none of us is an economist. We make economic policy decisions on that committee, and we do so though none of us is an economist. We are representing the people of this country in making vital policy decisions regarding their well-being, and we do so because we were elected on the basis of our political philosophies and the peoples confidence that we will speak effectively for them in the Government. Our committees can hire all the economists, statisticians, lawyers, and other experts that we may need to have policy alternatives presented to us. But ultimately, we must make the basic political decisions about the proper nature and direction of U.S. policies, and we do not have to be technicians to do so.

If we pressed the principle of specialism in government to the extent advocated by the Senator from Wisconsin, Arthur Burns should not be on the Federal Board because he is not an econometrician—and how can he expect to make monetary policy without being a technical expert on econometric models and equations? Of course, this is ridiculous. Arthur Burns can hire all the statistical and mathematical economists he wants to make models of the economy; all he needs to know and understand are the fundamental assumptions about human behavior and business trends, and the like, that make up the basis for such models. His staff can advise him as to the results of their model work and the possible policy alternatives he may need to consider in making the decisions he has to make; he and the other members of the Board will make their fundamental decisions with all the benefits of analysis that the science of economics and econometrics can offer, but their decisions will also be mixed with substantial elements of personal judgments about business, consumer, and governmental psychology, and their sense of the attitudes and aspirations of the American people. They do not have to be technical specialists in any field to make these policy decisions.

I congratulate the President on his choice of a highly competent, experienced business lawyer to become a member of the Fed. As I noted earlier, our country is blessed with a great many talented, competent people who are capable of serving in the highest positions in Government. The President promised the American people that he would rejuvenate the Federal Government, that he would bring new talent from our great supply of human resources and make the government responsive to the needs of the people. His choice of Jeffrey Bucher for the Federal Reserve Board is one of many such able appointments that he has made to carry through with this promise.

Mr. BENNETT. Mr. President, I yield back the remainder of my time.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Jeffery M. Bucher, of California, to be a member of the Board of Governors of the Federal Reserve System (putting the question).

Mr. PROXMIRE. I vote No.

The nomination was confirmed.

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

The PRESIDING OFFICER. The clerk will call the roll.

Mr. HRUSKA. 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. HRUSKA. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

EXPEDITION FOR CONSIDERATION OF AUTHORIZING LEGISLATION ON APPROPRIATION BILLS

Mr. ELLENDER. Mr. President, as in legislative session, the Committee on Appropriations convened at 10:00 o'clock this morning and considered two appropriation bills—H.R. 14989, making appropriations for the Departments of State, Justice, Commerce, the Judiciary, and related agencies for fiscal year 1973, and H.R. 15093, the appropriation bill for the Department of Housing and Urban Development, Space, Science, Veterans. These two bills have now been reported to the Senate and have been placed on the Calendar.

The appropriation bill for the Departments of State, Justice, Commerce, the Judiciary, and related agencies, has within it 34 items with total budget estimates in the amount of $1,389,000,000 which have not been authorized as of today. This is 28 percent of the total budget estimates considered in this bill. All of these 34 items were included in the bill by the House of Representatives.

In reporting this bill to the Senate, the committee has inserted language which provides that none of the funds provided for these 34 items shall be available for obligation until the enactment into law of authorizing legislation. It is the intention of the committee that this appropriation bill shall remain on the Calendar and shall not be taken up for consideration by the Senate until such time as the authorizing legislation has been passed by the Senate.

The HUD-space-science-veterans appropriation bill, which was reported this morning, also contains appropriations which are not authorized. These are included under the headings of home ownership and rental housing assistance, college housing, comprehensive planning grants, urban renewal programs, grants for neighborhood facilities, and the National Science Foundation. In each instance, again, the committee has inserted language providing that these funds which are not authorized shall not be available for obligation until enactment into law of authorizing legislation.

It is the intention of the committee that the HUD-space-science-veterans appropriation bill remain on the Senate Calendar and not be considered by the Senate until such time as all of these authorizations have been passed by the Senate.

The action taken by the committee today is in accord with the goal established earlier in the year that every effort would be made to have enacted all of the regular appropriation bills for fiscal year 1973 by June 30 insofar as possible.

As you know, the majority leader called a meeting today of the chairmen of all of the committees of the Senate, and at that meeting it was agreed that this procedure should be followed. Every effort is going to be made, as I understand it, by the standing committees to expedite the authorizing legislation.

THE NOMINATION OF RICHARD G. KLEINDIENST

The PRESIDING OFFICER. The Senate, in executive session, will resume the consideration of the nomination of Mr. Kleindienst.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HRUSKA. 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. HRUSKA. Mr. President, I rise to speak in support of the nomination of Richard G. Kleindienst to be Attorney General of the United States. After attending almost all of the sessions called by the Judiciary Committee to consider this nomination, I am convinced that not only should Mr. Kleindienst be confirmed by the Senate as rapidly as possible, but that the Department of Justice and the United States will be most fortunate in having this fine lawyer and gentleman serve in this high capacity.

Mr. President, normally the chairman of the Committee on the Judiciary makes an opening statement on occasions of this kind. Unfortunately, the chairman of our committee (Senator EASTLAND) is away from his office attending to business in his home State that pertains to affairs of the Senate. And I have been requested to make this leadoff statement. He will have some important remarks to make in support of this nomination at a later time.

PRIVILEGE OF THE FLOOR

Mr. HRUSKA. Mr. President, I ask unanimous consent that during the consideration of the nomination of Mr. Richard G. Kleindienst to be Attorney General, two members of the minority staff of the Judiciary Committee, Stan Ebner and Malcolm Hawk, be given the privilege of the floor.

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

THE NOMINEE'S OUTSTANDING QUALIFICATIONS

Mr. HRUSKA. Mr. President, on a personal note, before getting into the sub-

jects raised during the hearings, it should be known that the acquaintance of this nominee and this Senator and our friendship go back more than a decade. I knew Dick Kleindienst when he was an attorney engaged in private practice in Phoenix long before he came to Washington as the Deputy Attorney General. His reputation as a professional is exemplary and he is held in high regard by his fellow attorneys with whom he practiced law for almost 20 years. Since he joined the Department in 1969, the nominee and I have worked very closely on matters of mutual interest, particularly the strong anticrime legislation which has made up a large portion of the Department's legislative program. I have always found him to be talented, hard-working and a scrupulously honest and dedicated public servant.

While possessed of strong opinions, on matters of public concern he has always been willing to listen to other points of view and has maintained an open mind toward them until all of the facts are available. The nominee is committed to vigorous law enforcement, but at the same time has a deep understanding and respect for this Nation's long dedication to individual rights coupled with equal justice for all citizens. He is a person well qualified to balance these sometimes competing interests, a quality essential in an Attorney General.

He is an aggressive and dynamic person who works with diligence and great effectiveness in seeing that the administration's and the Department's positions are presented in a forceful and persuasive manner. Despite the strength of his character, to those who know him well the nominee is also a rather surprisingly gentle and considerate person where matters of the interests and rights of others are concerned. His interest in minorities, in the well-being of his community, and in his church are less well known than some of his public positions, but they nonetheless exist and are genuinely important parts of his life.

During the time that Dick Kleindienst has been in public affairs some of the very strong aspects of his character have become well publicized. So much so, in fact, that they have tended to overshadow the subtler facets of this man which make him so well suited for the very difficult and complex office for which he has been nominated. When the controversy surrounding this nomination subsides, I hope that the real Dick Kleindienst will become better known to more of our citizens; I am confident they will be highly gratified by what they learn.

FINDINGS AND CONCLUSIONS OF COMMITTEE

The committee report filed by the majority sets out the chronology and the substance of the hearings.

It enumerates the specific charges relating to Mr. Kleindienst. Then it sets out the issues bearing directly upon his fitness to be Attorney General.

Its findings and conclusions are well based and soundly reasoned.

ISSUE NO. 1

Was Mr. Kleindienst party to an arrangement to settle the antitrust suits against ITT in return for a contribution from ITT?

Finding and conclusion: No. The negotiations and the settlement were not the product of political influence or promises of favor from ITT. Mr. Kleindienst acted properly in the conduct of his office in the matter of the settlement of these cases.

ISSUE NO. 2

Did Mr. Kleindienst lie when he said that "the settlement was handled and negotiated exclusively by . . . McLaren"?

Finding and conclusion: No.

The Committee finds no merit in this assertion.

ISSUE NO. 3

Was there any impropriety in relying upon Mr. Flanigan to contact a financial analyst for a report on the Hartford divestiture?

Finding and conclusion: No.

The Committee is entirely satisfied that Mr. Ramsden (the financial analyst) was not influenced to reach a particular decision either by Mr. Flanigan or by the memorandum provided him by Judge McLaren through Mr. Flanigan. . . . The Committee finds nothing improper or irregular in the fact that in the ITT case Mr. Ramsden had no direct contact with Judge McLaren. . . .

ISSUE NO. 4

Did Mr. Kleindienst mislead the committee in testifying about contacts with the White House?

Finding and conclusion: No. Language in the committee report states:

The Committee concludes that there has been no misrepresentation. Taken as a whole, Mr. Kleindienst's testimony leaves the distinct impression that he had no substantive discussions with anyone at the White House about the ITT cases. . . .

ISSUE NO. 5

Did Mr. Kleindienst act improperly in the handling of the investigation of U.S. Attorney Steward?

Findings and conclusion: No. The committee report states:

The Committee is not here concerned with any issues which do not directly relate to the actions taken by Mr. Kleindienst. Only the record before him at the time and the manner in which he acted upon it are relevant.

