

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ECKHARDT:
H.R. 12734. A bill for the relief of Ngan Sham Kwok Chee Stella; to the Committee on the Judiciary.

By Mr. EDWARDS of Alabama:
H.R. 12735. A bill for the relief of Abdul Mannan; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

BLOOD THAT KILLS

HON. VICTOR V. VEYSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. VEYSEY. Mr. Speaker, for the past year I have been studying blood banking in the United States. In that time I have read dozens of articles in the medical, legal and popular press on various facets of this hidden scandal. The article, "Blood That Kills" in the January 29 issue of the National Observer is far and away the best single description of the problem I have seen.

Mr. Gribbin has researched the problem thoroughly and manages to explain the complicated medical, legal, and social questions involved with a clarity that makes it look simple. Having struggled to explain some of these same problems myself in the past, I know it is not.

As the Observer's editor remarked, this article does not take a "my-gawd-ain't-it-awful" approach but just piles up the facts and tries to give everybody his say. I strongly urge my colleagues, if they read anything on blood banking, to read this article:

[From the National Observer, Jan. 29, 1972]

BLOOD THAT KILLS

(By August Gribbin)

As Howard Schmid prepared to undergo surgery, neither he nor his wife saw reason to worry about his necessary but uncomplicated blood transfusion. They didn't know that many U.S. hospitals routinely use "cheap," possibly contaminated blood from skid-row addicts and bums—blood that can make a simple transfusion riskier than the most delicate surgery.

Like most Americans, the LaGrange, Ill., couple also didn't know that most authorities agree that a national blood program could solve the problem, but that the organizations judged most qualified to set one up oppose this solution. So blood transfusions now kill at least 3,500 Americans and medically injure another 50,000 each year, says Stanford University's Dr. J. Garrett Allen, whom many researchers regard as the nation's leading expert on the blood problem.

Of every 150 patients over 40 years old who receive blood transfusions, one dies, Dr. Allen estimates. Howard Schmid, age 52, didn't know that either.

THE HEPATITIS MENACE

Schmid's heart operation in a Chicago hospital went "beautifully," says Mrs. Schmid. "My husband came home. He was feeling better than he had in years. Out walking and everything. Planning to go back to work."

Three months later Schmid awoke one morning with yellow skin and a 102-degree temperature. "We took him to the hospital. And—he died," says Mrs. Schmid. The cause of death: serum hepatitis from contaminated blood.

Serum hepatitis is one of two main forms of a group of liver infections generically called hepatitis. The other main type is infectious hepatitis. The diseases' symptoms

are roughly the same; so are their treatments. But infectious hepatitis, nicknamed "dirt disease," comes primarily from contaminated food and water and shows up most often amid crowding, poor sanitation, and malnutrition.

Serum hepatitis, far more serious, comes principally from injecting or transfusing tainted blood. The blood of persons who have had infectious hepatitis, and their uninfected regular associates' blood, is especially suspect. The malady inflames the victim's liver, causing extreme pain, itching, weakness, diarrhea, nausea, fever, and yellowing of the skin.

Researchers haven't isolated the ultimate sources of serum hepatitis. They do know that its infectious agents flourish in the dirt and squalor of city slums and skid rows. And that's just where many commercial blood banks have set up blood-collection stations.

There commercial blood-bank operators are within easy reach of down-and-out donors and drug addicts who sell their blood for \$3 to \$5 per pint. Outside of skid-row sections, donors normally get \$15 to \$20 a pint for common types of blood. Rarer types bring \$50, \$60, or more.

DANGER IS IMPORTED, TOO

The skid-row banks sell common types of blood to hospitals and to other banks for \$40 to \$50 a pint. One industry source says they net 100 per cent profit after processing and other costs.

The commercial banks also get such "cheap blood" from prisoners. Like addicts, prisoners frequently lie about past illnesses so they can earn a few dollars or special privileges for giving blood.

Some commercial banks also import blood from such willing sources as impoverished, medically backward Haiti. They extract and sell this blood's highly marketable plasma—which also can cause serum hepatitis.

EVERYWHERE THE DOLLAR

Certainly not all commercial suppliers depend on convicts and derelicts as sources of blood. Many suppliers take extreme care in hiring "donors," who often are robust but cash-shy soldiers and college youths. And of course a tiny percentage of the blood from presumably healthy donors may contain hepatitis.

Richard Dice, president of the reputable, commercial Community Blood Services of Alabama, abhors the questionable practices of what he calls "relatively few blood bankers." Commercial banks vary in quality from place to place, he asserts, adding: "If you really dissect blood donating in this country, you'll find that the dollar is involved everywhere. The Red Cross levies fees for the blood it distributes to hospitals; nonprofit banks charge fees. Both have blood-replacement plans."

Under such plans, banks solicit blood from unpaid volunteers by promising them free blood should they ever need it. Some hospitals, which frequently have their own blood banks, and some nonprofit banks "lend" blood, requiring the user to solicit replacement blood from acquaintances.

NOT ALL BLOOD IS EQUAL

Dice says the difference between the banks is not whether they are commercial or nonprofit, but how conscientiously they operate. Many of his colleagues agree wholeheartedly.

Doctors nonetheless make a huge distinction

between "commercial blood," whose donors receive payment, and "volunteer blood," whose donors generally receive no cash. The difference can get fuzzy, because many noncommercial banks pay volunteers for their blood, calling the payment an "incentive." Blood obtained from "incentive"-paid donors sometimes is called volunteer blood.

Unpaid contributors' blood is generally considered much safer than that of paid donors. The promise of pay allegedly induces some donors to conceal disqualifying histories of hepatitis, past transfusions, allergies, or communicable diseases.

Statistics support the theory. Stanford's Dr. Allen reports that in one study blood traced to addicts in prisons and slums was found 70 times likelier to carry hepatitis than is blood from unpaid volunteers. Overall, he says, commercial blood is 10 times likelier to harbor hepatitis than volunteer blood is.

Dr. Allen has been studying blood-transfusion problems since 1945. It was he who first discovered commercial blood's special health hazards. He has published widely. And many medical men regard him as the nation's leading authority on blood donating and hepatitis.

HEPATITIS RISK UNDERSTATED

Commercial blood, which the Government says composes one-third of the U.S. supply, is currently indispensable. Without it, hospitals in some major cities would have to curtail transfusions. So it is almost universally available even to the altruistic volunteer whose blood donations to a non-profit bank entitled him to free, safer volunteer blood.

No blood bank has centers in all states. The Red Cross, biggest of the banks, has 59 centers in 42 states. But the centers may not cover the entire state, and they can't always supply blood. So a volunteer donor requiring emergency transfusion in such areas simply gets what's available; the Red Cross or his own nonprofit bank only picks up the tab.

The common use of commercial blood is the biggest contributor to the serum-hepatitis rate among transfusion patients. Nobody knows just how high the rate is, the Government's Center for Disease Control (CDC) in Atlanta says, because physicians often fail to report serum-hepatitis cases. The CDC says the real hepatitis rate could be 2 to 10 times Dr. Allen's estimate, or 35,000 deaths and 500,000 illnesses a year instead of 3,500 deaths and 50,000 illnesses.

DIFFICULTIES OF DIAGNOSIS

Why the confusion?

First, some serum-hepatitis symptoms resemble those of other illnesses. Thus a doctor may diagnose hepatitis as something else—especially if he doesn't know that the patient has had a transfusion. Second, the disease takes two to six months to develop. After that time, both patient and doctor may fail to connect the hepatitis with a transfusion given while treating another malady from which the patient apparently has recovered.

Mrs. Schmid is suing Rush Presbyterian-St. Luke's Medical Center in Chicago for its alleged "failure to warn us that there might be a danger in using blood from paid donors." Had she known of the danger, Mrs. Schmid says, she could have obtained volunteer blood for her husband, whose membership in a fraternal organization made him eligible for free

blood. Schmid's heart operation required 22 pints of blood costing about \$750 total. More than half of it was commercial blood.

Presbyterian-St. Luke's will not comment on Mrs. Schmid's suit beyond acknowledging it. The case has not been scheduled for trial.

There have been enough court cases, including Mrs. Schmid's, to help document and define the extent of the blood problem, but there haven't yet been enough court decisions to do much more.

Last October a jury in Billings, Mont., returned the first jury verdict favoring a victim in a post-transfusion hepatitis case. The jury awarded \$32,941.41 damages to a Montana man who was disabled by serum hepatitis after receiving transfused blood taken from a woman who allegedly had hepatitis when she sold her blood to a commercial blood bank for a \$5 "incentive." The blood bank is appealing the verdict. Lawyers on both sides agree that the case could become an important precedent.

Stanford's Dr. Allen testified as an expert witness at that trial, which brought to public view some of his mass of data on the blood problem.

Dr. Allen says an all-volunteer national blood program would cut the annual toll of hepatitis deaths and illnesses by 90 per cent. He estimates that hepatitis costs Americans \$87,000,000 a year, based on a study of 25,000 patients hospitalized by hepatitis.

THE SYSTEM'S SHORTCOMINGS

Moreover, Dr. Allen says he has evidence that:

Inspection of blood banks under Federal jurisdiction "is minimal because inspectors who visit blood banks often are inexperienced, and even veteran inspectors fail to investigate thoroughly enough."

Despite rules of the standards-setting American Association of Blood Banks, some commercial banks let donors give blood almost fortnightly, ignoring the eight-week recommended waiting period.

Patients who "borrow" blood from hospital banks, replacing it with volunteer blood donated by friends, frequently receive "high risk" commercial blood with neither the patient nor his physician knowing it.

ONE INVESTIGATION'S FINDINGS

Newsmen have corroborated many of Dr. Allen's allegations. NBC's *Chronolog* program last October carried a critical report based on nine months of research. Various newspapers, including the New York Times and the Washington Post, have investigated the blood problem in their balliwicks. Among the best articles was a series by a three-reporter Chicago Tribune "task force."

The Tribune reporters spent two months digging, says Phil Caputo, head of the team. They sold blood. The next day different blood banks readily accepted them as donors, despite their arms' fresh needle marks.

In Chicago's grimy slums they found "winos who sold blood so often they had scar tissue on their arms," Caputo says. His team interviewed skid-row donors who survived solely on garbage, a diet rendering them easy prey for hepatitis.

The reporters learned from blood-bank donor lists that suspected hepatitis carriers were rejected by one bank and then accepted by others. They found that Scientific Blood Bank, Inc., a Chicago-based commercial supplier, paid skid-row "professional donors" with vouchers cashable only at a nearby liquor store that required what Caputo calls "a sizable purchase, not just a pack of cigarettes."

Scientific paid the same way in Washington, D.C., until it closed down its Capital operation two months ago. Scientific's blood-buying facility, located in a ghetto area, paid donors with \$5 vouchers stamped "Cash at Moe's Liquors only."

NO PURCHASE NECESSARY

The owner of Moe's, who doesn't want his

name used "because all it'll do is make me catch more hell," says he charged Scientific 25 cents per voucher. "We didn't demand that those guys buy booze," he says. "Sometimes they bought it; sometimes they didn't."

Scientific shut down its Washington operations after local newspapers carried stories about its liquor-store vouchering. Asked by The National Observer to comment, Robert Gallagher, president of Scientific, said: "I don't want to be rude, but I honestly believe anything I say will come out wrong. In the past whenever I've talked to reporters it has always come out wrong."

Rep. Victor Veysey, Republican of California, has been thumping for months for reform of the nation's uncoordinated blood programs. He has introduced a House bill that would impose stiffer, broader Federal regulations on blood banks. Charles Percy, Illinois Republican, and Vance Hartke, Indiana Democrat, have introduced a companion bill in the Senate.

The Veysey bill would establish a national blood-bank program run by the Department of Health, Education, and Welfare (HEW), which would be given regulatory authority over all blood banks. No such national regulation now exists. HEW's Division of Biologics Standards (DBS) polices the 166 banks that deal in interstate commerce and supply most of the nation's blood. But most of the 5,000 American blood banks don't operate interstate, so they're subject only to state and local laws.

PROPOSALS AND ACCUSATIONS

Those laws are anemic at best. Only seven states license blood banks. Only five provide for blood inspection. Seventeen states have no blood-bank laws at all, and in 21 other states the only laws relating to the industry are those exempting blood banks from legal claims of patients harmed by tainted blood.

Veysey's bill would require a national registry of blood donors. It would list known or suspected hepatitis carriers, enabling blood banks to exclude them as prospective donors. And it would require labelling commercial blood as "high risk" and volunteer blood as "low risk." At present, doctors often have no way of knowing the source or quality of blood they give their patients.

The Red Cross has been "lackadaisical" for not expanding and trying to remedy the shortage of volunteer blood on its own, Veysey alleges. Dr. Jack J. Levin, the physician who is assistant director of the Red Cross blood program, says in response:

"We haven't expanded. We get no subsidy from Government and we must consider the others involved in blood collecting. Our program is a little more aggressive so far as efficiency and other things are concerned: This is our main thing. We want to improve what we have before we run off to expand."

A MATTER OF AUTHORITY

Veysey also alleges that the DBS has been derelict in its duty by not requiring that commercial blood be so labeled. He says the DBS has clear authority to order labeling, to bring unregulated banks under its jurisdiction, and to prevent suppliers from accepting skid-row donors.

The DBS says it has no such authority. John N. Ashworth, chief of the DBS Blood and Blood Products Laboratory, says no one in DBS "understands exactly what the congressman and others are inferring in their criticism of us. We have no authority to interfere with private enterprise, but we do take action against blood banks that violate the law."

Forty-three DBS inspectors annually inspect the 259 installations of the 166 DBS-regulated blood banks. They examine equipment such as needles, autoclaves, and blood containers. They check records and monitor the bank's technicians for violations of proper medical techniques.

"In extreme cases of rule-breaking we have

gone to court to get compliance," Ashworth says. "We've moved against three to five blood banks in the last decade; maybe it was six banks."

It was four. That's the total number of serious watchdog actions against blood banks since regulation began in 1902.

Veysey doesn't think DBS does enough. In fact, his bill stipulates that DBS shall not operate the proposed national blood program.

The transfusion-hepatitis risk would be minimal if doctors had an infallible laboratory test to detect serum hepatitis in blood. They don't, although many thought the Australia antigen was it. The antigen, first found in an Australian bushman, causes an observable reaction when introduced into blood containing serum hepatitis.

Last October the Association of American Blood Banks, which represents 1,500 commercial and nonprofit banks, ordered all its members to use tests based on the antigen. The DBS also required such tests. But researchers have found that the Australia-antigen test detects hepatitis only 25 per cent of the time, so the search for a more reliable detector goes on.

Because hepatitis detection is still unreliable, many authorities say the only solution to the nation's blood problem is to use only low-risk volunteer blood nationally. And this, most agree, means creating a national blood program under a single agency.

The Red Cross, which ran the nation's blood program during World War II and afterward and is still the biggest blood banker, doesn't want the job. "I'm not so sure we could handle a national program," Dr. Levin says. "Even if we had a subsidy it would be difficult to recruit people to do the job."

NATIONAL PROGRAM OPPOSED

The Red Cross concedes the need for a national program. But besides declining the job itself, it isn't supporting Veysey's bill. In fact, officials of some autonomous state Red Cross chapters are lobbying against the bill. Some observers say these officials see a national system as a threat to their own blood collecting.

Commercial banks oppose the idea of a national system too. So does the blood-bank association. "We oppose a monolithic system. It would stifle research and creativity," says Mrs. Bernice Hemphill, a spokesman for the American Association of Blood Banks and head of the big, nonprofit Irwin Memorial Blood Bank in San Francisco.

Blood banks could supply enough volunteer blood by switching to other donor-recruitment systems, she says. Since last October, she adds, the Irwin bank has supplied only unpaid volunteers' blood to the 59 hospitals it serves.

Dr. Allen ascribes another motive to the association's opposition. The association vehemently denies his accusations, but he insists that:

"The 'nonprofit' blood banks make huge profits and want to protect them. I know: I had the embarrassment of running a bank that made such profits. The current fee structures make it practically impossible not to clear money."

Dr. Allen says the blood banks camouflage their excess profits by paying \$50,000-a-year salaries to key executives. And he alleges that much of the banks' research grants goes to their own researchers. "There's no competition for the money as there would be if the grants were awarded impartially by the National Institutes of Health, for example," he says.

This sort of squabbling has provoked at least one clear, firm decision from a powerful sector: the 14,000,000-member AFL-CIO, which has co-operated closely with the Red Cross since World War II and which wants a national program begun.

Leo Perlis, head of the AFL-CIO's Department of Community Services and an activist in blood programs for more than 25 years, told The National Observer:

"The AFL-CIO is going to give the Red Cross one more year. If we don't see it improve its blood program, we're going to start lobbying hard to set up a national system without it."

"We're not only concerned with hepatitis, bad as it is; we're concerned about the nation's values," Perlis adds. "It's about time we stopped thinking we can buy and sell every single thing. My God, when we start selling the blood from our bodies—and contaminated blood at that—we're going off . . . well, words fall me."

Words don't fall Richard Titmuss, the British author of *The Gift Relationship*, a recent book on blood donating. He sees the American blood controversy as a moral issue constituting "one of the ultimate tests of where the 'social' begins and the 'economic' ends."

Titmuss argues against considering blood a commodity to be bought and sold. To him, "Freedom from disability is inseparable from altruism." Many Americans are beginning to agree, if only because good blood is perhaps one thing the dollar just can't buy.

POSTSCRIPT FROM THE EDITOR

A word of caution: If a fellow named Gus Gribbin comes around to question you, don't underestimate him. He looks a little fragile. But what you don't know is that he runs 20 minutes a day, goes in for calisthenics, and probably is in better shape than you are. His manner is mild and innocent. But by the time he has finished talking with you and two dozen other people he just might know some things about your business that you don't.

I have been studying Gus, with admiration and puzzlement, the whole year since I took on this job. I have decided, tentatively, that maybe he really is just an ordinary average guy—but one who has plunged into life with such zest and persistence that he is an extraordinary person and a superlative journalist.

He's a worker. After whirls at grocery clerking and assemblyline inspecting, he began news work at age 18 (with the Baltimore Sun) and has been at it full-time ever since. In his off-hours, though, he picked up two college degrees (B.S. from Loyola; M.A. from Maryland U.), which I must confess is double the number I hold. When *The Observer* was launched a decade ago, he was among the first aboard, and he's done nearly every chore around, from photo editing to book reviewing. His reporting has taken him around the land and, quite literally, under the sea.

His greatest flair, though, is spotting topics that get to the guts of readers' personal concerns, and digging right down to the bottom of them.

I suspect you've noted the Page One article in this issue; Gus tells what might be wrong with the blood that could go into your veins. During the past year he has explored on your behalf such varied matters as the perils of big-rig trucks thundering behind you on the highway, shoddy marriage counseling, misbranded and adulterated drugs, supposedly scientific auto clinics that give dubious diagnoses, the pros and cons of the vitamin C boom, the psychological jujitsu of some advertising.

Since all this contributes to our specialty—reporting on the business of living—I encourage Gus to follow a story wherever it leads, and often to name names. When he tackled a major story on consumer complaints against mail-order businesses, one trail inevitably led him back to *The Observer* itself—for our own publication is sold by mail, and prints mail-order ads for others. Sure, we felt pain when Gus put our human imperfections into print, just as others feel hurt.

But Gus never takes a my-gawd-ain't-it-awful approach. He just piles up the facts,

and tries to give everybody his say. Sometimes that means clearing a business reputation, as when Stokely-Camp was falsely suspected of canning beans containing botulinum poison. It has even led him, repeatedly, to tick off business complaints against you and me as customers. In an age of consumerism, how dare he?

HENRY GEMMILL.

ANGEL'S HAVEN—HOME FOR MENTALLY RETARDED CHILDREN

HON. J. GLENN BEALL, JR.

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Thursday, January 27, 1972

Mr. BEALL. Mr. President, too often we take for granted the miracles of life, realizing our own good fortune only when faced with the harsh realities of another's misfortune. Such a cruel twist of fate is mental retardation. We can read, write, speak, walk unassisted, and go through life responding without difficulty to what we consider everyday living. But for too many Americans, these activities are extremely difficult, if not impossible. Nearly 2 percent of our population is diagnosed as mentally retarded. Most of these victims of nature's unpredictability are children, doomed from birth to face life profoundly retarded, with little capability for training or education. The most important question, therefore, for those of us who have been much more fortunate, is what can we do to help.

There is, however, a solution for these children and that solution is residential homes for the mentally retarded. These homes offer the personalized care and affection that a large institution cannot. One such place is Angel's Haven, a non-profit, nonsectarian home in Glen Burnie, Md. Angel's Haven has a unique story that illustrates just what human care and dedication can accomplish. It offers a model not only for residential homes for the mentally retarded, but also for what two people totally committed to helping others, can do.

Angel's Haven was established 11 years ago by Mr. and Mrs. Nick Spiro, seeking companionship for their own adopted child, "Angel," who was severely mentally retarded and epileptic. The Spiros, after many visits to clinics and doctors who advised institutionalizing Angel, decided in 1960 to move to the country and bring other children into their home. They had neither money nor technical skill, but they did possess a greater quality—love. With this as their foundation, Angel Haven was created.

Angel Haven has come a long way since its inception. Now Angel Haven boasts of an eight room home, built by the Spiros, with additions of extra bedroom, bathrooms, a dining room and an examination room. Its purpose is to provide a home atmosphere with a high degree of attention for the children. Along with tender care, their philosophy is simply the utilization of the three R's—reassurance, relaxation, and repetition. Clearly, Angel Haven has proved effective in the care of mentally retarded.

Now we, throughout the country, must get behind all the Angel Havens of America, and help the people who so lovingly help others.

I ask unanimous consent that the text of the pamphlet "Angel Haven" be included in the RECORD, so that my colleagues might have the opportunity to read of its fine accomplishments.

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

INTRODUCTION

Through the miracle of life itself, a great majority of our society never knows the cruel twist of fate that is mental retardation. We can read, write, speak, walk unassisted, and go through life responding without difficulty to the normal stimuli that we call everyday living, because we were born without arrested mental development . . . mental retardation!

In most cases, mental retardation strikes children. National statistics are astounding. Nearly 2% of the population is diagnosed as mentally retarded with 98% of the retardation from birth defects leaving the child, a victim of nature's unpredictability, to face life being categorized . . . profoundly retarded, custodial, low-trainable, trainable or educable. They are left to face life not knowing they are retarded, not knowing that some people call them vegetables and claim there's no use wasting time with them, not knowing the anxieties and fears and tensions that all normal persons live with and accept as the great challenges of life. They are left to face life being misunderstood in improper home surroundings or placed in state institutions long overcrowded and understaffed.

DEDICATION

Fortunately, there is a solution for these children, and that solution is residential homes for the mentally retarded. In the United States, more than 200,000 mentally retarded individuals live in residential homes that are publicly operated. Angel's Haven, a non-profit, non-sectarian home in Glen Burnie, Maryland, is just such a place.

"It is a fine place," says Dr. Ruth Baldwin of University Hospital's Seizure Clinic. "Residential homes are so much better for children like this. An institution is so big and has so many to take care of."

Angel's Haven was established 11 years ago by Mr. and Mrs. Nick Spiro who sought companionship for their own retarded child, "Angel." In short, Grace and Nick are the epitome of dedication. They have truly committed themselves selflessly for these last 11 years so that 25 mentally retarded children of all ages up to 21 could find love and security and the best possible life.

ANGEL'S HAVEN BORN

As a physical property, Angel's Haven started as a converted chicken coop back in 1959. After one year of cramped living, the Spiros built an eight room home, which eventually saw three additions, including a dining room, bathrooms, more bedrooms for the expanding enrollment, and lastly, the addition of an examination room. Today, Angel's Haven stands on an acre of ground surrounded by a sudden suburban sprawl; in the main building are all the normal facilities of a hospital and the shaded yard is designed for exercise and play.

Mrs. Spiro hails from a family of sixteen that grew up in the poverty of a Pennsylvania coal mining town, and early in life learned the meanings as well as practice of the words humility and sharing. It was during a visit back to her hometown of Shamokin nearly 20 years ago that Angel's Haven, quite unknown to the Spiros, got its start.

While seeking out old friends, Grace met an old school chum, who in childhood had

been her envy. There in the basement of an old tenement, hunched and working over an old fashioned wash machine was the once beautiful and fastidious friend, now broken in body and spirit. In place of the wealth of a time gone by was an infant child in a cardboard box and five other children needing care and attention from a busy mother and a father having long since deserted.

"I'll take the baby for a while," Mrs. Spiro said. "You have enough to do."

Back to Baltimore came the Spiros with a beautiful, blonde, four month old baby girl, Katherine, as a foster child. Thus began a drastic change in the lives of the Spiros. A few weeks later, while being fed her lunch, the baby jerked and slumped forward in her high chair. Fortunately, the family doctor was just a few doors away, and the following morning he had the child in the Johns Hopkins Clinic. The diagnosis . . . tuberous sclerosis . . . in short, this lovely little girl was both severely mentally retarded and epileptic. The deep sleep following these attacks was the basis for the statement by Nick Spiro that "she looks as peaceful as an angel," and from this, the name Angel was derived. The Spiros officially adopted Angel at the age of three to save her from a lifetime in an institution. It was in August, 1960, after many visits to clinics, and doctor after doctor, being told by all to institutionalize Angel with others of like ability, and complaining neighbors that the Spiros decided to move to the country and bring other children into their home for companionship. The Spiros, dedicated to the tradition of doing rather than talking, and equipped with neither money, degrees nor engineering skill, but with a shoestring, a prayer and a love stimulated and nurtured originally by Angel, they created Angel's Haven, a resident home for the mentally retarded.

LOVE AT WORK

The concept of a small resident home is becoming widely recognized as one desirable approach to caring for retarded children. Angel's Haven's purpose is to provide a home atmosphere with a high degree of personal care for the children. Along with tender, loving care the Haven's philosophy is simple, let direct; concise, yet enveloping: the Spiros and the staff at Angel's Haven follow the three R's: reassurance, relaxation and repetition. In this atmosphere, it is being proved that these children can be trained and helped.

Above all "love is the answer," Grace Spiro says. And the visitor to Angel's Haven finds it reflected in the eyes of the children, who approach shyly, wanting to touch a necktie, to hold a finger tightly in a tiny hand—not many can talk at all—not many cry either—but they somehow feel, and then you too feel and think and thank Grace and Nick Spiro for the years and years of helping hands for helpless children.

GROWTH IS EVIDENT

Therapy equipment is part of the Spiro dream that costs too much money. Walking devices and whirlpool baths and other health building aids could produce, perhaps, many more miracles at Angel's Haven.

As all things that begin small, Angel's Haven now needs to expand. Consequently, it was recommended that Angel's Haven enlarge and improve its present facilities and become a complete residential home with ultra modern equipment and room for 11 more young children. The expansion, fourth in the Haven's 11 year history, will add a new wing as well as completely renovate the existing structure. The home will then have larger sleeping quarters, a dining room to serve the increased enrollment, an activity room with the space essential to the special needs of the children, and a therapy examination room.

Yes, this venture that started on a wing and a prayer 11 years ago is ready to build

and open its doors and take in children that will have a happier life. "People pay what they can and charity groups have been wonderful to us," Grace Spiro says. "But we have dreams now and dreams always seem to cost more money than we have."

SELF-EXPRESSION

Look inside yourself, then admit yes, I can read, write, speak, walk unassisted, and fortunately live life to the fullest. Now let true human stewardship direct your gift to help children that have a right to the best life they can have.

Angel's Haven, once a dream, once a chicken coop, perhaps in a phrase, the Haven is dedicated . . . dedicated to the retarded . . . giving security, care, food, clothing, shelter and love to the mentally retarded child. Send your gift today in the true spirit of humans understanding helpless children, so that a selfless dedicated home and staff may continue to care for and serve mental retardation.

Angel's Haven . . . where love is a never ending gift.

DIRECTORS

Mrs. Grace Spiro, *Founder and Director*.
Mr. Nick Spiro, *Founder*.
Mr. Harry L. Giadding, *Chairman of the Board*.
Dr. Ruth Baldwin.
Dr. Joseph B. Francus.
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POLAROID'S PROGRAM IN SOUTH AFRICA

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. BINGHAM. Mr. Speaker, the Polaroid Corp. has been conducting a most interesting experimental program in South Africa. Recently the company reviewed its experience with that program and decided to continue it. I insert herewith the company's report dated December 30, 1971:

A REPORT ON SOUTH AFRICA

About a year ago Polaroid Corporation undertook an experimental program in South Africa. We were challenged to stop selling our products there as a gesture of opposition to the apartheid system of that country. A committee of black and white employees at Polaroid was formed to study the question. They sent four members of their group (two black and two white) to South Africa to gather information first hand and to talk to black South Africans. This group returned with a recommendation which the company adopted. We publicly stated our abhorrence of apartheid. We stopped sales of Polaroid products direct to

the government. But we decided not to turn our backs on the problem. We would continue our business and attempt to achieve some basic improvements in the lives of black people there. This is a report on that experiment.

Since it was to involve the areas of employee benefits and education, both stringently restricted by the apartheid system, the assumption was made by some that the government of South Africa would actively oppose this program, perhaps take punitive action of some sort against us or our distributor there, Frank and Hirsch (Pty.) Ltd. This did not happen. There was no overt government opposition to any of the steps we have taken. Our distributor's business (which includes cameras, film and sunglasses) has continued with no adverse effects.

What specifically did we do in South Africa? Our first step was to ask the distributor and his associated companies (Polaroid has no company or investments of its own in South Africa) to improve "dramatically" the salaries and benefits of their non-white employees. This has been done with diligence and some success. The principle of the same pay for the same job has been accepted and announced publicly. The average monthly salary including bonus for black employees has increased 22%. Individual increases have ranged from 6% to 33%. The average is now 91 Rand (about \$127 a month) up from R75. The minimum wage including bonus has been raised to R70. Whereas there were 98 black employees in the lowest salary category a year ago, there are only 39 there now. Twenty-one black employees (out of a total of 151) now make more than R130 per month (about \$182). We feel that further progress is possible in this area. Wage discussions including Polaroid, our distributor and the Black Employees Committee of that company have already taken place regarding next year.

Eight black supervisors have been appointed during the course of the year in the Computer, Administration, Services and Distribution departments. One of the first black computer operators in South Africa is one of this group. Some of these positions were formerly held by whites. The black supervisors are being paid on the same pay scale as their predecessors. In addition two men have received instruction outside the company to qualify them to run on-the-job training courses.

A pension plan with death benefits is already in operation with equal provisions for blacks and whites. Our distributor has also set up a plan that will pay the educational expenses of children of black employees as well as for vocational or scholastic training for the employees themselves. A loan service for black employees is in operation and applications are now screened and recommended by the Black Employees Committee.

A second smaller company associated with our distributor has also instituted wage increases for its black employees of from 16½% to 33½%. They have adopted pension and educational aid plans similar to the distributor's.

Another of the goals of our experiment was to create some mechanisms for change in the area of black education. In addition to the steps taken by our distributor and his allied company to aid the children of black employees, we have attempted three specific programs. A grant of \$15,000 has been made by Polaroid to a black organized and operated institution, the Association for the Educational and Cultural Advancement of the African People of South Africa (ASSECA). This group was formed to encourage and improve black education in South Africa. The grant has provided funds for staff, transport and administration. ASSECA has embarked on several ambitious schemes in the past year including coaching class for high school examinations, lobbying for new classrooms to be built in Johannes-

burg, and a million Rand fund drive to aid black students.

A second grant of \$10,000 was made to the U.S.-South Africa Leader Exchange Program, a private, non-governmental organization. Under this grant two black South Africans and their wives have come to America for an extended period of travel and study. Mr. Seth Manaka, who has a Masters degree in library science, spent three months in this country and visited libraries in 14 cities across the country. Dr. Noel Manganyi, a clinical psychologist, is currently here visiting hospitals, clinics and universities in various parts of the country.

A third grant of \$50,000 (derived, as were the others, from profits earned by sales of our products in South Africa) was used to establish a foundation to underwrite educational expenses of black students and teachers in South Africa. This foundation, called ASSET (American-South African Study and Educational Trust) was organized in May, 1971.

Its trustees include some of the most distinguished black leaders in South Africa: Mr. M. T. Moerane, Editor of *The World*; Chief Gatscha Buthelezi, Chief Executive of the Zulus; Mr. R. S. Naidoo, President of the Natal Indian Teachers Association; Professor W. M. Kgware, Professor of Psychology, University of the North; and Mr. David Curry, a leader of the "colored" community. There are two white members as well, Mrs. Helen Suzman, Progressive Party Member of the South African Parliament, and Mr. Helmut Hirsch, Managing Director of Polaroid's South African distributor. ASSET has made a promising beginning. In its first nine months it has given scholarship grants to 679 students from all the major regions of South Africa. Recipients have included blacks, "coloreds," orientals and Indian students at all levels from high school through college and postgraduate study. Teacher training and vocational training have also been funded. Another 2,000 students have benefited from five special grants made for teacher's salaries in various schools. The number of applications for aid, however, has been overwhelming. ASSET has hardly scratched the surface.

We have also participated in the formation of a black owned and operated distribution company in Nigeria (another of the goals we set for ourselves). The company has been operating out of Lagos since September.

This, then, is what the Polaroid experimental program has accomplished in the year it has been in existence. But what effects has it had? What conclusions have we drawn? What is the future of such a program?

Its effects have been quite visible in press reports from South Africa, England, Canada and the U.S. Apparently Polaroid has been the first company from any country to take a public stand against *apartheid* and for the improvement of black working conditions in South Africa. Literally thousands of articles and editorials have been written about the "Polaroid program." Reactions have ranged from applause and support to thoughtful criticism to revolutionary rhetoric. In South Africa the press (which is not controlled by the government) has enthusiastically reported every detail of the program to its readers.

What have other companies done? One of the most important announcements in recent months came from the two largest international banks in South Africa, Barclay's Bank and the Standard Bank, stating that they would pay black employees the same rate for the job as white employees. About 400 black workers are affected. A major American automobile manufacturer also announced recently that they will pay equal wages for equal work, regardless of color. To date, however, whether they have instituted changes or not, most companies in South Africa have been reluctant to make any public statement of their current or future wage policies.

Polaroid has received inquiries from many

American companies asking what difficulties we have encountered in South Africa and what pressures have been brought to bear on the implementation of our plans. The answer is simple. We have encountered no major difficulties, have faced no pressures that would alter what we have hoped to achieve. On the contrary, we have been surprised at how much progress has been made in a relatively short time.

Two comments that have come to us in recent months have helped to crystallize our feelings on the complex subject of South Africa and our presence there. Alan Paton, novelist, poet and a leading South African liberal, spoke at the Harvard Commencement in June.

"I'm often asked the question as to whether Americans should withdraw all investments in South Africa. I know this view is strongly held by some, and I respect it, but it is not my own. If those American enterprises in South Africa—and there are not a great many—and here I am quoting from the statement of the Polaroid Corporation entitled 'An Experiment in South Africa', would improve dramatically the salaries and other benefits of their non-white employees then I have no doubt that this would exert a moral pressure on South African employers to do the same. . . . Therefore I stand not for the withdrawal of American investment, but for this dramatic improvement in salaries and benefits."

The second was from a black African worker who met our four employees when they were in South Africa. He recently wrote a letter to one of the members of the group.

"The Polaroid program has brought about great ferment in this country and many people seem to be trying to do something about improving the lot of the African people. We have had the case of (a large) bank, which gave a directive to its employees to accord African people the same courtesy accorded the other racial groups. The policy makers of that institution banned the use of the appellation 'boy' or 'girl' when addressing adult Africans. We are to be addressed as Mr. or Mrs. now. . . . What was started by Polaroid is gaining momentum and if it goes on in this way we hope that sanity may eventually be restored to our troubled country. . . . Among the African people, the 'experiment' has been applauded and . . . become the talk of the townships. This I have been able to get from people personally. . . . We would like to repeat what we said to you in December, that we are totally opposed to (your) withdrawal from South Africa. What has happened has in fact been the thin edge of the wedge, which will—we hope—lead to a breakthrough."