This is not only fair but the highly proper and reasonable course. The Assistant Attorney General in charge of the Criminal Division at that time—Mr. Will Wilson—questioned the need for an FBI administrative investigation. Mr. Kleindienst however, even though convinced that Mr. Steward had done nothing wrong, nevertheless did order an administrative inquiry by the FBI. The report thereon was reviewed by the career attorneys of the Criminal Division. Their recommendation, which was also that of the head of the Tax Division, was that Mr. Steward be retained as U.S. attorney. Mr. Kleindienst followed these unanimous recommendations.

COMMITTEE CONCLUSION

We find no reason to alter our earlier recommendation that the nomination be confirmed. It is our opinion that Mr. Kliendienst is thoroughly qualified to serve as Attorney General of the United States. . . .

HEARINGS: EXTENT AND NATURE

Mr. President, the President sent this nomination to the Senate in mid-February. Over 3 months later—and almost 3½ months now—this matter is finally coming to the Senate floor for consideration.

The delay has been unconscionable, unnecessary, and unproductive. Its basis is entirely political. In years divisible by four, some members find their powers of perception dimmed if partisan political gains can spring from such dimming. That is what has happened in this case. The opportunity to try to embarrass a Republican administration in an election year seemed too great to be passed up. I rejoice that the majority of the committee was willing to forego this spectacle in order to do the work at hand with diligence and with justice.

The hearings on this matter on the desk before each Senator are lengthy and exhaustive. A close reading of them will indicate to what extent a few members of the committee were willing to go to prolong, extend, and confuse the only issue before the committee: the fitness of Richard G. Kleindienst to be Attorney General. I am confident that as this debate proceeds the fact that there is no evidence on which to question the nominee's fitness for this office will become abundantly clear. The smokescreen sought to be raised by the opponents will be seen for exactly what is is: partisan and misguided wishful thinking.

MUTILATION OF HEARING PROCESS

Now I comment on the mutilation of both the hearing process and the rules of evidence which took place during the hearings.

Time and time again this Senator and others urged the committee to move ahead with the hearing so that all witnesses could be examined and all the evidence received in an expeditious and orderly manner. These efforts were ignored as opponents of the nomination asked repetitious and irrelevant questions ad infinitum, stretching into fields far removed from the subject and the objective of the hearings. It was clearly a vain attempt to extend the sessions into a fourth and even a fifth month if possible. Accepted rules of evidence and procedure were violated repeatedly and flagrantly. It is elementary that in judicial and quasi-judicial inquiries, only evidence pressing rational probative worth is admissible. Facts presented should be such as to bring about rational conclusions and persuasions.

Let me quote from the foremost authority in this field of Anglo-American law, Professor Wigmore, who indicates that the basis for all rules of evidence is that "none but facts having rational probative value are admissible." He adds that "whatever is presented as evidence shall be presented on the hypothesis that it is calculated . . . to effect rational persuasion." (Sec. 9) Mr. President, how far the committee strayed from this test can be seen by anyone with an interest in looking into the hearing record. We were dragged into matters from A to Z while the committee's mandate was to stick to K. Our legislative objective was Mr. Kleindienst's qualifications. But the committee was compelled to listen to irrelevant, repetitive, and often impertinent testimony not just once, or even twice, but dozens of times from the same witnesses.

In addition to questions of relevancy and repetition, another vital and accepted rule, the hearsay rule, was constantly ignored to the detriment of the interests of witnesses and the nominee, but even more importantly to the detriment of the truth, and to those who had a right to know the truth. Time and again members of the committee, attorneys all, not only asked for but received hearsay testimony sometimes as much as four times removed. Another well-known figure in the law, with whom all my colleagues on the committee are familiar, Chief Justice John Marshall, had these comments to make on the value and appropriateness of this type of testimony:

That this species of testimony (hearsay) supposes some better testimony which might be adduced in the particular case is not the sole ground for its exclusion. Its intrinsic weakness, its incompetency to satisfy the mind of the existence of the fact, and the fraud that might be practiced under its cover, combine to support the rule that hearsay evidence is totally inadmissible.—*Mina Queen* v. *Hepburn*, 7 Cranch 295.

The conclusion that can be drawn from this experience, aside from deploring it and hoping that it will not occur again, is to be convinced anew of the value of the essence of evidentiary rules which prevail in our judicial system. More than ever before, we should be aware of the great service they perform in keeping court and legislative proceedings within proper and manageable bounds in order to insure that the rights of all citizens and of orderly proceedings, together with all benefits thereof, are preserved and protected.

The committee report and its supplemental report discuss the chronology of the hearings and the legitimate issues concerning the nomination in complete detail.

No facts were discovered which convinced a majority that this nomination should be rejected. Rather than repeat in detail the discussion in the report, Mr. President, I shall discuss the evidence presented at the hearings as I saw it, with emphasis on the points that seemed particularly important, relevant, and revealing.

FIRST SERIES OF HEARINGS

In February, the Judiciary Committee moved quickly, after receiving this nomination, to hold hearings and report its findings. Two days of hearings were held, during which the nominee was questioned vigorously on a wide variety of subjects of interest to committee members. I think all of us were impressed with his knowledge, ability, vigor, and candor, even though some could not agree with his positions on some policy questions. The committee demonstrated its faith in the nominee by unanimously recommending to the Senate that he be confirmed.

I believe all committee members were impressed particularly with the forthright way in which the nominee answered the only adverse witness to appear at the first set of hearings. Mr. Clarence Mitchell, an officer of the NAACP, asked the committee to be particularly sensitive to Mr. Kleindienst's attitude toward civil rights. Specifically, he raised the issue of why a black had not been appointed to the U.S. Court of Appeals for the Third Circuit. The nominee remained in the hearing room throughout Mr. Mitchell's testimony and at its conclusion asked to be heard again, in conjunction with Mr. Mitchell, to answer the question raised. What followed was a most useful dialog which clearly established the facts behind the lack of such an appointment and gave the committee a better understanding of Mr. Kleindienst's attitude toward minorities, the open manner in which he operates, and the appointive decisionmaking process. It was an extremely revealing incident which reflected great credit on the nominee.

The committee made its recommendation to the Senate on February 29 and the stage was set for what I believe, and what was generally believed, would have been quick and almost unanimous confirmation. On that same day, February 29, a quite independent series of events began to transpire which has resulted in this confirmation being postponed for more than 3 months. The balance of my statement today is devoted to a discussion of these subsequent events.

Before getting into detail, however, I want to state unequivocally that it is the belief of this Senator that no evidence has been produced which in any way shakes my original judgment that Dick Kleindienst should be confirmed by the Senate for the post of Attorney General. And that he will fill this position in a manner which will reflect great credit on himself, the Department of Justice, the President who made the nomination, the Senators who vote for the confirmation, and the American people. Further, I should state that as I look about at the Members of this body, it is my firm belief that when the Senate is permitted to vote on this nomination, Dick Kleindienst will be very decisively confirmed.

DELIBERATELY ORCHESTRATED SECOND SERIES OF HEARINGS

On February 29 a syndicated column appeared in a number of newspapers across the Nation which seemed to allege that a connection existed between the settlement of three antitrust cases against the ITT Corp. and a contribution by an ITT subsidiary to the San Diego Convention and Tourist Bureau in order to attract the 1972 Republican National Convention to that city.

This column's publication was by design a calculated, orchestrated and calibrated move to place the entire subject into a purely political context.

The following day an additional column appeared which stated that Mr. Kleindienst had "told an outright lie about the Justice Department's sudden out-of-court settlement of the Nixon administration's biggest antitrust case" when he wrote in a letter to the chairman of the Democratic National Committee that the "settlement between the Department of Justice and ITT was handled and negotiated exclusively by Assistant Attorney General Richard W. McLaren." The column alleged that the nominee had held six secret meetings with an ITT director where, allegedly and speculatively, a settlement was agreed upon in exchange for the San Diego contribution.

As a response to these charges, Mr. Kleindienst asked that the Judiciary Committee reopen its hearings so that he would have a chance to set the record straight. The hearings reopened on March 2 and continued intermittently until April 27. During this period—the longest confirmation hearing in Senate history—the Nation was treated to the very sorry spectacle of innuendo, speculation, fourth-hand hearsay, rudeness, irrelevance and a host of other abuses of the rules of proper conduct of congressional hearings. It was an attempt to embarrass this administration and this nominee for purely political purposes.

These efforts were not entirely in vain, because with the assistance of large portions of the press, there was created in the minds of many citizens a picture of favoritism and wrongdoing totally unsupported by the testimony or the facts. I know that a majority of my colleagues have not been hoodwinked in a similar fashion and that their examination of the hearing record and the committee report will clearly substantiate that there is absolutely no evidence that Dick Kleindienst acted in the ITT or any other matter in any but the most honest and upright fashion.

Twenty-six witnesses testified during the second part of the hearings on 22 different days.

Mr. President, in all frankness, this Senator, who had engaged for a quarter of a century in the general practice of law before he became a Member of this body, is of the firm opinion that many of the witnesses could have had all the evidence pertinent and relevant to the question and the objective of the hearings elicited from them in 2 or 3 hours, but that did not happen. Some of them were there as long as an entire day, and in some instances 2 or more days. This process of asking the same question over and over and over again by one member of the committee and then followed by the same questions from other members of the committee is a course of conduct which would, of course, be totally impossible in court, and should be frowned upon as a matter of conduct in the holding of hearings of this kind by any legislative committee as well.

A great deal of testimony received had no remote or even possible connection with the nominee and his qualifications but constituted merely wishful thinking on the part of some of my more partisan colleagues. What testimony there is which does have a bearing on the nomination can be readily summarized.

REASONS FOR REOPENING HEARINGS

The reopening of the hearings was requested by Kleindienst in order to dispel any "clouds" over his head as a result of the charge that a half-dozen secret meetings had been held by the nominee with an ITT official to settle the pending antitrust litigation.

It was the position of Mr. Kleindienst, and he said so frankly and very sincerely, that if the charges made and the allegations contained in the syndicated column

were true, he not only would not be considered a proper nominee for the Office of Attorney General, but would be subject to criminal prosecution for illegal conduct, for violation of law after law after law.

The testimony received by the committee shows—clearly, positively, unequivocally and finally—that there were no secret meetings, that the ITT cases were decided on the merits, that the decision to settle and the terms of settlement were McLaren's alone, that the settlement was a victory for McLaren's policy judgment regarding the accessibility of conglomerate mergers under existing statutes, and that Mr. Kleindienst's role in the entire ITT matter was secondary, ministerial, and entirely proper. Quite expectedly some seers now indicate that the clouds have "broadened and darkened." It is conceivable to me that in the minds of these rainmakers no amount of effort by the Judiciary Committee or anyone else could dispel these clouds until at least November 8, or perhaps November 9.

The single event which brought the ITT antitrust cases to the attention of the committee in the context of the Kleindienst nomination was the publication on February 29 of quotations from a memorandum, allegedly written by ITT lobbyist Dita Beard, suggesting that there was a connection between the San Diego pledge and the ITT settlement.

Throughout the hearings effort has been made to determine the authorship and the authenticity of the memorandum. These efforts have not been successful. The committee was stymied in its efforts to question Mrs. Beard closely by her recurring heart condition which forced the cancellation of all but the first day of her testimony. This Senator, and I am sure all of my colleagues, would like to have had an opportunity to question Mrs. Beard in greater detail concerning her knowledge of the memo and her participation if any in both the antitrust settlement and the underwriting offer to San Diego. Our inability to do so, however, should not prevent us from moving forward with this confirmation. We did hear from Mrs. Beard under oath that she did not write the memo, that there was no connection that she was aware of between the two events; that she did not know nor ever contacted the nominee; that she had nothing to do with the settlement of the antitrust suites; and that the pledge to San Diego was a reasonable business venture made to promote the opening of the new Sheraton hotel on Shelter Island in San Diego.

In addition to Mrs. Beard's own testimony, the committee heard a great deal of additional evidence to substantiate the important portions of her statement. The testimony of ITT president Geneen on the financial reasons why Sheraton made the commitment to San Diego was particularly enlightening. For at most $200,000 Sheraton felt that it was purchasing almost unbuyable national publicity for its new Shelter Island hotel.

Not one witness before the committee with any first-hand knowledge—first-hand knowledge—of any of the events under examination testified that there was any connection between the Sheraton pledge and the settlement of the ITT cases. In fact, every single such witness denied any link.

Equally as compelling as the testimony heard on that point were the unequivocal denials by both Kleindienst and McLaren that they were even aware of the San Diego pledge or the Republican Convention negotiations at the time the ITT suits were settled. In fact, that did not come to their attention until some months later. No matter how hard the opponents of this nomination strain to realign or reinterpret the facts, it is impossible to come up with a persuasive or even a creditable case, that there was any connection between these two quite separate events which are quite capable of standing independently against any assault on their appropriateness or reasonableness.

ITT LITIGATION

Beginning in 1969, shortly after the Nixon administration took office, the Department of Justice and particularly Assistant Attorney General McLaren began a vigorous enforcement of this Nation's antitrust laws. Throughout the decade of the 1960's, while the trend toward conglomerate mergers by some corporations in this country had reached almost epidemic proportions, the Kennedy and Johnson Justice Departments failed to take any action against these conglomerates. Allegedly, this was based on their belief that present statutes did not reach this type of situation.

It has been observed that if anyone would tend to indulge in innuendo and in conjecture and in imagination, he might engage in the thought that if there is any favoritism in this picture in favor of ITT, it would be by another administration, different from the Nixon administration, under which there was no prosecution whatsoever. That does not happen to be my belief. As a member of the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary, I do know that there was genuinely and sincerely in the thinking and in the conclusions of the Assistant Attorneys General and their staff in the Department of Justice during the Kennedy and Johnson administrations, the idea that prosecution of those cases was not in order under the present statute. I believe they were mistaken. The record shows that I took exception to those conclusions at the time. But that is neither here nor there. That was their feeling and belief.

McLaren, on the other hand, felt that section 7 of the Clayton Act did permit suits to stop mergers of such conglomerate type. In 1969 he moved to put that philosophy to the test in Federal courts.

ITT is a huge conglomerate with more than 250 subsidiaries; it moved from 51st place to 11th place on Fortune Magazine's list of the 500 largest industrialists during the Kennedy-Johnson years of 1961–69. It was a logical target for the testing of McLaren's concept of the law in this particular.

Because Attorney General Mitchell's former law firm in past years had at times represented several of ITT's subsidiary corporations, he disqualified himself from any role in these cases—that is to say, any role assigned to the Attorney General by statute in the processing of the litigation which was embarked upon.

His responsibility, by statute, devolved on the Deputy Attorney General, Mr. Kleindienst. Beginning in 1969, McLaren brought Kleindienst three complaints against ITT involving its acquisition of the Canteen Co., the Grinnell Fire Equipment Co., and the Hartford Insurance Co. Kleindienst approved the filing of all three cases, as is required by the procedures in the Department of Justice.

The nominee had relatively little to do with these cases after they were filed until the spring of 1971. During the interim period, the Grinnell and Canteen cases were tried and lost by the Government in the Federal district courts. These adverse decisions were appealed to the Supreme Court. A preliminary motion was lost by the Government in the Hartford case, and September 1971, was set for trial on the merits of that case, in the Federal District Court in Hartford, Conn. Some settlement discussions between Justice and ITT had been undertaken but had not proved fruitful.

In April 1971, a director of ITT, Felix Rohatyn, asked for and obtained a meeting with the Deputy Attorney General to discuss these cases. There is some conflicting testimony on the question of what led up to this request, but the best evidence seems to be that ITT was interested in a settlement and that the subject of a meeting was broached informally to Mr. Kleindienst by an ITT employee at a social gathering. Kleindienst apparently indicated that his office doors were open to citizens with cases involving the Justice Department and that he would be willing to talk with someone from ITT.

Mr. President, we should appreciate fully what the procedures are in these cases. This was not an unusual situation. It was not extraordinary for the Attorney General or for the Assistant Attorney General in charge of the Antitrust Division to confer with litigants in antitrust cases. In fact, the testimony shows that virtually 80 percent—four-fifths—of the cases filed in this field are settled following such conferences either by way of a consent decree or by way of dismissal or in some other way. Four-fifths of the cases are thus disposed of.

In fact, Mr. President, the thrust of the legislation on this subject is that settlement of these cases should be expedited, should be favored, and that is one reason why criminal cases are seldom filed. The idea seems to be—and legitimately so, in the judgment of this Senator—that the matter at hand is to restore competition if there has been restraint of competition. The matter at hand should concern itself with correcting an unfair practice in the conduct of business or in the functioning of corporate interests and not for the purpose of dragging out litigation, with great expense in time as well as in treasure. It is in that way that some progress can be made, the courts are less clogged, the ends of the legislation are achieved, and it is a much happier situation than to fight every case to its ultimate possible conclusion which in some cases takes as many as 3 to 5 to 6 years.

The meeting with Rohatyn was held in Kleindienst's office on April 20. Only the two men were present, although as Kleindienst pointed out, it was not a secret meeting any more than any other held in the normal course of a day's activities; its existence was fully reported in his and his secretary's calendar. Both the nominee and Rohatyn testified that the director stated that ITT was having a difficult time dealing with McLaren and that ITT had new evidence to present to the Department regarding widely spread hardships which would result from the divestiture of Hartford if it was gone through with. Kleindienst indicated that he would ask McLaren if he would be willing to hear such new evidence.

The nominee communicated this request to McLaren who testified that he was willing to hear the new evidence, and set up a meeting in his office for April 29 at which ITT could make its presentation. The meeting was held as scheduled. It was so secret that Mr. Rohatyn and several others represented ITT; Mr. McLaren and others numbering some four or five, were present for the Antitrust Division; and Mr. Kleindienst attended the meeting, as did several other Government officials from other departments, including the Treasury. Rohatyn made his economic hardship argument and submitted a written memorandum to back up his oral presentation. Kleindienst made some notes but took no part in the meeting. He was there as a passive observer.

Following the meeting, McLaren determined that he was interested in the presentation, but wanted some independent verification of the ITT conclusions. In a previous conglomerate case, Ling-Tempco-Vought Co.—LTV—McLaren had used a financial analyst, who was then a Government employee, to prepare a similar study. The report had been very satisfactory and of high quality. Not knowing how to locate this expert, Richard Ramsden, McLaren called Peter Flanigan, an assistant to the President. and asked him to obtain a similar report from Ramsden on ITT. Ramsden had been an associate of Flanigan's at one time and had worked with Flanigan as a White House Fellow. Flanigan agreed to assist McLaren, called Ramsden at his new position in New York, and arranged to have him prepare the report. When the report was completed, Ramsden delivered it to Flanigan who held it until McLaren was available upon return from foreign travels and then turned it over to him in the presence of Kleindienst. The nominee testified that he has never read the report and it was not discussed when the delivery was made.

A number of factors, including the Ramsden report, convinved McLaren that it would be possible to settle the three ITT cases in a satisfactory manner without requiring the divestiture of Hartford, which was the one segment of the corporation that ITT felt it imperative to keep, in order to avoid drastic adverse financial consequences—consequences of hardship which went beyond the ITT management itself.

McLaren concluded that he would recommend settlement rather than take the cases to their conclusions through litigation. A suitable settlement would avoid the risk that the Government would lose the cases completely. It would result in a decision reached expeditiously, rapidly, and promptly, avoiding several years of uncertainty as well as expense and demands on court and department manpower and other resources. Such a strict settlement requiring substantial divestitures would not only remove the basis for a case against Hartford, but would serve as a strong precedent for condemning and deterring additional conglomerate mergers which would have anticompetitive effects.