We share this hope also. In our opinion relatively little has happened prior to this experiment that could encourage hope for change. The alternative courses of action, after close examination, seem equally bleak to us. Although in a year's time the visible effects on other companies of our experiment have been limited, the practical achievements in salaries, benefits and education have shown what can be done. In this respect the experiment has exceeded the expectations of many. Therefore, we have decided to continue our program in South Africa.

ARTIFICIAL LEG NO HANDICAP FOR HIGH SCHOOL BASKETBALL PLAYER

HON. JACOB K. JAVITS

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, January 27, 1972

Mr. JAVITS. Mr. President, an article by sports writer Jim Greenidge in the January 17 Albany Knickerbocker News

Union-Star illustrates well the contention that, given the opportunity, the so-called handicapped can hold their own with the full bodied and underlines dramatically the reasoning behind campaigns to "hire the handicapped."

Mike Coons has an artificial leg. Mike Coons also plays basketball with the Schoharie Central High School team. While he, according to his own admission, is not a star basketball player, there can be little doubt that he is a star athlete. And a good student, too.

Is it Mike Coons, the 17-year-old with the artificial leg who tried out for—and made—the team who is handicapped and who merits our sympathy or is it those who, with all their advantages, just will not try?

To Mike Coons goes our admiration and congratulations. His "handicap" will, I am certain, be a steppingstone and not a stumbling block.

I ask unanimous consent that the article to which I have referred be printed in the RECORD.

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

HE SHOULD FEEL PROUD OF TRAVELING VIOLATION

(By Jim Greenidge)

What's that? You have a jammed thumb and your ankle feels a bit weak? Before you start complaining, stop and think about Schoharie Central High basketball player Mike Coons.

The 6-1, 175 pound Coons has every right to complain and alibi, but you'll never hear anything but a cheerful word or see anything but a gleaming smile from him.

Coons, a senior guard in his first year of high school competition, has an artificial leg. Born 17 years ago with a deformed right leg, it was amputated when he was very young.

He now has a flesh-colored plastic-coated wooden leg, which straps on to his thigh and extends from the knee down.

One thing Mike doesn't want, though is sympathy.

"Mike doesn't consider his leg as being handicap," says Schoharie basketball coach-athletic director Vince Dutkowski. "He does every drill the other players do. He doesn't try to beg his way out of anything."

"He runs wind sprints along with the other players," continued Dutkowski, who came to the school in September from Our Lady of Lourdes in Poughkeepsie. "In fact, one day in practice he beat one of the other players."

Coons, who maintains an 86 average scholastically, has seen action—although very limited—in all but two of the team's eight games. The team has a 3-5 record.

He had to miss the club's first outing because he was late in getting his physical and had to wait until he had the proper number of practice sessions before playing his first game.

"Mike would drop by the gym nearly every day to watch the early pre-season practices," said Dutkowski, recalling how Coons came out for the team. "I knew him through my gym class and I asked him to come out for the team."

"I checked with the State Education Department to see if it was okay medically for him to come out," said Dutkowski, and although they said they wouldn't recommend it, they said it was up to Mike's parents and the school doctor."

Mike, who wants to become a sportswriter or sportscaster, says he has been playing playground pick-up basketball games with his pals "as far back as I can remember."

"I always wanted to try out for the team," Mike continued. "I thought about it in other

AMDOC

HON. JOHN G. SCHMITZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

years, but I just never did. But when coach Dutkowski came he gave me a chance.

"Coach Dutkowski told me before the season started that I really wasn't going to get that much playing time because he wanted to do a lot of running and plus I knew I wouldn't be of much help playing a pressing defense.

"But I don't mind sitting on the bench, especially if our team wins the game. "I just like to get out and practice with the guys."

"Mike is the kind of person who doesn't feel insulted if he's only able to get in for 20 seconds of a game," says Dutkowski. "He's just happy to dress with the team and glad to be here with the club.

"I know he has a burning desire eating his insides in want for more playing time," Dutkowski went on. "And I'm certainly not carrying him on the team to decorate the bench. He's no freebee. He knows, though, I'm rebuilding for next year."

Mike is especially strong against zone defenses, says the coach.

"Mike can certainly pop them in if you give him any kind of room to shoot," Dutkowski said of the southpaw jumper shooter. "His favorite shot comes from the top of the key where he hits on nearly 50 per cent of his shots."

Coons has some difficulty on defense, though. "I can't go in my weak side (to the right) that well," he says. "My man is able to get a few steps in front of me.

"When I played my first game I was really nervous," Coons went on. "It was against Greenville and I knew there were people watching me and my leg, but I feel there are a few number of people focusing on me each game now."

Mike scored two points in that first game, his average for the season. "I really don't take that many shots," he says. "Maybe I'll take two or, at the most, three a game.

"I certainly didn't expect to be any kind of a star when I came out," he added. "I used to go to a lot of the games in the past years to watch. One thing's for sure it's certainly harder than it looks from the sidelines.

Veteran Berne-Knox coach Pete Shaul remembers the crowd's reaction to seeing Coons limp on to the court when the Indians played Berne.

"There was such stillness you've never heard before in the gym, says Shaul. "No one said anything. They just looked."

"There's a lot of pressure on Mike when he goes into a game," says Dutkowski. "And it's not the same kind of pressure you or I might experience if we were to go in.

"The kids on the team love Mike" said Dutkowski. "He's really an inspiration to everyone. The sixth, seventh and eighth graders look at Mike and say to themselves: 'I'm going to give it a try.'

"The best way to describe Mike is to say he's an honest, sincere, hardworking person who is always smiling. I don't think there are enough adjectives to describe Mike."

There aren't nearly enough sports to keep him busy, either.

Coons was the second man on the school golf team last year, with an average in the mid-40s for nine holes. He swims most every day during the summer and is also an avid bowler with a 145 average.

Mike has also become quite proficient in riding a unicycle, which he took up four years ago. He's forever riding one of his two snowmobiles. He also plays softball, ping-pong and likes fishing and hunting. He plays the guitar (favoring the pop tunes) and works on a farm during the summers.

"There's no question that he has a tremendous amount of guts," says Berne-Knox' Shaul. "He's really some person."

"Yes," echoes Schoharie's Dutkowski. "He'll try anything and everything."

Mr. SCHMITZ. Mr. Speaker, at a time when we hear a great deal of criticism of the medical profession, there is a special need for us all to be aware of the work doctors are doing on their own, without personal profit or the sponsorship of any Government program, to help meet critical medical needs all over the world. In the forefront of this work is a remarkable organization known as AMDOC.

AMDOC, which stands for American Doctors, is a nonsectarian, nonprofit, nonpolitical organization which arranges for doctors to serve short-term assignments abroad. AMDOC was founded by Paul Williamson, M.D., some 8 years ago. Its president is William Van Valin, M.D., who spent considerable time with Tom Dooley, M.D., and was a volunteer at Lambarene, Gabon, central Africa with Dr. Albert Schweitzer. The acting executive director is Tad Lonergan, M.D. The program concentrates on assisting and providing medical services in the emergent nation throughout the free world. AMDOC's function is twofold: It establishes the need for an American volunteer doctor and then finds the right man or woman to fill that need. Paramedical personnel are also provided in the same manner. The AMDOC program has been in operation worldwide for the past 7 years—finding the right doctor for a given hospital or institution. In 1970 AMDOC placed 134 doctors in 24 countries—treating over 430,000 patients. Treatment includes everything from minor ailments to complicated surgical procedures. AMDOC physicians served in the Peruvian earthquake disaster—AMDOC paramedics were among the first on the scene providing skills, supplies, and compassion for the sick and injured. The good will created and monetary value of their work is impossible to estimate.

The basis of this program is the principle that private enterprise—medical technology, in this case—using its own initiative, can make a substantial contribution to the needs of the world today—without Government subsidy. The program's measuring stick for help is: First, genuine need; and second, local leadership to work with AMDOC volunteers. AMDOC does not own or operate hospitals, clinics, dispensaries, or orphanages. Working with the sound self-help principle, the recipient institution provides facilities, equipment, and personnel to assist the doctor while he serves. A skilled American doctor during his tenure has personal contact with patients of another country in a genuine people-to-people program that will bear fruit long after his return home.

A physician willing to accept an AMDOC assignment serves a specific

length of time—from 4 weeks to 12 months. He pays his own travel and living expenses plus those of his family, if he wishes them to accompany him. Each doctor in the AMDOC program practices without compensation. Those doctors, however, who may take an assignment for longer periods—1 to 5 years—usually will receive some compensation and reimbursement of travel expenditures from the hospital or clinic which he is serving. On his return from abroad he renders a detailed report on location, medical situation and other vital statistics for AMDOC's records. In some rural areas 15,000 to 100,000 natives are served by one hospital. During his assignment the AMDOC volunteer physician is able to assist in local medical programs by sharing new techniques, teaching students, encouraging public health practices, relieving overworked rural doctors and supporting long-term medical programs operated by religious and voluntary agencies.

The newest program permits medical students to accompany a doctor on his assignment. On this preceptorship basis the student works in a foreign hospital under supervision of the AMDOC physician; in some cases he may serve under a local resident physician. Students who apply are first thoroughly screened by the dean and faculty of their medical school.

Members of the AMDOC operating board are medical men with similar experience and businessmen skilled in finance and administration. On AMDOC's working board are doctors from many different States who have served on one or more AMDOC assignments. Their advice is sought whenever questions arise concerning the area overseas where they have practiced. All of these doctors serve in an honorary capacity because they realize the importance of improved medical standards in developing areas of the free world and they are aware of the contribution that AMDOC can make toward furthering an atmosphere of good will and peace.

Every AMDOC assignment calls for research at both ends of the spectrum and judgment based on experience. There is no doubt that the 134 doctors who volunteered in 1970 have contributed to the goals of AMDOC, but the number of doctors willing to accept assignment far exceeds the number that administrative dollars were able to send. Compared with the number of hospitals in need, the figures are totally inadequate. The Peruvian earthquake operation cost over \$25,000 for supplies and equipment alone. These costs were assumed by a few dedicated doctors so that the organization could continue to try to meet current demands from its one source of income—donations from private individuals. AMDOC is an all-volunteer agency with one paid employee and with a minimum of overhead. AMDOC is not an expensive government program with red-tape and large grants. Each dollar invested grows a hundredfold on a concrete basis of understanding, good will, and knowledge shared.

THE MEANING OF THE 6-PERCENT UNEMPLOYMENT RATE IS NOT SELF-EVIDENT

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 24, 1972

Mr. ANDERSON of Illinois. Mr. Speaker, recently the Wall Street Journal carried a front page article by its able correspondent, John O'Riley, which

sheds some important light on the unemployment rate that stuck at about the 6-percent level for most of 1971. In the past, we have tended to view an unemployment rate of this magnitude as indicating the presence of substantial slack in the economy and widespread joblessness among primary breadwinners. However, in recent years there has been a steady shift in the composition of the labor force so that women and teenagers comprise a much larger portion than formerly. Since the range of job oppor-

tunities open to these workers is generally narrower than that for prime age male workers, and since they tend to move in and out of jobs more frequently, it is not surprising that unemployment rates for teenagers and women are significantly higher. This shift in the labor force to a larger proportion of higher than normal unemployment-prone workers is clearly indicated in the following breakdown of the jobless pool for the years 1958, 1961, and 1971, in each of which the unemployment rate was 6 percent or greater:

COMPOSITION OF UNEMPLOYED LABOR FORCE

Year	All 16- to 19-year olds		Males, 20 and over		Females, 20 and over	
	Total	Percent	Total	Percent	Total	Percent
1958	678,000	14.7	2,682,000	58.3	1,242,000	27.0
1961	828,000	17.6	2,518,000	53.4	1,368,000	29.2
1971	1,365,000	26.2	2,141,000	41.1	1,710,000	32.8

Source: Handbook of Labor Statistics, 1971.

Thus, just in the last 14 years we have moved from a point in which males over 20 years of age comprised almost 60 percent of the unemployed labor force, to a situation today in which they account for less than 45 percent of the jobless pool; as the table indicates this slack has been accounted for largely by a dramatic rise in the share of unemployment attributable to teenage workers and to a more modest increase in the portion represented by adult female workers.

The point of this analysis, though, is not to suggest that we should be complacent about the current high levels of unemployment. As Mr. O'Riley noted in his article, "The 6.1 percent unemployed figure is not one to be happy about." But these figures do have an important bearing on the type of public policy response we make to an admittedly unacceptable condition. To be specific, it can be questioned whether major additional inputs of fiscal and monetary stimulus are the correct approach to reducing an unemployed labor pool of the makeup indicated above. The likely result of such a course would be the creation of inflationary wage pressures as employers bid for a short supply of skilled, primary breadwinners before we have made significant progress in reducing the unemployment levels among more marginal teenage, and to some degree, female workers. The more appropriate response, in my view, would be improved manpower training policies designed to produce a better match between the needs of a changing dynamic economy and the skills of the work force. At this point in the RECORD, I insert Mr. O'Riley's article in its entirety:

THE OUTLOOK—APPRAISAL OF CURRENT TRENDS IN BUSINESS AND FINANCE

Unemployment. Of all the economic numbers tossed about with minimal understanding these days, the one representing the unemployment rate probably tops the list of the most-used and least-comprehended. Few political speeches can do without it. Reformers trumpet it. Talk about it is heard from the pulpit and in the seminar. It besprinkles the chitchat of the cocktail hour. Even school kids refer to it. But there is, withal, much more talk than clear thought on the sub-

ject. And maybe another try at keeping it in perspective is warranted.

Fluctuating within a fraction of a point for more than a year, the much-mouthing figure now stands at 6.1%. Contrasting this with manpower-tight wartime rates (more men in the armed services, more workers in defense plants), most commentators seem to take it for granted that this represents a very bad situation indeed.

But others are beginning to wonder. Looking about them for other evidences of really large-scale joblessness, they find themselves confused. The following paragraph reflects this confusion. It is excerpted from a letter among those flowing across this writer's desk.

"There is something wrong—radically wrong—with the unemployment figures. With all the unemployed reported, it would be reasonable to assume that you could get a car washed, that you could get a house painted, that an electrical contractor could hire helpers, that it would be possible to employ people for clerical positions such as bank clerks. . . . But I have checked many sections of the country and they all report the difficulty in finding people to take jobs."

The letter writer may be guilty of exaggeration. And his cross-country survey may have been less than scientific. But he has a point. And it is this: Sure, there are people out of work today—there always are. But is the situation now anything like as bad as it is commonly painted? And if it is indeed so bad, why is it that would-be employers so often find it hard to hire people?

These questions aren't easy to answer. But an honest effort can be made.

The best starting point is a look behind the 6.1% figure at the total number of people classified as unemployed, and a breakdown as to who they are. The Labor Department's estimates for December are as follows.

Age-Sex Groups:	Jobless
Males, 20 yrs and over	2,141,000
Females, 20 yrs and over	1,710,000
All teenagers (16-19 yrs)	1,365,000
Total	5,216,000

As a source of public befuddlement on the overall unemployment picture, the most important figure by far in the above table is the one for teenagers. The teenagers, of course, represent only a tiny fraction of the working manpower in the nation, but it will be noted that they account for more than a fourth—26 out of every 100—of the "unemployed."

Over half of all employed teenagers quite

logically only work part-time—on after-school jobs and such. But if any one of these kids is looking for even an after-school job and can't find it, he counts just as much in the overall unemployment total as an out-of-work head of a family.

Under this system of calculation, the teenage unemployment rate, now above 17%, gives a boost to the overall unemployment rate drastically out of line with the teenager's working role in the economy. The December jobless rate for adult men was actually only 4.4%—and for married men only 3.3%.

Teenage unemployment heavily concentrated in big-city slums is a serious thing. Hundreds of thousands of deprived youths, oppressed by grinding poverty, frustrated by idleness, tempted by drugs—their plight adds up to a dangerous, crime-breeding rash of sores on the social body. Only the blind can fail to see the evil in it and be concerned about finding a remedy. But to use this situation to help paint a picture of massive joblessness among bread-winning adults is plainly misleading.

Now note the womenfolk in the unemployment breakdown. Women play a far greater role in today's payroll working force than they did just a few years ago. Wage-earning females have increased by nearly 10 million in the past decade—a gigantic leap of some 50%. And just as they have increased their role in the work force, they have increased as a factor in the unemployed totals.

It will be noted in the table above that more than 1.7 million, or roughly a third of the total unemployed, are adult women. And, more important, they account for 44 of every 100 adults classified as unemployed.

But there are not many women electrical workers. Or house painters. Or car washers. Or TV repair technicians. Or auto mechanics. The list of jobs where womanpower, swollen as it is today, just doesn't fit importantly into the picture goes on and on.

Thus when you remove from the unemployed the largely unskilled and largely part-time-available teenagers, plus the women, who are not trained for so many occupations, you begin to get at least a partial answer to the man who wonders why, "with all the unemployed reported," it is often so hard to hire people.

It should be noted that adult women, as a source of family income, are not to be compared with the teenagers. Many women today provide the sole support for their families. And many more provide a sizable part of it.

But as a group (a new big group, remember) they are still to a much greater degree

in-and-outers in the labor market than are labeled unemployed are so classified because they lost jobs. A recent (November) Labor Department estimate figured 15% of the jobless adult women were thus listed because they had quit their last jobs voluntarily. And another whopping 44% had actually been out of the labor market for some time, and, deciding to work again, hadn't found jobs to their liking.

No, the "6.1% unemployed" figure is not one to be happy about. But the public misconception it engenders is probably too big to measure.

JOHN O'RILEY.

COMMUNITY U.S.A., ANTI-SMUT DAY

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES
Thursday, January 27, 1972

Mr. DELANEY. Mr. Speaker, veteran, fraternal, religious, and civic organizations in New York and other sections of the Nation are planning special activities for Sunday, February 20, 1972, to declare their opposition to obscenity and pornography.

With this in mind, I am introducing today a concurrent resolution requesting the President to proclaim Sunday, February 20, 1972, as "Community U.S.A. Anti-Smut Day."

As is the case with most of my colleagues, I have received numerous letters from concerned parents who are deeply disturbed about the ready availability to children of blatant obscenity and pornography in our Nation today.

There is hardly a magazine stand in the Nation that does not display smut and perversion of every type and description. This nauseous material also is often sent through the mails. The traffickers in this filth represent a billion dollar industry whose only contribution to society is to corrode and destroy it.

Police officials and medical experts have testified before congressional committees that there is a direct relationship between the prevalence of pornographic material and the rapidly increasing incidence of sex crimes.

The Post Office Department informs me that during the last 3½ years they have received some 722,000 complaints from people objecting to the receipt of unsolicited pornography in the mail. Since the passage of legislation in 1970 designed to remove sexually oriented advertising from the mail, 544,000 people have requested that their names be removed from the mailing lists of firms trading in this filth.

Court decisions involving freedom of the press and freedom of speech often have served only to confuse the public and encourage the dissemination of hard-core pornographic and obscene material.

To those who take an extremely liberal view toward the free availability of vice, it might be well to recall the words of Alexander Pope, who said:

Vice is a monster of such frightful mien
As to be hated, needs but to be seen.
But seen too oft, familiar with its face
We first despise, then pity, then embrace.

Mr. Speaker, it is vital that responsible opinion reaffirm the need to encourage the use of wholesome and inspiring visual subjects, and to oppose stringently hard-core pornography and obscenity.

Scanning the calendar of special days and weeks, one can find Presidential proclamations concerning National Poison Prevention Week, Earth Week, Moon Day, and National Clown Week. Surely, it would be equally important to designate one day to focus our attention on the need to find an antidote for one of the most pernicious poisons on earth, obscenity and pornography.

THE PARENTS OF OUR TEENAGERS: A COMMITTED GENERATION

HON. JOHN H. TERRY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES
Thursday, January 27, 1972

Mr. TERRY. Mr. Speaker, the Congress of the United States is often the site of eloquent discussions of many issues. With the wide variety of information and background material available in Washington, D.C., it is reasonable to expect that just about every approach to the issues would have been discussed by someone. But as all the Members of the House of Representatives know, our constituents frequently express opinions and positions much more clearly and succinctly than we do.

On Tuesday, December 28, Prof. Charles Wallis of Keuka College addressed the annual Yates County Kiwanis-Rotary-Lions luncheon in Penn Yan, N.Y. Professor Wallis' topic was oriented to the young people from local colleges, businesses, and the Armed Forces who were invited to the luncheon.

In a very eloquent manner, Professor Wallis explained the contribution of the current generation of parents of our college generation. His remarks appeared in the December 29, Wednesday morning edition of the Rochester Democrat and Chronicle. It is a privilege to include them in the CONGRESSIONAL RECORD:

PARENTS' GENERATION PRAISED

Few generations of Americans have accomplished more than the one today that represents the middle-age group of society. If your generation does more, men for centuries to come will be indebted to you. Their lives have not been easy. They came to maturity in a devastating depression. Then engaged in a do-or-die struggle against Hitler to preserve our heritage and freedom. When the war was concluded, they poured billions into the economy of the world to sustain life among friend and foe.

I know of no hope or aspiration which your parents do not share in common with you. Your weaknesses are our weaknesses and your frustrations are like ours. I can think of no great dream or ideal of yours which your parents do not cherish with equal zeal and commitment.

Your parents have demonstrated their common commitment to your excellence by

blazing new trails in social justice, including far reaching constitutional reforms in human rights. They have split the atom and explored outer space.

They have given to your generation the greatest schools in number and quality known to history. They have championed the greatest social and humanitarian reforms known to man.

Yes, they have erred. But the mistakes have been made with the best intentions in mind. We moved troops into Southeast Asia in a selfless gesture of support for less fortunate people, but like welfare, noble purpose became shrouded and confused.

The generation gap is misleading and false. There may be a difference in vocabulary and method, but your generation and mine are inextricably one in spirit as we are one in flesh.

TRIBUTE TO PARAMOUNT, CALIF. ON ITS 15TH ANNIVERSARY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES
Thursday, January 27, 1972

Mr. ANDERSON of California. Mr. Speaker, I rise at this time to congratulate the citizens of Paramount, Calif., on their 15th anniversary as an incorporated city.

This unique community, located within Los Angeles County, was formerly known as Hynes and Clearwater. A few short years ago, this area was the home of 80,000 dairy cows and had the largest hay market in the world.

Times have changed, and today the city of Paramount boasts a population of 35,000. But, due to the foresight of the city officials, the community has not replaced its rural setting with industrial sprawl. While there are six dairy farms still operating in Paramount, the city also has three parks to provide recreation and relaxation for her citizens.

To provide employment for the people of the Paramount area, industrial parks have been established to attract commercial interests.

Paramount is a balanced community which has a charming residential area consisting of neat, landscaped homes located on wide, safe, well-maintained streets. In addition, special mobile home parks make up an important part of the residential pattern.

The most recent addition to Paramount is the Paramount General Hospital, a \$6 million facility which the citizens point to in pride. According to Dr. Irvine Moskowitz, the chairman of the board, the hospital has 150 beds, 18 doctors, and a staff of 200.

All of these achievements do not happen by accident. The city officials take the government to the people in an effort to study their problems firsthand. On a friendly, informal basis, the officials regularly visit the neighborhoods in special vans in order to talk and listen to the people.

But, the Paramount officials are not content to see the community stand still. City Manager Harry Bond foresees a gradual growth for several years, reaching a maximum of 40,000 residents. City

Councilman Louis Spane, known by his friends as "Mr. Paramount," predicts a trend toward multiple-family and high-rise apartments. In fact, the planning commission has recently approved a project for 97 condominium homes in Southwestern Paramount.

Through teamwork, dedication, and hard work, the city officials—former mayor, Ted Mosier; the present Mayor John Mies; Vice-Mayor Raymond Guillen; a devoted city council consisting of Mr. Mosier, Richard DeBie, and Mr. Spane, and, of course, their predecessors—have provided modern facilities and services to meet the needs of the community. These include a new city hall, a gymnasium, an olympic swimming pool, a community center, parks, a library, fire station, and post office.

Again, due to the foresight of the city officials, the fiscal affairs of Paramount are stable. The community finances its affairs without resorting to the property tax, nor does the city have a debt.

To educate their children, the people of Paramount have constructed seven elementary schools and one public high school. In addition, there are two private schools in the community.

In conclusion, Mr. Speaker, I salute the officials and the people of Paramount for their dedication and hard work in providing the support necessary for the progress achieved over the past 15 years, since incorporation as a city January 30, 1957.

On the occasion of their 15th anniversary as an incorporated city, I wish the community of Paramount continued success in the years to come.

FIREBOMBING IN NEW YORK CITY

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. SCHEUER. Mr. Speaker, yesterday in New York City two talent-bookings offices were firebombed, causing the death of a young woman and 13 other injuries. Both offices have been involved in arranging visits to this country by Soviet performing artists. Telephone calls to the press shortly before the bombing indicated that they were designed as protests against these cultural exchanges with the Soviet Union whose repression of Soviet Jews has been internationally condemned.

I am convinced that no responsible Jewish organization is connected in any way with the bombings in New York, and I am gratified that the Jewish Defense League has disavowed any connection with this incident.

Those of us who are deeply concerned about the plight of Soviet Jewry are well aware that violent attacks like this are utterly counterproductive.

During my recent trip to the Soviet Union, top-ranking Russian officials constantly confronted me with the violence that, on a very few occasions, has marred our efforts to call attention to this issue.

The Russians use these violent attacks to cloud the true issue—the cruel and inhuman oppression of their Jewish minority—and, thus, are enabled to move from the defensive to the offensive by branding those in the United States concerned about that oppression as radical, violent hooligans and gangsters.

We cannot tolerate such murderous violence. If it is intended to pressure the Soviet Government into easing its restrictions on the emigration of Soviet Jews, it is tragically and totally inhuman and counterproductive. Violent acts immeasurably and seriously hurt the cause their perpetrators ostensibly seek to support. I can only hope that universal denunciation of such senseless acts will prevent their repetition by totally misguided individuals.

A LOOK AT THE VOTING RIGHTS RECORD

HON. WILLIAM M. McCULLOCH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. McCULLOCH. Mr. Speaker, I would like to call the attention of this body to an editorial which appeared in the Washington Post on January 26, 1972. The editorial entitled "A Look at the Voting Rights Record," points to the significant gains achieved as a result of the Voting Rights Act and refers to the recent report of the Civil Rights Oversight Subcommittee of the House Judiciary Committee.

I note with pride the fact that this report, the first from this important subcommittee, was unanimous. Such unanimity exemplifies the continuing bipartisan efforts of the House Judiciary Committee to assure that every citizen has an equal opportunity to participate in the affairs of his government.

I commend this editorial to the attention of my colleagues, Mr. Speaker, and I hope that the Department of Justice will implement the recommendations contained in the report. The editorial follows:

A LOOK AT THE VOTING RIGHTS RECORD

Two striking pieces of evidence indicate that the Voting Rights Act of 1965 has worked with remarkable effectiveness to enfranchise black citizens in the South. Its aim was to do away with a variety of devices contrived by Southern states to keep blacks from exercising the basic right of citizenship—everything from rigged literacy tests to outright intimidation. One piece of evidence is to be found in statistics of the U.S. Commission on Civil Rights. In the first two years after enactment of the Voting Rights Act, registration of nonwhite voters in the states covered by the act increased from 35.5 to 57.2 per cent of those eligible. In Mississippi, that percentage jumped all the way from 6.7 to 59.8.

Another kind of tribute to the effectiveness of the act is to be found in the ingenious ways invented by some of the Southern states to circumvent it. Mississippi even went to the trouble last year of requiring re-registration of all voters in 26 of its counties. This has the appearance of an evenhanded requirement falling equally upon blacks and whites. Actually, it imposes a far heavier bur-

den upon the former than upon the latter, and was doubtless intended to do so. In Mississippi, blacks tend more than whites to live in rural areas, and registration may entail a long and burdensome trip for them. Moreover, it required an act of courage for blacks to register in Mississippi in the first place, a form of hardihood some of them may be reluctant to repeat.

A recently released report of the Civil Rights Oversight Subcommittee of the House Judiciary Committee takes note of this Southern strategy and makes some stringent comments on the Justice Department's failure to counteract it. The report is noteworthy, in part for the fact that the five Democratic and four Republican members of the subcommittee joined in it unanimously. The conclusion they came to was that the Department of Justice has not properly enforced Section 5 of the Voting Rights Act, that the department should have objected to Mississippi reregistration and that it has failed to protect adequately the rights of persons registered by federal examiners.

This is a severe indictment of the federal agency to which blacks must look for vindication of their rights and it is made the sharper by the subcommittee's concluding recommendation: "We recommend that the Department of Justice clearly demonstrate a no-nonsense policy of enforcement by utilizing civil and criminal sanctions in certain cases where the action of state or local officials openly flout the provisions of the Voting Rights Act." The chairman of the subcommittee, Congressman Don Edwards of California, was quite right in asserting: "The right to vote, which is protected by the Voting Rights Act, is at the very heart of our democracy." It would be tragic if the exercise of that right were again subverted as it was in the latter years of the 19th century. It can be kept real only as the Department of Justice is zealous in upholding it and as Congress continues a vigilant exercise of its oversight responsibilities.

ANNIVERSARY OF UKRAINE INDEPENDENCE

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 26, 1972

Mr. PRICE of Illinois. Mr. Speaker, as we take time today to observe the 54th anniversary of the independence of Ukraine, we realize that our concern over these noble and unfortunate people is not restricted to one short day per year. The Ukrainians have suffered much under the iron rule of the Soviets, much more than their ancestors had suffered under the czars. The tight seal of internal repression around the Soviet Union has prevented us from knowing the full extent of the Ukrainian condition. Nevertheless, we know that they are surviving, despite the deaths of millions of their number at the cruel hands of the Soviets, and still struggling to regain the independence they so quickly lost after 4 years of bloody aggression and subversion by the Russian Federated Soviet Socialist Republic, which had fraudulently recognized and pledged to respect the independence of the Ukrainian state.

Their precious freedom lost, the people of Ukraine were subjected to harsh, inhuman treatment and persecution. Millions starved to death as a result of manmade famine because they resisted

collectivization of their farms. Ukrainian youths were forced to leave their home for work in far regions of the Soviet Union. Their churches were destroyed and their clergymen deported and executed.

It is known that underground resistance efforts are continuing in this largest of non-Russian captive nations. The Ukrainian love of freedom has not been stifled. I am proud, Mr. Speaker, to be able to join with Ukrainians living in the free world to speak for their 47 million kinsmen behind the iron curtain on this observance of their independence. I commend their patience and fortitude and wish them ultimate success in their struggle for national freedom and independence.

CAPT. LEROY STUTZ MO-KAN
MAN OF YEAR

HON. WILLIAM R. ROY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 26, 1972

Mr. ROY. Mr. Speaker, we cannot be reminded too often of the tragedy of hundreds of Americans held captive in Communist prison camps in Southeast Asia. The anguish suffered by them and by their families needs to be brought home to us again and again until this war is over and our men are free.

The Atchison Daily Globe, a newspaper in the Second Congressional District of Kansas, recognizes this fact. This month it demonstrated its support for all American POW's by designating one, Capt. Leroy Stutz, of Effingham, Kans., as its Mo-Kan Area Man of the Year for 1971.

I commend the Globe for the wisdom of its selection. Captain Stutz and his comrades in captivity deserve our constant assurance that we have not forgotten, and that we are working on their behalf.

As the following article from the January 9 issue of the Globe points out, Captain Stutz is the type of young man which this country can ill afford to do without. Let us hope and pray that this man of the year is soon with us again.

CAPT. LEROY STUTZ MO-KAN MAN OF YEAR

A prisoner of war in North Vietnam for more than five years, Capt. Leroy W. Stutz of Effingham is the 1971 Mo-Kan Area Man of the Year.

The Atchison county youth, a native of Effingham, was selected by a panel of judges from a field of 37 candidates nominated last month in the third annual Globe search for the individual who contributed the most in service above self to his community or the area during the past year.

Captain Stutz is the first Mo-Kan Area Man of the Year to be named outside of the city of Atchison.

Previously honored as Mo-Kan Area Man of the Year were Dr. E. J. Bribach, noted ophthalmologist, in 1969 and L. A. (Roy) Oster-tag, retired furniture merchant, named for 1970.

"In view of the times and the many contributions made by the youth of the country, we believe Captain Stutz has contributed the most in service above self not only to his nation, but to the Mo-Kan area and is highly

deserving of the honor," spokesman for the judges stated in announcing the panel's selection.

"Also significant is that in honoring this young man we show that he as well as other POWs in Southeast Asia have not been forgotten at home."

"That's wonderful!" was the happy comment of Captain Stutz's wife, Karen. She and their son, Brian, 6, who knows his father only from pictures, are living with her parents, Mr. and Mrs. Gilbert Kierns, at Cummings while awaiting his release.

"I know he will be cheered and pleased when he learns of his selection for the honor," Mrs. Stutz said.

Awaiting his return along with his wife and son are Captain Stutz's parents, Mr. and Mrs. William C. Stutz of Effingham. His father is state representative from the 51st district. He also has two sisters, Mrs. Gene (Jeanette) Berry and Mrs. Robert (Helen) Caplinger, wife of the Atchison lawyer, both of Effingham.

In considering the selection of Captain Stutz for the honor, the judges also cited the citation made on the ballot nominating him for Man of the Year. The citation reads:

"I nominate Capt. Leroy Stutz, Hanoi, Vietnam, for Mo-Kan Area's Man of the Year because more than any other man in Northeast Kansas Captain Stutz has contributed unselfishly to better the lives of every man, woman and child in Northeast Kansas and with others like him, to better the lives of an entire nation."

Captain Stutz was stationed at Udorn, Thailand, with the 9th Tactical Reconnaissance Squadron when a RF-4C Phantom plane, piloted by Capt. Robert Gregory, Cape Girardeau, Mo., vanished Dec. 2, 1966, on a routine trip to photograph the results of a strike at the enemy by other USAF units. It was Captain Stutz's 64th mission.

Captain Stutz, then a lieutenant, was listed as missing in action along with the pilot when their plane failed to return from the mission.

It was to be 32 months later, Aug. 9, 1969, before his wife, Karen, was to learn that her husband was alive and a prisoner of war of the North Vietnamese. It was the first word she had concerning her husband since notified Dec. 4, 1966, when informed by the U.S. Air Force that he was missing in action.

Captain Stutz along with Major Gregory (both men having been promoted in rank while reported missing in action) were listed by the Pentagon among 42 servicemen on a list of POWs held by the North Vietnamese. The names had been obtained from three other servicemen who had been released by Hanoi at that time.

It was to be another long period of waiting for Karen Stutz before she was to receive direct word from her husband.

On May 16, 1970, she received the first messages from Captain Stutz—two letters dated Feb. 4 and March 2, both on six-line forms Hanoi allows the POWs to send relatives. The letters were relayed to Mrs. Stutz by the Committee of Liaison of New York City, go-between for relatives in the States and the POWs held by Hanoi.

While irregular, mail continued to arrive during 1970 and 1971 until a sudden lull in the middle of last year. Then it was six months before Mrs. Stutz had a message from her husband.

On Dec. 28, Mrs. Stutz received a packet of mail, four letters and two postcards, from the Committee of Liaison bearing a New York postmark of Dec. 22. Latest of the missives was dated by her husband as Dec. 2, 1971. One of the postcards was for his parents. They had previously last received a form letter from their son on Aug. 5, 1971. It was dated June 17, 1971, and was the first direct message they had had from their son.