McLaren testified that this was a difficult decision to make. He testified that there were many compelling reasons why he would like to take these cases to the Supreme Court. He indicated, however, that the decision to settle was his alone and that it was made on the merits and not influenced by pressure from other department or administration officials, or by any offer of any sort from ITT:

Quoting from his testimony verbatim:

> The decision to enter into settlement negotiations with ITT was my own personal decision; I was not pressured to reach this decision. Furthermore, the plan of settlement was devised, and the final terms were negotiated by me with the advice of other members of the Antitrust Division, and by no one else.

I might say that the other members of the Antitrust Division referred to by McLaren, in the main, are chiefly career people who have served in that division in the Department for many, many years.

McLaren negotiated the terms of the settlement and recommended to Kleindienst, as acting Attorney General for this specific purpose, that the agreement with ITT be accepted by the Justice Department. Kleindienst concurred in the recommendation as did the Federal court in Connecticut which had jurisdiction over the Hartford case.

The settlement negotiated by McLaren was the most stringent in the history of American antitrust litigation. It was the most massive and the largest settlement of antitrust litigation on this kind. It required the divestiture by ITT of six major domestic corporations, Grinnell Fire Equipment Co., the Canteen Co., the Avis Rent-a-Car Co., Levitt Housing Corp., and two insurance companies, with assets of over $1 billion and annual sales of over $1 billion. So it was not a routine case. It was not an insignificant case. It was of a very substantial size and degree.

In addition, it was decreed that ITT make no major acquisitions in the United States for a period of 10 years without the prior approval of the Department of Justice.

It is well to note, Mr. President, that that kind of provision is not ordinarily found—in fact, I do not know that it is found at all—in cases which are litigated to the end of the road. But it was put in this decree as it is commonly put in consent decrees of this type.

It is a fact, and I believe the connection is a direct one, that since the announcement of this settlement the spark has gone out of the conglomerate movement in this country and the threat of a significant anticompetitive trend in the financial and corporate community has been ended. These are not small accomplishments for a man pursuing a policy which two Democratic administrations refused to think possible.

I have already said this once, but I say it again: there is nothing irregular or improper which can be attributed to the previous administrations because they did not pursue the prosecution of those cases and sue for a divestiture of the corporations. They sincerely believed that the antitrust actions did not lie, under circumstances, within the scope of the present statutes.

Those are the uncontradicted facts regarding the settlement of the three ITT cases as reflected by the testimony before the Judiciary Committee, which shows that the results were obtained by McLaren without outside interference.

Additional, but somewhat less relevant, facts were also spread on the hearing record: Rohatyn met with Kleindienst three additional times while the settlement negotiations were in progress to complain that McLaren was being too harsh on ITT. Each time, Kleindienst indicated he would not interfere in McLaren's actions.

Each time he also refused to bring any pressure on the Antitrust Division Chief by even telling him of the meetings. the president of ITT, Harold Geneen, met once in 1970 with Attorney General Mitchell to discuss antitrust policy in general. By prior stipulation of the Attorney General, no mention was made in that meeting of ITT's three pending cases. Mr. Mitchell never discussed this meeting, or any other aspect of the ITT cases, with either Mr. Kleindienst or Mr. McLaren.

Mr. President, at the time the Department was perfecting its appeal in the Grinnell case, Kleindienst received a letter from Lawrence Walsh, a New York attorney and former Deputy Attorney General, asking for the appeal in that case to be delayed long enough for the Department to canvass the thinking of other Federal agencies regarding the advisability of pressing this case. After consultation with McLaren and Solicitor General Griswold, it was determined to accede to Walsh's request. A 30-day delay was obtained in routine fashion. Mr. Walsh made no further presentation as had apparently been expected, and the appeal was perfected. Instead of being perfected in April 1971, the appeal was perfected in May 1971. The delay admittedly could have had no effect on the Supreme Court's consideration of the Grinnell case, because in any event it would not have been heard until the fall term of court which commences traditionally in October.

The nominee testified that as far as he could recall, he had not discussed the ITT cases with anyone in the White House. He can still recall no such conversations although Mr. Flanigan has indicated that he did talk with Mr. Kleindienst about them on several occasions. Mr. Flanigan indicated that the conver-

sations were informal and not substantive and could in no way be construed to indicate that the White House was bringing pressure on Mr. Kleindienst to settle the ITT cases.

As far as this Senator can reconstruct the testimony, the foregoing discussion sets forth everything that the nominee did with regard to the ITT cases during the 3 years they were in litigation by the Department. No one who looks at these facts objectively could conclude that Mr. Kleindienst—or anyone else for that matter—acted in any way improperly with regard to these cases.

Mr. President, I ask unanimous consent that there be printed at this point in the RECORD a chronology of Mr. Kleindienst's actions in the ITT case commencing with April 16, 1969, and ending with the date of September 24, 1971, at which time final decrees in the ITT cases were entered after the 30-day waiting period. Those settlements were formally presented to the district courts of Connecticut and the northern district of Illinois.

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

CHRONOLOGY OF MR. KLEINDIENST'S ACTIONS IN THE ITT CASE

April 16, 1969—Representatives of Canteen and ITT met with McLaren and Kleindienst to argue that, rather than have a preliminary injunction against the proposed ITT-Canteen merger, ITT should be allowed to hold Canteen separate during the impending antitrust suit so that ITT could divest Canteen if the court so ordered in its final judgment.

April 28, 1969—Kleindienst signed complaint in suit to block ITT-Canteen Corp. merger.

Aug. 1, 1969—Kleindienst signed complaint in suit to block ITT-Hartford Fire Insurance Company merger.

Aug. 1, 1969—Kleindienst signed complaint in suit to block ITT-Grinnell Corp. merger.

March, 1971—Kleindienst was approached at a neighborhood party by a neighbor, Mr. John Ryan, who complained of the Justice Department's harsh position in the ITT case. Kleindienst did not discuss the case with Mr. Ryan, but said his door was always open for a representative from ITT if ITT wanted to talk about the financial and economic aspects of the case.

April 16, 1971—Kleindienst received a phone call and a letter from Mr. Lawrence E. Walsh, Attorney for ITT, seeking extension of filing of Government's jurisdictional statement in the *Grinnell* case in the Supreme Court to allow other agencies to comment on the Antitrust Division's conglomerate merger policy.

April 19, 1971—Kleindienst conferred with the Solicitor General who agreed to join in the request to the Supreme Court for a delay in filing Government's jurisdiction statement. This filing delay had no effect on the ultimate disposition of the case since the case would not be heard until the next term of Court in any event.

April 20, 1971—Meeting between Kleindienst and Mr. Felix G. Rohatyn, director of ITT, in RGK's office for roughly 25 minutes. Rohatyn asked for opportunity to present economic argument to McLaren. Kleindienst asked McLaren if he wanted to hold such a meeting. McLaren decided that he did.

April 29, 1971—Meeting in McLaren's office arranged and chaired by McLaren, and attended by 12–13 people representing ITT, Justice and Treasury to hear ITT financial and economic arguments. Kleindienst sat in as a "passive observer" according to Rohatyn's testimony.

May 10, 1971—Rohatyn came to Kleindienst's office to ask if the Justice Department had finished its review of the economic and financial arguments. Kleindienst, after checking with McLaren, said the review was still underway.

May 20, 1971—After receiving the Ramsden report, Flanigan called Kleindienst because McLaren was out of town. Kleindienst told Flanigan to hold the report until McLaren returned.

June, 1971—A few days after McLaren returned from Europe, Flanigan delivered the report to McLaren. Kleindienst was present, but there was no discussion of the report.

June 17, 1971—After preparing settlement offer in the Antitrust Division, McLaren showed it to Kleindienst and then called Rohatyn from the latter's office to make the offer to ITT.

June 29, 1971—Rohatyn came to Kleindienst's office to complain about McLaren's stubborn attitude in the negotiations. Kleindienst said he refused to inject himself into the negotiations. He made it clear that they were being handled by McLaren and not himself. Rohatyn also visited Flanigan on June 29 in another connection, but mentioned the settlement negotiations. Flanigan told him that was a matter for the Antitrust Division. A couple of days later in a discussion on an unrelated matter, Flanigan passed on to Kleindienst Rohatyn's comment and Flanigan's response. Kleindienst said that McLaren was handling the matter.

July 15, 1971—Rohatyn again came to see Kleindienst to complain about McLaren. Kleindienst again refused to intercede.

July 31, 1971—Final settlement of ITT antitrust cases reached.

Aug. 23, 1971—Settlement formally presented to the District Courts of Connecticut and the Northern District of Illinois.

Sept. 24, 1971—Final decrees in the ITT cases were entered after the 30-day waiting period.

Mr. HRUSKA. It is possible that some may want to quarrel with Mr. McLaren's final decision to settle the cases rather than to wait for a Supreme Court determination. Anyone so inclined should take into consideration the very impressive testimony given by Solicitor General Griswold to the committee. His statement to the committee indicated that it was his judgment that ultimately the United States would lose all three ITT cases and that he felt Mr. McLaren's settlement was "an extremely favorable one." It should also be remembered again that Mr. McLaren's predecessors had refused even to bring cases against ITT for lack of statutory authority. For a man with supposedly no legal basis to his claim, the ITT settlement represents a substantial and a very favorable victory for the Government and for the public.

U.S. ATTORNEY HARRY STEWARD

The third aspect of the hearings which requires some attention is a matter which everyone—even my partisan friends across the aisle—agrees was independent of the ITT case. That has to do with the matter of Harry Steward, U.S. attorney for the southern district of California. I also believe that my colleagues will agree that this matter is only relevant insofar as the nominee took part in the review of charges brought against Steward.

In its issue of March 24, 1972, Life magazine charged that Steward had interfered with a criminal investigation, including the quashing of a subpena, in order to protect a friend and benefactor.

When this matter first came to the attention of departmental officials in Washington, a memorandum was prepared in the Criminal Division recommending an FBI administrative inquiry into the matter.

This recommendation was then transmitted to Mr. Kleindienst with a notation from the Assistant Attorney General Will Wilson, head of the Criminal Division, that no administrative investigation was needed by the FBI, but that Mr. Steward be called to Washington to discuss the incident. The nominee checked with others in the Criminal Division on the propriety of such a step, was assured that it was in order, and did talk with Steward in Washington in company with one of his assistants, Associate Deputy Attorney General Harlington Wood, Jr. Following that conversation, Mr. Kleindienst, though he concluded that Steward had done nothing of a criminal nature, nonetheless ordered that a complete FBI administrative investigation proceed.

In routine fashion, the investigation was completed and reviewed by career attorneys in the Criminal Division. At that level the conclusion was that three of the five charges against Steward were unfounded, that one represented a departure from normal procedures by Steward, and that the final item, the personal interview with his friend, was "highly improper." Nonetheless, the finding was that no criminal action or wrong-doing had taken place and that while Steward should be reprimanded, there was no evidence to justify his removal from office.

In February 1971, a meeting was held in Mr. Kleindienst's office to discuss the Criminal Division recommendations. While conceding that Steward had acted in an improper manner in this one instance, in the words of the present Assistant Attorney General in charge of the Criminal Division, Henry Peterson:

> It was my conclusion that a dismissal of a United States Attorney under these circumstances would not only have been unwarranted but also grossly unfair.

Mr. Kleindienst concurred in this finding. Steward was about to try a controversial and important case on behalf of the United States, the notable and long-awaited Alessio tax fraud case. It was determined that the Department should announce its decision retaining Steward as United States attorney in a way which would not undermine his effectiveness and which would stabilize the publicity that had surrounded this matter in the San Diego press. And that was done. There was an expression of complete confidence in Mr. Steward.

The decision of the Department would have been different had Steward blocked the investigation of his friend. And well it should have been. But the facts show that the investigation continued; all that occurred as a result of Steward's intervention and decision was that the manner in which the evidence was obtained was changed.

In fact, one of the complainants about that situation is the very man who se-

cured a sworn statement, detailed in form, from the friend of Mr. Steward. All the facts were reviewed and were used later in litigation which followed in another court. The complaint was based on a situation where there was no obstruction to the testimony to which the Government was entitled. The record shows the only question was the means by which the testimony was to be obtained.

SUMMARY

To this Senator these are the only issues which have been raised at the hearings which could possibly be construed to cast doubt on the original recommendation of the committee that Kleindienst be confirmed. As I have indicated, and as I believe a reading of the hearing record will confirm for all of those who take the time to make their own investigation, the facts will not permit a finding on any of these matters adverse to the nominee. Which is, of course, not to say that those with political motives will not make the attempt.

PROMPT SENATE ACTION NEEDED

There is one other consideration which should be brought to the attention of the Senate, which, I believe, argues very persuasively for prompt action on this nomination. Since March 1, the Department has been without an Attorney General. While the nominee has served as Acting Attorney General during this period, it is inevitable that he has not had the full authority that would be vested in one who has had his nomination approved by the Senate. As was pointed out in the individual views of the Senator from West Virginia (Mr. ROBERT C. BYRD):

> It is imperative that the person called upon to exercise the function (Attorney General) do so with the full power contemplated by the Constitution.

Several Assistant Attorneys General positions and that of the Deputy Attorney General has become vacant during this period and the President has deferred filling them until the identity of the Attorney General is known. The result has been that while the Senate delayed its consideration of this nomination the work of the Department has been handicapped for lack of the full complement of executive officers. I would hope that the doubt over Kleindienst's confirmation can be quickly ended so that this important agency can return to full strength in order to carry out it duties effectively.

Mr. President, with that goes a few thoughts that perhaps there might be extended debate on this nomination. To the extent that it is relevant, to the extent that it is pertinent, to the extent that it will not be repetitious and a grinding of meat that is already in the form of hash, as it were, it is in order. But I have an idea that unless the tendencies of some members of the committee on which I serve are changed from those exhibited during the course of the hearings we can be prepared for more of the same. I hope not. Nothing would be gained except a demeaning of the confirmation proceedings, which would not be becoming to the proceedings of the Senate.

I urge my colleagues who have not yet done so to read the committee report on this nomination and to take a look at the hearing record and the testimony. All the information anyone needs to make up his mind on the issues in this case is set forth in that record. As I said at the outset, I am confident that anyone who makes the effort will come unerringly to the conclusion that this nomination should be confirmed. I am confident that it will be as soon as we are given an opportunity to vote. And I am confident that Dick Kleindienst will make an excellent Attorney General of the United States.

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

Mr. HRUSKA. I yield.

Mr. LONG. Mr. President, I compliment the Senator on a very fine statement.

I note that during the time all this matter was in process the Justice Department under the leadership of Mr. Kleindienst has undertaken to file antitrust cases with regard to the major networks making their own motion picture shows for use in prime time. I note that one editorial undertook simply to find fault that this had not been undertaken sooner. This is a major issue, and it tries the conscience of anyone concerned about the antitrust field that film producers cannot very well compete if they must try to compete against networks that, in effect, own the market.

This is a major forward move in the antitrust field, and one of the most important moves undertaken in a long period of time. I think Mr. Kleindienst should be commended for that. Unfortunately, it did not ingratiate him with the networks. At the same time it takes some courage and also some belief in the thrust and intent of the antitrust laws and the philosophy of the antitrust laws to undertake that major effort.

I had intended to express my commendation to Mr. Kleindienst for moving in that area, and I am glad to be able to do it at the conclusion of the speech of the Senator from Nebraska.

Mr. HRUSKA. I am glad the Senator made that statement. I have served now on the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary for a number of years. The problem to which the Senator has made reference has always been a sore point with many of us because 20 years ago, and maybe it was 25 years ago, a similar suit had been brought against film companies that had their own exhibiting theaters and, ultimately, the Supreme Court said that type practice violated the Clayton Antitrust Act. In the Fox case they were barred from doing that and they are still barred today.

In the case of the networks that use the productions they are also making, we see a comparable situation. I am gratified that at long last action has been taken.

Mr. LONG. Furthermore, Mr. Kleindienst played a part in the selection of the nomination of men who are now serving with distinction on the Supreme Court.

Just the other day I noticed a decision which would have been of the utmost judicial usurpation had not five Justices on that Court upheld the right of a State to exercise discretion when forced to make a welfare cutback, in making it the way the States felt most appropriate. In that case, they made the cut in the family program without cutting so deeply into programs for the aging and disabled. It was unthinkable that anyone would contend that a State legislature should be denied that discretion to decide between two programs as to which one should have the greater reduction in dollars spent.

I was dismayed to see that four Justices out of the nine on that Court undertook to hold that under the equal protection clause a State had no right to decide, when pressed by financial circumstances, that it would reduce expenditures on one program rather than on another program. I could not help but be amused as I wondered what would have happened if the Court had held the other way. Suppose the Court had gone the other way and made its holding with respect to the program for the aged instead of the family program. Could not a case have been made that they were discriminating against those who are white in favor of those who are of a different color?

Mr. HRUSKA. That would seem to be a decision suited for the realm of the State legislative bodies and not the courts.

Mr. LONG. I think it was something of a feeling of a matter of pride to us that of those five Justices who voted to confirm what clearly should be the right of the State and to refuse to usurp the legislative power that was intended to reside in the State legislatures, and in the people themselves, four of those Justices were those of whom said Mr. Kleindienst had something to do with recommending.

Mr. HRUSKA. I thank the Senator.

Mr. President, I yield the floor.

Mr. FANNIN. Mr. President, I want to commend the distinguished Senator from Nebraska for a very comprehensive, intelligent, and well-reasoned statement, which was certainly to be expected, knowing of his great ability as the ranking minority member of the Judiciary Committee.

I also want to thank the distinguished Senator from Louisiana for his support in this instance and for his statement in regard to Richard Kleindienst.

Mr. President, on February 15 of this year, President Nixon submitted to the Senate the nomination of Richard G. Kleindienst to be Attorney General of the United States. More than 3 months have passed, and the nomination has finally reached the full Senate. The path that his nomination followed during the intervening 3½ months has been the most circuitous and the most patience-trying in the history of the U.S. Senate.

As a fellow Arizonan and close friend and great admirer of Mr. Kleindienst, and as one who has observed the service of the nominee as an outstanding lawyer in his native State and his talented work as a public servant, I would like to express my appreciation to the chairman, Senator EASTMAN of the Judiciary Com-

mittee, to the ranking minority member of the committee, Senator HRUSKA, and to other committee members who worked so diligently to keep these proceedings moving forward. I know this was a most difficult task.

I have followed the nomination along that path very closely and would like to describe for my colleagues, who were unable to do so, some of the highlights along the way.