Appointed to the U.S. Air Force Academy at Colorado Springs by Congressman William

Avery, Captain Stutz reported as a cadet there on June 27, 1960. He was commissioned a second lieutenant in the Air Force on his graduation from the Academy in 1964 and was stationed at Craig Air Force Base, Selma, Ala., and at Shaw Air Force Base, Sumter, S.C., before being assigned to the reconnaissance unit in Thailand July 26, 1966.

Following his graduation from the Air Force Academy on June 3, 1964, Captain Stutz and his wife, Karen were married in a ceremony performed by the Rev. Kenneth McGehee at the First Presbyterian church here on June 21, 1964. Following their honeymoon she and her husband made their home at Selma where Brian was born July 11, 1965.

Captain Stutz was graduated from Atchison County Community High school at Effingham in 1957. He was an outstanding student at ACCHS where he lettered in both football and basketball and received a citation by the National Merit Scholarship Corporation for distinguished performance in its nationwide search for students of unusual ability in his senior year. He also ranked in the first division of the Emporia State College All-Kansas State Scholarship contest in his junior year at ACCHS. He was president of his sophomore class, vice president of his junior class and served as secretary of the Future Farmers of America chapter at ACCHS during his senior year.

Following his graduation from ACCHS, where his wife was also a student, Leroy farmed for a year on a place adjacent to that of land owned by his father near Effingham before enrolling at Washburn university, Topeka, where he was a student at the time of his appointment to the Air Force Academy.

At the time of his appointment to the Academy he had been a member of Company E, Second Battle Group, 137th Infantry, Atchison's National Guard unit, for three years.

Since her husband vanished on that flight over North Vietnam, Karen Stutz has endeavored in every way she knows to win his release. She has joined the wives and families of other POWs from this area as well as over the nation in appealing to both the U.S. Government and to Hanoi to come to an agreement for the release of the prisoners.

Even before mail had been received from Captain Stutz she had participated in a nationwide drive at Christmas in 1969 to send cards to Hanoi requesting that communications between those interned and their loved ones be allowed by the North Vietnamese government.

And on the fifth anniversary of his capture last month, a small advertisement along with a picture of Brian appeared in The Globe with the plea: "Please Don't Forget My Dad!"

In letters, a copy of one of which appears along with this story, Captain Stutz has indicated he hopes to return to the farm upon his release and return to the States and his family. That hopefully will be soon.

In the meantime, The Globe along with the panel of judges who selected him for the honor hope that it in one small way answers Brian's plea in that his Dad not be forgotten for having served his community and his nation well beyond the call of duty.

THE CIVIL AERONAUTICS BOARD
AND AIR FARES

HON. JOHN E. MOSS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. MOSS. Mr. Speaker, on November 24, 1971, 30 of my colleagues and I filed with the Civil Aeronautics Board a brief dealing with airline fares in a case known

as the Domestic Passenger Fare Investigation. A reply brief filed by our group on December 3, 1971, appears in the CONGRESSIONAL RECORD, volume 117, part 35, page 45627. Our brief, which is already being quoted in other Civil Aeronautics Board cases, follows:

[In the Matter of Domestic Passenger Fare Investigation, Phase 9—Fare Structure, Docket 21866-9]

BRIEF OF HON. JOHN E. MOSS, ET AL., MEMBERS OF CONGRESS TO EXAMINER ROBERT M. JOHNSON

I. INTRODUCTION

The primary issue in this phase of the Domestic Passenger Fare Investigation is what should be the structure of domestic passenger fares. The Hon. John E. Moss, et al., Members of Congress believe that complementary formula based upon great circle miles, block hours, and a flexible service pattern based upon economies of density, should be decreed for establishing the lawful maximum and minimum rates of the fare structure, and lawful rules, regulations, and practices pertaining thereto.

II. BURDEN OF PROOF

I

Whenever an air carrier files a tariff containing a new fare, Sec. 404(a) of the Federal Aviation Act (49 U.S.C. 1374) requires that it be "just and reasonable." Similarly, Sec. 404(b) requires that the fare not be unjustly discriminatory, or unduly preferential or unduly prejudicial. The language used in placing this burden upon the air carriers in Sec. 404(a) is identical to that of Sec. 216(d) of the Motor Carrier Act (49 U.S.C. 316(d)), which the courts have held does place the burden upon the carriers to show the rates are "just and reasonable": *Accelerated Transport—Poney Express, Inc. v. United States*, 227 F. Supp. 815, 818-819 (D. Vt.), aff'd per curiam, 379 U.S. 4 (1964).

The Economic Regulations of the C.A.B. likewise require that at any hearing involving a change in a fare, the burden of going forward with the evidence shall be upon the person proposing such change to show that the proposed changed fare, rule, regulation or practice is just and reasonable, and not otherwise unlawful; 14 C.F.R. 302.506.

II

Although this is the first investigation into the fare structure ever held by the C.A.B., it is not necessarily one of first impression. A number of recent Board orders and prior decisions by the Interstate Commerce Commission and the courts have established some of the evidence which respondents and others must put forward in support of their fare structure proposals; e.g., PS-44, PS-45, and PS-46; Board Orders 7-4-48, 71-4-54, 71-4-58, and 71-4-60.

In applying such standards, the I.C.C. has held that carriers must present evidence as to the rate of return (earnings plus interest) they have earned and will earn if their fare proposal is allowed. *Increased Class & Commodity rates, Transcontinental*, 329 I.C.C. 420, 426 (1967). Moreover, the Commission declared in the same case that evidence of the overall operations is insufficient; that carriers should present evidence of "what returns would be made by the carriers on the traffic that would bear the increase." *Ibid.* In addition, the Commission had previously held that all of the cost, revenue and other data submitted must be related specifically to the traffic and territory involved. *Increased LTL, AQ & TL Rates, To, From & Between New England Territory*, 329 I.C.C. 244, 252 (1966); *General Increases—Transcontinental*, 319 I.C.C. 792, 803 (1963).

III

Of all of the parties to this phase of the proceeding, only the Members of Congress

complied with these requirements of the Act and the Economic Regulations of the Board. Only the Members of Congress showed in their exhibits what the revenues and earnings of their fare proposal would be by passenger per trip, per mile, and per hour at all distances. Furthermore, when the other parties were asked on cross-examination what would be the financial results of their proposal—so-called "shopping list" or litany—none of the witnesses, other than Mr. Beauvais of the Associated Carriers, even attempted to make an affirmative answer; TR: 1797-1799. The simple matter of fact on the record is that none of the carrier parties or the Bureau know if the domestic airlines will, or will not, or even might, be able to recover their costs plus a reasonable return under the fare structure which they have proposed, even assuming all of their assumptions are attainable.

The Members of Congress, on the other hand, were not satisfied in complying with what in the past has been considered to be the bear minimum requirements of the law. Instead the Members of Congress took a good look at the prevailing circumstances and conditions surrounding the real business world and went a step beyond to project the "cash flow" of their fare structure proposal.

Sec. 1002(e) (5) of the Act requires that the Board take into consideration the revenue needs of the carriers. In this regard, the standard of proof for rate-making proceedings laid down by the Court of Appeals for the District of Columbia Circuit in *D.C. Transit System, Inc. v. Washington Metropolitan Area Transit Commission*, 350 F.2d 753, 779 (1965), is that regardless of the ratemaking method used, the regulatory body must permit the carrier a fare which will cover legitimate expenses and supply "the sum of money needed to attract capital, both debt and equity, required to insure financial stability and the resulting capacity . . . to render the service. . . ."

While the fundamental principles used in financial analysis to determine such a sum have not changed, there has been a shift in the emphasis of these principles, as well as a change in the techniques used for credit evaluation. The modern emphasis of financial analysis has turned away from collateral assets, such as aircraft and equipment, and towards repayment capacity—i.e., cash flow, or the projection of how much cash will be available to service the debt, pay dividends, and meet other commitments. As a result, given the prevailing manner for determining the sum of money needed to attract capital, any method of rate-making which does not take into consideration cash flow, will not meet the standard of proof laid down in *D. C. Transit*.

Accordingly, since neither the Bureau nor carrier parties have put forth any evidence as to either the return or cash flow which will be earned by the carriers on an overall basis and by the traffic that would bear the changes at various distances, or whether their fare structure proposal will cover legitimate expenses and supply the amount of funds needed to enable such carriers to provide adequate and efficient service at various distances, the Examiner and Board must find that these parties have not shown on the record that their proposed change in fares, rules, regulations or practices is just and reasonable. To do otherwise would be equivalent to relieving these parties of their obligation to comply with Sec. 404 of the Act, 14 C.F.R. 302.506, and standards of proof established by the courts. Equally important from a practical viewpoint, since the results reached are unknown, these fare structure proposals could cause injury to the public in the form of high fares, discrimination, and/or inadequate cash flow and earnings and over-investment.

Conversely, the Examiner and the Board

can find it is reasonable to base the fare structure upon the proposal made by the Members of Congress because both the method and results reached are known and shown to be just and reasonable, without unjust discrimination or undue preference or undue prejudice, when measured by the Board's rate-making standards.

III. ECONOMIC BACKGROUND

I

How should the fare structure be designed? The answer to this question depends primarily upon the value of the service and the revenue requirements of the carriers to provide needed transportation of persons by air in an adequate and efficient manner at the lowest cost consistent with furnishing such service under honest, economical, and efficient management.

The value of service represents the maximum fare that can be charged. A fare greater than value of service is not a price *per se*, but rather an economic technique for barring the movement of traffic. The revenue need of the carriers, on the other hand, is governed by the cost of service.

The standard by which the reasonableness of ordinary price is customarily judged is the cost of producing the good and service, including in the cost a fair profit to the producer; *States-Alaska Fare Case*, 21 C.A.B. 354, 384 (1955). This basis for establishing "just and reasonableness" was initially enunciated by the Board in the *Air Freight Rate Investigation*, 9 C.A.B. 340, 345 (1958), and has subsequently been reaffirmed by the Board in a number of passenger fare cases: *Pittsburgh-Philadelphia No-Reservation Fare*, 34 C.A.B. 503, 525 (1961); *Frontier Rate Matter*, 39 C.A.B. 415 (1963).

In *Air Freight* the Board directed itself specifically to the question of the extent to which the rate structure should deviate with distance at page 349:

The question of the extent of the deviation in fares for shipments of various distances is one which should be resolved largely upon the basis of cost considerations. To do otherwise would tend to distribute the total traffic in a manner which would not be conducive to the development of the air freight industry on a sound economic basis. Stated more specifically, the generation of traffic for any given distance at rates which are disproportionately low on a cost basis will result in losses which must be made up by proportionately high rates in other distance brackets. This will restrict the traffic volume in those other distance brackets, and an overall reduction in the profitability of the entire freight service will result.

Since the Board has found that fares "must at all times be reasonably related to costs," *Ibid.*, 345, it is clear that the fare structure found reasonable in this proceeding must at all times be reasonably related to the cost structure. That is to say, the fare base must have some basic mathematical orientation to the basis upon which operating costs are incurred. For this reason a detailed examination of the nature of the various operating expenditures is an essential prerequisite to the establishment of a sound economic basis for judging the just and reasonableness of any fare structure proposal.

II

Much of the research conducted upon airline cost structures in the past has been motivated by two principal questions: (1) the relationship of average costs to the scale or size of an air carrier's operation, and (2) the presence or absence of so-called "economies of scale," i.e., the larger the carrier, the lower the operating costs. Industries affected by economies of scale are said to be characterized by decreasing costs. That is, under a given set of circumstances, the cost per unit of output will decline as total production increases. This is as opposed to an industry

characterized by constant costs, wherein under a given set of conditions, cost per unit remains relatively the same regardless of any changes in output; or an industry of increasing costs where the cost per unit rises as total capacity increases.

In addition, the vast quantities of available airline cost data has obviously made the possibilities of applying the mathematical techniques of linear programming models and multiple regression analysis (the repeated return of actual data to a mean or average value) very tempting.

During the last 27 years eleven authors in the United States and Europe have produced nine major nationally or internationally recognized books or papers on air transportation economics.¹ The unanimous, but often reluctant, conclusion of all their comparative cost studies is that: (1) A condition of constant costs appears to be characteristic of the airline industry after a certain level of operations (not very large) has been established;² and (2) There is an almost complete absence of economies of scale with one possible exception.³ The very smallest airlines appear to be afflicted by some form of diseconomies that tend to show up rather rapidly. However, even these differentials have been found to be insignificant when these very small carriers are compared with the larger airlines. As a consequence, to date all of the writers have found that the small and medium sized airlines are being operated just as efficiently, if not more economically, than the larger-sized air carriers. These findings have accordingly led the authors to the general belief that there are more important factors than size which determine the cost of service.⁴

Over the years as technological advances were implemented, the developing consensus seems to be that the "economies of density" is an important fact.⁵ That any economies of scale which are present in the industry are more related to the size of the market (or density of traffic) than the size of the carrier *per se*. For example, the larger the market, the larger the size of the aircraft that can be assigned to the service. Larger aircraft appear to be particularly desirable to some of the writers. Furthermore, when fares are properly set, a greater density of traffic has historically tended to increase the probability of achieving a higher load factor. High load factors are especially important in furnishing air transportation at the lowest cost due to the industry's phenomenon that the costs of flying and servicing a given aircraft over a specific route is about the same regardless of the number of passengers carried.⁶ The greater the traffic, the lower the costs that must be allocated to each unit, and vice versa.

In addition, high traffic density also makes it possible to increase the hourly utilization of aircraft and terminal facilities. For these reasons and others, the size and character of the markets (i.e., route structure and pattern of service) are now generally considered to be significant cost factors.⁷

III

With respect to the operating costs themselves, the general consensus is that the most important direct operating costs are incurred on a time as opposed to a mileage basis.⁸ Direct costs are therefore considered to be proportional to the number of aircraft-hours flown by type or class of equipment. No party to this proceeding has so far disputed this finding. Quite the contrary, all of the evidence submitted in this and other phases of the investigation have substantiated this conclusion. Further, the Board has repeatedly recognized in this and other investigations that direct costs are related to time. Accordingly, for the purpose of structuring airline fares there is no question that it is reason-

able to base forecasts of direct operating costs upon aircraft, seat, or passenger-hours flown by type or class of equipment.

IV

The real controversy with respect to costs in this hearing is centered upon the indirect operating costs. In this regard, it should be noted at the outset that fixed costs have so far not been found to constitute a very heavy burden upon the air carriers,⁹ and that such indirect costs have historically been measured as a ratio to direct or total costs, regardless of the size of the carrier or average length of haul.¹⁰ This close relationship between indirect and direct costs has naturally caused the number of aircraft-hours flown by equipment type to be considered a substantial overall cost factor. As a result three elements, among others, are now regarded as being significant cost structure factors:

1. Number of aircraft hour/miles flown by type of equipment;
2. Aircraft capacity; and
3. Load factor.¹¹

Since a considerable portion of indirect costs have historically not been considered to be related to distance/time, a general feeling has developed that the length of haul, density of traffic, and differences in average speed should have some impact on the level of average costs. That is, given a sufficient volume of long-haul traffic which would permit longer average lengths of flight-hops, average unit costs should decline because, among other things, the ratio of indirect costs to direct costs should decline. The importance of density of traffic and the length of haul arises from the influence these two factors, and length of hop, have on direct costs and block speed as the portion of time required for taxiing, climb-out, maneuvering and descending diminishes as the duration of a trip increases, and on indirect costs associated with servicing the aircraft and traffic on the ground. In view of the importance of comparative operating costs in constructing an equitable fare structure, the fact that all empirical studies so far conducted have never supported this cost theory makes it extremely difficult to grasp the underlying meaning of the large amount of statistical data available.¹² Nevertheless, if the Examiner and Board are going to render a fair, reasonable and equitable decision in this phase, this anomaly between fact and logic must be resolved.

V

The best way to learn about the relationship of indirect costs to direct and total costs is to divide the indirect costs into two broad groups according to the manner in which they are incurred. The first group would comprise those indirect costs which are either actually incurred on a time/distance basis, or generally accepted as being related directly to time/distance even though they are purchased on a periodic basis. Under the Bureau's linear programming model this category of expenses are classified as Aircraft Servicing Expenses—Control (I9); stewardess, food and other in-flight expenses (I5, I6, I7); reservation and sales (I14, I15); and advertising and publicity (I16, I17). Altogether these expenses comprise about half of all of the indirect costs; \$1,619.2 v. \$3,268.1, Exhibit BC-4803, Page 1.

Turning to the other half, it has been repeatedly established on the record in this phase that this group of indirect costs are also incurred periodically on a capacity basis, and are not directly identifiable with any particular revenue, which is one reason, among others, why these expenses are classified as indirect costs.

When an expenditure such as these indirect costs benefit more than one passenger, they are considered to be joint or common costs. Under conditions of joint or common

costs, total costs for each category of service can usually be ascertained with a satisfactory degree of accuracy. Unfortunately, however, in air transportation the categories to which indirect costs can be traced are both larger and less homogeneous than the categories to which direct costs are distributed. Direct costs, for example, can be reasonably allocated to a particular type or class of equipment which has a limited capacity (say 100 seats) and a single load factor; whereas indirect costs such as aircraft and traffic servicing can only be traced back to a ground crew at a particular station which may service several different types of aircraft on a single shift, with a larger aggregate total capacity (100 seats × 10 flights = 1,000 seats) and widely different load factors. Similarly, a reservation or ticket agent at the downtown office may work on 800 or more flights in a single day, each with a different equipment, capacity, and load factor. Consequently, the assignment of these indirect costs to any revenue unit is much more difficult and subject to much more error than direct costs.

Second, since these indirect costs are periodic capacity costs, changes in the volume of traffic (or load factor) have no significant impact on the overall level of these costs once the magnitude of the operation has been established. Little or no expense is incurred by servicing additional aircraft or traffic, nor avoided by servicing fewer aircraft and less traffic. Passengers enplaned and aircraft departures are not cost causative factors. Rather, all available evidence clearly indicates that historically it is the magnitude of aircraft operations by type of equipment and load factors which determines the level of indirect costs, number of passengers carried, and aircraft departures made. Therefore, using the generally accepted accounting Principles A-2 and A-4 of the American Institute of Public Accountants as a guideline (TR:2855-2856), it is evident that the distribution of these joint costs should take into consideration, among other things, the magnitude of the aircraft operations by type/class of equipment and load factors to the extent they are determinative "use factors".

The Board has already directly or indirectly adopted these accounting principles by basing the forecasts of indirect operating costs in Phase 7 upon trended ratios of direct costs to total costs—thereby assuring that these indirect costs will at all times be reasonably related to the magnitude of aircraft operations by type/class of equipment regardless of the number of aircraft departures or passengers enplaned.

Similarly, the Bureau has attempted to use the same accounting principles for its fare structure proposal by distributing costs to the individual units through so-called "cost pools". These cost pools which are directly related to total and direct costs by percentage distribution (Exhibit BC-4703) do not vary with changes in the volume element. To illustrate, the overall indirect cost distribution to item I11, Traffic Servicing Expense per Revenue Passenger Enplaned, \$276.3 million in the 4700 and 4800 series, but the unit input value changed from \$2.12 (4703) to \$2.02 (4803) because the volume element changed from 130,135 (4703) to 137,019 (4803).

Up to this point the Members of Congress are in general agreement with the Bureau and other parties on how the indirect costs should be allocated on a unit basis. Beyond this point, however, the Members of Congress believe the costing methodology employed by the other parties is unduly prejudicial to high load factor and short-haul passengers, and unduly preferential to low load factor and longer haul passengers, because by using average costs to distribute certain traffic servicing, aircraft servicing, reservation and sales expenses, there occur

several different unjustifiable shifts in the cost burden.

To illustrate, when average cost inputs are assigned to enplaned passengers, those flights with a 20 percent load factor are charged with one-fourth the traffic servicing, reservation and sales costs of a flight with an 80 percent load factor, even though in the real world both flights are serviced with the same amount of physical facilities and labor when the same type of equipment is employed. In other words, such an average cost allocation prefers the former, who carries a relatively less proportion of such costs, and prejudices the latter, who is required to assume a greater proportion of the applicable costs.

To add insult to injury, under the Bureau's costing methodology a greater aircraft and traffic servicing, reservation and sales charge will be distributed to stations and flights which experience no change in traffic when the system-wide traffic flow declines, and vice versa. This will occur even though in the real world the same facilities and labor are utilized to provide such service at the station.

The shifting of allocated indirect costs from low load factor flights to high load factor flights is unduly prejudicial to short-haul passengers and unduly preferential to long-haul passengers under the Bureau's and other's costing methodology because in most cases they have programed their economic models to provide for a higher load factor on the short-haul services. In other words, in their economic models short-haul passengers cross-subsidize medium and long-haul passengers. The greater the difference in the load factor, the greater the injustice.

A related but slightly different problem arises with respect to costs allocated on a departure basis, as well as an enplaned basis. The issue being raised at this point is tricky to say the least, but it is the key to being able to understand the meaning of the statistical data and the reason why indirect costs have always had a close one-to-one relationship to direct costs at all distances.

It is a well established fact in this phase that given a fixed number of block hours, an increase in the average length of haul/block time will reduce the number of departures and enplanements, and vice versa; see BC-4800 series and 4900 series. The reduction in the number of departures and enplanements will in turn increase the average aircraft and traffic servicing cost assigned to each unit; *ibid.* and *supra.*, 10. This change of course will be directly proportional to the change in average block time since the overall cost pool for the category of service will remain the same because the total number of block hours, and the ratio of direct to indirect costs, will not be changed. This by the way conforms to the facts of the real world.

Observe, however, how ingeniously the costing methodology shifts long-haul passenger expenses to short-haul services. To illustrate, say an airline operates two aircraft and serves four stations each with an overall cost per diem of \$100 for aircraft and traffic servicing. Aircraft One makes 5 short-haul round trips, 1 hour each way, daily between points A and B, so that the average cost per departure is \$20. The second aircraft makes one long-haul round trip, 5 hours each way, daily between points C and D, which results in a \$100 cost assigned per departure. The system average cost per departure for both segments is \$33.33. Consequently, should the system average aircraft and traffic servicing costs be added as an arbitrary to the so-called line haul cost of each flight in a manner similar to that used by some parties, the short-haul traffic will be over-charged \$13.33 per departure (67%), and the long-haul traffic will be under-

Thus is uncovered the reason behind the anomaly of why regression analysis has historically indicated that length of haul is an

insignificant factor in airline costs. Why "The empirical data does not yield results cost theory would lead use to expect." "Ground servicing costs vary directly with length of haul because the overall cost attributed to a particular activity (aircraft servicing, traffic servicing, reservation and sales) remains relatively the same regardless of changes in the volume elements. As the average length of haul/block time decreases, the ground facilities and personnel are more fully utilized, and the costs per departure and enplanement decline accordingly. Thus the assumption that all other things being equal, shorter flight stages will be more expensive is erroneous. All other things are not equal because shorter flight stages tend to increase the use of terminal facilities, thereby reducing the amount of such costs that must be allocated to each flight. Accordingly, any cost analysis which fails to take this fact into account is *prima facie* unrealistic.

This is of course the crux of the accounting problem. The costing methodology advanced by the Bureau and other parties for spreading the aircraft servicing, traffic servicing, reservation and sales cost pools to various mileage brackets does not take into consideration differences in the utilization of ground facilities at these varying distances. As a result, their front-end load costing approaches saddle the short-haul passengers with long-haul passenger costs.

There are several different ways of demonstrating this phenomenon. One is to examine the relationship of indirect costs to direct costs by classes of equipment at 0 miles as shown in the Bureau's computer run R6, of the 4900 series:

Equipment	Time	Direct cost	Indirect costs	Ratio of indirect costs to direct cost
4EWB-----	0:45	\$776.70	\$2,229.12	2.9
3EWB-----	0:45	582.87	1,478.37	2.6
4ETF-----	0:47	392.97	910.57	2.3
4ETJ-----	0:42	352.64	790.51	2.2
3ETJ-----	0:54	373.92	659.06	1.8
2ETJ-----	0:48	257.05	481.71	1.8

This table shows a decline in the ratio of indirect to direct costs by length of haul/block time when equipment classes normally assigned to markets with different distances are compared. Furthermore, it should be noted that according to the costing methodology employed by the Bureau, had the average length of haul/block time used for the 2-Engine Fan Jet been applied to the 4-Engine Wide Body Jet, the indirect costs at 0 miles for that latter type of equipment would have declined accordingly.

There is another interesting phenomenon which this table discloses. When future cost projections are based upon the Bureau's costing methodology, it is reasonable to forecast that the ratio of indirect costs to direct costs for 3-Engine Wide Body Jets and other aircraft will diminish by mileage brackets as the equipment is assigned to shorter and shorter flight hops, even though the overall ratio will remain the same. This is of course a reflection of what happens in the real world as ground facilities become more fully utilized. At the same time it represents a direct contradiction to the historical expectation of cost theory that indirect costs will increase at length of haul/block time decreases. As a result, it provides another explanation of why empirical data has never supported the cost thesis that increases in length of haul/block time, density of traffic, and average block speed would have some impact on the level of average costs. Or more charged \$66.67 per departure.

Footnotes at end of article.

tactily, why the facts have never agreed with the logic.

The nub of the problem is simply this—airline economists have always treated aircraft and traffic servicing, etc. costs as an identifiable absolute expense ($y=a+bx$, wherein 'a' represents the arbitrary or terminal charge), whereas in point of fact such expenses are relative costs dependent in part upon the length of haul/block time. As stated previously, any cost analysis which does not take this fact into consideration is simply unrealistic.

There are naturally several different ways that this utilization factor can be taken into account for the purposes of determining the lawful fare structure. One would be to weight the costs by mileage brackets to reflect what the expenses would actually be if all flights were operated at that distance. This change would of course tend to reduce the amount of indirect costs allocated to each short-haul service and increase the amount allocated to each long-haul service; the overall average cost and ratio of direct and total cost to indirect costs would remain the same.

Another method would be to base the distribution of the indirect costs attributable to aircraft servicing, traffic servicing, reservation and sales upon a trended ratio of indirect costs to direct costs. Although there is no method for spreading such expenses over the various joint services which can be characterized as correct in the absolute sense, this method seems to be the most acceptable because it tends to place cost values on the various services which bear a relationship to the real world. This can be demonstrated rather quickly. In the illustration given above, the total terminal cost for stations A, B, C, and D is \$400 per day; the total flight time is 20 hours daily; so that the terminal cost per flight hour averages \$20. Thus, under this costing methodology, given the one hour flight time between points A and B, the terminal cost which would be allocated to each flight is \$20, the cost per departure in the example. Similarly, the flight time between points C and D is five hours each way, so that the resulting allocated terminal cost would be \$100, again the amount in the example. Finally, the average cost per departure is \$33.34 (\$20 x 1.667 hours), vs. \$33.33 in the illustration.

For all the reasons outlined above, the Members of Congress therefore believe that it is feasible, reasonable, and expedient, for the Examiner and the Board to use a ratio technique based upon the relationship of indirect costs to direct or total costs for the distribution of such costs to sales and revenues at various distances for the purpose of determining a lawful fare structure. Furthermore, the Members of Congress are of the opinion that the Examiner and Board must find that on the basis of the facts, any other costing methodology advanced so far on the record in this phase is unjust and unreasonable, and unduly preferential to longer haul passengers, and unduly prejudicial to shorter haul passengers, and therefore unlawful for the purposes of this phase of the investigation.

VI

Having resolved the anomaly between fact and logic, it is clear on the record that the major portion, if not all, operating costs of a regularly scheduled airline are directly or indirectly proportional to direct costs and block time at all distances. Given this fact, it is reasonable to conclude that changes in block time/length of haul and average speed will have no significant effect whatsoever upon a carrier's total operating need per block hour by type of equipment at any distance, when the magnitude of the operation remains relatively stable. Conversely, it also means that such changes in block time/length of haul and average speed will have a substantial impact on the total operating

need per mile at various distances when such hourly costs are mathematically converted to a mileage basis—even when the distance remains the same.

A better feeling for this latter statement can be acquired by quickly reviewing the development of economic thinking discussed earlier. In the early 1940's—when the DC-3 predominated—there was practically no difference at all between U.S. airlines with respect to average speed and capacity. As a result, Mr. Crane was able to rather quickly adduce the fact that the industry had no economies of scale and a relatively small fixed cost burden. Later, when larger four-engine aircraft were introduced towards the end of World War II, the variations in capacity began to cause the size of the aircraft, load factor, route structure and daily utilization rate to become important cost factors as Messrs. Koontz, Proctor and Duncan pointed out. Again, when these aircraft were subsequently replaced by even faster and longer ranged propeller aircraft, the increasing variations in block speed caused length of haul/block time and average speed to become more important factors in determining the cost per mile. At the same time, because these variations did not have any material impact upon those expenses which are directly or indirectly related to block time, these changes in length of haul and average speed did not have any significant effect on the level of overall costs. This of course was the cause of the *fact vs. logic* anomaly which confused Messrs. Proctor, Duncan, Cherington, Wheatcroft, and Caves, as well as most airline executives of that day. Finally, when the jets were introduced with their even larger capacity and wider variations in block speed between long and short hauls, the impact upon the cost per mile taper was substantial. Nevertheless, once again, the level of total cost, and the ratio direct and total costs to indirect costs remained relatively stable, and Dr. Miller's linear programming model suggested optional hubpoint routings were more economical and efficient.¹⁴

Thus the air transportation industry has always been characterized by economies of density, a relatively small fixed cost burden, constant costs, and a lack of any significant economies of scale. The only difference between airline operating costs today and those in 1925 is simply that the availability of equipment with greater capacity and higher block speeds has made the economies of density a much more significant factor in determining an economical and efficient pattern of service and its accompanying fare structure, and vice versa.

VII

On the basis of the prior findings of Messrs. Crane, Koontz, Gill, Bates, Proctor, Duncan, Cherington, Wheatcroft, Caves, Miller, Jordan, and the Board, as well as the data and testimony presented by the Members of Congress and other parties to this investigation, it may be reasonably concluded that:

1. There are no economies of scale in air transportation except where aircraft utilization is extremely low;
2. Average costs tend to be constant, and the fixed cost burden is relatively small;
3. The major portion of all air transportation costs, if not all costs, are related directly or indirectly to block time by type of equipment, because those indirect costs which do not appear on the surface to be proportional with elapsed flying time nevertheless do vary directly with length of haul/block time;
4. The economies of density is an important factor in establishing an airline fare structure and pattern of service because aircraft capacity, type of equipment, and load factor are important elements in determining the unit cost of service;

5. Changes in average speed, length of hop, and length of haul do not have any material impact upon costs which are proportional to block time; and

6. Any analysis of the cost structure and fare structure which does not take into consideration the density of traffic flows, as well as aircraft capacity, load factors, block hours and miles flown, cost per hour and mile, and block speed is unrealistic.

IV. REVENUE NEED: COST OF SERVICE

I

Based upon the Statements of Position filed with the Examiner on October 15, 1971, all of the parties to this proceeding are in general agreement with the Members of Congress that, should the Examiner and the Board adopt the formula approach for determining the lawfulness of domestic air passenger fares, then a single uniform fare formula should be utilized with no preferential treatment afforded to any carrier or class of carrier. This approach to rate-making appears to be reasonable, given the facts that there are no economies of scale in air transportation, average costs tend to be constant, and the fixed cost burden is relatively small.

In addition, the other parties are also in general agreement with the Members of Congress that such a formula should be applied uniformly to all domestic markets without regard to differences in density of traffic in the markets, direction of travel, or the presence or absence of competitive service,¹⁵ subject to one important caveat, to wit: application of such a formula should be sufficiently flexible to permit the carriers to exercise their individual management skills and judgment where peculiarities in cost of service and marketing consideration arise.

The underlying reason for adopting this position, at least on the part of the Members of Congress, is that, given the legal and technical restraints associated with rate-making, it is simply not feasible to establish fares for thousands of city-pair markets having widely varying densities of traffic, price elasticities, costs of service, etc., without some sort of a fare formula; see Exhibits MOC 3E, F, G, J and K. Airline passenger fares are not established independently. Rather they have an interwoven relationship to each other, which is not only more complex than a spider's web, but frequently much more fragile. For this reason, in designing any fare structure the rate-maker must take into consideration a number of technical, as well as discriminatory, factors, principally debasement and long and short haul problems, to avoid any possible disruptive circumstances, such as the "tumbling-domino" and "interlocking" effects, and the "hidden city", "throwaway", and "fare breaking" situations.¹⁶ History has repeatedly shown that any other approach to rate-making eventually leads to some sort of anomalies which cause the fares to become unjust or unreasonable, or unjustly discriminatory, or unduly preferential or unduly prejudicial, and therefore unlawful. The formula approach, on the other hand, has provided many forms of transportation and communication with a simpler, more efficient, and less expensive way to establish lawful charges.

II

The rate-making formula being advanced by the Members of Congress for constructing the fare structure was designed to take into consideration all of the foregoing factors, among others, in meeting the revenue need of the air carriers at various distances. The formula is set forth in detail in Exhibits MOC 3G, 11, 15, 16, 17 and T-4, subject to the revisions outlined herein. As a result the formula is based upon a number of elements such as market demand, earnings, operating costs, passenger and aircraft circuitry, dilution caused by marketing and legal consid-

erations to avoid discrimination, flight times, and mileage.

Procedurally the application of the formula is rather simple. A direct or total cost per seat-hour is determined for each class of equipment from projected carrier costs. This hourly seat cost is then weighed with other classes of equipment providing service at various distances to produce an overall weighted seat-hour cost which is then applied to a ratio table to produce the revenue need of the carriers per passenger-hour at various distances given certain load factor, rate of return, dilution, etc., standards. Next, because block times vary with direction of travel, time of day, day of the week, markets, and seasons of the year, it is necessary as a practical matter to mathematically convert the revenue need per passenger-hour into a varying rate per mile using a known block speed curve which has been adjusted for known or projected circuitry and departure factors at various distances. Finally, again for the sake of simplicity, that is to avoid a multiplicity of rates per mile, it is desirable to mathematically withdraw an arbitrary amount by regression analysis (the least squares formula). The use of such an "arbitrary charge" permits the construction of a tapered mileage fare structure with just one or two constant rates per mile.¹⁷

There is one additional constraint. As noted earlier, the formula should be applied with some flexibility so as to allow for adjustments where necessary. Such a need arises particularly when the fare computed on the mileage basis produces a revenue yield per hour which is substantially out of line with the norm. In these situations, the fare should be adjusted where practical in order to bring the yield per hour back into line with the revenue need of the carrier, provided marketing and other considerations permit.

III

Generally the design of the fare structure being put forth by the Members of Congress at this time, which is based upon Order 71-4-60 and the Direct Operating Costs submitted by the Bureau from the carriers' cost projections for 1972, is the same as that outlined in Exhibits MOC 11, 15, 16 and 17. There have, however, been several changes subsequent to the filing of those exhibits which are outlined herein.

A. *Rate of return.* First, the rate of return has been raised from the 11.8 percent in Order 71-4-60 to the 12 percent level authorized in Order 71-4-58. This raised the Operating profit to \$950.4 million, and the Operating revenue need to \$6,935.6 million. The new Return margin is 13.7%, the Return mark-up, 15.9% of Operating expenses, with the ratios to Direct Operating Costs changed accordingly.

B. *Belly cargo revenue off-set.* Second, the Direct Operating Costs per available seat have been reduced approximately 6.3% to off-set the belly cargo revenues pursuant to the Board's direction in Order 71-4-60, to use the by-product method of costing. The 6.3 percent figure was derived by applying the belly cargo revenue figure set forth at page 1 of Appendix 4, Order 71-4-60, \$404.3 million, against the Total operating expense for mixed service, \$6,389.2 million. The resulting direct cost per available seat-hour is \$5.40 (vs. \$5.75) for short and medium haul trips up to 2,000 miles, and \$5.05 (vs. \$5.35) for long-haul trips over 2,000 miles.

C. *Dilution rate.* The third adjustment is limited to the long-haul markets. In Exhibit MOC 17, the Members of Congress used the dilution rates developed by the Bureau upon the basis of past carrier experience; 12% in the short and medium haul markets, 17% in the longer haul markets. The Members of Congress, however, are now of the opinion that recognition of any dilution rate in ex-

Footnotes at end of article.

cess of 12% is unjustly discriminatory, unduly preferential, and unduly prejudicial.

It is now well established that unjust discrimination arises from charging like traffic unequal fares for like and contemporaneous service between the same points via the same routing. Preference and prejudice arise from charging unequal fares for different but related services, or for similar services between the same points: *Northern Consolidated Air, Proposed Fares*; 34 C.A.B. 440, 452 (1961).¹⁸ In addition, in a case between passengers, the existence of competition is not a necessary element; the injury may be inferred; *Hawaiian Common Fare Case*, 10 C.A.B. 921, 925 (1949).

To find a fare contrary to Sec. 404(b) of the Act, it is not enough that the Board find the fare discriminatory, preferential or prejudicial, it must find it "unjustly" or "unduly" so. All questions of discrimination under the Act are questions of degree since the statute prohibits only "unjust" discrimination and "undue" preference or "undue" prejudice.

Discount fares are not at issue in this phase of the investigation. Rather the issue is what amount of dilution flowing from such discount and other fares will be recognized by the Board for the purposes of establishing the full fare structure. In Phase 5 of this proceeding, the Members of Congress have argued that the lawfulness of a discount fare must take into consideration, among other things, its effect on other fares; i.e., the "rate-impact" test. To reduce or maintain the level of the full fare structure, a discount fare must do more than generate additional traffic—it must also foster an increase in the load factor by an inversely proportional amount. Otherwise, the special fare will not be economical in character because in the long-run the fare structure will have to be increased, regardless of the amount of additional traffic generated. In other words, the rate-impact tests draws the line between lawful and unjust discrimination at that point where the gain of one person is at the expense of another person in the form of a higher fare.

In general, the computation of past dilution set forth in Exhibit BC-6008, *et al.*, indicates that it would be reasonable to establish a mark-up or adjustment factor of not more than 13.6 percent (a 12% dilution rate) for all markets of distances up to 1,000 miles. These markets constitute approximately 76 percent of the domestic traffic. Exhibit MOC 30. Beyond 1,600 miles, BC-6008 indicates that a 20.34 percent adjustment is required based upon past experience. However, since a 20.5% mark-up (a 17% dilution rate) would result in a six percent higher fare for full fare passengers than a 13.6% adjustment, the key legal question is whether recognition of such an adjustment is or will be unjustly discriminatory, unduly preferential, or unduly prejudicial.

(The Members of Congress are willing to concede *arguendo*, at least at this time, that a 13.6% mark-up does in fact result in some benefit to a passenger paying the full fare, or at least does not result in an injury to such a passenger in the form of a greater fare than would otherwise be charged absent such a mark-up/dilution rate.)

C(1). *Discrimination.* The underlying justification for discount fares is the fostering of more economical and efficient air transportation. Given the industry's phenomenon that the cost of a given aircraft flying a specific route is about the same regardless of the number of passengers carried, judicious use of discount fares can result in a benefit to passengers paying the full fare either in the form of lower fares or a greater magnitude of service geared to their travel needs at the same fare. Beyond this point, the carriage of additional persons at a discount

fare will result in injury to such a passenger in the form of higher fares needed by the air carriers to supply them with revenues sufficient to enable them to provide the expanded service to discount passengers.¹⁹

When this occurs, the passenger paying the full fare is in effect subsidizing out of his pocket both the discount fare passenger and the air carrier.

Sec. 1002(e) (1) and (2) of the Act require the Board to take into consideration the effect of rates upon the movement of traffic and the need in the public interest for adequate and efficient air transportation at the lowest cost consistent with the furnishing of such service. As used therein, the term "public interest" is not a *carte blanche*, but rather limited to the provision of needed transportation.²⁰ To charge those persons in a mature, captive market who need adequate and efficient air transportation a greater fare simply because (1) that is what the traffic will bear,²¹ and it (2) would enable other persons in a growth market to make discretionary trips and thereby (3) expand the air carrier's operation and investment, would be tantamount to taxation.

While it might be argued that it may be socially desirable to provide air transportation for every person who desires such service regardless of the value of the service to him, that is a question of social policy, not transportation policy. As such, that policy decision must be determined jointly by the Congress and the President.²² Until they see fit to change the statute, Sections 404(b) and 1002(e) (1) and (2) must be read together. At present, these sections bar injury to the passenger paying the full regular fare.

It is clear on the record in this proceeding that the transportation of discount fare and full fare passengers on the same carrier, via the same routing, pertains to the provision of like and contemporaneous service to like traffic between the same points. Accordingly, for the reasons outlined above, the Examiner and the Board must find that the recognition of a dilution rate in excess of 12 percent (a 13.6% mark-up) for the purposes of establishing the fare structure for passengers paying the full fare is unjustly discriminatory to such passengers.

C(2). *Preference and prejudice.* Turning now to the question of preference and prejudice, the recognition of a 13.6% mark-up (12% dilution rate) for short and medium haul fares and 20.5% (a 17% dilution rate) for longer haul markets would prefer short and medium haul passengers, and prejudice long haul passengers. Such discrimination is undue unless justified by special circumstances, among which may be compelling competitive relationships, actual differences in cost of service, or similar recognized transportation standards; *Hawaiian Common Fare Case*, 925.

Concededly, competition is a legitimate matter for consideration in rate-making; nevertheless, the bare allegation or possibility of competition is insufficient without some factual evidence on the record of a "compelling" competitive relationship between carriers which requires a carrier to grant the preference. Courts have observed that because of the danger of a mere invocation of competition as a justification for a rate discrimination, both the regulatory agencies and the courts must require substantial proof of actual economic need for a particular fare. The need for such factual evidence is particularly great in the case of preference and prejudice between ports and localities because such discrimination carries with it the power to foster or retard development of such communities; see brief of Members of Congress in Phase 4.

The record in this or other phases fail to satisfy the burden of proof to show any compelling competition in short and medium haul markets. There is no demonstration that in these markets there is a rivalry so keen as to require long-haul markets to be

charged a six percent greater dilution mark-up. Similarly, there has not been shown on the record to date any significant actual difference in cost of service between short/medium haul and long haul carriage which would justify granting a preferential dilution mark-up to short/medium haul passengers. In the absence of any demonstrated cost difference, compelling competitive need, or other factors to warrant the discrimination, it must be concluded that a preference and prejudice between short/medium and long haul passengers with respect to the adjustment factor for dilution is undue and therefore unlawful.

IV

Accepting a 12 percent dilution rate as being just and reasonable, along with the change made for the rate of return, as outlined previously, it mathematically follows that under the Board's standards a regular full fare should not be greater than about 4.9 times the direct cost per available seat in order to comply with the requirements of Sections 1002(e) (2) and (5) of the Act. Applying this ratio number to the direct cost per available seat, adjusted to off-set belly cargo revenues, *supra.*, it is found that a coach fare of \$26.50 per passenger-hour in market pairs of less than 2,000 miles, and \$25.00 in all markets over 2,000 miles, would be just and reasonable on a straight cost and earnings basis, subject to further examination.

The Members of Congress tested the results of this mathematical computation several different ways to ascertain if such a fare structure would in fact meet the revenue needs of the carriers as determined by Order 71-4-60, and the standards therein. One such test compared revenue yield and revenue need by type of equipment. (As far as we are aware, the Members of Congress are the only party to make such a comparison on an equipment type basis.) The study indicated the fare structure was not fully compensatory at all distances for three groups of trunkline aircraft: 3-Engine Fan-jet, 4-Engine Turbo-jet, and 4-Engine Turbo-prop. Such results of course were to be anticipated since the more efficient aircraft will produce above average revenues, and the less efficient aircraft will produce below average revenue yields. However, in the short and medium haul markets the deficiency of the 3-Engine Fan-jet was extremely small; just \$12.80 on a need of \$1,469.60 per aircraft-hour. In addition, it should not be overlooked that 3-Engine Fan-jets carry a large portion of the traffic in these markets, and two trunk-carriers (National and Northwest) do not operate any 2-Engine equipment in these markets. In view of all of these facts, the Members of Congress believe it is just and reasonable to raise the level of the short/medium haul fares slightly from a straight cost and earnings rate of \$26.50 per hour to \$26.70 per hour. While it is true, that based upon past experience, this 20¢ increase per passenger-hour may cause a very slight reduction in the actual load factor of some of the other aircraft, it does nevertheless provide the additional revenue necessary to make the 3-Engine Fan-jet fully compensatory at a 54% load factor at a nominal cost of not more than \$1.00 to the fare at 1,900 miles.

Following this final adjustment the 4-Engine Turbo-jet and 4-Engine Turbo-prop would be fully compensatory at a 58% load factor in short and medium haul markets, and total annual revenues for the domestic trunk carriers would exceed the industry's objective of \$6,935.3, *supra.*, by a small margin.

V. VALUE OF SERVICE

Sec. 1002(e)(1) requires that the Board also take into consideration the effect of fares upon the movement of traffic. For this reason, the Members of Congress commissioned the firm of Sindlinger & Co. to under-

Footnotes at end of article.

take a nationwide market survey to determine if the fare structure which they had designed to fulfill the requirements of Sec. 1002(e) (2), (3), (4), and (5) was also considered fair and reasonable in the market place. It should be emphasized the purpose of the survey was to determine the reasonableness of such fares, as opposed to their price elasticity. Under the law, when value of service in a particular market area is not greater than cost plus profit, Sections 1002 (d), (e) (1) and (e) (5) read together require the Board to (1) reduce the fares in those markets below cost plus profit, and then (2) raise the fare in other markets, where value of service permits, by an equivalent amount.

Three cycles were conducted. On the basis of the last two cycles, Mr. Sindlinger, who represented the firm, found that at all distances fares greater than those found necessary to meet the revenue needs of the carrier were marketable; Exhibit MOC 8B. That is to say, the fare structure based upon cost and earnings by the Members of Congress would not have an adverse impact upon the movement of traffic. Accordingly, it is reasonable for the Examiner and the Board to find that the fare structure proposal of the Members of Congress also complies with the requirements of Sec. 1002(e) (1), and that fully allocated cost plus a just and reasonable profit is the controlling element in setting the fare structure at all distances.

VI. ZONE OF REASONABLENESS

I

The Members of Congress accept in principle the concept of a vertical zone of reasonableness as being in the public interest and in accordance with mandate of Act for the Board to consider competition to the extent necessary to assure the sound development of an air transportation system properly adapted to the needs of the nation; Sec. 102(d).

II

The facts in the record indicate that the value of service greatly exceeds the cost of service, and that a sizable portion of the traffic is composed of a mature, captive, market; Exhibit MOC 8B. Given this situation, airline executives left to themselves would be sorely tempted by competitive pressures to capture most of this excess value in the service through modes of competition other than price—flight frequencies, equipment, seating, meals, stewardess outfits, etc.—since entry of new airlines to the market is limited. This would only engender another round of service improvements and significant cost increases, rather than a sharing of the gain in potential productivity of the newest aircraft with the consumers. Under this situation, the need for a higher fare would often appear to indicate a failure of the carrier to meet the Board's minimum ratemaking standards and hence a need to investigate the fares, whereas the filing of a lower fare manifests a desire by the carrier to provide a more economical and efficient form of adequate service than outlined by the standards, such as higher load factors.

For these reasons, the Members of Congress believe that the maximum rate should be \$26.70 in all markets up to 2,000 miles, and \$25.00 per hour in all markets over 2,001 miles. The corresponding minimum rates should be 15% lower, or \$23.00 per hour in all markets of distances less than 2,000, and \$21.30 per hour in all markets over 2,001. Complementary mileage rates, computed upon the basis of the adjusted block times in Exhibit MOC 15, would be: \$11.50 plus 4.6¢ per mile minimum, and \$13.35 plus 5.34¢ per mile maximum, under 2,000 miles; over 2,001 miles, \$10.65 plus 4.24¢ per mile minimum, and \$12.50 plus 5.0¢ per mile maximum.

Although it is desirable to use only a single arbitrary charge for all distances, along

with a slowly changing taper, the recent introduction of the wide body jets—which have significantly lower revenue needs per seat compared to conventional jets—has caused a very sudden and sharp drop in revenue need at a distance of about 2,000 miles. As a result, should a single arbitrary charge and tapered or varying rate per mile be used under these circumstances, some persons traveling between 1,000 and 2,000 miles may not pay a fully compensatory fare, while others traveling a greater distance may be over-charged, thereby causing over-capacity to be scheduled in these markets. Whether this is a permanent or merely a transition situation is not clear at present. Consequently, for all these reasons, it is reasonable at present to base the fare structure upon different arbitrary charges.

III

Carrier fare proposals falling within the range outlined above should not be subject to suspension on grounds of unreasonableness, but should be subject to suspension if the Board is of the opinion that such a fare may be unjustly discriminatory, unduly preferential, or unduly prejudicial. The injury flowing from such unlawfulness is irreparable, and not necessarily confined to the amount of discrimination in the fare alone.

VII. BLOCK HOURS

I

The domestic fare structure should be based upon complementary block-hour and mileage formulas. The revenue block hour should be computed for each mileage bracket on the basis of published or projected scheduled ramp-to-ramp non-stop times by equipment type. These individual block times should then be weighted to produce a composite of the aircraft of the existing or projected fleet and adjusted for circuitry and en route stops normally experienced by passengers and equipment at that distance. Exhibit MOC 15. Because actual block times vary from flight to flight, day to day, market to market, etc., it is not reasonable at present to calculate block-hours to more than one-tenth of an hour. Any finer tuning will result in mathematical discrepancies (TR: 4407-4413) because the state of the art of flying is simply not yet that precise. The Board, for example, has defined scheduled flight time to mean a flight which is completed within the block to block time allowed in the schedule plus 15 minutes (one fourth of an hour), 14 C.F.R. 234.1(d). One-tenth of an hour is 2.5 times more precise than that standard.

II

While the question of revenue hours is one of first impression here, it is not a new concept to aviation or other means of transportation. Aircraft, ships, buses, u-haul trailers, etc. have historically been charged on both fixed and variable hourly and mileage charges. James G. Woodley, Vice President, Western Air Express, first broached the idea for basing fares for scheduled air transportation services on the passenger hour in 1929; Exhibit MOC-4. In 1950, the firm of Ernst & Ernst suggested expressing revenue per flight hour as the revenue standard for evaluating scheduled airline operations.²³

Subsequently, in 1953, Dr. Ronald E. Miller similarly suggested the revenue hour as a costing, pricing and regulatory tool.²⁴ Finally, of course, witness Richard W. Klabzuba has long championed the revenue hour as a management and regulatory tool; Exhibit MOC 3.

The principal difference between the complementary revenue hour approach and the straight mileage method is that under the hourly system explicit block time standards, based upon past experience, are used for rate-making, whereas under the mileage procedure such block times are treated as being an im-

plicit or inherent factor. The importance of block times in determining the cost of service at various distances has been demonstrated in this phase of the proceedings with the Exhibits in the BC-4600, 4700, 4800 and 4900 series, and the extensive cross-examination thereon. In point of fact, most (if not all) of the Bureau's mileage costs varied only with changes in block times (TS and TC) since the various cost pools, block hours, and miles flown were generally held constant.

Overlooked by most parties, however, was the fact that on the sales side of the coin, the revenue need per hour remained the same, even though the taper per mile changed; TR: 4424-4434. Thus, as a result of this back door approach, the Members of Congress believe the Bureau and air carriers by their actions and evidence on the record in this phase have demonstrated conclusively the importance of using both known block times and miles in establishing the revenue need at various distances.

III

Essentially the revenue hour is merely a shadow price like the rate per mile. However it has several important advantages over the mile which should not be ignored. First, because a revenue per hour rate is significantly more stable with distance than the tapered rate per mile, it is much easier to determine and compare revenue need with revenue yield on an hourly basis. In regard to this point it should be noted that no party other than the Members of Congress attempted to forecast the net yield, operating profit, gross earnings, net earnings with and without interest, and cash flow on a distance basis. The Members of Congress were able to do so without the benefit of a computer because their initial revenue projections were made on a block hour basis. By using the more stable revenue standard, the Members of Congress were able to identify and give appropriate recognition to deviations in yield and cost caused by variations in block speed, equipment mix, dilution, etc.; Exhibit MOC-20.

A second advantage of the revenue hour approach is that the yield per hour gives a more precise projection of annual revenues. When aircraft fly slower or faster, the yield per mile is not affected, whereas the yield per hour and yield per annum will change unless the magnitude of the operation (the annual utilization rate) is changed.²⁵ Parenthetically, unless the annual utilization rate is changed, total annual costs will remain the same.

Third, the revenue hour is non-linear. As a result, revenue hour data proffers additional information which can foster sound economic conditions in air transportation (Sec. 102) and enable management to become aware of more profit-making opportunities. For example, many optional passenger routings will produce a higher yield per hour and a lower yield per mile. Under the complementary hour system such proposals would be explored by management for their profit-making potential, whereas under the exclusive mileage approach used in the past many of these opportunities have been overlooked for a long time as being unrealistic.²⁶

IV

In the past the primary argument advanced against adoption of the revenue hour approach has been that there is no difference between a yield per mile and a yield per hour; and that while actual mileage flown between two points might vary somewhat because of deviations from the great circle route, the block time is subject to much greater variations from day to day, market to market, season to season, etc. Nevertheless, when the cards were laid on the table as to whether fares should be based on flight time instead of distance, no party presented any statistical information or other fact of any kind, nor any written or oral testimony, to support the premise that there is no difference between a revenue yield per hour and a revenue yield per mile.

Quite the contrary, the Members of Congress proffered an extensive amount of factual data as well as written and oral testimony demonstrating conclusively that there is in fact a significant difference between a yield per revenue hour and per revenue mile, both from a mathematical and practical every day viewpoint; Exhibits MOC 1, 3, 22, T-1, and T-4. In Exhibit MOC 1, actual revenue per mile and revenue per hour figures were compared side by side. These figures showed there is a difference, a fact which no party has so far disputed on the record.

Equally important, it is clear from Exhibit MOC 1 that average revenues per hour (\$6.23) derived by adding up the average revenue per hour figures by routes is different than the average revenue per hour (\$6.36) acquired by dividing total hours into total revenues. On the basis of this fact, it can be reasonably concluded that an "average of the average block speeds" can differ from an average block speed obtained by dividing totals, even with the same type of equipment; and that both of these averages can in turn, be different than the average block speed per route; TR: 4416-4417. Which is to say, an average is not an average, is not an average. Accordingly, it must be concluded that as a matter of fact, there is a significant difference between a cost per mile and a cost per hour, and a revenue per mile and a revenue per hour, and that no one is able to compute one from the other without very specific information.

V

Sec. 1002(e) (2) requires that in exercising and performing its duties with respect to the determination of rates for the carriage of persons, the Board shall take into consideration the need in the public interest of adequate and efficient transportation at the lowest cost (not a low cost, but rather the lowest cost) consistent with the furnishing of such service. As a result, because it is a phenomenon of air transportation that one optional routing for furnishing adequate and efficient service will produce the lowest cost per hour, and another the routing the lowest per mile, the Board is required by statute to consider both costing standards.

Similarly, Sec. 1002(e) (5) requires that the Board consider the need of each air carrier for revenue sufficient to enable such air carrier, under honest, economical and efficient management, to provide adequate and efficient air carrier service. Consequently, since it is also a phenomenon of air transportation that one optional routing for furnishing adequate and efficient service will produce a higher revenue yield per hour and per annum, than another routing which will produce a higher revenue yield per mile, the Board is again directed by law to consider both revenue standards.

Given these facts and the law, the Examiner and the Board must find: (1) that there is in fact a significant difference between revenue and cost rates per mile and per hour; (2) that it is reasonable to require the air carriers to establish the domestic fare structure on the basis of a complementary formula based upon block times and mileage between points; and (3) that any determination of fares which does not take into consideration revenue and cost rates per mile and per hour does not comply with Sections 404 and 1002, and therefore illegal.

VIII. MILEAGE

I

All parties agree that the fare structure should be related to mileage in one way or another. Except for Braniff Airways, all of the parties believe the fare structure should be based upon airport-to-airport distance;

14 C.F.R. 247. The Members of Congress take no position as to whether passenger fares should be based upon airport-to-airport or city-to-city mileage, but rather than the mileage base used for regulating passenger fares should be the same as that used for regulating property and mail rates. No legal nor economic justification has been advanced for using different rate-making mileage bases for different but related services between the same points. Maintenance of two rate-making mileage bases is *prima facie* uneconomical and inefficient management, besides causing a preference to be granted in one case, and a prejudice in another. Such regulation does not foster sound economic conditions in air transportation. For these reasons, the utilization of different rate making mileage for passenger, property and mail rates does not comply with Sections 102, 404 and 1002 of the Act, and is hence illegal.

II

Between the points of origin and points of destination, the distance should be based upon non-stop, great circle mileage without regards to route authorization or how the route is actually operated. Charging one passenger a fare based upon non-stop mileage, and another a fare based upon authorized or operated mileage obviously prefers the former and prejudices the latter. This discrimination is "undue" because it is not justified by special circumstances since a large portion of traffic, if not the overwhelming majority of all other than non-stop traffic, will be charged non-stop mileage while traveling by way of circuitous intermediate points. In addition, since all of the rate-making formulas make an explicit or implicit allowance for circuitry and departure factors utilization of authorized or operated mileage would cause injury to certain passengers by charging them twice for the same service—once as a circuitry factor, a second time as a mileage factor.

More important, however, is the fact that Sec. 404(b) was enacted to prevent just this type of discrimination. No port or locality is entitled, as of right, to air transportation, but once that port or locality has been incorporated into the national air transport system by way of a certificate of convenience and necessity, it is entitled by statutory right to equal treatment. It is not a function of transportation rate-making to deprive one locality of its natural advantage of location for the benefit of another, nor is a preference or prejudice justified solely because it may develop an area and thereby eventually provide more business for the carrier.

The Board has held that circuitry in the airline route map reflects overall geographic and economic advantage, and a fare structure which is consistent with such a route structure cannot be considered unduly prejudicial; *Hawaiian Common Fare Case*, 37 C.A.B. 296, 271-272 (1962). The key word here is "consistent" because a fare structure which sometimes is consistent with a route structure, and other times is not, is *prima facie* unduly preferential and prejudicial, and therefore unlawful.

On the positive side, as noted above, non-stop, great circle mileage is a just and reasonable standard because all deviations from the straight-line course are taken into account in the rate element through the circuitry factor. As a result, rates are at all times reasonably related to costs at all distances just as if each actual mile flown had been recorded on an odometer. Equally important, no one is double charged.

Accordingly, pursuant to Sec. 404 and 1002, the Examiner and Board must find that it is reasonable to base fares on nonstop, great circle mileage, and that any construc-

tion of fares on the basis of a combination of non-stop, authorized, and operated mileage is unduly preferential and prejudicial, and consequently unlawful.

IX. ROUTINGS

I

One of the key tariff rules directly or indirectly at issue in this proceeding is the proposed optional routing of local fare passengers under the Open Routing rule, 14 C.F.R. 221.41(d). Under this proposal, on-line passengers would be permitted to proceed from the point of origin to the point of destination via any single carrier which is shown in the tariff as serving both such points; "To determine the carriers serving each point of origin, destination and interchange, see the Index of Points of Origin and Destination in this tariff."

At present the various segments or points over which a person may be routed on a through or connecting flight is determined by the permissible routings usually published in a complex "diagrammatical" format in the carrier's tariff, Passenger Routing Guide No. RG-1. These diagrammatical routings, which are an integral part of the fare structure, generally (but not always) follow a linear service pattern; 14 C.F.R. 221.41.

II

The controversy, if there really is one, arises because certain parties have alleged in the past that circuitous routing involve higher costs, and the need to limit such routings is dictated by the need to control costs and revenue yield. Nevertheless, no party has proffered any evidence to support this allegation. Indeed, as a practical matter, no party could advance such proof for that position, because the facts on the record in this phase and Phase 4 clearly demonstrate that circuitous routings *per se* are not more expensive, but in point of fact can be less costly.

In Phase 4, Exhibit BC-2966A showed that a 17% more circuitous routing (1,456 vs. 1,245 miles) which passed directly over the destination point of Tulsa, is 6% less expensive per aircraft trip (\$3,007.96 vs. \$3,189.10) to operate using the same class of equipment. Again in this phase, using the same routing for the purposes of illustration, this time mixing the classes of equipment, Exhibit MOC-22, Illustration III (TR:2868-2874), it was demonstrated that the 17% more circuitous routing which still passes over the destination point of Tulsa, is 29.5 percent less expensive per seat trip (\$39.52 vs. \$22.17) with mixed equipment.

These exhibits are not an exception to the rule, but instead an illustration of one of the inherent characteristics of transportation by aircraft, to wit: each enroute stop has a complementary mileage value depending upon the class of equipment utilized, and consequently for each such stop eliminated by an optional routing, additional mileage may be operated in any direction whatsoever at no additional cost. Furthermore, because it is a phenomenon of air transportation that costs are about the same regardless of the number of passengers, higher load factors on the more circuitous routings will increase the number of complementary miles which can be flown for each enroute stop eliminated. For these reasons optional routings, even via beyond points, are in many cases more economical and efficient than so-called direct routings. A fare structure which did not permit such patterns of service, especially when the economics of density dictate the need for such a pattern of service, *infra*, would be *prima facie* unjust and unreasonable, and unduly preferential and unduly prejudicial, and therefore unlawful.

III

The affect of optional routings on pattern of service should not be overlooked. More liberal routing options permit the establishment of a more flexible service patterns built around the economics of density. Frequency of service is an important marketing feature in air transportation. In thin markets, optional routings allow a reduction in direct service without a reduction in overall frequency, or conversely institution initially of less direct service in a new market. This latter feature was dramatically demonstrated earlier this month when Delta Air Lines inaugurated its new route between Washington, D.C., Columbia, S.C., and Augusta, Ga. Delta entered the market against Eastern Air Lines with only one direct flight daily each way. At the same time, Delta changed its permissive routings to permit persons to travel between Washington and Columbia/Augusta by way of Atlanta at the direct fare. This change of optional routings then allowed Delta to market 12 frequencies from three Washington airports with only one direct service from one airport; see *The Washington Post* (Thursday, Oct. 21, 1971) p. B6. Had Delta not been permitted to provide these optional routings, the airline might have found it necessary for competitive reasons to schedule additional direct service at a greater total cost. These added flights would have almost certainly had a negative impact on the load factors of both Delta and Eastern.

IV

Because of the impact of the economics of density on airline operations, the use of optional routings to change patterns of service is increasing. During the first nine and one-half months of 1971 (January 1 to October 18), eighty-six "Routing Guide Revision Transmittal" sheets were filed with the C.A.B. on behalf of U.S. and Canadian air carriers by the Airline Tariff Publishers, Inc. Many others were filed directly with the Board by the carriers themselves. Forty-five of the statements of justification in these filings indicated the changes were being made to provide or reflect additional passenger routings, or to provide additional indirect routing options. Another five provided new additional second level passenger routing options. These two or three line justifications usually covered more than one market, and upon occasions in the past, the entire system.

More important, however, is the fact 20 other changes were filed to reflect changes in service patterns and (in some cases) to provide additional passenger routing options.²⁷ This fact raises an interesting question: If passenger routing options do not affect the pattern of service proffered, then why were almost 25% of all these changes filed to reflect changes in pattern of service? The answer is obvious, tariff rules do at present have an impact pattern of service, and this fact simply cannot be overlooked in establishing the domestic fare structure.

V

One more important fact (if not the most important consideration) which must be considered, is that where a change in the passenger routing options will permit a change in the pattern of service which can reduce the number aircraft-hours and passenger-hours flown, that change in passenger routing options will not only permit more economical and efficient service, but also promote safety in air transportation because exposure to an air carrier accident is related directly to hours flown rather than miles traversed.²⁸ In 1967, it was suggested that

greater use of passenger routing options through hub-points might eventually permit the domestic air carriers to chop some 75,000 hours per annum from their schedules; Exhibit MOC 3C. Subsequent events, including Delta's new service have substantiated the validity of that claim.²⁹

VI

Failure to recognize all of these facts and provide more liberal routings in similar situations—where the economics of density offer no tangible basis for objection—would constitute a failure to recognize and preserve one of the inherent advantages of air transportation contrary to the provisions of Sections 102(b) and 1002(e)(4) of the Act, *Allegheny Fare Case*, 34 C.A.B. 327, 333 (1961); to regulate air transportation in such a manner as to assure the highest degree of safety in such transportation, Sec. 102(b); to promote safety in air commerce Sec. 102(e); and the duty of every air carrier to provide safe and adequate service in connection with such transportation, Sec. 404(a); as well as the rate-making factors set forth in Subsections 1002(e) (2), (3), and (5), and therefore is illegal and unlawful. The dictate of the Act is clear—Congress is adamant in its demand that every air carrier and the Board provide, promote, and regulate air transportation services in such a manner as to assure the highest degree of safety in air transportation. Nothing less will satisfy the Congress nor the Act.

X. ROUNDING OF FARES

Provision should be made in decreeing the fare structure to continue the policy of quoting fares plus tax in whole dollars since this policy has not been shown to be unlawful. Whole dollar fares should be established after one rounding of the computed coach fare plus tax to the nearest whole dollar when fares are published on a separate point-to-point basis, and to no more than the nearest whole ten dollars when fares are published on an area or zone basis. While most airline prices are at present published on a point-to-point basis, it may be necessary in the near future to publish air fares on an area or zone basis to avoid disruptive tariff situations, *supra*, 18, being brought on by (1) the increasing impact of the economics of density and technological aircraft advancements on the operation of an economical and efficient pattern of service by way of roundabout routings, and (2) the legal and technical restraints associated with rate-making.

XI. PEAK/OFF-PEAK FARES

Conceptually and factually price differentials by time of day, day of week, and season of the year are desirable from a marketing standpoint and necessary from a legal viewpoint to avoid undue preference and prejudice. The Department of Transportation, for example, has demonstrated that up to 50% more traffic is carried at peak times on a time of day basis. Similarly, other parties have shown the existence of such peaks in other phases of this proceeding. To the extent such peak costs are at present being borne by non-peak passengers, they constitute an undue preference and prejudice.

Unfortunately, the carriers and the Board have not yet employed peak responsibility costing techniques, nor have these parties put such cost evidence into the record. As a result, the record does not at present provide a basis for the prescription of any peak or off-peak differential in the form of a surcharge or discount by time of day, day of week, or season of the year, and therefore none should be required nor allowed, with the exception of night coach which is in

being and has not been shown to be unlawful. However, a determination of whether night coach fares are, or are not, in point of fact lawful cannot be made on the basis of this record in the absence of peak/off-peak responsibility costing data.

XII. VERTICAL FARE STRUCTURE

Prices for the various classes of service should bear some reasonable relationship to the regular coach fares after rounding to the whole dollar fare to avoid those situations where at present the coach fare in two markets is \$50, and the first-class fare is \$65 in one market, and \$66 or \$64 in the other market.

First-class fares should not be more than one-third of the coach fare, nor less than 20% greater. The maximum differential was determined by taking the full coach fare less 12% for dilution, and then multiplying the remainder by 150% to take into account the approximate difference in space and service; $0.88 \times 1.50 = 1.32$. The minimum rate was determined upon the basis of the Sindlinger study which showed a strong resistance to fares 20% greater than those found reasonable for coach service by the Members of Congress, and the testimony of Eastern Air Lines' witness that only 15% of all flights are full at present. In other words, the Members of Congress accept the position of Trans World Airlines and others that, at least as far as 85% of all flights are concerned, the cost differential between coach and first-class is not significant, and that therefore value of service is the appropriate rate-making factor for determining the fare differential.

Upon the basis of cost and value of service, the appropriate minimum and maximum fare differential for Economy Service should be 10% and 15% respectively of the carrier's prevailing coach fares. Likewise, it is reasonable to establish a minimum rate for Standard, Regional, One-class, etc., fares, at a level 5% greater than minimum and maximum coach fare; provided, the carrier charge such a rate in all markets, competitive and non-competitive. There has not been established upon the record in this proceeding any competitive relationship between the air carriers so keen as to compel a carrier to grant a preference in competitive markets, thereby prejudicing passengers traveling in non-competitive markets.

Finally, the fare structure for special services—Jet Commuter, Air Shuttle, etc.—should not be established in this phase. These operations have significantly different cost and traffic characteristics, and are of such size that they can be judged, and should be judged, on their own special fact situation.

XIII. CONCLUSION

The Members of Congress believe that complementary formulas based upon great circle mileage, adjusted block hours, and a flexible pattern of service based upon the economics of density and aircraft capability, should be decreed for the establishment of minimum and maximum rates of the fare structure, and lawful rules, regulations, and practices pertaining thereto.

Respectfully submitted,

/s/ Richard W. Klabzuba

RICHARD W. KLABZUBA.

Representative for Hon. John E. Moss, et al., Members of Congress.
November 24, 1971.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Brief has been mailed to all parties on the Appearance and Exchange List in the *Domestic Passenger Fare Investigation, Phase 9—Fare Structure*, Docket 21866-9.

/s/ Richard W. Klabzuba

RICHARD W. KLABZUBA.

November 24, 1971.

Footnotes at end of article.

FORMULA FOR DETERMINING FARE LEVEL (EXHIBIT MOC 11)

Ratio of 1st-class fare to coach	Ratio to direct operating cost per available seat in an all-coach seating configuration				Ratio of 1st-class fare to coach	Ratio to direct operating cost per available seat in an all-coach seating configuration			
	Coach	Percent				Coach	Percent		
		125	130	133			125	130	133
Total operating cost per available seat, coach service.....	1.938	2.019	2.006	1.998	Basic full fare for coach service after adjustment for 12 percent dilution caused by joint, discount, or promotional fares, circuitry, or other factors; 13.6 percent markup on operating revenue need from average coach passenger.....	4.725	4.922	4.892	4.872
Return element: Interest expense and taxable income at 13.7 percent of operating revenue need per available coach seat; 15.9 percent of total operating cost per available seat, coach service; per order 71-4-58.....	.308	.321	.319	.318	Short/medium haul service (up to 2,000 miles); \$5.40 direct cost per available seat-hour.....	\$25.52	\$26.58	\$26.42	\$26.31
Operating revenue need (yield) per average available seat, coach service.....	2.246	2.340	2.325	2.316	Long-haul services (2,001 miles and over); \$5.05 direct cost per available seat-hour.....	\$23.86	\$24.86	\$24.70	\$24.60
Operating revenue need (yield) per average coach passenger at a 54 percent load factor; per order 71-4-60, p. 50.....	4.159	4.333	4.306	4.289					

ADJUSTMENTS

Rate of return: Authorized by phase 8, order 71-4-58, 12 percent; used in app. 1, phase 7, order 71-4-60, 11.8 percent; adjustment needed in order 71-4-60 to produce a 12-percent rate of return, 1.0136933.