Initially, there were 2 days of hearings and a 13-to-0 vote on February 24 to report the nomination favorably. Before the full Senate could consider the nomination, Jack Anderson published a column suggesting a link between the settlement of three Government antitrust suits against ITT and a contribution by ITT to the city of San Diego to help underwrite the costs of the 1972 Republican National Convention. Anderson's basis for such a claim was a memorandum purportedly written by an ITT lobbyist. To answer the charges implicit in the Anderson column, Mr. Kleindienst himself asked that the Judiciary Committee reopen hearings on the ITT settlement. The nominee, Judge McLaren, and Felix Rohatyn, an ITT director, testified under oath for 4 days that there was no connection between the settlement and any contribution made by ITT to the city of San Diego. I would like to emphasize at this point that during the 22 days of resumed hearings there was no direct evidence of any connection between the settlement and any ITT contribution. The only item in all of the many hundreds of pages of testimony and all the documents submitted that would support a charge of a connection was the memorandum purportedly written by Dita Beard, the ITT lobbyist. Dita Beard, under oath, said she did not write the parts of the memorandum that suggest a connection. Her secretary provided an affidavit that corroborates her testimony. Some members of the committee were not satisfied with that. But they cannot ignore even stronger proof that there was no connection. If the settlement was influenced by any ITT contribution, such influence necessarily had to be felt by Mr. Kleindienst and particularly Judge McLaren. Yet both testified that they were not aware of the contribution when the settlement was reached. Judge McLaren told the Committee that—

> The decision to enter into settlement negotiations with ITT was my own personal decision; I was not pressured to reach this decision. Furthermore, the plan of settlement was devised, and the final terms were negotiated by me with the advice of other members of the Antitrust Division, and by no one else.

The majority of the committee concluded that—

> The settlement was reached on the merits after arm's length negotiations between representatives of ITT and the Antitrust Division. Those negotiations and the settlement of the ITT cases were not the product of political influence or promises of favor from ITT.

Senator HART, writing separately, concluded that Judge McLaren—

> Reached the best judgment he could and fully recommended it as his own determination of what was in the best public interest.

In addition, Senator HART found:

> No basis on which to conclude that the nominee was involved in, or aware of, any effort to link the convention and the settlement.

The other matter before the Judiciary Committee involved Harry Steward, U.S. attorney in San Diego, who was accused of interfering with a Federal investigation in that city. The committee received a full report on that matter from Henry Peterson, Assistant Attorney General in charge of the Criminal Division. Mr. Kleindienst's role here was limited to ordering an FBI investigation of Steward and making the final decision based on that investigation. Career attorneys in the Criminal Divisions concluded that most of the charges against Steward were unfounded. In one case, however, Steward protested to a strike force agent in the field rather than make his complaint to the Department in the usual manner. In another situation, Steward interviewed a friend rather than have him appear before a special grand jury. The Criminal Division determined that this was highly improper, but that a dismissal of Steward was unwarranted. The nominee adopted the recommendation of the Criminal Division not to remove Steward. The manner in which that decision was made was described in detail and at great length by Mr. Petersen in his testimony before the committee. In his words:

> A dismissal of a United States Attorney under these circumstances would not only have been unwarranted but also grossly unfair. . . .

The committee found nothing improper in this action on the part of the nominee.

Likewise, there was nothing improper in the issuance of a press release after that decision was made in which Mr. Kleindienst said:

> I have evaluated the matter and determined there has been no wrongdoing. . . . Mr. Steward will continue to serve . . . with the full confidence of the Attorney General.

As Senator HART has said:

> It was at least a plausible judgment that the public interest would best be served by a public vote of confidence in the man who would continue as United States Attorney.

Steward had not blocked an investigation; he had not been guilty of wrongdoing as we all use that word in common parlance. He was at fault for exercising bad judgment. Mr. Petersen made that point over and over again in his testimony. I urge my colleagues to look to the testimony of Mr. Petersen, a Justice Department lawyer since 1947, to gain some idea of the way this Steward matter came up and the manner in which it was handled. Read it, and you will see that no impropriety can be attributed to the nominee.

To summarize briefly then, the ITT settlement and the Steward matter were the two concerns before the Judiciary Committee. The committee found that Mr. Kleindienst had not acted improperly in either case.

The nominee's opponents, however, brought in issue after issue, unrelated to Mr. Kleindienst's qualifications. What relevance is there, for example, in possible insider trading by ITT directors? What bearing on the nominee's fitness does the size of the ITT contribution to San Diego have since there is no evidence that he knew of it at the time of the settlement? We may all wonder who wrote the memorandum attributed to Dita Beard, but we have more than ample evidence in the record that there was no connection between the settlement and the ITT contribution. The committee has already heard from most of the nine witnesses the nominee's opponents maintain are "clearly necessary" witnesses, and what the remainder would offer is clearly irrelevant to the issue before us now. We should be reminded constantly of that issue—the only issue. Is Richard Kleindienst qualified to be Attorney General?

We have heard much about the unanswered questions. Every question touching on the fitness of the nominee has been answered. We have the sworn testimony of the parties to both transactions—the ITT settlement and the Steward matter. The whole record is before us on Richard Kleindienst. His opponents cannot fairly maintain that the questions are unanswered. What they are really saying is that they do not accept the answers, that they do not believe Mr. Kleindienst, Judge McLaren, and Mr. Petersen.

A vote on this nomination is long overdue. Further delay on confirmation would be detrimental to the Justice Department and to the United States. Further delay certainly would be unfair both to the President and to Mr. Kleindienst.

Mr. Kleindienst has been working 12 to 14 hours a day holding down two jobs. Once he is confirmed, then he can take the necessary steps to bring the Justice Department staff back up to its proper strength, including the nomination of three Assistant Attorneys General.

There have been some great improvements in the Justice Department during the past 3 years under the leadership of Attorney General John Mitchell and Dick Kleindienst.

Dick Kleindienst has been one of the driving forces in making Washington a much safer city in which to live. He has worked closely with Mayor Washington and with Police Chief Wilson. It was Dick Kleindienst who provided the leadership to keep our Federal Government in operation during the May Day demonstration of last year. This was done without serious injury to demonstrators or to the people who work in Washington. And it was done with the least possible force necessary to protect the rights of both the demonstrators and Government workers.

Dick Kleindienst took the initiative in efforts to block the flow of narcotics across our borders. We have seen, as a result, unprecedented cooperation by our neighbors in the fight against narcotics.

Progress has been made on many fronts: In the fight against organized crime, in strengthening of the Federal judiciary, in antitrust enforcement, in improvement of the Federal penal system.

All of these programs have required tough but fair and dedicated leadership to accomplish. I do not know anyone who combines the qualities of toughness, fairness, and intelligence any better than Dick Kleindienst.

His professional credentials are superb. He is president-elect of the Federal Bar Association and is a member of the American, Arizona, and Maricopa County Bar Associations.

He has given generously of his time and talents to help in many civic programs. He has worked with and for the Urban League, Goodwill Industries, the American and Arizona Heart Associations, and the Phoenix Day Nursery. He has served as chairman of the executive committee of the Phoenix and OEO Small Business Development Center. He is on the board of directors of the National Symphony Orchestra Association and he formerly served on the board of the Phoenix Symphony Association.

He is a deeply religious man who has been a licensed lay reader in the Protestant Episcopal Church for 28 years. He is a former warden and former member of the executive committee for the Arizona diocese, and is currently a member of the vestry of Saint Dunstan's Protestant Episcopal Church in Bethesda, Md.

I have known Dick Kleindienst and his family for more than 20 years. I can tell you that he is a man of outstanding ability, but those of my colleagues who have watched him since he came to the Justice Department in 1969 already know that. I can tell you what is even more important. He is a man of integrity and decency. And again, those who have known him know that above all else.

Dick Kleindienst has always performed admirably in his every undertaking. He was a brilliant student at Harvard. He was one of the finest young attorneys in Arizona and developed into being one of the outstanding attorneys in this Nation. He is the devoted father of a great American family, loved and respected by all who know them. He has been very active in his church. He has been a leader in civic activities wherever he has gone. And he was outstanding as Deputy Attorney General for the past 3 years.

During the 3 years since he was confirmed by the Senate and took over his responsibilities at the Department of Justice, and since he became Acting Attorney General, Mr. Kleindienst has worked diligently and ably. His efforts have been felt most plainly in the fight against crime in this country—both street crime and organized crime. Crime has not been eliminated, but a significant beginning has been made to stem the rise in such lawlessness. As spokesman for the Department of Justice, Mr. Kleindienst has said on a number of occasions that this fight will be carried on with determination and energy.

He has become intimately aware of the multitude of problems that press in on any Attorney General, because he has dealt with many of them personally over the last 3 years.

Mr. President, it is clear that Dick Kleindienst has all the qualifications—the academic training, the legal experience, the moral strength and character, the dedication to public service, the devotion to justice—to be a great Attorney General.

Mr. President, on behalf of my distinguished colleague (Mr. GOLDWATER), who is confined in the hospital recovering from an operation, I ask unanimous consent, at his request, that I be permitted to read his statement, in which he enthusiastically supports the nomination of Mr. Kleindienst.

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

Mr. FANNIN. He has entitled it "The Right Man for the Right Job at the Right Time," and it reads as follows:

THE RIGHT MAN FOR THE RIGHT JOB AT THE RIGHT TIME

Mr. GOLDWATER. Mr. President, I trust my colleagues in the Senate share my delight and encouragement over the apparent decline in the numbers of violent crimes being conducted on the streets of our American cities during recent months.

Most of us, I am sure, recognize that just two short years ago serious crime in the Nation's Capital was at an all-time high and climbing rapidly. People were not safe on the streets of their Nation's Capital after dark or—in at least one notable instance—in the confines of their very homes in residential parts of this city. In one frightful case, a dinner party in a fashionable Chevy Chase home was held up, four startled couples were robbed of their jewelry and personal possessions and six of them were held at gun point while two of the women guests were taken to another part of the house and raped.

Then, of course, Mr. President, we all remember the tragic occurrences when a young female secretary to former Senator Frank Carlson of Kansas was robbed and murdered in her Capitol Hill apartment. She happened to be a personal friend of the Carlson family. Can you imagine how Senator Carlson felt when he was forced to notify old and dear friends that their daughter had been brutally assaulted and killed while working under his immediate sponsorship?