REVENUE NEED (DOMESTIC TRUNKS)

[Dollar amounts in millions]

	Col. 1 with 1.0136933	Col. 2 with 1.0136933
Investment.....	\$4,789.7	\$4,789.7
Rate of return (percent).....	11.8	12.0
Return including interest.....	\$567.0	\$574.8
Less interest.....	165.7	168.0
Net earnings after tax.....	401.3	406.8
Income tax.....	370.6	375.7
Taxable income.....	771.9	782.5
Interest expense.....	165.7	168.0
Operating profit.....	937.6	950.4
Operating expenses.....	5,984.9	5,984.9
Operating revenue.....	6,922.5	6,935.3
Return margin (operating profit as percent of operating revenue).....	13.5	13.7
Return markup (operating profit as percent of operating expense).....	15.7	15.7
Belly cargo revenue offset:		
Passenger operating expense.....	\$5,984.9	
Belly cargo revenue.....	404.3	
Total operating expense, mixed service.....	6,389.2	
Belly cargo revenue as a percent of total operating expense, mixed service.....	6.3	
	Short/medium haul	Long haul
Direct cost per available seat-hour (exhibit MOC 16/17).....	\$5.75	\$5.35
Less belly cargo revenue off-set of 6.3 percent.....	.36	.34
Direct cost per available seat-hour, passenger service.....	5.39	5.01
Direct cost per available seat-hour initially used for ratemaking.....	5.40	5.50

FOOTNOTES

¹ Crane, John B., "The Economics of Air Transportation," *Harvard Business Review*, No. 4 (summer 1944) 495; Koontz, Harold D., "Economic and Management Factors Underlying Subsidy Need of Domestic Trunk Line Air Carriers," 18 J. Air L. & C. 127 (Spring 1951); Gill, Frederick W. & Bates, Gilbert, *Airline Competition*, Harvard University, Boston (1954); Proctor, Jesse W. & Duncan, Julius S., "A Regression Analysis of Airline Costs," 21 J. Air L. & Com. 282 (Summer 1954); Cherington, Paul W., *Airline Price Policy*, Harvard University Press, Cambridge, Mass. (1955); Wheatcroft, Stephen, *The Economics of European Air Transport*, Harvard University Press, Cambridge, Mass. (1956); Caves, Richard E., *Air Transport and Its Reg-*

ulators, Harvard University Press, Cambridge, Mass. (1962); Miller, Ronald E., *Domestic Airline Efficiency: An Application of Linear Programming*, The M.I.T. Press, Cambridge, Mass. (1963); Jordan, William A., *Airline Regulation in America—Effects and Imperfections*, the Johns Hopkins Press, Baltimore, Md. (1970).

² *Ibid.*, Crane, 508; Proctor & Duncan 291; Caves, 83; Miller, 12.

³ *Ibid.*, Crane, 505; Koontz, 136; Gill & Bates, 617; Proctor & Duncan, 291; Cherington, 50; Wheatcroft, 78, 92-93; Caves, 58-59, 61; Miller, 12-13; Jordan, 191-195.

⁴ *Ibid.*, Koontz, 140; Wheatcroft, 92-93.

⁵ *Ibid.*, Koontz, 153; Cherington, 62; Wheatcroft, 83; Miller, 13, 25, 98.

⁶ *Ibid.*, Miller, 63.

⁷ *Ibid.*, Koontz, 149, 151-152; Proctor & Duncan, 291; Cherington, 62; Miller, 13, 25.

⁸ *Ibid.*, Koontz, 134n, 141; Cherington, 52-56; Wheatcroft, 31; Caves, 69; Miller, 78; Jordan, 197-198.

⁹ *Ibid.*, Crane, 508; Caves, 82.

¹⁰ *Ibid.*, Koontz, 143; Order 71-4-60.

¹¹ *Ibid.*, Jordan, 197.

¹² Order 71-4-60, Appendix 19 and pages 31-32.

¹³ Proctor & Duncan, *Op. Cit.*, 291.

¹⁴ Miller, *Op. cit.*, 133; see also "Airline Scheduling, Route Patterns and Sales," Paul S. Cline, 23 J. Air L. & Com. 164, 166 (Spring 1956).

¹⁵ According to Messrs. Gill and Bates airline competition tends to push down revenues rather than pushing up costs. Gill and Bates, *Op. cit.*, 616.

¹⁶ "Debasement" of a fare structure occurs when either (1) a fare differential between two classes of service is changed without any accompanying significant change in the service provided, or (2) there is a substantial up or down grading of the character of a service. Generally, the reasons requiring a fare differential also demand a difference in the service provided in the form of speed, time of service, type of equipment or service features such as more or less luxurious or commodious seating or other physical features (lounge, convertible seat-tables, etc.) or passenger amenities like reservations and complementary meal, liquor and movie service. The important distinction is the relative attractiveness of the service, and a fare structure is debased when the distinction disappears. However, it should be noted the Board has held the mere fact that a characteristic of a service is added or deleted is not enough to justify the charging of a different fare, even when costs change; 26 C.A.B. 23, 24, 28-30.

"Long and short haul fares" refer to the charging of a greater compensation for transportation of like traffic for a shorter than a longer distance over the same line or route in the same direction, or to charge a greater compensation as a through fare than the aggregate of the intermediate fares (see fare breaking, *infra*).

"Tumbling-domino effect" refers to the effect of a particular fare in a given market on other fares of the same carrier in the same or other markets.

"Interlocking effect" refers to the influence of a particular fare in a given market on other fares of other carriers in the same or other markets.

"Hidden city" refers to a market situation in which there is no published single factor through fare. The rating objective is to find the junction point (or hidden city) which will produce the lowest combination of local fares. It is not necessary for the passenger to actually travel via the hidden city, only that he use the optional routing which in the tariff includes that junction point. To illustrate, a passenger may actually travel from Miami to Billings via Chicago, with the fare being constructed by way of Chicago and Minneapolis—Minneapolis being the hidden city junction point upon which the sum of the local fares is based.

"Throwaway" situations arise when the fare to an intermediate point on a particular routing is greater than the fare to the destination point. In such a case, the passenger traveling to the intermediate point can purchase a ticket to the destination point, get off at the intermediate point, and then throw away the unused portion of his ticket.

"Fare breaking" arises where the through fare charged between two points for the same or substantially similar service is greater than a revised aggregate of the intermediate fares. When this occurs, the sum of the new intermediate fares is said to break the through fare.

¹⁷ The Members of Congress use the term "arbitrary charge" for the amount falling out of the regression analysis, as opposed to the customary term "terminal charge", to avoid misrepresenting the facts. The use of such term might be considered a deceptive practice contrary to Sec. 411.

¹⁸ The distinction between the two definitions flows from the difference between Sec. 2, which deals with discrimination, and Sec. 3, which refers to preference and prejudice, in part 1 of the I.C.C. Act.

¹⁹ Mr. COOKE. . . . We think that there is some danger that you can stimulate enough traffic that carriers will start adding capacity. In the Matter of Pan American World Airways, Inc. and Trans World Airlines, Inc., Conference, September 23, 1971, p. 23.

²⁰ Mr. HUDDLESTON. You use the expression that the fixing of rates is a practical question. Just what have you in your mind, except the effect of the rate on the movement of traffic?

Mr. THOM. That, and on the amount necessary to furnish the public with needed transportation.

Mr. HUDDLESTON. Then, needed transportation and the movement of the traffic are the two factors?

Mr. THOM. Two large factors to be considered.

Mr. HUDDLESTON (continuing). That should fix the amount of the rate charged?

Mr. THOM. That is what I think.

Hearings before U.S. Congress, House, The Committee on Interstate and Foreign Commerce, 72d Congress, First-Session, Railroad Legislation (1931) p. 324.

²¹ There is no question here as to the ability

of the traffic paying the full fare to bear a greater fare; *infra*, Value of Service.

²² Congress is not unaware of this issue:

Senator CANNON. I understand that, but the thing that disturbs me is it seems to be the policy of the IATA conference to keep the fares high for the captive traveler, the business guy who can't go and stay 20 days or 30 days or whatever it happens to be, the businessman, the government official, the short-term vacationer, you have got a captive audience there and their fares stay up, but the other people you make inducements to them, and the fares come down. So, it looks like if the lower ones are continuing to go down, then the higher ones are going to have to subsidize it in part. That is one of the criticisms that we hear.

Mr. HAMMARSKJOLD. That is the mix, and the total mix has to be compensatory as you have indicated earlier.

Senator CANNON. I understand. In other words, that is a form of subsidy, the short-term passenger, the businessman and the government official are really subsidizing the fares for the people who can meet the lower part of the scale, because the overall mix has to be compensatory?

Mr. HAMMARSKJOLD. But if you couch it in those terms, the summer would be subsidizing the winter. The chap who travels in a sleeper would subsidize the chap that travels in third class railroad. It is a tradition in transport to have a differentiated price system in order to fill your aircraft, your trains, whatever you have. The ships are the same. Hearings, U.S. Senate Aviation Subcommittee, S. 2433 (Oct. 21, 1971) 249.

²³ Revenue standard would be established taking into account the actual conditions under which the carrier must operate . . . Budgeted revenue for each aircraft type would be established by budgeting anticipated passenger, cargo and air mail revenue based on realistic load factors and scheduled aircraft utilization expressing the anticipated dollar revenue per flight hour." Lloyd, Charles T. (Department Editor)

"Ernst & Ernst Report Covering Preliminary Study of Methods of Compensation for Carriage of Domestic Air Mail and for the Operation of Air Transportation Service Essential to the Public Interest", 17 J. Air L. & Com. 86, 93 (Winter 1950). Unfortunately, the Senate Committee subsequently furnished Ernst & Ernst with stated ton-mile mail rates so that the final report become practically nothing more than a mere computed allocation of air carrier costs to individual stations. "Report of Ernst & Ernst on Survey of Separation of Compensatory Mail Pay from Total Mail Payments to Domestic Airlines," 18 J. Air L. & Com. 206-207 (Spring 1951).

²⁴ In the 1963 intercity models the total availability constraint for aircraft type 2 is met with equality, and a shadow price of \$165 per hour's use emerges as a consequence. . . . If this were the result for an individual airline study (or for a regulatory agency with complete control over prices), these added costs could be equitably distributed over the traveling public by increasing fares on those routes where this type of aircraft was used. This could be done by (1) dividing total assumed capacity into the shadow price, giving cost per passenger per hour; and multiplying this by travel per passenger for the route in question. In the cases where the aircraft is not the only type assigned, the results of (2) should be reduced by multiplying it by the proportion of flights of the aircraft in question to total assigned flights.

Miller, *Op. Cit.*, 126.

²⁵ By letter dated December 17, 1969, Hon. Secor D. Browne, Chairman of the C.A.B., notified Hon. John E. Moss, M.C., that effective January 1, 1971, pursuant to implementation of ER-586 (adopted August 6,

1969) the Board would be able to provide essentially the same revenue-hour data as requested by Members of Congress in Docket 21370, because thereafter the carriers will report statistical data by flight number, service segment, aircraft ramp hours, etc. Subsequent discussions between the staffs of the Members of Congress and the Board have confirmed the technical availability of appropriate revenue hour data in the near future from data now being reported. This is a direct computation from raw data, not a conversion miles to hours, or hours to miles. Both estimated miles and actual hours are available. TR: 2242-2244.

²⁶ In a 1961 article, using 1958 official Airline Guide schedules for an American Airlines DC-7, it was shown that an Oklahoma City-Dallas-New York flight was 15 minutes faster than an Oklahoma City-Tulsa-Nashville-Washington-New York service; Richard W. Klabzuba, "What Makes an Airline Profitable?" *Interavia*, Geneva, Switzerland (February 1961) 191, 194. On October 31, 1971, American Airlines instituted a flight routed Tulsa-Oklahoma City-Dallas-Washington/Baltimore-New York, Flt. 338. As of October 31, 1971, American provides three one-stop flights between Oklahoma City and Washington, two by way of Chicago to National Airport with block times of 3:18 (356) and 4:24 (340), the other via Dallas to Friendship Airport which is beyond National Airport, 3:15 (338).

²⁷ Most of the remaining justifications were devoted to correcting clerical errors, or to clarify the routing. One was filed to permit travel between certain points in a manner similar to a competitor.

²⁸ Exhibits MOC 3D and T-4 have been submitted as offers of proof that (1) aircraft accidents, fatal accidents, aircrew fatalities, and passenger fatalities, are at all times reasonably related to the number of aircraft-hours flown; (2) that passengers, crews and aircraft are exposed to an accident on the basis of the number of aircraft-hours flown, and (3) the aircraft-hour flown is the best unit at present for measuring the numerical magnitude of passenger and crew fatalities, as well as accidents, to determine and assess their exposure to accidents.

²⁹ For example, by routing passengers through Atlanta, Delta, Eastern, and Southern airlines have been able to suspend all of their services to all Florida points from all Georgia points except Atlanta and Augusta, and one flight that operates from West Palm Beach/Miami to Macon daily, northbound only.

THE MORAL COST OF CHROME

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. CONYERS. Mr. Speaker, I have just returned from a conference in Zambia in which the sincerity of our concern for international justice was sharply called into question by representatives of African nations. Despite these concerns, of which we can be sure the Nixon administration is fully aware, the President continues to pursue policies toward Africa which are racist in character and an insult to the majority of Africans. Witness, for example, Mr. Nixon's lifting of restrictions on imports of Rhodesian chrome, an action which violates the sanctions against such imports by the U.N. Security Council and which supports the separatist Rhodesian regime. A recent editorial in the New York Times

focuses on the morality of the President's action:

[From the New York Times, Jan. 26, 1972]

THE MORAL COST OF CHROME

The Nixon Administration has now taken an action that puts the United States in violation of the United Nations Charter and gives moral support, at a critical moment, to Rhodesia's white minority Government. Officials will doubtless say that the Treasury was bound by a provision in the Military Procurement Act of 1971 to lift restrictions on imports of Rhodesian chrome—in spite of the mandatory sanctions invoked against Rhodesia—with American backing—by the U.N. Security Council.

However, there was a thoroughly legal way out if Mr. Nixon had been interested in defending the United Nations as well as the integrity of this country's commitment to that organization. He could have removed chrome from the list of strategic materials on the sound ground that the United States now has a stockpile adequate to meet both military and civilian needs for the next two to three years.

It would be a grave matter at any time for the United States—which has given unlimited support to "the rule of law" and to adherence to international law—to breach unilaterally a Security Council decision, especially one for which it voted. Secretary General Kurt Waldheim must now have a clearer idea of what Mr. Nixon meant, in a White House talk Monday, when he promised "full support" for the United Nations.

Bad as is the undercutting of this newly given commitment to the U.N., it is doubly tragic to give a major boost to the white racists who rule Rhodesia at a time when that country's black majority is dramatizing daily its hostility to Prime Minister Ian Smith's regime. This action will further damage respect for United States integrity—and not just in black Africa.

THE FUTURE OF PUBLIC BROADCASTING

HON. TORBERT H. MACDONALD

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. MACDONALD of Massachusetts. Mr. Speaker, next week, on Tuesday, February 1, the Subcommittee on Communications and Power, which I am privileged to chair, will begin hearings on the future of public broadcasting. The primary concern of the subcommittee will be to work out an acceptable plan for providing long-range financing for the Corporation for Public Broadcasting.

In 1967, working from the fine recommendations of the Carnegie Commission, the subcommittee developed legislation which established the Corporation and gave public broadcasting its real impetus for growth. And that growth has been exceptional over the past several years.

It is unfortunate that during the last year the prospects for continued growth have become clouded, because of uncertainty as to financing which all concerned agree is the essential factor in the future development of public broadcasting.

Permanent financing will insulate public television and radio from the type of governmental pressure which seems to have been asserted increasingly in recent

months. I have previously referred to this new type of pressure which has surfaced in Washington as a new technique which utilizes a well-placed phone call, a well-timed speech, or a coincidental personal investigation to apply Government pressure. We should no longer delay our efforts to eliminate this type of pressure by abandoning the year-to-year authorizations and appropriations and adopting effective long-term financing.

After waiting for 4 years and for two different administrations to come up with a promised plan for this financing, I introduced last November a bill which will provide funds for the Corporation for Public Broadcasting over a 5-year period. It establishes a public broadcasting fund in the Treasury which is maintained by Federal funds matched by private and non-Federal contributions. It requires that 30 percent of the funds available to CPB in a given fiscal year be allocated in support grants to local stations. This bill is a compromise bill which can be supported by all those who truly support public broadcasting.

I am hopeful that the hearings on this bill which will begin next Tuesday will clear the air of needless controversy and allow for constructive progress toward the goal set forth in the original Public Broadcasting Act.

So that my colleague will have some indication of the broad support for this bill and for the concept of long-range financing, I will introduce into the RECORD a representative sample of the correspondence which I have received in the 2 months since I have introduced my bill. Of the many hundreds of telegrams, letters, and telephone calls, the following are typical examples. I include the material at this point in the RECORD:

HON. TORBERT MACDONALD,
Chairman, Subcommittee on Commerce and Power Communications on Interstate and Foreign Commerce, U.S. House of Representatives, Washington, D.C.:

Your introduction of a long range financing bill for the corporation for public broadcasting is a most encouraging step toward fulfilling the mandate of the 1967 Public Broadcasting Act. I hope the Congress will act expeditiously in order to build a proper and viable base for the corporation.

JOSEPH A. BEIRNE,
President, Communications Workers of America.

Congressman TORBERT H. MACDONALD,
Rayburn House Office Building,
Washington, D.C.:

Warmest congratulations on your introduction of a bill for long-range authorization of financing for public television. Your action recognizes the single key fact holding back the development of a truly vigorous public broadcasting system in this country, and that is lack of adequate funding. You have cut through the fog of argument to the crux of the issue. We look forward to working with you to create a communications force in the nation which every citizen can be justly proud.

RALPH LOWELL,
Chairman.

JOHN LOWELL,
Treasurer.

DAVID IVES,
President, WGBH Educational Foundation.

Congressman TORBERT H. MACDONALD,
Chairman, House Office Committee on Communications and Power, Washington, D.C.:

As chairman of National Public Radio presently serving more than 100 local stations across the United States with locally produced program material of interest to the nation and with a potential listening audience of more than 100 million citizens, I heartily endorse your far sighted proposals for the corporation for public broadcasting which has been instrumental in getting up this new and important non-commercial national network the first ever in the history of American broadcasting.

BERNARD MAYES,
Chairman, Board of Director, National Public Radio, Washington, D.C.

Representative TORBERT MACDONALD,
Rayburn House Building,
Washington, D.C.:

Heartiest congratulations and deep thanks for your support today of public broadcasting. The long range financing bill which you introduced will return great dividends over the years to the American people.

JOSEPH WELLING,
Director of Broadcasting, Ohio University, Athens, Ohio.

Many, many thanks for introducing the financing bill for the corporation for public broadcasting. As president and general manager of the Bay Area Educational Television Association I wish to indicate my strong endorsement of the bill on behalf of the Bay area communities. We greatly need this support to assure the future of non-commercial broadcasting for the well being of the entire communications media. We're behind you 100 percent.

RICHARD O. MOORE,
President and General Manager, Bay Area Educational Television Association, San Francisco, Calif.

Congressman TORBERT H. MACDONALD,
Washington, D.C.:

Your five year financial plan for public broadcasting demonstrates your concern for continued and assured growth. Such a plan is imperative to our station in Appalachian Kentucky. Without some long range plan we would not be secure in our planning for continued or expanded program service. We believe in strong leadership in Congress, in National Public Radio, and in the local station. Working together, we will provide the service the public deserves. I anticipate an early review of the proposed bill and will react more specifically at the time. Your leadership is respected and appreciated sincerely yours.

DONALD F. HOLLOWAY,
Director, Institute of Public Broadcasting, Morehead State University.

Representative TORBERT H. MACDONALD,
Chairman, Communications Subcommittee,
House of Representatives, Washington, D.C.:

Your introduction of a long range financing bill for public broadcasting is to be commended. The entire country already has derived great benefits from Federal support for public broadcasting systems in terms of cultural enrichment, social awareness and the exchange of ideas. Long range financing at the level you have proposed will ensure its continuous and systematic development.

MARJORIE NEWMAN,
Manager, WNIU-FM, De Kalb, Ill., Northern Illinois University, Division of Communication Services.

Representative TORBERT MACDONALD,
Rayburn House Office Building,
Washington, D.C.:

We have just learned of your introduction of a bill to provide long range funding for the Corporation for Public Broadcasting. Please accept our thanks and encouragement we do appreciate your efforts for public broadcasting.

ALVIN BOLT,
Manager, Radio Station WPLN, Nashville, Tenn.

HON. TORBERT H. MACDONALD,
Chairman, the House Subcommittee on Communications and Power, Rayburn Office Building, Washington, D.C.

DEAR REPRESENTATIVE MACDONALD: As general manager of WFSU-FM the Public Radio Station of the Florida State University and as chairman of the Southern Educational Communications Associations Radio Board of Directors and as a member of the National Public Radio Board of Directors, may I offer my sincere appreciations and thanks to you for introducing legislation to establish the long range financing of public broadcasting. Please be assured that citizens throughout the country will benefit greatly by your effort to support public radio and television. In this important endeavor you have our whole-hearted support.

Sincerely,
DAVID E. PLATTS, Ph.D.,
Director of Radio Florida State University, Executive Board, National Public Radio.

NOVEMBER 18, 1971.

HON. TORBERT MACDONALD,
House of Representatives,
Rayburn House Office Building,
Washington, D.C.

DEAR MR. MACDONALD: I have just learned about the bill which you introduced on Tuesday, November 16, 1971, relating to a five year plan for the continuation of funding for the Corporation for Public Broadcasting and public broadcasting in general.

As president of the Eastern Public Radio Network, as a member of the board of directors of both National Educational Radio and National Public Radio, and most importantly, as manager of a public radio station which covers parts of eastern New York and western New England, I would like to thank you for making this effort.

Hopefully, the fact of your recognition of the importance of public broadcasting to the public, combined with your action in its behalf, will help to provide the leadership necessary to develop a truly long range financing plan.

Again, for many of us, thank you.
Sincerely,

ALBERT P. FREDETTE,
Manager.

HON. TORBERT H. MACDONALD,
U.S. House of Representatives,
Washington, D.C.:

Your introduction of H.R. 11807 is another instance of the leadership you have long exercised in legislative support for public broadcasting. Your floor speech was a forthright statement on the nature of our dilemma and the critical consequences of further delay in providing long range financing for this vital enterprise. We applaud your initiative and commend your continuing interests in this matter.

BILL HARLEY,
President, National Association of Educational Broadcasters.

NEW YORK, N.Y.
November 18, 1971.

HON. TORBERT MACDONALD,
House of Representatives,
Rayburn House Office Building,
Washington, D.C.

DEAR MR. MACDONALD: We applaud your initiative in introducing a bill for financing public broadcasting through the Corporation for Public Broadcasting over the next five years.

You have been a great supporter of public television and we hope and expect that our performance in the national interest will continue to justify this support.

Your action is greatly appreciated.

Sincerely yours,

WARD B. CHAMBERLIN, Jr.,
Executive Vice President.

PHILADELPHIA, PA., November 23, 1971.
HON. TORBERT MACDONALD,
U.S. House of Representatives, Rayburn House
Office Building, Washington, D.C.

DEAR REPRESENTATIVE MACDONALD: Your November 16th comments in the U.S. House of Representatives (CONGRESSIONAL RECORD, vol. 117, pt. 32, p. 41580-41581) relating to H.R. 11807, a new proposed "Public Broadcasting Act of 1971" are very much appreciated by this Manager of a singular public radio station.

Lethargy and innuendo have faced the quest for permanent funding for public broadcasting removed from extraneous influence. As a result I began to become paranoid and pessimistic. Your action has prevented me from dwelling in that useless frame of mind. My particular endorsement of the proposed legislation is directed to the "incentive" factor. With the constant influx of non-Federal funds public broadcasting would be assured a continuing flexibility and independence whenever and wherever influence is attempted. I testify that this is absolutely essential to the integrity of public broadcasting through every single licensee in this nation, if the service fulfilled is to be concerned truly with the public's need. I report my own reflection that within public broadcasting there continues to be diversification of spirit and intent that augurs well for the ultimate independence of public broadcasting systems in all their forms.

My appreciation to you is extended to include the fact that if I might be of assistance to you in this matter please do not hesitate to call on me.

Sincerely,

NATHAN ARNOLD SHAW,
Station Manager.

WINOOSKI, VT., November 18, 1971.
HON. TORBERT H. MACDONALD,
Chairman, House Subcommittee on Com-
munications and Power, Rayburn House
Office Building, Washington, D.C.

DEAR MR. MACDONALD: Congratulations to you, along with a hearty "thank you" from me, for the submission of your new long-range public financing bill for public television.

The mathematics of the bill are commendable and appropriate.

As a public broadcaster long concerned with long-range financing for both public television and public radio, I must urge you to call for hearings on the bill at your Committee's earliest convenience. Knowing of your long-term dedication to and interest in public broadcasting, I am confident the hearings will not be too far away.

With all good wishes, I remain

Sincerely,

JOHN W. DUNLOP,
Station Manager.

WASHINGTON, D.C.,
November 17, 1971.

CONGRESSMAN TORBERT H. MACDONALD,
Chairman, House Subcommittee on Com-
merce and Power, Rayburn House Office
Building, Washington, D.C.

DEAR CONGRESSMAN MACDONALD: I wanted to extend to you congratulations for the initiative and concern you demonstrated by submitting yesterday proposed legislation for long-range financing for public broadcasting. Such action is consistent with the interest you have demonstrated for this activity over the past four years, and I did not want you to think it was gone unnoticed. We appreciate your effort now as we applaud your record in the past.

I sincerely hope your subcommittee will be able to hold public hearings on this legislation in the near future. I would like to be kept informed of any developments in this regard by your office. Feeling that this matter is very much a public concern, I will wish to discuss with you the possibility of covering these hearings, when scheduled, on National Public Radio.

Once again, my congratulations, and I extend every wish for success.

DONALD R. QUAYLE,
President.

NEW YORK, N.Y.,
November 19, 1971.

HON. TORBERT H. MACDONALD,
House of Representatives,
Washington, D.C.

MY DEAR MR. MACDONALD: The governing body of the Broadcasting and Film Commission of the National Council of Churches is very much encouraged to learn that you have introduced Bill No. 11807 for the future financing of public broadcasting. The National Council has supported public broadcasting from its inception and is very much concerned that this operation is financed in such a way that effective service can be provided in behalf of the public interest. Such service is not possible now with the meager funds available to the stations and networks of the public broadcast system.

We are prepared to support your bill with testimony and to be helpful in any other way we can to effect success.

Sincerely,

EVERETT C. PARKER,
Chairman.

HON. CARL HAYDEN

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES
Wednesday, January 26, 1972

MR. PEPPER. Mr. Speaker, in the passing of former Senator Carl Hayden, America lost one of its great pioneers who lived into the present and helped to make it the momentous present that it is. Senator Carl Hayden was a legend not only in his State of Arizona, which he represented in the U.S. House of Representatives and the U.S. Senate from the time when it became a State in 1912 until 1969, but in the Nation as well. He concluded his magnificent Senate career as chairman of the Appropriations Committee, a post which he had held for many years, and President pro tempore and Dean of the Senate. His warm smile, his folksy and

friendly manner, his keen mind, his sterling character, and his shrewd, practical knowledge of dealing with people, enabled him to achieve not only monumental accomplishments for Arizona but for America. Every Senator, every person who ever knew him—except perhaps some of the criminals with whom he had to deal when he was sheriff in Arizona before he came to the Congress—loved him. Only last year when in Phoenix I had a warm conversation on the telephone with Senator Hayden whose colleague I was in the Senate for 14 years. His famous description of himself was as a work-horse rather than a show-horse. He was a hard worker, painstaking in his preparation, persistent in following through his objectives. He knew how to get things done in a legislative body because he could work with the members to advance the cause of meritorious legislation and projects. America is a better land because it bears the indelible imprint of Carl Hayden.

Carl Hayden's career in the Congress, the longest in the history of our country, spanned the modern era of technical progress, national growth, and international prestige and power of the United States. What a rich life he lived to be able to participate in the building of this great America which he so much loved. Mr. Speaker, my wife and I cherished the friendship of Senator Hayden. Like his fellow countrymen we shall honor his memory. We extend our deepest sympathy to the surviving members of his family and to his fellow citizens to whom he meant so much and whom he so nobly served.

MUST WASHINGTON WATCH
EVERY SPARROW?

HON. HOWARD W. ROBISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES
Thursday, January 27, 1972

MR. ROBISON of New York. Mr. Speaker, after a particularly trying day when I return to the office to read my constituent mail, it sometimes occurs to me—in a weak moment—that maybe people just cannot do anything for themselves anymore. Therefore, I was glad to have Prof. Edward A. Lutz of Cornell University give some theoretical underpinnings to the idea that centralization of governmental responsibility is not always the only answer to our environmental and social problems.

When I visited South Vietnam in 1970, part of my briefing included the suggestion that the single greatest impediment to national unity in that country was its traditional system of village government. I have since noted those other commentators on Vietnamese politics who are in the habit of flourishing the old Asian maxim:

The Emperor's rule stops at the village gate.

And, yet, when one steps inside that "village gate," he finds that many of the social services now routinely directed by the Federal Government here in this country are taken care of in Vietnam by the "village elders." Care of the aged and disabled, financial support for widows, and even such matters as flood control are thus the concern of the village and its constituent families.

One perspective would have this sharing of responsibility as the unmistakable mark of an underdeveloped society, wherein political mechanisms have not progressed sufficiently to institutionalize these services. Yet, as Professor Lutz suggests in his speech to the Northwestern Agricultural Economics Council, there, may be a new perspective, one which observes the social and environmental shortcomings of the most-sophisticated form of modern government and says:

Maybe we had better look back to the community and its neighborhoods for some kind of solutions and action.

That viewpoint leads to a suggestion, to us, that Washington simply cannot keep an eye on every sparrow.

Professor Lutz' carefully considered comments are well worth reading, and I am happy to have the opportunity to bring them to the attention of my colleagues.

LOCAL GOVERNMENT STRUCTURE AND THE PROVISION OF PUBLIC SERVICES IN RURAL COMMUNITIES

(By Edward A. Lutz of Department of Agricultural Economics at Cornell University)

Two quotes in Dean Jansma's talk outline for this morning illustrate sharply some hangups or mental barriers that agricultural economists and other students need badly to hurdle in considering problems of public policy and public operations. I shall repeat one of them and then discuss it before turning to the other.

The first quote is from the Saturday Review, and was suggested as an organizing theme. Here it is, "The battle to save the environment is just beginning, but until the nation decides which sectors of society will get priority, and who pays the price, ecology is nothing but rhetoric." Let me repeat and emphasize the phrase "until the nation decides." The assertion is that "until the nation decides," we have nothing but rhetoric.

This belief is basic to a discussion of local government structure because it seems widely prevalent among people who consider themselves sophisticated intellectuals, maybe including a few agricultural economists.

UNTIL THE NATION DECIDES

The nation does decide some things as a nation. It of course does not decide everything, if we stop to reflect a moment, even in the public policy line. The attitude emanating from the quote, however, when multiplied and trumpeted over the land, tends to push decisions upon the nation that add unnecessarily to the already fierce congestion. The inventory of pending decisions becomes mountainous. People like the Saturday Review writer, who see the world in ecological terms and the nation as the only center of decision, complain about substitution of rhetoric for action. Even a professor like the speaker is sometimes driven by demands beyond his capacity to substitute rhetoric for something solid and substantial.

The Saturday Review in aiming at a national market for its product seems to equate public problems, and decisions for resolving them, with this market. It does this in

a nation whose ponderous size ranks it 4th on earth in both population and geographic area. It does this in a nation whose technological, social, ethnic and economic complexity and interdependence make the problems probably the most intractable on earth when they are all considered on a national scale. Such an attitude may sell Saturday Reviews from coast to coast. It is a rather fantastic view, when one reflects, if he has time to reflect, on how to resolve particular problems in particular ways.

It may be a solace to some of our sophisticated intelligentsia to believe that Washington is supposed to have its eye on every sparrow when one tries to locate someone to blame for malnutrition among sparrows. The maintenance of a bird feeder outside one's dining room window often will be far more effective in promoting the ecological welfare of at least a particular fraction of the sparrow population in the USA. It is probable that as a nation we could inaugurate programs to alleviate nutritional crises among the sparrows, and win the approbation of the peddlers of the Saturday Review. We must not overlook, nevertheless, the constructive possibilities of supplying the backyard feeder even as we indulge in fashionable despair over the endless transcontinental jetstreams of rhetoric.

You may think that by citing the nutritional problems of sparrows I exaggerate the expectations of modern-day sophisticates concerning what we as a nation ought to decide to do. Let me remind you that there is a federal aid program for exterminating urban rats. When some individuals questioned the proposal a few years ago, they were put editorially in the public stocks of the New York Times as calloused souls ignorant of real needs.

The knee-jerk reaction of looking for the nation to decide, when one thinks he has a problem, overlooks the potentially important and indeed critical capacity for initiative of smaller groups, including communities or localities and their governments. The prevalence of the reaction seems fundamental to considering local government structure.

THOSE ARTIFICIAL STATE BOUNDARIES

The second quote from the talk outline for this morning refers to the artificiality of state boundaries. This phrase appears in probably every standard text on American Government, and perhaps most of those on economics. Maybe it occurred to George Washington as he crossed the boundary of the Delaware River on that legendary winter night. It is used often in the Northeastern United States where especially large numbers of people seem to have settled in patterns having little reference to state boundaries.

State lines are obviously artificial in the sense of having been designated by agreement among humans. Some such boundaries are artificial in the sense of being ill adapted to some of the purposes for which they may have been designed. In considering such matters, one is tempted to muse upon the artificiality of some of the borders between the United States and its neighbors (e.g., between Niagara Falls, New York and Niagara Falls, Ontario), or between the countries of western Europe and elsewhere on earth many of which are smaller than a number of our states. One also recalls that the stability of the line between us and Canada has been customarily hailed as a symbol of inter-community amity.

My purpose is simply to point out that there is an element of the arbitrary and artificial about most boundaries and that they continue to be essential for some purposes. We might do better in drawing state lines if starting with a clean slate. Not only is the prospect of doing better a political hazard, but we obviously don't have a clean slate. Further, the considerable volume of talk over a long period about obsolete state

boundaries has not altered them in the slightest.

As a practical matter in approaching practical problems, we need to accept that the Northeastern (and other) states are here to stay for a time as political entities. Then we can study what needs to be done within this institutional framework. Accepting the states as states has basic importance for questions of local government and its structure. An old and often-cited court decision exaggerates somewhat, but has much legal truth in considering local governments as "creatures of the state." It is impossible to consider questions of local governments for long without reference to the state by whose authority they exist and from which their powers are derived.

LOCAL GOVERNMENT AS SIGNIFICANT

The two quotes emphasized thus far in this talk reflect intellectual barriers in and outside of academe that block intelligent understanding and leadership of able people including agricultural economists in seeking politically practical answers to public questions in the localities of the Northeastern United States and beyond. The first reflects the attitude that 200 million people through Washington must decide public issues for all 200 million. The second, in refusing to take state boundaries seriously, finds unworthy of study a primary alternative to national decision and action in the political or governmental institutions of state and local government.

In a sense most of us agricultural economists, like the Saturday Review, cater to a national market. So do many other professionals, not to mention much business and industry. In trying to see the nation whole, state boundaries fade and become artificial while other equally artificial boundaries in things economic are accepted as a matter of course as, for example, publicly determined or regulated transport costs in interstate commerce. Those who concern themselves with more limited geographic areas tend to be regarded as parochial and provincial, not quite "professional."

It was my privilege recently to spend a sabbatic year in Norway where agricultural economists were also absorbed in probing national problems. The striking contrast was that Norway is a sovereign nation with a mere 3½ million people and a geographic area equal only to Maine, New York and Pennsylvania. Many problems were similar except in the often critical difference of scale. Can you imagine focusing your professional lives primarily upon questions confronting a political entity of that size?