Mr. President, I certainly don't intend to detail all of the crimes that took place not so many months ago right in the area where we work. It isn't necessary. I believe our memories are all sufficient to the task of recalling the daylight robbery of a Senate clerk while her employer worked completely unaware in the room next to her. And I'm sure none of us will ever forget the bombing which shattered a large segment of the Senate side of the United States Capitol in a brazen display of radical disregard and contempt for the forces of law and order as well as the authority of the Congress and the federal government itself. Only a question of timing prevented that occurrence from resulting in dozens of innocent deaths right inside the United States Capitol.

Mr. President, what I am getting at this morning is the plain fact that three or four years ago this city and this Capitol were at the virtual mercy of a criminal element which mugged, raped, robbed, and killed almost at will. People were shot down in broad daylight with thousands looking on when they got out of their cars to argue about a minor Sunday afternoon fender bumping. Tourists began to give the nation's number one tourist attraction a broad berth. And the situation which confronted the Nixon Administration when it took office was one which actually approached a state of general anarchy. You might, Mr. President, remember these events and wonder what has been done and by whom to bring matters under control. The plain fact is the crime situation in this federal city began to improve for the first time in a decade with the advent of the Nixon Administration and a new concept on all subjects of law and order—at least it can be called new when compared with what had gone on under the administrations of Lyndon B. Johnson and his predecessor in office.

One might say that the Nixon Administration brought to the Department of Justice a new team of administrators and a new spirit of cooperation and help for the forces of law and order throughout the length and breadth of the land. This new "Get Tough" attitude quickly became known. It especially became known throughout the underworld and the capitals of crime within our American metropolitan areas.

Perhaps the man who more than anyone else can today claim top responsibility for implementing the methods of a new order in government was none other than Acting Attorney General Richard Kleindienst. As Attorney General Mitchell's deputy, he was in fact the chief of staff when it came to the administration of justice at the federal level. Thus it was, Mr. President, that a tough crime situation throughout the United States ran head-on into one of the toughest crime fighters this country has ever produced. It was not a month after the new administration took over that Dick Kleindienst was being referred to by his colleagues in the Justice Department as "Mr. Tough." And it was not long before the results of a new attitude at Justice began to result in victories for the law-abiding citizens in the District of Columbia and many other communities throughout the country.

Time and again, Dick Kleindienst, and before him Attorney General John Mitchell, ran into mean and difficult law enforcement problems—the same kind of problems that previously had erupted in riots and street fights and altercations reminiscent of the gang wars of the 1930's. But the handling and the savvy which Mitchell, Kleindienst, and company brought to these problems got them solved without the loss of lives, with a minimum of personal injury and a minimum of property damage. What is more, these nasty tasks were performed in a way which gave to our hard-pressed policemen and National Guard troops an element of dignity and respect where before they were met only with epithets and threats and curses. The insulting term "Pig" was the order of the day before the Department of Justice and the law enforcement agencies of this country received the kind of leadership they had long deserved.

For this reason alone, I say that it is time for the Senate of the United States to confirm, and confirm immediately, Richard Kleindienst for the job for which President Nixon has selected him, for the job of Attorney General of the United States.

Mr. President, I am going to do something unusual today. I am not going to promise to be brief; but I will promise to be as clear and concise and as much to the point as we all might have hoped that certain members of the Judiciary Committee had been when they examined Mr. Kleindienst for a job he had already proved he could do with exceptional efficiency and integrity.

In making this plea for Mr. Kleindienst, I just cannot help bringing to the notice of the Senate — and hopefully to the entire country — the fact that phony, ridiculous, unprovable, and degrading charges have been brought against two prominent attorneys from my State whom the President of the United States saw fit to select and nominate for among the highest offices in the land. I am of course referring to the fact that before the marathon charade which some members of the Judiciary Committee put on in the Kleindienst affair, something just as fruitless and just as degrading was directed at our great and new Associate Justice of the United States Supreme Court, Mr. William Rehnquist. It will be recalled that committee members with a special affinity for playing presidential politics by remote control did their level best to depict Mr. Rehnquist as a man whose activities were questionable

and whose honesty and integrity were subject to question. The fact that the Supreme Court now enjoys the services of one of the finest young men my State has ever produced proves that this exercise in gutter-type politics was unsuccessful in preventing the confirmation of William Rehnquist's nomination. I am sure nobody has missed the great similarity which exists between the type of charges brought against Bill Rehnquist and the absolutely foundless allegations brought against Mr. Kleindienst.

Mr. President, I am an old campaigner in things of this nature and I think I can understand some of this up to a certain point. For example, if I were as thin-skinned as some of my colleagues, on the other side of the aisle, I might conclude that the degrading and unsuccessful attempts to assassinate the characters of two of the finest men my state—or, for that matter, the United States—has ever produced resulted from the fact that both men were conservative, and both men were attorneys from a small state, and both men were strong and effective supporters of President Nixon in 1968; and now to the pièce de résistance—horror of horrors—both of these men had been supporters and friends of Barry Goldwater. I hate to think that my name or my activities might in any way stand in the way of my country's receiving the highest brand of public service it is possible to obtain. I can not do much about my name. I certainly do not plan to change it, and so far as my activities are concerned, I apologize to no man for the stand I have taken for the things I believe in. I am proud of my record as a public servant and what is more, my mail and my conversations tend to convince me that other people feel much the same. I will let everyone in on a little secret. I have a whole desk full of cartoons and newspaper stories carrying the headline "Barry Goldwater Was Right." I must admit I am no collector of other kinds of headlines, but I must confess I have yet to see a single newspaper story which was headed "LBJ Was Right." And as long as we are tossing about a nomination for the high post of Attorney General, I can not remember seeing any stories headed "Ramsey Clark Was Right."

I think, Mr. President, that former Attorney General Ramsey Clark should come into this discussion to some entirely negative extent. It should be remembered right now that we in the Republican Party were aware of Ramsey Clark's arch liberal background. It should be remembered, too, that the members of my party, out of courtesy for President Johnson and in the firm belief that any President should have the right to select his own cabinet members, voted overwhelmingly to support Ramsey Clark's nomination. But while we are at it, I think it should be known, too, that Mr. Clark served long as chief law enforcement officer of this country to cast doubt and suspicion on the accuracy of the crime statistics collected by the FBI and even to challenge Republican claims that a crime wave was sweeping the country.

Mr. President, as I have indicated, Mr. Kleindienst's performance at the Department of Justice has been too outstanding for this vocal, liberal opposition to his confirmation not to have a deeper meaning. As I said, I was tempted to a presumptuous belief that my close connection with these two men may have had some effect upon their troubles in getting past an obdurate Democrat majority in the Senate, but I honestly believe that we have to seek and to find some kind of off-beat explanation for the virility of the opposition brought to bear by the Senate liberals. I suspect the opposition stems from the very thing I believe we need the most in the Department of Justice—a tough, unyielding, uncompromising application of the law of the land to all parties of all social, economic, or political statures. I am forced to the belief that some liberals are afraid Dick Kleindienst will be too good at the job he has been proposed for, and I am certainly convinced that the opposition to Bill Rehnquist stemmed not from anything he might have done in the past, but from the tough, even-handed constructionist views that he would bring to the United States Supreme Court.

Be that as it may, the holdup in the Kleindienst nomination can be called nothing but what it is—a liberal filibuster and a complete disgrace. Consider the facts. Mr. Kleindienst's name came up quite obliquely in connection with an alleged corporate loan to the Republican Party to help defray the cost of putting on its nominating convention.

Although the Judiciary Committee had voted unanimously for Mr. Kleindienst's confirmation, he, himself, asked that the hearings on his nomination be reopened so that this latest matter could be examined. And believe you me, it was examined, and examined and examined and examined. In fact, there were times when the spectators began to wonder whether Senators Tunney and Kennedy would ever stop asking the same questions. In all events, Mr. Kleindienst—a very busy man at the time, since he was serving as Acting Attorney General—patiently sat through week after week after week of Democratic fishing expeditions, most of which had nothing to do with his nomination or his job at all. It was pointed out that some whole weeks went by without the name "Kleindienst" even being mentioned in the official record of the Senate Judiciary Committee. Be that as it may, Mr. Kleindienst, in the honorable fashion he has always conducted himself, gave his critics as much time as they wanted; and after all those weeks, not a single disparaging item could be found by his hardest and unfairest critics.

The Committee filibuster, obviously carried on to bring the ITT affair into the Presidential campaign, even began to annoy other Democrats on the committee; and eventually, some 3½ weeks ago, the Senate Judiciary Committee voted 11 to 4 to confirm Mr. Kleindienst as Attorney General on the grounds that nothing derogatory toward him had been turned up in all those days and weeks of hearings. Now, Mr. President, we are faced with a holdup upon the final action of this routine presidential nomination. The opponents of Mr. Kleindienst—many of them great vocal opponents of the Senate filibusters—are doing their very best to erect a filibuster but call it by a different name. The delay on Dick Kleindienst's nomination is a filibuster, plain and simple. I label it that right here and now. We can be sure that it will not be called by the word "filibuster" when the measure comes up for official action. I have a theory about all this. I believe putting the word "filibuster" to the delaying tactics applied to the Kleindienst nomination would assay so high in political hypocrisy to actually endanger the Democrats' chances in this presidential election year.

In conclusion, let me say that by whatever name it is called, the delay in bringing the Kleindienst nomination to a speedy vote is a disservice to the President of the United States and a disservice to the people who elected him to run the government with the best men he could find. Earlier I said, at the Justice Department they called Dick Kleindienst "Mr. Tough." Now I say as a friend, who has known this man from the time he was a boy in knee pants, that they picked the right person to pin that name on.