The first requirement for considering local government structure and the provision of public services locally is to take local (and state) government seriously. As Jerome Zukosky has recently said of the much publicized "urban crisis," "The urban crisis, therefore, is a crisis of understanding and comprehension, and much broader and more profound a problem than we assume. . . . In one sense, the crisis testifies to a great failure on the part of scholars and others to educate and to promote politically acceptable measures for change."¹

The New York Times of May 31 carried an Anthony Lewis column on "Learning to Think Small." It was inspired in London by the British sociologist Michael Young. "He [Young] made the case for smallness in human organization. For a long time, we have believed that bigness brings efficiency in business and government. To gain economies of scale we have accepted the remoteness and impersonality of large organizations. 'Whenever anything goes wrong,' Dr. Young said, 'growth is the stock remedy.' The all-ing automobile company is enlarged by merger. Government ministries are combined into a super-department. Local governments are expanded to cover larger areas. We build

huge schools and universities. But the remedy no longer works. . . . The big businessman tries to find ways of allowing smallness and initiative inside the huge corporate structure. The Federal Government looks for new relationships with localities and states. . . . In the end we may have to come to radical change in political structure and business ideology. Right now it is enough to begin by recognizing the renewed truth of what Louis Brandeis taught about the curse of bigness."

We need to think small enough to focus scholarly attention upon how public actions affect families and localities, towns and groups of towns, and private institutions in variety within a finite geographic area. Otherwise we do little more than to contribute to those jetstreams of rhetoric.

LOCAL GOVERNMENT STRUCTURE

In education in recent years we've been confronted by the unpleasant and unnerving possibility that even when schooling is practiced according to the approved models, we haven't been educating very well. In considering how to improve local government structure, we are in a similar fix of being much less sure than we once were about what are the right models.

As a trained and more or less certified professor of public administration, I have shared, though by no means completely, the common yen for simplicity in local government structure—simplicity from the viewpoint of the rulers rather than the ruled. We have watched the census count on the units of government in the United States. The latest total of 81,000, though it has been shrinking, is regarded as much too many. The number, we have said, should be greatly reduced, employees should be full time professionals, economies of scale should be realized from the enlarged resulting operations, organization should be rationalized into the traditional pyramid of authority, multiple layers of local government should be dissolved to a minimum of one or two. Then the public would be better served and would better understand what is going on preparatory to better decisions at elections and other times.²

You may wish to estimate the significance of the apparent fact that those who have taken the doctrine just described most seriously seem to be in the deepest trouble. The greatest progress in local consolidation and rationalization has been in school districts which preside over the largest sector of the field of education. Elsewhere the reduction of numbers of local governments has been minimal. The most striking and clean-cut illustration of metropolitan consolidation is the City of New York which expanded from Manhattan over the four other boroughs or counties at the turn of the century taking in a number of villages, cities, towns and school districts. If one measures urban crises by decibels of sound, it is clear that the City of New York leads in this as in many other things. As I've seen totals of the unusually large number of local political entities in adjacent Nassau and Westchester Counties, I've wondered if earlier emigres into suburbia were reacting to the monolithic City by incorporating neighborhood governments.

NEW LIGHT IN ACADEME

In recent years, questioning of the classic public administration approach to local government structure has penetrated academe. Questioning heretofore, according to legend, has been largely limited to narrow, self-seeking, progress-blocking politicians, fearful of losing the power and self implicit in the public sinecures that would be abolished by a consolidated, reformed and efficient local government.

One result is a beginning of more system-

atic thinking about the alternatives to the classic approach than is characterized by tub-thumping speeches on home rule or by doctrinaire pronouncements on participatory democracy.

Vincent Ostrom, a political economist, has compared the public administration doctrine with what he calls the approach of the contemporary political economists.³ With respect to the latter, "During the last decade, a new analytical tradition has been developing among a group of political economists who have been preoccupied with the theory of public goods and with the problems of non-market decision making which arise under conditions of market weakness or market failure. Their work has developed to a point where we can anticipate quite different possibilities for the design of public organizational arrangements. Those possibilities are much more congruent with Hamilton and Madison's political theory [than is the public administration model]. This approach implies a different basis for diagnosing social pathologies and a different set of prescriptions for treating those pathologies."⁴

Later in the paper, he compares the two divergent approaches. "Both sets of analysts would probably agree that some serious 'urban problems' exist in the United States and that modifications in the structure of decision-making arrangements in many urban areas would probably lead to improvements in human welfare. Disagreements would begin to appear in any identification of the causal links associated with the malady.

"The CED [Committee for Economic Development] report⁵ identifies the fragmentation of authority, and overlapping jurisdiction, as the source of chaos and disorder in the urban scene. . . .

"We might expect an organization analyst using the approach of the political economists to be more explicitly concerned about the symptoms characterizing a particular pathology and to attempt to establish a causal linking. . . . If 'crime in the streets' were the symptom, he would be concerned with identifying causal linkings related to that effect. The public good might be conceptualized as the peace and security of the streets and of those who use them. He then might speculate that institutional failures associated with large-scale bureaucracies could be associated with 'crime in the street.' In that case, he would inquire further for evidences of 'bureaucratic free enterprise' associated with police corruption. Laws may serve as traps for money. If such patterns of conduct exist, he might further infer that opportunities would exist for alternative arrangements to meet the demand for police protection as reflected in a demand for personal security. . . . A sharp rise in the demand for private security arrangements would be indicative of a failure of the public police agency to proportion its services so as to meet demands in its different services areas.

"The analyst associated with the political economy approach would perceive little benefit to be gained from a bigger and better funded police department in an enlarged metropolitan region under such circumstances.

"Such conclusions do not imply the abolition of big city governments in favor of neighborhood governments. Large-scale organizations are necessary for dealing with many large-scale problems associated with urban life. However, the elimination of collective enterprises capable of providing public services in response to smaller, diverse neighborhood situations will lead to impoverishment of life in urban neighborhoods, communities and villages within a megapolis (sic). . . . In a highly federated system with overlapping jurisdictions, organizations can respond to problems involving diverse scales. Centralization need not be the antithesis

of decentralization. Organizations capable of dealing with small-scale and large-scale problems can exist simultaneously."

Let me supplement the sample from the Ostrom presentation with another from the Jerome Zukosky article already cited. Said he, "The federal treasury could be emptied tomorrow into the hands of big-city mayors and the problems of providing those services that bulk large in the litany of the urban crisis would no more disappear than if each of them were created separate states. The states could turn into the most willing servants of their largest cities, or all the local governments in any metropolitan area could disappear, and the problems of managing, planning and financing that extraordinary political economy we call urban areas and cities would remain as difficult and resistant to human effort as before.

"Simple solutions or policies will not do because the problems of effecting change and improvement in that political economy are not simple and have little to do with the formal powers of government expressed in charters or the numbers of governments, and a great deal more to do with such matters as encouraging public and private investment, energizing bureaucracies to innovate and harnessing technology to public purposes. Many are problems we commonly call management: of pricing goods and services and planning future capital requirements. Others are problems of effecting political leadership and organizing political power to back it up so tough decisions can be made tolerably well and with minimum conflict."⁶

Daniel J. Elazar, a political scientist, also has discussed structure of local government, again with reference to metropolitan areas. "[Every] local community is inextricably bound up in a three-way partnership with the federal and state government, one in which virtually every activity in which it is involved is shared intergovernmentally. . . .

"The existence of this partnership . . . reduces the desire of the local people to give up their local autonomy. Within the federal system, all local governments act as acquirers of federal and state aid; as adapters of national or state programs to local conditions, needs, and values; as initiators of new programs at the state and national, as well as the local, level; and as experimenters in the development of new services. Most important, for every local community or communal interest, possession of its own local government gives it a seat in the great game of American politics. Governmental organization is, in effect, a form of "paying the ante" that gives the community as a whole, or the specific interest, access to a political system that is highly amenable to local influence properly managed. Relinquishment of structural autonomy, on the other hand, substantially weakens the positions of the community, or interest, in its all-important dealings with the state and federal governments. This militates against any local government . . . willingly giving up its existence unless its constituents cease to desire a special seat at the political table. . . .

"A [consolidated] metropolitan area is no more likely to be financially and economically self-sufficient than the largest states are today, and we know that no state is presently willing or able to give up federal assistance, particularly since none feels the need to do so to maintain reasonable local autonomy."⁷

FROM THE WEST COAST

Let me continue this litany of quotes on metropolitan restructuring with one more on the Los Angeles area by a political scientist who did a study of that area as a doctor's thesis. The literature of local government restructuring seems currently much more abundant on urban localities than rural, an imbalance that some in this group should try to correct.

Footnotes at end of article.

Robert Warren as a student of Los Angeles metropolitan area government wrote that his examination failed to verify that efficiency and adequacy of services are associated with a centralized metropolitan government. His studies suggest instead "that the capacities of a multinucleated government system may be at least equal, if not superior, to one in which decision making is formally centralized. . . . [Analysis] of government within Los Angeles County indicates that the division of authority among autonomous public entities does not preclude efficient and adequate responses to the municipal needs of large and complex populations. . . . Competition among jurisdictions in the Los Angeles area has become institutionalized in two senses.

The Lakewood Plan has created a relationship similar to that of producer and consumer in the market by locating control over the provision of public goods and services in a number of independent cities, and production in a large scale producer [Los Angeles County] exposed to the possibility that the areas it services may utilize other means of production. The results of the market-like interaction in this arrangement suggest that benefits comparable to those attributed to competition in the private sector may also be realized in public organization. . . . This quasi-market pattern appears to provide a basis for structuring political fractionation in such a way that basic service standards are maintained, differing preferences in the public sector can be satisfied, and higher levels of efficiency and responsiveness induced in a large scale producer."⁵

LOCAL GOVERNMENT, RURAL AND URBAN

It may be objected that all the talk about metropolitan areas is a long way from rural. But is it? The students quoted are telling us to be careful of the classic public administration approach in restructuring local government. They seem to be saying that you don't disregard it, but neither do you follow it blindly as revealed religion. To put it in unscholarly vernacular, they seem to be saying that there is more than one way to skin a cat.

For example, where economies potentially realizable from scale are significant, what are the alternatives for realizing them? One, and only one, alternative is to consolidate until there is enough volume of business under one management to make possible the economies; even that alternative has its hazards with respect to economy as the City of New York has recently discovered in relation to its sanitation department. Performance contracts with private concerns for education, until recently heresy, are now at least getting a hearing. Other alternatives are to contract with other governments or private organizations, to cooperate, look to a higher government, etc. In household management, each doesn't make its own television set; it benefits from economy of scale by buying one made by a large producer.

If professional expertness is wanted, what are the alternatives for obtaining it, in addition to the alternative of organizing local governments large enough to accommodate the full time experts on the payroll?

The use of what is termed "para-professionals" is much discussed these days for local governments and in other situations. This late urban fashion has been prevalent for a long time in rural areas in the form of the part-time amateur public functionary in many lines. As ruralites know, the performance often has its faults. It is not always or maybe even usually done under the watchful eye of a professional. In the light of new insights, however, maybe we'd better count ten before we vote all the amateurs out in office in favor of the full time, fully certified

expert. Again, if we observe carefully and systematically, as good scholars should, what local government actually do, we are likely to discover numerous alternatives for deriving optimum combinations of professionalization and lay performance.

A WORD ON FINANCE

Some of the students quoted heretofore have treated money with maybe too heavy an apparent disdain in discounting local government restructuring as a means of alleviating local public problems. Money alone will not solve the urban crisis, or the rural crisis. Obtaining money is, however, among the troubles.

If one stares at the simple, unmanipulated figures in the accompanying table from a certain perspective, it is possible to reach one or two rather obvious conclusions. One is that in the course of the past three and a half decades, local governments have shifted from a heavily dominant to clearly subordinate position in tax collections by the three levels of government—federal, state and local. A second is that while the local property tax take has expanded several times over, its growth has been nothing like the federal income taxes, especially the individual income tax. Even the social security taxes now exceed that local mainstay, the property tax.

Observers agree on few things more widely than that local governments generally are under far more severe pressure than the federal in finding enough money to finance growing expenditures for essential public functions. The income elasticity of yield of the federal individual income tax has been a great discovery in political economics in the post-world war period of seemingly perpetually rising incomes. More money flows to the national treasury each year without the Congressional necessity of raising tax rates. This relatively benign and pleasant experience is in stark contrast to that of local (and state) governing bodies facing the perennial decision of how to get more money from tax bases generally much less responsive to economic expansion than the income tax.

These and other constraints upon local governments help explain what some scholars regard as the innate conservatism of many local officials. One way of modifying these attitudes is to reduce the hazards of political gunfire incident to raising necessary funds for local treasuries.

How do you generate within communities around the Northeastern United States an intelligent, shrewd, skeptical, "sophisticated" willingness to raise taxes or other revenues for local communal purposes? I submit that one direction to look is toward more and better sources of locally raised revenue, and that this direction may be more important in adding to local government vitality than trying to equalize and make uniform taxes and public services among localities, significant though the latter may be.

The inadequacies of supplying local revenues through large numbers of fragmented federal (and state) aid programs have recently been pointed out by more thorough scholars of the subject than I. The relatively unconditional federal revenue sharing proposals would substantially modify the fragmented approach, although the initial amount proposed for the general revenue sharing (\$5 billion) is modest compared with the numbers in the accompanying table. These federal explorations and alternatives are interesting and worth pursuing. But we need, I think, to pursue alternatives farther and more thoroughly than is likely to be done under official federal or state auspices. Perhaps among agricultural economists and their peers in the Northeast, we shall find talented and imaginative re-

searchers who will prospect for the gold in this lode, and who will propose alternatives that will give at least a one-man one-vote break to the rural areas relative to urban.

In the dim past when I first read a public finance text, I learned the convincing reasons why the individual income tax was not suitable to local government use. During my recent stay in Norway, I discovered that the Norwegians are ignorant of such matters, and that this tax occupies the preeminent position in local government taxation that the property tax does here. In the municipality where I resided, roughly equivalent to a moderate sized New England town, the tax rate was a not untypical 19 percent! This local tax is proportionate to income while the national tax is on a graduated scale.

There are all sorts of reasons why so heavy local reliance upon income taxation won't work here. It may be worthwhile to look more searchingly to see if the reasons are the right reasons before we write off the Scandinavian experience.

The search for improved local revenue sources should not be limited to taxes alone as the word "taxes" is understood by the Census Bureau in compiling statistics of state and local finance. Revenues also include the broad Census categories of "charges and miscellaneous general revenue" and "utility revenue." Resource economists have called attention to a variety of possibilities for pricing public services and for charges such as for environmental protection. The potential of expanded use of "non-tax revenues" offers opportunity for imaginative economic research that will help resolve pressing problems of financing public services in rural communities.

THE END AND BEGINNING

Institutions of local government are being viewed in fresh perspective as essential elements in effectively serving the public in both rural and urban communities. There is plenty of room for improving those institutions, and plenty of scope for scholarly work by agricultural economists and others in the search for alternatives for improvement.

We appear to know less than we once thought we did about these things. We need to think less of national solutions for all public questions, and the rhetoric it takes to move a nation of 200 million souls to respond. We need to consider more the ways for communities that are finite in numbers of individuals and in ties of command interests to make visible inroads on their concerns.

One requirement is a seasoning of humility in intellectual endeavor. An able agricultural economics graduate student of a generation ago had on the wall by his desk a motto that would seem quaint to the *Saturday Review*, "Life by the yard is hard. Life by the inch is a cinch." Settling the fate of the United States at every seminar can make life incredibly difficult—or lost in rhetoric. Settling the future of Podunk is enough to try most men's capacities, the more so if multiplied by a factor of 3 or 4 or 10, let alone by a few score or few hundred.

A valuable attribute of many agricultural economists that gave rise to the profession and its widespread recognition was perhaps acquired from the physical and biological scientists who have been their colleagues in the applied sciences of agriculture. It was the habit of observing systematically and first hand the phenomena to be studied and taught. One learned how farms were run by visiting, questioning and recording the answers of farmers representative of the population under study.

Systematic observation of local government and its managers, employees and customers has a potential for similar returns.

Footnotes at end of article.

FEDERAL, STATE, AND LOCAL TAXES FOR 1932 AND 1968-69, UNITED STATES

(In billions)

	1932				1968-69			
	Total	Federal	State	Local	Total	Federal	State	Local
Individual income tax	\$0.5	\$0.4	\$0.1		\$96.1	\$87.2	\$7.5	\$1.4
Corporate income tax	.7	.6	.1		39.9	36.7	3.2	(1)
Social security taxes					37.3	34.7	2.6	(2)
General sales taxes	.6	.4	.2	(3)	14.0		12.4	1.6
Property tax	4.5		.3	\$4.2	30.7		1.0	29.7
All other taxes	1.7	.4	1.2	.1	42.0	22.1	17.8	2.1
Total taxes	8.0	1.8	1.9	4.3	260.0	180.7	44.5	34.8
From other governments	(4)		0.2	0.6	(5)		17.8	26.1
Total revenue	\$11.5	\$2.6	\$2.2	\$5.7	\$312.6	\$199.6	\$77.6	\$79.3
Population (millions)	125				201			
Gross national product (billions)	\$58				\$931			
Personal income (billions)	\$50				\$689			

¹ Included in individual income.² Less than \$0.05 billion.³ "From other governments" cancels out to zero in U.S. total.

Sources: U.S. Bureau of the Census, Governments Division, "Census of Governments, 1932;" and Government Finances in 1968-69; U.S. Office of Business Economics, "Survey of Current Business," selected issues.

FOOTNOTES

¹ Jerome Zukosky, "What's the Problem?" in the *National Civic Review*, published by the National Municipal League, New York, September 1970, Vol. LIX, No. Eight.

² See for example Committee for Economic Development, *Modernizing Local Government—To Secure a Balanced Federalism*, A Statement by the Research and Policy Committee of the Committee for Economic Development, New York, July 1966.

³ Vincent Ostrom, *Two Approaches to the Design of Public Organizational Arrangements*, a paper drafted for presentation to the National Water Commission and the Commission's staff, 73pp. mimeo., 1971.

⁴ Daniel J. Elazar, "Are We a Nation of Cities" from *The Public Interest*, No. 4, Summer, 1966.

⁵ Robert O. Warren, *Government in Metropolitan Regions: A Reappraisal of Fractionated Political Organization*, Institute of Governmental Affairs, University of California, Davis, 1966.

THE BURDEN OF BUTZ

HON. FRANK E. DENHOLM

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. DENHOLM. Mr. Speaker, the Secretary of Agriculture has the burden of seeking economic equity for the industry of agriculture before another harvest. There cannot be an economic balance or any meaningful social stability of the affairs of this Nation until the deficiency of personal disposable net income to the people of the rural communities in America is substantially improved.

DEPARTMENT OF AGRICULTURE VERSUS PRODUCERS OF AGRICULTURE

The U.S. Department of Agriculture is the agency within the executive branch of this Government that has the duty and obligation to represent the industry of agriculture. The thrust of leadership in policies and programs that affect this Nation—our future growth and economic stability is the awesome responsibility of the personnel thereof. The challenge is not an easy task. It is a task that must be done. It requires action—positive action now.

Former Secretary Clifford M. Hardin has been succeeded by the Honorable Earl L. Butz but the policies of USDA

have not changed. Opposition to emergency farm price legislation to increase farm income has been intensified and yesterday effectively led to the demise of the House-passed Strategic Reserve Act. (H.R. 1163).

The legislative death of emergency farm proposals to overcome the deficiency of income to the people of rural communities is a serious economic crunch to the overall economic stability of this Nation. It is not a victory for Secretary Butz—the American farmer or the United States.

Mr. Speaker—farmers can survive the tactics of USDA—they can survive economic abuse. They have before. I am hopeful that our country can. The price of folly will be a costly course of the future. The alternative to an extension of the present farm depression is now the sole obligation of USDA to act under existing authority of the Agriculture Act of 1970. The burden is with Mr. Butz—the American farm families are the victims. They wait.

UKRAINIAN INDEPENDENCE

HON. MARK ANDREWS

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 26, 1972

Mr. ANDREWS. Mr. Speaker, this week marks the 54th anniversary since the proclamation of independence of the Ukrainian National Republic and the anniversary of the act of union, whereby all Ukrainian territory was united into one independent and sovereign State of the Ukraine. The independence of Ukraine was proclaimed in Kiev, the capital of Ukraine on January 22, 1918, and the act of union took place a year later.

The Ukrainian National Republic was recognized by foreign governments including Soviet Russia. Shortly after this recognition Russia began a large scale invasion of Ukraine. For 3½ years, the Ukrainian people waged a gallant struggle in defense of their country, but it was subdued to a puppet regime of the Soviet Socialist Republic.

The freedom loving people of Ukraine

have not accepted the Soviet-Russian domination and have since been fighting to regain their independence by all means accessible to them. During World War II, the Ukrainian people organized a powerful underground resistance movement known as the Ukrainian Partisan Army which fought not only against the Soviets but the Nazi regime as well.

Mr. Speaker, I am a cosponsor of a House resolution seeking U.S. diplomatic relations with Ukraine and Byelorussia. At the rate Moscow is developing militarily, we had better start showing a deep interest in the colonial non-Russian areas of the U.S.S.R., just as Peking has been doing for years.

This anniversary provides an appropriate occasion not only for the U.S. Government and American people, but the free world to demonstrate their sympathy and understanding of the aspiration of the Ukrainian people.

RED CHINESE ALIENS IN AMERICA—II

HON. JOHN G. SCHMITZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. SCHMITZ. Mr. Speaker, as plane-load after plane-load of Chinese immigrants arrive daily at San Francisco's International Airport, fresh from mainland China, the chilling words of former Red Guard Communist Chen Yung-sheng, who swam to freedom at Quemoy in 1968, take on an added and more ominous meaning. Writing in a publication of the Asian Peoples' Anti-Communist League last July, the former Red revealed how a "high-ranking Communist cadre" had once told him why Peking hoped to establish diplomatic relations with capitalist countries:

This is our great Chairman's strategy. To help you understand, I shall quote what Lenin once told his followers. He said: "If you must shake hands with your enemy before you can reach his neck, then shake hands with him."

Chen Yung-sheng explained:

The goal of the Chinese Communists is to overthrow all democratic government and communize the world. When they discovered

that they could not overthrow a democratic government by open aggression, they would try to "make friends" with it so that they could infiltrate it and subvert it from within. This is why they have started a so-called smiling face diplomacy.

As outlined in a previous newsletter, the Red Chinese have for a number of years now been engaged in large scale infiltration of espionage agents into our country for the obvious purpose of not only gathering important intelligence information for Peking, but of increasing the flow of hard drugs among our youth. While certain investigators for the U.S. Immigration and Naturalization Service have estimated that at least 30,000 suspected Red Chinese nationals have actually penetrated our borders illegally in just the past 7 years, Justice Department officials seem strangely unconcerned. These officials are likewise unperturbed about the equally startling fact that during the same period, thousands of Communist aliens have been brought into the United States legally by the U.S. State Department. Nor has it ever been publicly announced by these officials that our own intelligence-gathering networks have established that great numbers of Red Chinese "immigrants" have also been settling throughout Latin America, as in Africa. Many are trained guerrillas assigned to aid local Communists in revolutionary attacks on those nations slated for takeover. All these Communist agents then have to do to reach the United States is buy a plane ticket to New York posing as tourists and then disappear into the Red underground.

Checking the latest available report issued by the State Department's Bureau of Security and Consular Affairs, covering the period from 1960 to 1969, the statistics show that during those 9 years permanent immigration visas were granted to 60,217 individuals coming into the United States from Red China, only 8,221 of whom, however, were actually Chinese. In contrast to these figures, investigators for the New York office of the Immigration and Naturalization Service state that during the past 7 years an average of 20,000 Chinese have legally entered our country, many of whom were formerly active in Communist affairs on the mainland. Added to this is the fact that from 1960 to 1969 visas were also issued by our State Department to the following number of persons from such Communist countries as Albania, 1,050; Bulgaria, 1,226; Czechoslovakia, 18,496; Estonia, 1,002; Hungary, 10,445; Lithuania, 3,256; Poland, 70,619; Romania, 4,426; U.S.S.R., 20,279; Yugoslavia, 21,107; Algeria, 797; and Cuba, 131,050.

While it is certainly not meant to imply that every Chinese national coming to the United States from Hong Kong is a Communist agent, or in any way sympathetic to the thoughts of Mao, it is reasonable to assume that many are, either by choice or through coercion.

Despite the obvious dangers inherent in any dealing with the Red Chinese, the State Department some years back instituted a rather peculiar "government-consent" policy by which any individual arriving in Hong Kong from Red China

under a declaration that he had renounced the Communist Party and was no longer a member is taken at his word. These "former" Communists then apply for immigration visas and are subsequently allowed to move here under the same conditions as any other immigrant.

Among these thousands of "former" Communist refugees from Hong Kong, many are highly skilled in science, electronic technology, accounting, and in other professional fields. A number of them have already been allowed to take sensitive positions within the U.S. Government. In this context, one remembers that in years gone by a great number of men who went on to become Red China's leading nuclear physicists and missile experts, had received their training at American universities.

Adding to the warning voiced by Chen Yung-sheng, FBI Director J. Edgar Hoover pointed out last July in his VFW magazine article, "Mao's Red Shadows in America":

Following an established espionage pattern we may find the Red Chinese attempting to introduce "sleeper agents" into the United States among the thousands of Chinese refugees who immigrate annually.

Mr. Hoover then reminded his readers that one of the main handicaps facing the Peking Communists in their plans to subvert our Nation, was the fact that Mao's criminal regime was not recognized diplomatically by the United States nor was it a member of the U.N. All of that, of course, is now changing.

RECYCLED PAPER

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. MIKVA. Mr. Speaker, saving the environment is now one of this country's most important and most immediate challenges. With many rivers and lakes choked with pollution, with the air in many cities fouled with carbon monoxide and sulfur dioxide, it has become simply a matter of life and death. Government at all levels has the obligation to lead the fight against pollution by insisting on strict standards and insisting on strict enforcement, but government cannot do it alone. Private industry and private citizens have to assume leadership too, if this country is going to save its natural resources.

The Field Newspapers of Chicago are setting the right kind of example. The January 25 edition of the Chicago Sun-Times was printed exclusively on recycled newspaper—not a single new tree was cut down to make the paper. It was the first time in history that a major American newspaper has been made completely from recycled paper. The February 1 edition of the Chicago Daily News also will be printed exclusively on recycled paper, and the two newspapers will continue to use a large percentage of reclaimed paper in the production of their newspaper. As a result of this proc-

ess, more than a million trees will be saved each year and tons of waste paper will be recycled instead of being thrown away, adding to the pollution of our environment.

More than 50 million tons of paper are produced each year in this country, and less than one-fifth of it is reclaimed. Like many newspapers, Congress might also profit from the example of the Field Newspapers. There is a bill pending in the House now (H.R. 10100) that would require substantial use of recycled paper in the publication of the CONGRESSIONAL RECORD. It takes 5,000 tons of paper to print the RECORD each year, and that paper comes from the remains of about 85,000 trees. The Environmental Protection Agency has urged newspaper publishers to increase their use of recycled paper and two major newspapers in Chicago are doing that now. The CONGRESSIONAL RECORD should be no exception.

The bill already has the support of more than 80 Members of the House of Representatives. It deserves the support of many more.

Mr. Speaker, I include the text of an article in the January 25 edition of the Chicago Sun-Times, which explains the use of recycled newspaper, into the RECORD:

TODAY'S SUN-TIMES MADE OF RECYCLED PAPER ONLY

The printing of Tuesday's Sun-Times marks a first in the history of major American newspapers and in the continuing effort to preserve our environment.

The paper for this entire Sun-Times edition was made without cutting down a single tree. It is the product of recycling old newspapers at a Field Enterprises Inc. paper plant, the FSC Paper Corp., in suburban Alsip.

Each day almost 50 per cent of The Sun-Times and the Chicago Daily News, both published by Field Enterprises, is printed on recycled paper. Next Tuesday, all editions of the Daily News will use the product exclusively.

The Field Enterprises mill uses a special de-inking process to reclaim old newspapers and turn them into rolls of paper for future editions of the Field newspapers and 30 other papers. The daily production of the plant is more than 260 tons of newspaper. Nearly 115,000 tons of waste paper are used annually in the process.

But the story begins with a newspaper you might have read months ago. Thorough dealers who buy waste paper from individuals and groups, that newspaper found its way to the Field plant.

Actual recycling began in a large square container, called a batch-pulper, where the paper was reduced to pulp and de-inked through a flood of water and chemicals. The pulp then went through cylinders to remove paper clips, staples and other foreign objects.

Any ink that remained from the first treatment was pressed out of the paper fiber. After the pulp was washed twice more, the wet fibers formed a sheet on a fast-moving wire mesh belt. The sheet was picked up from the belt by vacuum and fed through rollers to press out excess water. It was dried on steam-heated drums, wound into reels 20 feet wide, cut into rolls to fit the newspaper presses, wrapped and shipped to the pressroom.

Recycling at the Field plant annually conserves 1.5 million trees for other uses, as well as for their beauty. Estimates indicate that de-inking paper saves U.S. newspapers about \$3 million a year because raw materials and plant are located closer to pressrooms, and in the United States saves almost \$50 million in international payments.

**THE MENTALLY RETARDED HAVE
THE RIGHT TO AN EDUCATION**

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. VANIK. Mr. Speaker, the summer of 1971 will be remembered for an event which will prove to have enormous and dramatic implications for children with disabilities and their families. During this summer, the U.S. District Court for the Eastern District of Pennsylvania issued an order in the case of the Pennsylvania Association for Retarded Children against the Commonwealth of Pennsylvania.

The complaint, alleging the unconstitutionality of certain Pennsylvania laws and practices under the equal protection clause of the 14th amendment to the U.S. Constitution, was filed on January 7, 1971. The resulting orders means basically that retarded children have the same rights to public education and training assistance as other children.

In most States, many mentally retarded children have also been denied their rights to an education.

In my own State of Ohio, for example, many youngsters have been excluded from public school because of an arbitrary and unscientific line that divides Ohio's mentally retarded into the categories of "educable" and "trainable." Many of the children who are classified as mentally retarded by public schools differ little from the average person in their ability to hold down steady jobs and lead normal lives as adults. Yet they are legally discriminated against by being excluded from public school or held back in inadequate special programs that offer them no challenge or opportunity.

The educable mentally retarded, with IQ's that range from 50 to 80, are enrolled in special education classes in public schools which receive Federal funds through various forms of ESEA assistance. The trainable mentally retarded with IQ's below 50 are excluded from public schools and are enrolled in county programs under the jurisdiction of the Ohio Department of Mental Hygiene and Correction. These programs do not receive any Federal education funds at all.

Parents of trainable mentally retarded children have appeared frequently at meetings of the Ohio State Board of Education, hoping to shift responsibility for the education of their children from the "educationally inadequate" Department of Mental Hygiene and Correction to the Department of Education. The Department of Mental Hygiene and Correction program provides only custodial care for these trainable, mentally retarded children. These parents have petitioned the State legislature and now they are going to court. They plan to challenge Ohio's exclusion clause on the grounds that all children—regardless of intelligence quotients—are capable of benefiting from, and are constitutionally entitled to, free education and training within the public education system. Our governments tax these people, their parents and relatives, but fail to provide

truly educational services for them. Parents of trainable mentally retarded children pay local and Federal taxes, which maintain the school systems but cannot send their children to public school. They pay Federal taxes yet how much effort is made to educate the nonschool mentally retarded child through ESEA, impacted aid, and other programs?

Not only are these children and their taxpaying parents denied access to regular facilities—but the separate facilities are often grossly inadequate and are not educationally certified. These mentally retarded children below the 50 IQ cutoff point should be in academic facilities with certified teachers; also, the county programs for these children are not meeting standards that are upheld within the public school system.

In the Supreme Court of the United States, the State of Wisconsin is pressing charges against the Amish for their voluntary truancy from the public school system in that State. (cf. Wisconsin against Yoder (70-110)). At the same time, 89,583 handicapped Wisconsin children are excluded from the public school system. Yet no one is carrying the banner for their rights to the Supreme Court of our land.

As long as this horrible exclusion exists in most of the States in our land, you can exclude any children you desire. Our goal should be to make it possible for all children everywhere to have an equal opportunity for an education commensurate to their capabilities.

When a certain group is excluded from the services of the Ohio Department of Education and put into a special category, they are then discriminated against. These "special categories" are sadly deficient.

Using statistics compiled by the National Association for Retarded Children, there was an estimated 106,000 school age retarded children in Ohio last year—94,000 educable mentally retarded and 12,000 trainable mentally retarded. While public schools were providing special classes for only about 48 percent of the educable mentally retarded children, about 67 percent of the trainable mentally retarded children were enrolled in county programs.

There are two areas of the law that are in question here. One deals with the exclusion of the mentally retarded from publicly supported facilities. The other concerns the failure of due process to the parents of excluded children by denying them a hearing before the State board of education.

Public education is now accepted as the right of all the citizens of our country. Ohio's laws, with all of their discrepancies and vagueness, also have this precept and basis—but the exclusions make a mockery of their rights.

When children are excluded from educational opportunities in Ohio, it is done on some guidelines that are not sound in their assumptions and cannot be justified as good educational practice. Specifically, section 3321.05 of the Ohio Revised Code states that a child "may be determined to be incapable of profiting substantially by further education—according to the mental capacity of the child." This statement is truly frightening. How does anyone presume, in clear

conscience, to judge what a child is incapable of doing, if the circumstances and opportunities are right?

I believe that this legal statement closes, to those who need it most, the opportunity for the one thing that will prevent less than complete dependency for them—education and training. But, to deny the opportunity of instruction to a large group of children on the basis of a handicap, is to deny the basic rights of an individual in our democratic society. To assume that "instruction" is the exclusive province of the arbitrarily defined "mentally capable" is absolute bigotry.

It is unconscionable how officials in Ohio have escaped what the Ohio Code prescribes for them to do for the trainables. While the code sets guidelines to establish separate and adequate facilities for trainable mentally retarded children, in reality the State has been unable to provide substantive educational and training programs.

The situation for the education and training of the mentally retarded child with an IQ below 50 in Ohio is something less than it should be and reflects serious discrimination against these youngsters.

Education and vocational training is perhaps the great equalizer of employment opportunity in that it provides the individual with the most basic tools of any trade. Education of the handicapped is one of the most cost effective endeavors the American educational enterprise has ever undertaken. It costs the State \$250,000 for the lifetime of a mentally handicapped person in an institution, but appropriate educational services for the handicapped can turn a negative societal contribution into a positive one for the individual and for the whole society. Mentally retarded children, even the most severely retarded, do learn when given the chance to participate in educational programs tailored to meet their special needs. The incredible number of mentally retarded not receiving any educational services is one of the great tragedies in the American way of life.

I introduced legislation on December 9, 1971—H.R. 12154—to amend the Civil Rights Act of 1964 to specifically include the handicapped. This bill would make it illegal to discriminate against any handicapped individual and to deny him access to federally assisted programs, unless there is a bona fide qualification reasonably necessary to the normal operation of the particular program.

It is my hope that this legislation, which also has been introduced in the Senate, will receive early hearings and support from my colleagues. This endeavor to insure the protection of the legal and constitutional rights of our less fortunate citizens is an effort that deserves the support of all Americans.

TAKE PRIDE IN AMERICA

HON. CLARENCE E. MILLER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. MILLER of Ohio. Mr. Speaker, today we should take note of America's

pioneers of progress and in so doing renew our faith and confidence in ourselves as individuals and as a Nation.

The air brake system was invented by George Westinghouse in 1869.

THE ROAD TO FINANCIAL DISASTER

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. GOLDWATER. Mr. Speaker, on January 24 our esteemed and respected colleague from Texas, the Honorable GEORGE MAHON, Chairman of the House Appropriations Committee, granted us the privilege of his views concerning the newly submitted budget for fiscal 1973, and the emergent deficit for fiscal 1972.

Not having the tremendous expertise and background of experience as Mr. MAHON, I cannot, of course, express my feelings on the subject nearly as well. But I do want to add to his comments my own agreement with their substance; the approaching fiscal year 1972 deficit in federal funds of \$44.7 billion is terrifying to contemplate.

Our current national debt is already more than \$426 billion, and we will soon be asked to raise it even more. We have mortgaged generation upon generation of Americans to come, and we are continuing down this road to fiscal disaster.

Spending as if we are at full employment seems to me to be an excuse to "go overboard." This is a strictly theoretical concept, with no practical assurance that it will work—in fact, it is highly unlikely to be realized. Deficit spending under the umbrella of this concept constitutes a raid on the pocketbooks and savings of the American people.

On the one hand, we are asked to stimulate the economy through tax cuts. On the other hand, we are asked to fight inflation through wage and price controls, which only strangle further an already over-regulated system. And now, we are increasing government spending. The contradictory nature of these approaches appalls me—and also makes it clear that we are headed back down the road to inflation again.

Obviously it is not our booming economy that is causing inflation. Obviously it is not too much money in the hands of the consumer. Quite clearly, inflation is being caused by too much Government spending—too much new money for new programs being pumped into the financial stream of this country. This is not true economic health but a spurious transfusion—robbing Peter to pay Paul.

It is time that we face up to facts. We are spending almost 12 cents of every tax dollar just to pay the interest on our national debt. We have been forced to devalue the dollar, thereby seriously damaging our financial credibility at home and abroad. We have authorized minute tax cuts—but left the real job of tax reform undone. The middle-class

American is still staggering under an incredible load of Federal, State, and local taxes.

And now, with the fiscal 1973 budget, we are being asked to accept another annual deficit—which could run as high as \$50 billion by the end of that fiscal year. These facts add up to just one conclusion—we are digging our own financial grave.

We have only one alternative at this point. This Congress must reduce Government spending, cut the size of the Federal bureaucracy to a manageable level, and reorganize it along more efficient, responsive, and workable lines. These should be our crash priorities for the session, along with an unprecedented examination and ruthless elimination of all Federal programs which do not demonstrate a recent cost-benefit ratio.

KENNETH L. KEISER RECEIVES ONE OF RED CROSS' HIGHEST AWARDS FOR HEROISM

HON. DONALD D. CLANCY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. CLANCY. Mr. Speaker, the American National Red Cross soon will bestow one of its highest awards on a young Cincinnati man for his heroism and knowledge which saved a 9-year-old boy's life.

Kenneth L. Keiser, 21, is now a pre-medical student at Miami University of Ohio, but last August 16, he lived at his parental home, 5584 Sidney Road, in Cincinnati, while working during the summer vacation. In recent years, he had received training in first aid, small craft, and water safety at a course conducted at Western Hills High School.

While at his part-time job, he heard a disturbance at a private swimming pool on an estate. Kenneth investigated and found several small children, who were on the property without permission, running and shouting around the pool.

After one child said his brother was in the pool, Kenneth leaped into the water, dove to the drain and pulled out 9-year-old Anthony Jackson. The boy was not breathing as Kenneth pushed him to the safety of the pool's edge.

While someone called the rescue squad, Kenneth began mouth-to-mouth resuscitation. By the time the ambulance arrived, young Jackson was breathing again.

For his quick, unselfish action, Kenneth Keiser will receive the Red Cross Certificate of Merit, signed by President Nixon and E. Roland Harriman, chairman of the American Red Cross. This is the highest award given to a person who saves a life by using skills learned in a Red Cross course.

I add my praise to Kenneth Keiser who, by his unhesitating rescue, exemplified the highest ideals of one human's brotherly concern and love for another.

DELAWARE POLL RESULTS

HON. PIERRE S. (PETE) du PONT

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. du PONT. Mr. Speaker, I have just completed a survey in my district, requesting the opinions of my constituents on current issues. I received an enthusiastic 19,000 responses, and thought the membership might be interested in the results:

DELAWARE POLLS RESULTS

1. Do you favor legislation to limit imports as a means of protecting and supporting American industries, even if higher prices result from this?

	Percent
Yes	49.1
No	50.9

2. In cases of stalemated labor-management disputes which create national emergencies, would you favor a compulsory arbitration law?

	Percent
Yes	90.4
No	9.6

3. To fight inflation and unemployment, which actions are you willing to have the federal government take (check one or more):

	Percent
(a) Control wages and prices.....	68.5
(b) Spend less on domestic programs.....	34.9
(c) Create public service jobs.....	33.4
(d) Spend less on national defense.....	47.4
(e) Raise income taxes.....	12.4

(Totals more than 100% due to more than one answer.)

4. Regarding national health insurance, which do you favor (check one):

	Percent
(a) A program financed by increased taxes and operated by the federal government	12.3
(b) A federally-operated program financed by employer and employee contributions	23.9
(c) Income tax credits for the cost of purchasing private health insurance.....	26.3
(d) Complete reliance on private health insurance structures.....	7.1
(e) Insurance for catastrophic illnesses only.....	11.7
(f) No additional federal programs.....	18.7

5. After all U.S. forces are withdrawn from South Vietnam, do you:

	Percent
Favor continued economic aid—	
Yes	55.1
No	44.9

Continued military aid to South East Asian nations?

	Percent
Yes	44.9
No	75.1

6. Do you feel that the Foreign Aid Program has been successful?

	Percent
Yes	21.9
No	78.1

Would you favor continuing such aid at present levels (\$2.3 Billion, which is 1% of the Fed. budget)?

	Percent
Yes	30.3
No	69.7

7. Which of the following best describes the emphasis being placed on environmental protection and pollution control—

	Percent
Too much.....	18.1
Too Little.....	56.5
About Right.....	27.4

8. Which one of these educational categories do you feel is most in need of additional federal support:

	Percent
(a) Elementary Education (Head Start, Etc.).....	21.7
(b) Secondary Education.....	11.2
(c) Higher Education.....	13.7
(d) Parochial School Aid.....	9.1
(e) Vocational Education.....	30.1
(f) None of the above.....	14.2

WASHINGTON LANDMARK MAY DISAPPEAR

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. GUDE. Mr. Speaker, anyone with even the tiniest sweet tooth felt a real pang when he read in Sunday's Washington Post that Velati's that home of unsurpassable caramel delicacies, may soon be compelled to depart its 9th and G Streets location which it has occupied for more than 100 years.

In many ways, Velati's exemplifies the small retail firms which comprise an integral part of the city. While in the eyes of many Government officials, as well as financiers and developers, such businesses can be replaced by office buildings, parking lots or large department stores, it is an inescapable fact that the core city badly needs the services which only enterprises such as these can provide. They offer goods and services for people from all over the metropolitan area not available elsewhere, therefore bringing people to the heart of the city. In addition, the specialty shops provide a certain charm and interest which contrasts with sterile office buildings. The city's business and governmental leaders, and the Congress as well, must not lose sight of these features so important to the economic health and future of downtown Washington, as plans are drawn.

This message underlines this news account from the Washington Post about Velati's threatened departure, which I am submitting here for the RECORD.

The article follows:

[From the Washington Post, Jan. 23, 1972]

CENTURY-OLD FIRM MAY HAVE TO MOVE (By Abbott Combes)

Velati's, the old-fashioned Washington candy store with a worldwide clientele for its secret-recipe caramels, holds a precarious month-to-month, 30-day lease on its downtown life.

Once forced to leave Richmond, Va., after the sacking of the city during the Civil War, the shop now faces the prospect of another forced move. This time the cause is not the ravages of war but the workings of private enterprise.

Those who now control the lease say they believe the property can be used more profitably, possibly as a parking lot or, eventually, as the site of an office building.

Life has not always been so precarious for the store, operated by the same family

and at the same location, the corner of 9th and G Streets NW, for the past 105 years.

For most of those years, the shop's operators owned their building without worrying about leases, downtown renewal and economic development. The present structure, built in 1911, has been designated a Washington landmark by the Fine Arts Commission.

After an unsuccessful attempt to sue the U.S. government for the Civil War damages, Mr. and Mrs. Salvatore Velati, originally from Turin, Italy, moved to Washington, purchased a building at 9th and G, and began selling candy in 1866.

Prospering with its Italy-based secret recipe for caramels, which are still produced daily in the store's basement, the business continued in the same family, serving customers who have ranged from Mrs. Woodrow Wilson to Kim Novak.

However, when Pauline V. Beyer, daughter of the founders, died in 1963 at the age of 89, the survivors decided to sell the valuable property.

Robert Beyer, 47-year-old great-grandson of the Velatis who with his younger brother William now runs the shop, now says he regrets that decision. "My brother and I didn't have anything to do with the sale, he said in an interview yesterday.

Beyer's father, Brooke, who ran the store after his mother's death and until he retired to Florida several years ago, was the executor of his mother's estate. Along with the estate's trustees, the law firm of Stohlman, Beauchert & Egan, Brooke Beyer agreed to sell the property to a group of developers. "At that time, you could get other land," Robert Beyer says in explaining his father's decision.

The two buildings owned by the family, at 904 and 906 G St. NW, were purchased from the estate for \$337,500 in 1965 by Angelo Puglisi. They are now owned by a group that calls itself the 900 G Street Limited Partnership.

According to Washington parking magistrate Dominic F. Antonelli Jr., the partnership includes himself, Puglisi, Kingdon Gould Jr., ambassador to Luxembourg, Ulysses G. (Blackie) Auger, the restaurant operator and the National Mortgage Co.

Robert Beyer says that Puglisi offered to sell the property back to the family a few years ago for approximately \$500,000. Beyer said he did not have enough money to buy it.

RENEWAL AREA

The Velati's site is surrounded by the downtown urban renewal area, but the 9th and G Street corner is a so-called "non action" section that has been left to private developers rather than to the government to rebuild. Its designation as a landmark is largely ceremonial and does not exempt the building from demolition.

Business has continued as usual at Velati's. There were constant worries of having to relocate, Beyer said, but no indications of when. At Christmas, there were times when customers had to wait in line for two hours to purchase the caramels.

At the beginning of January, however, Velati's and the several other small businesses renting space in the corner buildings received notices to vacate within 30 days.

According to the developers, a study had revealed that by razing the buildings and replacing them with a parking lot, an additional \$1,300 difference. In February, the Beyer brothers will begin paying \$600 a month for their premises instead of the \$400 they have been.

The new arrangement is based upon what Antonelli called "an endless 30-day lease" in which the tenants can be ordered to vacate with 30 days' notice, or the tenants can give 30 days' notice of their intentions to leave voluntarily.

"They can stay as long as it's economically

feasible," Antonelli said yesterday . . . The lease will only be exercised for economic betterment. It could happen next month, in a year, five years or 10 years."

The developers' long-range plans include constructing an office building on 9th Street from G to F Streets NW. This project has been delayed, Antonelli said, because the Julius Lansburgh Furniture Store at 909 F St. thus far has not been interested. The partnership holds an option to buy the vacant McGill building at 910 G St. NW.

Beyer said that he believes some of the tenants at his corner would not be able to meet the higher rents and would move eventually to other locations.

Beyer said that he and his brother are looking for a fall-back location in Georgetown but does not want to leave downtown.

"I'd like to see the building stay here," he said. "This area's going to come back eventually with all the redevelopment."

MARYLAND YOUNG DEMOCRATS PLATFORM FOR 1971

HON. PAUL S. SARBANES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. SARBANES. Mr. Speaker, on the weekend of September 25, 1971, the Maryland Young Democrats held their annual convention in Ocean City, Md. In attendance were members of Young Democrats from all over the State who are some of the most able young people in the State.

During the course of the convention the delegates adopted a platform for 1971 which includes position statements on many issues under consideration by the U.S. Congress, as well as the State and local governments. I would like to call the attention of my colleagues to this platform. Even though some of the positions may be different from our own, I believe it is important that we be aware of the opinions of this important segment of the Democratic Party in Maryland.

Mr. Speaker, I would also like to commend Congressman ANDREW JACOBS who delivered an excellent speech at the convention on the need for reordering our Nation's priorities.

I include the platform adopted by the convention at this point in the RECORD for consideration by my colleagues:

YOUNG DEMOCRATIC CLUBS OF MARYLAND PLATFORM, 1971

(Committee: David Anderson, Chairman, Milt Andrews, Don O'Sullivan, Peggy Pavlat, Paul Pittman, Greg Seltzer, Tom Slater, Allan Terl, John Toolan, Rick Wiles, and Roberta Andrews, Secretary.)

PREAMBLE

We, as Young Democrats, await the coming presidential election with a mixture of fear and hope. Fear, because we are afraid that the bloody lessons of Vietnam, Watts, Chicago, Kent State, and Attica will go unheeded. Fear, because we are afraid that the American people, while seeking a newer, better world, will blindly bind us yet again to leaders who cannot lead; to spokesmen who cannot speak the language of social reform. Hope, because we believe that the Democratic Party will ignore the siren calls of southern strategies and real majorities, and will instead offer our Nation fearless and innovative

leadership. Hope, because we shall never be a silent segment of the Democratic Party, but shall always speak and act on our conscience to achieve a better Party, State, and Nation.

Aware of the tremendous social problems besetting the American people, and yet willing to work within the system to obtain solutions, we the Young Democratic Clubs of Maryland, in our 1971 convention assembled, state the following as our goals.

(Adopted.)

ECONOMY

We sharply criticize the Nixon Administration's "Economic Game Plan," that is causing misery, despair, and economic strangulation for millions of American families. We recommend that action be taken in the following areas:

Action on public service employment for both adults and young people.

Put into effect this year the personal income tax reduction scheduled to go into effect next January.

A crash program to provide jobs for unemployed, young people, and Vietnam veterans.

Release of the 12 billion dollars appropriated by Congress last year for urban health and education programs and needed jobs, but impounded by the Administration.

We realize the scope and intent of President Nixon's dramatic announcement on the economy. But we, like George Meany, question the timing and political motives of his belated statement. To partially correct his ill-conceived plan, we would advocate the establishment of an anti-inflation wage-price stabilization board composed of respected members of the business and economic community in cooperation with local and regional productivity councils to control the wage-price spiral. We would also urge inclusion of interest rate controls and establishment of an excess profit tax.

We criticize the Administration's "revenue sharing" program for its "no strings attached" approach to state aid, since the financially blighted cities should be the primary recipients of such revenue.

We also believe the Administration has not pushed hard enough with its tax reform legislation now before the 92nd Congress and further consider it to be a weighty document that contains many loopholes with regard to corporate interests.

We condemn the President's veto of the accelerated Public Works Program, designed to combat unemployment and help cities meet pressing local sewer and water needs.

We commend the House of Representatives for passing the Family Assistance Act to set a federally guaranteed annual income and the freezing of state welfare costs at their 1971 level by providing a partial federal takeover of the welfare program. We would hope that the Senate follow their action, and in considering approval of the Family Assistance Act that members of both houses consider what it would be like to live on this amount for just one month.

Finally, we urge the creation of a national domestic development bank. As an economic measure, it could produce hundreds of thousands of new jobs and encourage new public and private investment, and it would relieve the fiscal crises of local governments, while the Revenue Sharing would not. The bank would extend long term, low interest loans, permitting communities, and in some cases, private business to move ahead on a wide range of needed development projects. This new financing would enable communities across the nation to build many needed facilities. And all of these facilities and projects would mean jobs and income with a daring in scope that could only rival the W.P.A. and N.R.A. of the past.

(Adopted as amended.)

TAX REFORM

To correct the inequities of a regressive system of taxation, we urge revision of existing tax laws and removal of blatant loopholes. We point specifically to the oil depletion allowance, the Montgomery County farm land assessment loophole, and the tax allowance currently permitted churches and non-profit organizations for property not directly related to their civic obligations, as loopholes to be closed.

We further feel that the sales tax, property tax and nuisance taxes should be abolished as overburdensome to those who can least afford to pay. Instead, the income tax should be apportioned so that it might be the main source of revenue of every level of government. We find the tax law on unmarried men and women to be unduly discriminating. It should be supplemented by increased luxury taxes and taxes on legalized vices.

(Adopted.)

FOREIGN POLICY

Despite the constant reassurances from President Nixon that "the boys are coming home" from Vietnam, that outrageously immoral and useless war continues day by day. The Young Democrats of Maryland strongly urge every person who opposes this war to demand an immediate withdrawal from Vietnam. 50,000 young Americans have died a needless death in support of a corrupt and dictatorial puppet government led by President Thieu. The blatantly unfair South Vietnamese elections justify a total pull-out from Vietnam now!

We condemn the Nixon Administration for deliberately deceiving the American people about the United States secret military operations in Laos and Cambodia. The time has come to end all military operations in Indochina.

We applaud President Nixon's attempts to open better diplomatic ties with the People's Republic of China. We fully support the seating of Red China in the United Nations alongside the seat of Nationalist China.

We also applaud Senator Birch Bayh's determination to investigate the entire system of American military justice.

America's present role as the world's policemen must end. The next President of the United States must commit his administration to formulating a new foreign policy.

This new foreign policy must:

Admit mistakes openly;

Seek and establish diplomatic ties with every nation in the world;

Immediately seek a moratorium with foreign powers on the development of new nuclear weapons systems;

Cease aid to foreign governments that are in civil war;

Consult with the Senate on any Presidential decision to commit American arms or troops;

Review and revise all existing international obligations.

We further recommend that the Department of Defense be renamed the "War Department."

(Adopted.)

CONSUMER PROTECTION

We believe that all levels of government must make a stronger and more significant effort to aid the consumer. We particularly denounce the Nixon program as more show than substance, as it in fact protects the corporation at the expense of the citizen.

We commend Maryland Attorney General Burch for his innovative efforts to protect the consumer and urge the General Assembly to promulgate additional necessary legislation. The Consumer Protection Division should be authorized to issue subpoenas, to interrogate witnesses, to inspect premises, and require the periodical filing of reports.

This legislation should also authorize the

District Courts to handle consumer complaints in a simplified and semi-judicial fashion. These courts should be empowered to speedily pass orders allowing relief for those who suffer physical or monetary injury. Fraud procedure should be made less complex, minimum and/or admonitory damages should be levied against the offending vendor, garnishment of wages should be carefully controlled, and class actions should be encouraged against unscrupulous sellers and manufacturers.

We commend Prince George's and Montgomery counties for their imaginative consumer protection programs and urge the rest of the state to set up similar programs.

We applaud Commissioner Jewell for his imagination in designing a Pay-As-You-Drive automobile insurance plan, but we urge that the General Assembly undertake an exhaustive, but speedy investigation of all plans, with the sole aim of providing the most comprehensive and inexpensive protection for the people.

(Adopted as amended.)

CRIMINAL JUSTICE AND PUBLIC SAFETY

As "crime in the streets" becomes a public concern, the simple solution of more police and more arrests ignores the fact that our penal system is unable to either dispense justice or to rehabilitate.

We endorse the reorganization of our state courts which help to standardize the quality of justice; we only wish that the quality were higher. We endorse Senate Bill 454, which established the State Public Defender System, but call for a massive upgrading in number and quality of personnel. We recommend more judges and court officials and suggest emphasis on higher quality in parole and probation personnel and correctional officials.

We endorse the recommendations of the 1967 President's Crime Commission, and suggest that Maryland adopt these proposals where applicable.

We deplore the attitudes of those persons who view humane treatment for prisoners as "coddling criminals," for the field of corrections is the one place where the criminal justice system can, as any agency, function to prevent crime.

In theory, we approve of such Maryland institutions as Patuxent, which allow the use of indeterminate sentences, but we reserve our approval of this practice until such time as this method is able to guarantee both security to the community and periodic review of the need for confinement to the inmate. And until this time, we urge the abolishment of the Defective Delinquent Act. We also endorse the report and recommendations of the Governor's Community Corrections Commission and suggest that when more use is made of community based corrections, halfway houses, work release programs, and weekend and holiday visitation we will then have a correctional system that helps to prevent crime by reducing recidivism.

(Adopted.)

DRUGS

As young people, we ask that all people restrict their thinking on the drug problem to logic and fact without resorting to emotion. We ask understanding that use of soft drugs and pills is little different from reliance on alcohol, sleeping pills, and laxatives.

We find small solace in Maryland's new drug laws, for appropriated funds are still lacking. We find the laws themselves deceptive and often the enforcement of these laws demonstrates an interest only in political gain or perhaps well intentioned but unthinking overmoralizing. Hopefully the enforcers are as concerned as we are with the lives and welfare of our citizens and country. Consequently we ask them to consider the following: Rather than enforcement of laws

in a manner that ruins lives and careers unnecessarily, we join with Reverend Hanna in urging that more drug abuse centers be established in our communities.

We believe methadone should be given final sanction for use in penal institutions, and we congratulate the Department of Health and Mental Hygiene for its step to eliminate illegal sale and distribution of methadone.

We call for undelayed, honest research by government officials on questionable drugs and a full hearing of the findings.

(Adopted as amended.)

EDUCATION

We believe that increased federal fiscal support for public education is both necessary and possible.

We believe that free public education is an essential ingredient of the American system and that no person should be denied access to free public education, including higher education.

Equal educational opportunities for all children within our nation and state must be a major concern of the national and state legislatures. We support busing of students between school districts as a legitimate temporary method of promoting equal educational opportunities. However, busing must not be substituted for long range measures which will equalize education within school districts, and we demand immediate enforcement of safety standards for school buses. We urge our legislature to increase efforts to solve the problems of rural and urban poverty as a first step toward a truly equalized system of education.

Total equalization of education cannot become a reality until the State of Maryland assumes a greater fiscal responsibility for all public schools. We acknowledge that county control over curriculum should be maintained.

We believe that state and federal governmental aid to non-public schools, whatever guise, indicates a lack of faith in public education and violates the principles of the First Amendment to the United States Constitution. With this in mind, we urge the voters of Maryland to reject the referendum Senate bill 331 (State Aid to Non-Public Schools).

We recommend that the funds now used in the State of Maryland for legislative scholarships be placed in the hands of university officials who are better equipped to grant scholarships on the basis of merit.

We recommend that students be added to the governing boards of all of the colleges in Maryland in order to facilitate communication between students and institutions of higher learning.

A more proper balance of rights and responsibilities between the administration and the community should be established.

We believe that there should be an expanded and more inclusive program of education for all regardless of age, sex, race, creed, handicap, or intellectual capability.

We believe that most students will benefit from sex education, and we support the Maryland State Board of Education's program in this regard, except where that program places unnecessary restrictions on teachers of sex education. We place specific emphasis on the venereal disease crisis.

We believe that freedom to learn and freedom to teach are essential to sound education. The community must protect education in general and teachers in particular from any attempts to abridge or destroy academic freedom or teaching technique.

We support the efforts of teachers in Maryland and the nation to obtain the same rights afforded employees in the public sector. We will support efforts in the 1972 Maryland legislative session designed to make certain changes in the Maryland Profes-

sional Negotiations Law that work towards the above end.

Finally, we note with concern the public record of President Nixon and the Republican Party in regard to education and submit that record as one of many reasons that we deem his defeat a necessity for 1972.

(Adopted.)

HOUSING

The battle for the right of all people to achieve human dignity is now being waged. The freedom to strive for and obtain decent housing in a decent community is a basic right necessary to the realization of human dignity. All levels of government must adopt policies in accordance with this basic right. To achieve this end we call for the establishment of national, state, and regional land use policies which encourage desirable growth but which will disallow projects harmful to community development. We recommend future zoning and building applications be examined in the context of community benefit, of which tax revenue should be only a small part. Zoning policies must be revised where they do not contribute to planned community development and improvement. Planning agencies within a locality should involve citizen participation in planned housing programs.

We recommend that jurisdiction within a state work together to seek maximum standardization of housing codes. We suggest planning begin now to expand suitable housing without contributing to inflation. To this end we recommend that renovation of our city dwellings be utilized as a teaching-learning device; that we use this opportunity to revitalize our neighborhoods; and that we call upon the building trades to open their membership to all people who have the desire and ability to learn them, and we call upon the Democratic Party's friends in the building trades' unions to open their memberships to all peoples. We call upon the state government to examine those financial policies that directly affect housing in the state.

In addition, strong landlord-tenant legislation is needed. This legislation should favor neither party, but should state clearly the rights and obligations of each and the penalties for infractions.

We call for an end to overt and covert discrimination in housing. We view with particular distaste realtors who perpetuate segregation by not showing particular houses for sale to individuals because of race or religion. Alleged violations should be heard quickly and prosecuted fully. To this end, we call on the Real Estate Commission and the Secretary of the Department of Licensing and Regulations to stop feuding and enforce current regulations.

(Adopted as amended.)

CITIES

Regional planning must soon become a major reality, not a token demonstration. It will be necessary to experiment, to develop methods of governing large concentrations of people with minimum intrusion into their freedom.

Local governments are fighting a battle to regain representative leadership. This crisis cannot be solved until states and localities facilitate modernization by providing for home rule, restricting popular elections to policy makers, and electing responsible executives. Multiplicity of incorporated cities and towns in metropolitan areas leads to long ballots, unrealistically small tax bases, inequitable tax rates, and inadequate service. Regional projects such as rapid transit, crime control, and adequate hospital facilities become difficult or impossible to initiate or administer.

To this end, we encourage planned, limited utilization of land facilities, as well as, ratio of population to area and its capacity to deal with sensible growth.

(Adopted.)

HUMAN RIGHTS AND PERSONAL LIBERTIES

The Young Democrats again stress our respect for each individual's human dignity and our disgust for what the Nixon-Agnew-Mitchell combination had done to conform mankind to their image.

We restate our praise for the enlightenment which the Women's Liberation Movement has caused, and we offer support to the proposed amendment to the Federal Constitution voiding discrimination on the basis of sex.

We endorse the sense of legislation killed during the 1971 session of the General Assembly which would have placed sexual acts in private between consenting persons 18 years of age or older, beyond the scope of criminal law.

We call particular attention to the elements of personal dignity ignored by prison officials, and we applaud efforts to bring about meaningful reform, most specifically conjugal visitation rights or controlled release programs.

We find both formal and informal attempts to harass and censor any harmless expression of speech as an insult and infringement of individual rights and any governmental intrusions that infringe upon individual privacy, excepting cases involving national security.

(Adopted.)

ECOLOGICAL

We believe that the people of the State of Maryland are entitled to a clean environment. We demand a better use of Maryland's resources, particularly stronger control of strip mining with increases in the bond required for stripped lands and protection of the surrounding landscape. We ask for special legislation to protect vanishing wildlife and flora from extinction. We seek stronger laws to reduce or prevent dumping of untreated and industrial and human waste into Maryland's waters. A moratorium should be placed on the construction of nuclear power plants pending a study of the impact of Calvert Cliffs upon thermal pollution in the Chesapeake Bay. We condemn any attempts to dredge the C&D canal believing that such action will destroy the Bay. Legislation is necessary to reduce the amounts of phosphates washing into our waters.

The state should set up a tax incentive program to encourage business to purchase pollution control devices and not suffer a monetary loss. Additionally, the state government should set an example by using recycled paper. The state should work with local subdivisions to establish tin, glass, and paper recycling centers. We encourage a limited use of pesticides and an increase in biological research and controls. We feel that many of our environmental problems are aggravated or created by the increased number of people occupying our earth, as well as, by the wasteful habits of these people. We seek increased research on birth control methods. We encourage adoption of the children that already exist on this earth to give them every opportunity for a decent and meaningful life.

(Adopted.)

HEALTH

We endorse the concept of National Health Insurance, but we caution against the installment of another federal bureaucracy.

We recommend the State Secretary of Health and Mental Hygiene investigate the possibility of implementing an Abortion Referral Service in the hospitals and clinics of this state to operate in conjunction with the Planned Parenthood Program.

With mental illness a major health problem in this state, we would hope that state funding of programs dealing with research, therapy, and treatment of this problem be increased.

We call upon the State Attorney General's office and the State Department of Health

and Mental Hygiene to investigate the medical, social, economic, and legal aspects of legalizing prostitution in this state and of licensing the practitioners of such in a major effort to reduce Venereal Disease in Maryland.

We take pride in the action of the Senate by establishing a Cancer Research Agency to provide the first federally funded agency devoted entirely to cancer research.

We would hope that Congress would take action on the research and treatment of sickle-cell anemia, a disease that affects only black citizens.

And finally, we agree with the Congress in amending the Comprehensive Drug Abuse Prevention and Control Act of 1970 (H.B. 5674) which provided an increase from one million dollars to four million dollars in the authorization for a Commission on Marijuana and Drug Abuse.

(Adopted.)

MARYLAND ELECTED OFFICIALS

As the group which has been a vehicle for many of our present elected officials, we feel a responsibility to serve public praise and offer any criticism deserved.

We ask that our officials not concern themselves with censorship dealing with sexual matters, since we feel the pressing problems of our society are not caused by pornographic publications and the like but by situations such as unfair housing, corrupt election systems, lack of concern for individual rights and other significant matters dealt within this platform.

Among our Congressional delegation, we are particularly impressed with freshman Congressman Sarbanes as effective in the role he has carved for himself.

(Adopted as amended.)

PARTY REFORM

As the official youth division of Maryland's Democratic Party, we feel a responsibility to present the ideal in party organization to the Senior Democratic Party.

We urge the senior party to exercise sufficient control over local Democratic Clubs to require that none be intentionally segregated by reason of race.

We urge each local State Central Committee to accept at least one youth advisor chosen by the local Young Democratic Club.

We further ask that the age for running for party office—Democratic State Central Committee and Delegate to the Democratic National Convention—be reduced to 18.

Most importantly, we reiterate strong dissatisfaction with the Democratic State Central Committee's failure to take policy stands on current and pressing issues.

Lastly, we issue a warning to the leaders of our Party and to its broad membership that the Democratic Party must take steps now to rechannel political power to party members, not bosses.

(Adopted.)

ELECTION REFORM

We urge abolition of the electoral college in favor of the popular election of candidates for President and Vice President of the United States.

We also urge the enactment of legislation which would require complete public disclosure of campaign funds and specifically urge the U.S. Congress to require reporting of receipts and expenditures in primary as well as general elections.

We urge legislation which will require all public officials to disclose financial interest which may cause any conflict of interest with his or her public responsibility.

Present campaign costs to run for public office must be investigated to develop a co-operative effort with representatives from the mass medium to allow every candidate an equal opportunity to present himself and his program to the electorate.

(Adopted.)

REMARKS OF SENATOR FRANK CHURCH AT THE WASHINGTON PRESS CLUB, JANUARY 26, 1972

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. BRADEMAS. Mr. Speaker, I commend to my colleagues the outstanding remarks of the distinguished Senator from Idaho, the Honorable FRANK CHURCH, which were given at the annual Salute to Congress dinner of the Washington Press Club yesterday, January 26, 1972.

I insert Senator CHURCH's speech at this point in the RECORD:

Madame Chairman, and other devotees of Chinese checkers; Daniel Schorr, and other aspirants to high public office; Richard Kleindienst, and other recipients of Comic Book Awards for 1972; Henry Kissinger, and other character witnesses for Father Berri-gan; Ladies and Gentlemen:

Well, the President really pulled the rug out last night. Not only have I had to re-write my speech, but Henry Kissinger's reputation as a swinger has been left in shambles. Thirteen trips to Paris, Henry, and just for Le Duc Tho?

But it's good to see you here, Henry, though I barely recognized you without your cloak of Executive Privilege!

Now, just to get off on the right foot, Vera, which of Henry's trips to China are we talking about?

Not the bad-stomach trip?

Oh, I see, the one that's coming up—the one the President's going on, too.

GERMANS ARE COMING

Well, I do need to be sure. After all, Henry Kissinger has already been to China twice. Recently, Ron Ziegler went over. Next week, I understand, Ehrlichman and Haldeman are going. Frankly, I'm worried. The last time so many Germans went into a country, World War II broke out!

Actually, we're lucky Henry could be with us tonight, what with everybody boning up on China.

President Nixon is boning up—studying the Chinese position.

Bebe Rebozo is studying Chinese real estate, figuring out ways to subdivide China.

Henry is studying the Peking phonebook for out-of-the-way Holiday Inns.

Even Spiro Agnew has been eating fortune cookies—ten pounds a day—looking for the one that will tell him he'll be on the ticket, again!

Nonetheless, on balance, I do think this trip is necessary. I admit, we've always had *somebody* mad at us, but this is the first time I can recall when we've had *everybody* mad at us. So I say, if the Chinese are willing to talk, let's talk. We've got to make a friend somewhere!

Why it's getting so we can't even give away our foreign aid.

Western Europe won't take it, at least, not with those cut-rate Nixon dollars.

Japan won't take it. She's just instituted a foreign aid program of her own—for Seattle.

FLANKER REVERSE PLAY

Even our old teammate, Pakistan, won't play anymore. All season, as you know, President Nixon has been sending in special plays. They lost George Allen 13 yards; Don Shula, the Super Bowl; and Yahya Khan, East Pakistan.

It's lucky for the Chinese that the President didn't play ping pong at Whittier College!

No doubt about it, Henry, our foreign aid is in big trouble. . . . A-I-D, our Agency for Instigating Disasters—up on the Hill, we call it "Waterloo West"—AID is in serious danger of shutting down.

So, as I see it, Henry, you've got to take our problem to Peking. Throw yourself on Mao's mercy. Remind him we have the highest standard of giving in the world. Think of it, with 800-million Chinese, we can really go for broke!

For openers, we'll tear down the Great Wall, and replace it with a solid American chain-link fence.

To span the Yangtze, we'll send them the Three-Sisters Bridge, along with its foreman, Bill Natcher.

While we're at it, let's send them that cement-mixer-run-amuck . . . the Army Corps of Engineers. They can busy themselves forever in China, and we can save what's left of the United States!

Most important of all, we can reinstate our military aid program. We haven't had a chance like that since the early days of Chiang Kai-shek! The Red Chinese army added to our Foreign Legions! What a break for the free world!

Maybe, Anna Chenault could get them to buy some of our Phantom jets—or, better yet, some of our *real* ones. Don't sell Anna short! When you consider how far she's taken Taiwan, think what she could do with the Mainland account!

ANOTHER HIJACK

Well, the President must have other reasons for going to Peking besides salvaging our foreign aid program. But I'm just a member of the Senate Foreign Relations Committee. All we know about those top secret meetings at the White House is what we read in the daily print-outs in Jack Anderson's column, now known as Hi-Jack Anderson's column.

There've been so many leaks at the White House lately, that Henry's appealed for flood control!

If you've been studying those fascinating quotes of Henry's, you, too, have caught a glimpse of the Big Picture which is about to unfold—a demanding new role for the United States that will prove to all the doubters that our country is not "a pitiful, helpless giant." President Nixon journeys to Peking to set the stage for our new Asian policy of the '70's—the Containment of India!

Well, who could expect a Republican Administration to get along with a democratic country like India, anyhow?

Naturally, the President was the first to perceive the true menace of India; he didn't intend to let them put down the Paks. He told Henry to ask the Pentagon's computer what to do. But the computer wouldn't answer, it kept replying with the same four-letter word, "tilt!"

The cheek of those Indians, intervening in a civil war in Asia—and winning it!

But the worst part is the gloating. The Indians have recast that great old Tyrone Power movie; they've renamed it "Lives of a Bangladesh Lancer," starring Ken Keating and Indira Gandhi.

Well, we've heard enough—enough from "that woman" and her Ambassador in Washington, Mr. Jha, who's been told to keep quiet. It's the first application of the "Lock-Jha Doctrine."

Anyway, here's the game plan to be worked out in Peking. China will hold back the Indians on their North. We'll re-arm the Paks—for the third time—to hold back the Indians on the West. On the East, somebody will have to hold Ted Kennedy back in Massachusetts. On the South, the American Navy will occupy the Indian Ocean, which we are now buying from the British.

To protect the Indian Ocean from the Indians will require a brand new fleet. The Eighth Fleet! We'll be the only nation in

history that built eight fleets to rule the Seven Seas!

Henry, as you well know, despite the best-laid plans, there are always risks involved. But, come what may, there's one consolation. If this trip turns out to be a bust, you'll know how to handle it!

But enough!

DEMOCRATIC SUPPORT

A fateful trip is about to be taken and a few serious words should be spoken.