Listen to me now, and listen closely. I have known this man all his life. He is a close and dear friend. And I can tell you truthfully Mr. President, that if I were the kind of public official who tries to use the influence of his friends in government to put over questionable deals—or even the most impeccable kinds of deals you can cook up—I believe Dick Kleindienst would be the last man in the world I would try to fix.

Mr. President, I have talked too long. I beg the Senate's indulgence. However, I think the opponents of Mr. Kleindienst have been dilly-dallying far too long themselves. I will be glad to stop talking if they will be glad to stop thinking so that we can vote finally on the finest man I have ever known to be nominated for the job of Attorney General of the United States.

ORDER FOR RECESS UNTIL 9 P.M. AFTER CONCLUSION OF BUSINESS TOMORROW; AND ORDER FOR ADJOURNMENT TO 10 A.M. FRIDAY

Mr. ROBERT C. BYRD. Mr. President, as in legislative session, I ask unanimous consent—and I do this at the direction of the distinguished majority leader—that at the close of business tomorrow the Senate stand in recess until 9 p.m. at which time the Senate reassemble to go in body to the House of Representatives to hear the President of the United States deliver his message to a joint session of Congress as provided for by House Concurrent Resolution 625 adopted by both Houses today, and that after the President completes his message tomorrow, the Senate stand in adjournment until 10 a.m. Friday.

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

ORDER FOR RECOGNITION OF SENATOR JACKSON, AND ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, as in legislative session, I ask unanimous consent that, following the prayer tomorrow, the two leaders be recognized in accordance with the standing order and that, following the recognition of the two leaders, the distinguished junior Senator from Washington (Mr. JACKSON) then be recognized for not to exceed 15 minutes; after which there be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 3 minutes; at the conclusion of which the Senate return to executive session to resume consideration of the nomination of Mr. Richard G. Kleindienst for the office of Attorney General of the United States.

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

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS ON FRIDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, as in legislative session, I ask unanimous consent that on Friday next, following the prayer, the two leaders be recognized in accordance with the standing order, and that after their recognition, there be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 3 minutes; at the conclusion of which the Senate go into executive session to resume consideration of the nomination of Mr. Richard G. Kleindienst for the office of Attorney General of the United States.

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

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS FOR MONDAY, JUNE 5, 1972

Mr. ROBERT C. BYRD. Mr. President, I make the same request for Monday next.

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

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and assume that this will be the final quorum call of the day.

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.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow is as follows:

The Senate will convene at 11 a.m. After the two leaders have been recognized under the standing order, the distinguished junior Senator from Washington (Mr. JACKSON) will be recognized for not to exceed 15 minutes; after which there will be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 3 minutes.

At the conclusion of the morning business, the Senate will return to executive session to resume the debate on the nomination of Mr. Richard G. Kleindienst for the office of Attorney General of the United States.

No rollcall votes are anticipated for tomorrow.

At the close of business on tomorrow, circa 5 p.m., 5:30 p.m., or 6 p.m., the Senate will stand in recess until 9 p.m., at which time the Senate will reconvene for the purpose of the assemblying of Senators to go in a body to the House of Representatives where the President of the United States will address a joint session of the two Houses of the Congress. After the President completes his address, the Senate will stand in adjournment until 10 a.m. Friday.

ADJOURNMENT TO 11 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in executive session, and in accordance with previous order, that the Senate stand in adjournment until 11 a.m. tomorrow.

The motion was agreed to; and at 5:10 p.m. the Senate adjourned until tomorrow, Thursday, June 1, 1972, at 11 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 31, 1972:

FEDERAL RESERVE SYSTEM

Jeffrey M. Bucher, of California, to be a member of the Board of Governors of the Federal Reserve System for a term of 14 years from February 1, 1972.

U.S. DISTRICT COURT

Norman C. Roettger, Jr., of Florida, to be a U.S. district judge for the southern district of Florida.

IN THE ARMY

The U.S. Army Reserve officers named herein for promotion as Reserve commissioned officers of the Army, under provisions of title 10, United States Code, section 593(a) and 3384:

To be major general

Brig. Gen. Constant Collin Delwiche, SSAN xxx-xx-xxxx.

Brig. Gen. Frederick William Duncan, Jr., SSAN xxx-xx-xxxx.

Brig. Gen. George Fleming Hamner, SSAN xxx-xx-xxxx.

Brig. Gen. Albert Bruce Jones, SSAN xxx-xx-xx...

Brig. Gen. Cyrille Pierce LaPorte, SSAN xxx-xx-xxxx.

Brig. Gen. Charles Stockard LeCraw, Jr., SSAN xxx-xx-xxxx.

To be brigadier general

Col. Lawrence Holt Allen, Jr., SSAN xxx-xx-xxx-... Infantry.

Col. Raymond Astumian, SSAN xxx-xx-xx... xxx-... Infantry.

Col. Charles Beach, Jr., SSAN xxx-xx-xxxx, Field Artillery.

Col. Edward James Joseph Breen, SSAN xxx-xx-xxxx Infantry.

Col. Michael Paul Lagana, SSAN xxx-xx-x... xxx-... Corps of Engineers.

Col. Lee Lawrence, SSAN xxx-xx-xxxx Infantry.

Col. John Ryle McKee, SSAN xxx-xx-xxxx, Infantry.

Col. Willard Phaup Milby, Jr., SSAN xxx-... xxx-xx-xxxx Infantry.

Col. Gorman Curtis Smith, SSAN xxx-xx-x... xxx-... Infantry.

Col. Robert Murray Sutton, SSAN xxx-xx-x... xxx-x... Infantry.

The Army National Guard of the United States officers named herein for promotion as Reserve commissioned officers of the Army under the provisions of title 10, United States Code, section 593(a) and 3385:

To be major general

Brig. Gen. Austin Clifford Chidester, Jr., SSAN xxx-xx-xxxx.

Brig. Gen. Paul Victor Meyer, SSAN xxx-xx-... xxx-...

Brig. Gen. John Joseph Remetta, SSAN xxx-xx-xxxx.

To be brigadier general

Col. Harry Warren Barnes, SSAN xxx-xx-x... xxx-... Infantry.

Col. Stephen Samuel Crane, SSAN xxx-xx-xxxx xxx-x... Infantry.

Col. George Melvin Donovan, SSAN xxx-xx-x... xxx-x... Armor.

Col. Merril Wetzler Goss, SSAN xxx-xx-xx... xxx-x... Armor.

Col. Guy J. Gravlee, Jr., SSAN xxx-xx-xxxx, Armor.

Col. Helmut Joseph Haag, SSAN xxx-xx-xx... xxx-x... Ordnance Corps.

Col. Robert Archibald Hughes, SSAN xxx-... xxx-xx-x... Armor.

Col. Merritt Alden Johnson, SSAN xxx-xx-x... xxx-... Infantry.

Col. Charles Hayden Jones, SSAN xxx-xx-x... xxx-x... Corps of Engineers.

Col. James Simonet O'Brien, SSAN xxx-xx-x... xxx-... Infantry.

Col. Jean Gordon Peltier, SSAN xxx-xx-x... xxx-... Field Artillery.

Col. Harold Roden Story, SSAN xxx-xx-xxxx, Field Artillery.

Col. William Harrison Vanderlinden, Jr., SSAN xxx-xx-xxxx Infantry.

Col. Frederick John Van Roo, SSAN xxx-xx-x... xxx-x... Field Artillery.

The Army National Guard of the United States officers named herein for appointment as Reserve commissioned officers of the Army under provisions of title 10, United States Code, section 593(a) and 3392:

To be major general

Brig. Gen. David C. Matthews, SSAN xxx-... xxx-xx-xxxx Adjutant General's Corps.

To be brigadier general

Col. William Harold Cheeseman, SSAN xxx-xx-xxxx Field Artillery.

Col. Edgar LeRoy DeGraw, SSAN xxx-xx-x... xxx-x... Field Artillery.

Col. William Porter Marshall, SSAN xxx-... xxx-xx-xx... Armor.

Col. Robert William Steele, SSAN xxx-xx-xxxx xxx-... Infantry.

Col. Harry Wellington Thode, SSAN xxx-xx-... xxx-x... Finance Corps.

Col. William Lawrence Youell, SSAN xxx-... xxx-xx-x... Field Artillery.

The following-named person for reappointment to the active list of the Regular Army of the United States with grades as indicated, from the temporary disability retired list, under the provisions of title 10, United States Code, sections 1211 and 3447:

To be major general, Regular Army, and major general, Army of the United States

Stoughton, Tom R., xxx-xx-xxxx.

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... xxx-x... Army of the United States (major general, U.S. Army).

IN THE NAVY

The following-named officers of the Navy for temporary promotion to the grade of rear admiral in the staff corps indicated subject to qualification therefor as provided by law:

Supply Corps

Eugene A. Grinstead, Jr.
Stuart J. Evans
William M. Oller
Wendell McHenry, Jr.

Civil Engineer Corps

John R. Fisher

The following-named officers of the Navy for temporary promotion to the grade of rear admiral in the staff corps indicated subject to qualification therefor as provided by law:

Medical Corps

Philip O. Geib
Donald L. Custis
Edward J. Rupnik
William J. Jacoby, Jr.

Dental Corps

Wade H. Hagerman, Jr.
George D. Selfridge

Rear Adm. Robert E. Adamson, Jr., U.S. Navy, having been designated, for commands and other duties determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

Vice Adm. Frederick H. Schneider, Jr., U.S. Navy, for appointment to the grade of vice admiral, when retired, pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. Nels C. Johnson, U.S. Navy, for appointment to the grade of vice admiral, when retired, pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. Evan P. Aurand, U.S. Navy, for appointment to the grade of vice admiral, when retired, pursuant to the provisions of title 10, United States Code, section 5233.

In the Air Force

Nominations beginning Roland E. Ballow, to be lieutenant colonel, and ending Donald E. Wallis, to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on May 8, 1972.