I have always felt that the United States has a vital interest in the Pacific, the widest moat God placed on this planet. But I have never felt that the mainland of Asia was either a suitable or sensible hunting ground for our country.

We don't have to draw the map of Asia. It isn't within our power to control the politics of Asia. We can take Asian nations as they come, and we have no need for unfriendly relations with any of them.

But we do have a great need to commence to thaw out the glacial enmity which—for a whole generation—has frozen into place our non-relations with China.

In that undertaking, we Democrats offer our full support. And to the President of the United States, about to embark upon this historic quest, we extend our best wishes and our earnest hopes for success.

FIFTY-FOURTH ANNIVERSARY OF THE BIRTH OF THE UKRAINIAN NATION

HON. LAWRENCE J. HOGAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. HOGAN. Mr. Speaker, 54 years ago, the Ukrainian National Republic was established in Kiev. For years before the birth of their nation, citizens of the Ukraine struggled to achieve independence from Russia, so January 22, 1918, was truly a momentous date for them.

The date has become even more significant to Ukrainians since the early 1920's when Soviet forces overwhelmed the helpless nation and reduced it to a colony of Communist Russia, thus ending the short-lived independence of the Ukraine.

Ukrainians throughout the world take pride in those few short years of self-determination, and they live with the hope that at some future date their ideal of freedom may again prevail in their struggle against the series of Communist dictators who have tried—and failed—to convert Ukrainians into puppets of the regime.

And so, to commemorate the 54th anniversary of the birth of the Ukrainian nation, it is fitting that we pay tribute to the past and present struggles of Ukrainians in their pursuit of freedom. And it is also fitting that we reaffirm our support of the Ukrainians now living in the free world in their efforts to help their brothers and sisters.

THE CASE AGAINST HYSTERIA

HON. ORVAL HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. HANSEN of Idaho. Mr. Speaker, I wonder how many of us are familiar

with an unusual trait of the European lemming. These short-tailed, furry-footed rodents are notable for recurrent mass migrations to the sea, a consequence of which is mass drowning. Why the lemmings do this, no one can say for sure. There seems to be even less understanding why large numbers of the earth's inhabitants seem to have acquired a lemming-like syndrome of incipient self-destruction. The prophets of gloom and doom have hammered so strongly on the theme that the world is headed for total ecological disaster that many misguided souls would even consider destroying civilization as we know it "to save the world."

That the drive to confuse people is increasing rather than decreasing was brought out quite clearly in a perceptive article which appeared in the January 19, 1972, Washington Post by Bernard D. Nossiter's article, "British Magazine Predicts Ecological Doom." It describes a new purveyor of mass hysteria, a magazine started by an Oxford, England, University dropout and a former textbook salesman, which foretells total doom if the world does not return to primitivism. I insert the Post article in the RECORD at the end of my statement.

Mr. Nossiter points out that Mr. John Maddox, the editor of the well-known British scientific journal, *Nature*, agrees that there are problems. The point that Mr. Maddox makes is that naive, overstatement and uncomplicated Rousseauism are not helpful, and that the ecological apocalypses—ecolyptics for short—risk discrediting all they stand for. I include Mr. Maddox's editorial at the end of my remarks.

I recall quite vividly the wild tales that were promulgated before the Cannikin test was conducted at Amchitka Island on November 6, 1971. I remember those predictions of widespread ecological disaster from radiation, earthquakes, and tsunamis. I can speak firsthand about the Cannikin test because I was on Amchitka Island when it took place. We know, of course, that the experiment went off as predicted, and that there were no untoward events. As a matter of fact, I read an article in the January 20, 1972, New York Times which cited a report by the National Oceanic and Atmospheric Administration which stated that the data from the Cannikin test would help scientists studying earthquake prediction and mitigation techniques. The article stated that the Cannikin seismic data could eventually help engineers design earthquake resistant buildings.

I would conclude by stating that, as the parent of seven healthy wonderful children, I take extreme umbrage with nonsensical analyses like those in the Ecologist on population control. The aforementioned articles follow:

[From the Washington Post, Jan. 19, 1972]

BRITISH MAGAZINE PREDICTS ECOLOGICAL DOOM

(By Bernard D. Nossiter)

LONDON.—"If current trends are allowed to persist, the breakdown of society and the irreversible disruption of the life-support systems on this planet, possibly by the end of the century, certainly within the lifetimes of our children, are inevitable."

So in boldface type begins the latest manifesto of the ecological apocalypses here and it has touched off a first-class row. The doom

sayers are enjoying their round in the latest issue of "The Ecologist," a new magazine started by an Oxford dropout and a former textbook salesman. Their "blueprint for survival" has captured attention because they list 33 prominent physical and social scientists who "fully support the basic principles" that the magazine asserts.

"Half-baked anxieties... simplistic," snorts John Maddox, the distinguished editor of a distinguished journal, "Nature," in the lead editorial of his latest issue. Thus the battle is joined.

A layman can not easily assess the issues raised by natural scientists. But a reporter can spot hucksterism when he sees it and the well-advertised manifesto of "The Ecologist" is streaked with it.

Its central argument runs like this: there is a finite limit to known resources, metals and minerals, oil and iron. We are exhausting these heedlessly, under the thrust of an industrialism impelled by a politics promoting growth measured in products. Even worse, industrialism stimulates population expansion in an already over-crowded world, further draining limited resources.

Unnaturally swollen communities and their unnatural drives accounts for social ills—crime, violence, drug addiction and the like. Man must get back to a better relation with nature, something along the lines of the hunter-gatherers of New Guinea.

Among the magazine's specific recommendations are these: cut the British population almost in half to the level its own food resources can supply; stop DDT; stop building roads for automobiles; stop using the high-yield rice and wheat seeds with their heavy demand for chemical fertilizer.

This reporter called just two of the 33 scientists that "The Ecologist" says support in principle—if not in detail—the magazine's views. A brief telephone chat established that these two scientists are wedded to the manifesto by rather loose links.

A. Waddington, a noted geneticist at the University of Edinburgh, said he believed "we have got to have a change in our social values, not just more material goods, but a richer intellectual life in more agreeable surroundings."

PRIMITIVE EXISTENCE

He complained, however, that "The Ecologist" blueprint urged a "more primitive" existence and "I say, be more sophisticated. For example, control pests biologically, not by poisoning them."

Washington, moreover would not abolish the high-yielding seeds that have increased food supplies in some parts of South Asia. He would instead search for ways to find jobs for peasants now being displaced from the land.

Sir Julian Huxley, another famous biologist, said he had no reservation about the manifesto because it warned against continued increases in population and indiscriminate technology.

But Huxley insisted that this in no way implied support for any return to primitivism; the 84-year-old scientist indicated he had not read the portion of the manifesto calling for just this.

The infatuation of "The Ecologist" with advertising turns up again in its discussion of population control. There it argues that the notion that childless couples are unhappy is "derived largely from the popular woman's magazines" and urges that "the finest talents in advertising" could set this one straight.

The Maddox critique of all this in "Nature" runs along more elegant lines. Along with many economists, he argues that as resources like oil become scarcer, their prices rise. This encourages the discovery and substitution of, for example, other forms of energy, nuclear, solar and the like. It is in this way that man has so far escaped the Malthusian trap and there is no reason to think he cannot continue to do so.

INTERNAL CONTRADICTIONS

Maddox also points to an internal contradiction in the manifesto. Swollen families are typically associated with poverty and lack of education. An Indian peasant breeds at a great rate because, among other things, this is his sole form of pleasure; children are a kind of old-age insurance; and he is too ignorant and poor to buy contraceptives. This implies that a higher standard of living, the material growth described by "The Ecologist" is a necessary pre-condition for curbing the population explosion in the impoverished world.

Finally, Maddox recalls that the link between population density and violence has not been proven. America's urban ghettos are crowded and violent; Dutch cities are crowded and peaceful. Kerala is India's most crowded state; it is considerably less violent, say, than Maharashtra.

Even a non-specialist knows that you can preach abstinence from DDT to the wealthy. But it is pointless to argue that a pesticide is a greater evil than malaria in the swamps of the Third World. Similarly, rich nations may forego inorganic fertilizer, but it is absurd to argue against it in famine-threatened Asia.

The point, as Maddox makes clear, is that there are serious problems of ecological disturbance, of environmental pollution, of population growth. But naivety, overstatement and uncomplicated Rousseauism are not helpful. The ecological apocalypses—ecolytics for short—risk discrediting their very valid concerns.

[From Nature magazine, Jan. 4, 1972]

THE CASE AGAINST HYSTERIA

Britain is being assaulted by the environmentalists. This weekend, Dr. Paul Ehrlich, president of Zero Population Growth Inc., and a professor of biology at Stanford University, is to recite for the Conservation Society his now familiar dirge that the world is about to breed itself to death. Last week, a distinguished group of doctors, many of whom should have known better, published in *The Lancet* and the *British Medical Journal* a declaration that Britain is so overcrowded that there is "a direct threat to the mental and physical well-being of our patients" and a plea that doctors should unite "to combat the British disease of overpopulation." At the same time, the new magazine *The Ecologist* published what it called "A Blueprint for Survival" which reflects and sometimes amplifies a good many of the half-baked anxieties about what is called the environmental crisis. On this occasion, the doctrine that dog should not eat dog notwithstanding, the magazine deserves to be taken to task if only for having recruited a "statement of support" from 33 distinguished people, many of them scientists, at least half of whom should have known better (see box). Nobody pretends that there are no serious problems to be worried about but the time seems fast approaching when the cry of disaster round the corner will have to be promoted to the top of the list of causes for public concern.

That professional people should lend their names to attempts like these to fan public anxiety about problems which have either been exaggerated or which are nonexistent is reprehensible. It is especially regrettable that declarations like these should myopically draw attention to the supposed difficulties of moderating population growth in Britain when there is no evidence worth speaking of to suggest that Britain is over-populated (which is not, of course, the same thing as to say that the country is properly managed). The doctors who signed the round robin to the medical weeklies say that the problems of the developing countries "are formidable and may defy any rational solution," but that they are also "gravely concerned" at the pace of growth of the British population, which

exceeds 55 million, and which is expected to increase to 66.5 million by the end of the century.

In reality, the doctors seem to have added an extra 500,000 to the latest estimates of the population of the United Kingdom in the year 2000, for the Government Actuary's latest calculation, published three months ago, gives an even 66 million for that date. It is, however, much more relevant that the forward projections of the British population have been declining steadily over the past decade, as the statisticians have been persuaded by experience that the trend of fertility in Britain, like that in much of the rest of Western Europe, is downward. The doctors also choose, by design or ignorance, to overlook the plain truth that only a quarter of such increase of the British population as there may be between now and the end of the century can be attributed to what they call "the present reproductive bonanza". The rest is simply a consequence of their own craft, which has now made it possible for people to live longer and to survive a good many of the previously fatal hazards of middle life. So is it to be expected that the same people will band together in public to wring their hands about the once and for all increase of the British population which is likely to come about when, at some time in the next two decades, ways are found of treating or even preventing some forms of cancer?

The immediate trouble, of course, is that there is no means by which these statistics, meaningful or otherwise—and who can tell what the effects of British membership of the European Communities will be on the rate of outward migration?—can be related to what is elsewhere called the quality of life. The distinguished doctors say that on present trends, a quarter of the land surface of England and Wales "will be urbanized" by the end of the century and they say that "sheer overcrowding in cities with its attendant pollution" is a direct threat to mental and physical well-being. But is there any serious cause to fear that a country such as Britain will be necessarily worse off if fewer adults are killed off in middle age and if the numbers of old people are also increased? The calculation is not easily performed, but the chances are that the pattern of population in the year 2000 will be economically more productive than it is at present, and better able to support the sensible education of the young and the humane care of the old than at present. And what, in any case, is the evidence that overcrowding in cities produces "mental" afflictions among those who live there? To be sure, there are statistics to show that suicide rates are often higher in cities than in the country, but these are easily interpreted as consequences of the way in which the populations of cities are frequently overweighted with people of vulnerable ages. Furthermore, there are good reasons to believe that air pollution reduces longevity but there are also now reliable measurements to show that both in Britain and in the United States, air pollution in cities is decreasing. And in general, the charge that city life and the density of population in cities are hazards to health cannot be substantiated except by the misuse of facts.

What then is to be made of the constructive suggestions which the doctors put forward in their round robin? First, they ask that the government should be persuaded "that a population problem exists" so that "appropriate legislation is more likely to follow". What precisely is meant by appropriate legislation? Do the distinguished doctors have in mind more government help for family planning (in which case everybody will cheer)? Do they have in mind schemes such as that of the Duke of Edinburgh for a tax on large families (in which case most people will want to know more of the side effects of such proposals, most of which are still half-

baked)? Or do they have in mind compulsory sterilization for the parents of large families, contraceptives in the drinking water (both of which have been discussed by Dr. Ehrlich in connexion with the population of India) or do their minds toy with the notion of sterilizing newborn children once a certain quota has been reached? The signatories of the round robin may think it unfair that such foolish motives should be attributed to them, but a vague call for "appropriate legislation" is likely to provoke precisely such curiosity. Indeed, that is the morbid kind of speculation which exaggerated declarations of crisis is likely to set in train. But few people will, of course, complain at the moderate proposals for an extension of family planning, with contraceptives on the National Health Service, the better conduct of abortions under the NHS and the "reappraisal of the laws and policies which govern the employment of women".

For people who say that the mass media, as they are called, must play an integral role in the whole operation, the doctors have been injudicious. They have addressed themselves to the wrong problem. In the first place, there is no reason to fear that a country such as Britain will find it more difficult in the future than it has been in the past four decades to strike a reasonable balance between fecundity and death. By now, the influences which lead to larger families are comparatively well understood. Improved education is a step in the right direction, not merely because it makes people better able to look after their personal affairs but because it provides parents with an incentive to do the best they can for their children, something only easily possible when families are small. Prosperity also helps and, by extension, so does a narrowing of the gap between rich and poor.

But these are goals which many people hold to be desirable in themselves. Might it not have been prudent for the distinguished doctors to have cast their thoughts more widely to encompass these questions? There remains the difficulty of knowing what the population of a country such as Britain should be. In spite of a great deal of academic discussion in the past few years, it is now clear that there are no easy rules of thumb. One thing is however clear. If by some means the number of births each year were to decline more rapidly than it has done in the past few years, some decades hence a smaller working population would have to support a still larger population of unproductive people than at present. To say that is not to imply that a reduction of the number of births each year is out of the question but merely that such a reduction would bring serious but calculated economic penalties.

The same unreflectiveness appears to have marred *The Ecologist's* "Blueprint for Survival". Those who have compiled it say that "the relevant information available has impressed upon us the extreme gravity of the global situation today". They foresee "the collapse of society" and consider that if present trends persist, "life support systems on this planet" will be irreversibly disrupted if not by the end of the century then "within the lifetime of our children". Governments, they say, are either refusing to face facts or are "briefing their scientists in such a way that their seriousness is played down". So, the argument goes, there must be a redefinition of the philosophy of civilized life and a restructuring of society as a whole.

The errors in the simplistic view of the present stage in the history of the human race are by now familiar. Much turns on the way in which industrialized societies are at present consuming raw materials at a substantial rate, and it is true that it seems increasingly unlikely that petroleum companies will be able indefinitely to discover new reserves at such a pace that future supplies are always ensured. Oil, indeed, may

be the most vulnerable of the resources at present used, just as in Europe 2000 years ago native stands of timber proved not to be inexhaustible. But does it follow from this simple-minded calculation that there will come a time when, to everybody's surprise, petroleum deposits are worked out and industry is forced to grind to a halt? Is it not much more likely, about a century from now, that prices for petroleum will be found to be so high that even the least successful nuclear power companies will find themselves able to sell reactors more easily?

In the same way, is it not likely that the apparently impending scarcity of copper (belied for the time being by the obstinately low price at which the metal is at present marketed) will encourage the use of aluminum as a conductor of electricity? To be sure, as the developing countries gather economic momentum, they will begin to make larger demands on raw materials such as these, yet it does not follow that they will have to repeat in every detail the industrial history of the countries now industrialized, and it remains a comforting truth that the raw materials on which the products of modern industry are based loom less large in economic terms than the products of the Industrial Revolution. Computers, after all, need very little copper for their manufacture. In general, the problem of raw materials is not a problem of the exploitation of a finite resource, however much it might be made to seem as such, but is a problem in economics—how best to regulate the prices of raw materials so as to balance the present demand against the probable demand in the future, how best to encourage what kinds of substitutions, how best to bring into production new reserves (not the least of which are the oceans of the world). Nobody should think that there is nothing to worry about. Good planetary housekeeping, as *The Ecologist* would no doubt describe it, should be an important objective of public policy. But it is a public disservice to describe such intricate and interesting problems in such simple and scarifying terms.

Similar fallacies attend *The Ecologist's* analysis of the supply of food. The document says that food production in the developing world has "barely kept abreast of population growth" and that such increases as there have been are a consequence of the "opening up of new land for cultivation." It goes on to say that this will not be possible for much longer, for "all the good land in the world is now being farmed." Factually, these statements are incorrect. In many parts of South-East Asia, the past few years have seen dramatic improvements in agricultural productivity, acre for acre. In any case, it remains a fact and even something about which agronomists should hang their heads that tropical regions are still comparatively unproductive of food. But the chief complaint of this declaration is that the "FAO programme to feed the world" depends on an intensification of agriculture and that the strains of wheat and rice likely to be the work horses of Asian agriculture are more vulnerable to disease and more demanding of fertilizer.

So what? must surely be the moderate reply. In North America and Western Europe, after all, agriculture is much more intensive than most agricultural practices likely to be common in Asia in the next few years. And the benefits of intensive agriculture are not merely that a given acre of land can produce more food each year but that it can be made to do so at a lower labour cost. Indeed, it might well be calculated that until the populations of the developing world are able to feed themselves without employing more than half of their labour force on the land, they will not be free to develop either along the lines of Western industrialization or along some other route that they might pre-

fer. The fact that intensive agriculture entails crops which are highly specialized and therefore vulnerable to epidemic diseases of one kind or another is no more relevant in Asia than in, for example, North America.

The abiding fault in these discussions is their naivety, and nowhere is this more true than in speculations about the social consequences of the phenomena over which *The Ecologist* wrings its hands. Starting with the assertion that the developed nations have already collared the raw materials with which developing nations might seek to improve their standards of living, the journal goes on to say that "we are altering people's aspirations without providing the means for them to be satisfied. In the rush to industrialize, we break up communities, so that the controls which formerly regulated behaviour are destroyed. Urban drift is one result of this process, with a consequent rise in antisocial practices, crime, delinquency and so on. . . ." This is an echo of the distinguished doctors' declaration about the consequences of crowding, but is it fair to describe this, as *The Ecologist* does, as a portent of the collapse of society? Is it reasonable to say that in such circumstances, "it is more than probable that governments will fall into the hands of reckless and unscrupulous elements, who will not hesitate to threaten neighbouring governments with attack if they feel they can wrest from them a larger share of the world's vanishing resources"? The truth is, of course, that this is mere speculation. All the attempts which there have been in the past few years to discover correlations between such factors as population density and prosperity per head of population with the tendency to violence, either civil or international, have been fruitless. Who will say that the crowded Netherlands are more violent than the uncrowded United States? And who will say that the forces which have in the past 2000 years helped to make civilized communities more humane can now be dismissed from the calculation simply because a new generation of seers sees catastrophe in the tea leaves?

ELECTION REFORM

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. ARCHER. Mr. Speaker, it is fitting that Congress has begun an election-year session by approving legislation for reform of our election process. This landmark reform goes a long way toward correcting one of the most glaring inequities in our campaign procedure, the tremendous cost of seeking public office.

While it will by no means eliminate the heavy financial burden of campaigns, this legislation hopefully will help to curb skyrocketing costs. Perhaps its most significant provisions are the stringent requirements for reporting campaign contributions and expenditures. Public disclosure can be an effective means for policing campaign spending. The voters will know exactly how much a candidate has invested in a race and who is providing the money.

Despite the new ground covered by the bill, I suspect that few of us are entirely happy about it. Some feel it is too restrictive, others think it is not enough; I share the latter opinion.

We have not approved the ultimate solution for campaign reform; it is but a beginning. I am disappointed that the legislation is not as comprehensive as it should be. Limitations were not placed, for example, on spending for postage or printing for direct mail projects, which are becoming increasingly important in campaigns. We still have no overall limit on spending, though we have placed curbs on the most expensive element in a budget, advertising. By limiting expenditures in one area, however, and not extending it to the entire budget, all we are doing is diverting funds from one category to another. It is possible that the money will not be significantly reduced, but only redistributed.

Of course, it is difficult to determine just when a spending limitation can keep costs at a reasonable level, and when it becomes so restrictive that it actually helps keep incumbents in office. Hopefully, a fair ceiling for all campaign spending will be determined in future proposals.

On the whole, this legislation falls short of our goal to restore the confidence of the American people in our political system. What we must have is a means to show the people that their representatives and candidates for public office are motivated by a desire for public service that is not compromised by the temptation for private gain. The answer, in my view, is to require full disclosure of assets and liabilities of Congressmen and candidates. It is a logical sequel to campaign spending disclosure, and I anticipate introducing such legislation in the near future.

At present we have very weak provisions for partial disclosure of the holdings of incumbent Congressmen. There is no similar law for candidates. The current procedures, however, are little more than a sham. What we have is a facade, a pretense of disclosure, while actually there is very little of any significance that is available to the public.

Mr. Speaker, we are confronted with what can truly be called a crisis of confidence in our political system. A cynicism about politics and politicians pervades the Nation. It is not just the student who has become disillusioned and disgusted and "turned off." It is the housewife, the businessman and the workingman who equate politics with shady dealings and smoke-filled rooms. What many people remember about Washington are reports of a Congress-accepting a bribe or supporting legislation that will benefit his stock holdings.

It seems to me that the solution to this dearth of confidence is the elimination of any doubt or suspicion in the minds of the voters by requiring full disclosure of assets and debts. It would prove a Congressman has no holdings that could conflict with his duties; or it would reveal any assets or obligations that could influence his decisions.

Full disclosure is long overdue. The young people in America are looking to us with a critical eye—to see if we in Congress will meet the challenge to reform our system. Let us live up to our responsibilities and fulfill the expectations of our fellow citizens.

PROMISE OF SPACE

HON. WILLIAM R. ANDERSON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. ANDERSON of Tennessee. Mr. Speaker, as our Nation continues its search for the means to avoid war, seeks new methods to diminish the causes of extreme poverty all over the world, and ponders its responsibility of sharing the great resource of our present technology for peaceful objectives, this Congress may take justifiable pride in one aspect of our astronautic spinoff which will serve human needs here on the earth. It is an aspect which is too little known by the American people.

I insert in the RECORD the following article from the London Express written by the distinguished scientist-writer, Dr. Arthur C. Clarke. Dr. Clarke is engaging in many space-related activities including the production of a series of films titled the "Promise of Space," which deals with the contributions which the space program may make in alleviating earthly want.

It must be noted that the satellite discussed was built in the United States by American labor, paying American taxes in an industry now undergoing the severe stress of unemployment. Foreign aid of the sort described in the article which serves the needs of the impoverished and the emerging nations of the world has the beneficial by-product of continuing America's ability to advance the technology of tomorrow as it serves man today.

As the discussions of America's shuttle program commences in Congress, we must recall that NASA's work is not a "pie-in-the-sky" adventure, but that it can have a direct relationship with the social problems of today.

Dr. Clarke's article follows:

PROMISE OF SPACE

For thousands of years, men have sought their future in the starry sky. Now this old superstition has at last come true, for our destinies do indeed depend upon celestial bodies—those that we have created ourselves.

Since the mid-Sixties, the highly-unadvertised reconnaissance satellites have been quietly preserving the peace of the world, the weather satellites have guarded millions against the furies of nature, and the communications satellites have acted as message-carriers for half the human race. Yet these are merely the first modest applications of space technology to human affairs; its real impact is still to come. And, ironically, the first country to receive the benefits of space directly at the home and village level will be India—where, as recently as February, 1962, millions were terrified by an unusual conjunction of the Sun, Moon, and five planets.

In 1974 there will be a new Star of India; though it will not be visible to the naked eye, its influence will be greater than that of any zodiacal signs. It will be the satellite ATS-F (Applications Technology Satellite F), the latest in a very successful series launched by America's National Aeronautics and Space Administration. For one year, under an agreement signed on September 18, 1969, ATS-F will be loaned to the Indian Government by the United States, and will be "parked" 22,000 miles above the Equator, immediately to the south of the sub-con-

continent. At this altitude it will complete one orbit every 24 hours and will therefore remain poised over the same spot on the Turning Earth; in effect, therefore, India will have a TV tower 22,000 miles high, from which programmes can be received with almost equal strength over the entire country.

Since the launch of the historic Telstar in 1962, there have been several generations of communications satellites. The latest, Intelsat IV, can carry a dozen TV programmes or up to 9,000 telephone conversations across the oceans of the world. But all these satellites have one thing in common; their signals are so feeble that they can be received only by large earth stations, equipped with antennae 50 or more feet across, and costing several million dollars. Most countries can afford only one such station, and indeed that is all that they need to connect their television, telephone or other services—where these exist—to the outside world.

ATS-F, now being built by the Fairchild-Hiller Corporation, represents the next step in the evolution of communications satellites. Its signals will be powerful enough to be picked up, not merely by multi-million dollar earth stations, but by simple receivers, costing two or three hundred dollars, which all but the poorest communities can afford. This level of cost would open up the entire developing world to every type of electronic communication—not only TV; the emerging societies of Africa, Asia and South America could thus by-pass much of today's ground-based technology, and leap straight into the space age. Many of them have already done something similar in the field of transportation, going from ox-cart to aeroplane with only a passing nod to roads and railways.

It can be difficult for those from nations which have taken a century and a half to slog from semaphore to satellite to appreciate that a few hundred pounds in orbit can now replace the continent-wide networks of microwave towers, coaxial cables and ground transmitters that have been constructed during the last generation. And it is perhaps even more difficult, to those who think of television exclusively in terms of old Hollywood movies, giveaway contests and soap commercials to see any sense in spreading these boons to places which do not yet enjoy them. Almost any other use of the money it might be argued, would be more beneficial.

Such a reaction is typical of those who come from developed (or overdeveloped) countries, and who accept libraries, telephones, cinemas, radio, TV, as part of their daily lives. Because they frequently suffer from the modern scourge of information pollution, they cannot imagine its deadly opposite—information starvation. For any Westerner, however well-meaning, to tell an Indian villager that he would be better off without access to the world's news, knowledge and entertainment is an impertinence. A fat man preaching the virtues of abstinence to the hungry would deserve an equally sympathetic hearing.

Those who actually live in the East, and know its problems, are in the best position to appreciate what cheap and high-quality communications could do to improve standards of living and reduce social inequalities. Illiteracy, ignorance and superstition are not merely the results of poverty—they are part of its cause, forming a self-perpetuating system which has lasted for centuries, and which cannot be changed without fundamental advances in education. India is now beginning a Satellite Instructional Television Experiment (SITE) as a bold attempt to harness the technology of space for this task; if it succeeds, the implications for all developing nations will be enormous.

SITE's first order of business will be instruction in family planning, upon which the future of India (and all other countries) now depends. Puppet shows are already being produced to put across the basic concepts;

those of us who remember the traditional activities of Punch and Judy may find this idea faintly hilarious. However, there is probably no better way of reaching audiences who are unable to read, but who are familiar with the travelling puppeteers who for generations have brought the sagas of Rama and Sita and Hanuman into the villages.

Some officials have stated, perhaps optimistically, that the only way in which India can check its population explosion is by mass propaganda from satellite—which alone can project the unique authority and impact of the TV set into every village in the land. If this is true, we have a situation which should indeed give pause to those who have criticised the billions spent on space.

The emerging countries of what is called the Third World may need rockets and satellites much more desperately than the advanced nations which built them. Swords into ploughshares is an obsolete metaphor; we can now turn missiles into blackboards.

Next to family planning, India's greatest need is increased agricultural productivity. This involves spreading information about animal husbandry, new seeds, fertilisers, pesticides and so forth; the ubiquitous transistor radio has already played an important role here.

In certain parts of the country, the famous "Miracle Rice" strains—which have unexpectedly given the whole of Asia a few priceless years in which to avert famine—are known as "radio paddy", because of the medium through which farmers were introduced to the new crops. But although radio can do a great deal, it cannot match the effectiveness of television; and of course there are many types of information that can be fully conveyed only by images. Merely telling a farmer how to improve his herds or harvest is seldom effective. But seeing is believing, if he can compare the pictures on the screen with the scrawny cattle and the dispirited crops around him.

Although the SITE project sounds very well on paper, only experience will show if it works. The "hardware" is straightforward and even conventional in terms of today's satellite technology; it is the "software"—the actual programme—that will determine the success or failure of the experiment. In 1967 a pilot project was started in 80 villages round New Delhi, which were equipped with television receivers tuned to the local station. (In striking contrast to a satellite transmitter, this has a range of only 25 miles.) It was found that an average of 400 villagers gathered at each of the evening "teleclubs", to watch the programmes on weed control, fertilisers, packaging, high-yield seeds—plus five minutes of song and dance to sweeten the educational pill.

We who are accustomed to individual or family viewing tend to forget that even a 12-inch set can be seen by several hundred people. Moreover, as it is always dark in India by about 7 p.m., for much of the year the receiver can be set up in the open air; only during the monsoon would it be necessary to retreat into a village hall.

Surveys have been carried out to assess the effectiveness of these programmes. In the area of agricultural knowledge, TV viewers have shown substantial gains over non-viewers. To quote from the report of Dr. Prasad Vepa of the Indian National Committee for Space Research: "They expressed their opinion that the information given through these programmes was more comprehensive and clearer compared to that of the other mass media. Yet another reason cited for the utility of TV was its appeal to the illiterate and small farmers to whom information somehow just does not trickle." (My italics.)

In February, 1971, while filming *The Promise of Space*, I visited one of these TV-equipped villages—Sultanpur, a prosperous and progressive community just outside Delhi, only a few miles from the soaring

sandstone tower of the Kutb Minar. Dr. Vikram Sarabhai, Chairman of the Atomic Energy Commission, had kindly loaned us a prototype of the ten-foot-wide, chicken-wire receiving dish which will collect signals from ATS-F as it hovers above the Equator. While the village children watched, the pie-shaped pieces of the reflector were assembled—a job that can be performed by unskilled labour in a couple of hours. When it was finished, we had something that looked like a large aluminum sunshade or umbrella with a collecting antenna in place of the handle. As the whole assembly was tilted up at the sky and lifted on to the roof of the highest building, it looked as if a small flying saucer had swooped down upon Sultanpur.

With the Delhi transmitter standing-in for the still unlaunched satellite, we were able to show a preview of—hopefully—almost any Indian village of the 1980s. The programme we actually had on the screen at Sultanpur was a lecture-demonstration in elementary mechanics, which could not have been of overwhelming interest to most of the audience; nevertheless, it seemed to absorb viewers whose ages ranged from under ten to over 70. Yet it was not a Sultanpur, but 400 miles away at Ahmedabad, that I really began to appreciate what could be done through even the most elementary education at the village level.

Near Ahmedabad is the big 50-foot diameter parabolic dish, 50 feet in diameter, of the Experimental Satellite Communication Ground Station, through which the programmes will be beamed up to the hovering satellite. Also in this area is AMUL, the largest dairy co-operative in the world, to which more than a quarter of a million farmers belong. After we had finished filming at the big dish, our camera team drove out to the AMUL headquarters, and we accompanied the Chief Veterinary Officer on his rounds.

At our first stop, we ran into a moving little drama that we could never have contrived deliberately, and which summed up half the problems of India in a single episode. A buffalo calf was dying, watched over by a tearful old lady who now saw most of her worldly wealth about to disappear. If she had called the vet a few days before—there was a telephone in the village for this very purpose—he could easily have saved the calf. But she had tried charms and magic first; they are not *always* ineffective, but antibiotics are rather more reliable . . .

I will not quickly forget the haggard, tear-streaked face of that old lady in Gujarat; yet her example could be multiplied a million times. The loss of real wealth throughout India because of ignorance or superstition must be staggering. If it saved only a few calves per year, or increased productivity only a few per cent, the TV set in the village square would quickly pay for itself. The very capable men who run AMUL realise this; they are so impressed by the possibilities of TV education that they plan to build their own station to broadcast to their quarter of a million farmers. They have the money, and they cannot wait for the satellite—though it will reach an audience two thousand times larger, for over 500 million people will lie within range of ATS-F.

There is a less obvious, yet perhaps even more important, way in which the prosperity and sometimes very existence of the Indian villagers will one day depend upon space technology. The life of the sub-continent is dominated by the monsoon, which brings 80 per cent, of the annual rainfall between June and September. The date of onset of the monsoon, however, can vary by several weeks—with disastrous results to the farmer, if he mis-times the planting of his crops.

Now, for the first time, the all seeing eye of the meteorological satellites, feeding information to giant computers, gives real hope of

dramatic improvements in weather forecasting.

But forecasts will be no use unless they get to the farmers in their half a million scattered villages, and, to quote from a recent Indian report, "this cannot be achieved by conventional methods of telegrams and wireless broadcasts. Only a space communications system employing TV will be . . . able to provide the farmer with something like a personal briefing . . . such a nation-wide rural TV broadcast system can be expected to effect an increased agricultural production of at least 10 per cent, through the prevention of losses—a saving of \$1,600 million per annum." Even if this figure is wildly optimistic, it appears that the costs of such a system would be negligible compared to its benefits.

And those who are unimpressed by mere dollars should also consider the human aspect—as demonstrated by the great East Pakistan cyclone of 1971. That was tracked by the weather satellites—but the warning network that might have saved several hundred thousand lives did not exist. Such tragedies will be impossible in a world of efficient space communications.

Yet it is the quality, not the quantity, of life that really matters. Men need information, news, mental stimulus, entertainment. For the first time in 5,000 years, a technology now exists which can halt and perhaps even reverse the flow from the country to the city. The social implications of this are profound; already, the Canadian Government has discovered that it has to launch a satellite so that it can develop the Arctic. Men accustomed to the amenities of civilisation simply will not live in places where they cannot phone their families, or watch their favourite TV show. The communications satellite can put an end to cultural deprivation caused by geography. It is strange to think that, in the long run, the cure for Calcutta (not to mention London, New York, Tokyo), may lie 22,000 miles out in space.

The SITE project will run for one year, and will broadcast to about 5,000 TV sets in carefully selected areas. This figure may not seem impressive when one considers the size of India, but it requires only one receiver to a village to start a social, economic and educational revolution. If the experiment is as great a success as Dr. Sarabhai and his colleagues hope (and deserve), then the next step would be for India to have a full-time communications satellite of her own. This is, in any case, essential for the country's internal radio, telegraph, telephone and telex services.

It may well be that, until it has established such a nation-wide system, India will be unable to achieve a real cultural identity, but will remain merely a collection of states. And one may wonder how much bloodshed and misery might have been avoided, had the two severed wings of Pakistan been able to talk to each other face to face, through the facilities which only a communications satellite can provide.

Kipling, who wrote a story about "wireless" and a poem to the deep-sea cables, would have been delighted by the electronic dawn that is about to break upon the sub-continent. Gandhi, on the other hand, would probably have been less enthusiastic; for much of the India that he knew will not survive the changes that are now coming.

One of the most magical moments of Satyajit Ray's exquisite *Pather Panchali* is when the little boy Apu hears for the first time the Aeolian music of the telegraph wires on the windy plain. Soon those singing wires will have gone forever but a new generation of Apus will be watching, wide-eyed, when the science of a later age draws down pictures from the sky—and opens up for all the children of India a window on the world.

TIMBER-CUTTING IN THE BOUNDARY WATERS CANOE AREA

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. FRASER. Mr. Speaker, the compatibility of commercial logging with the essential nature of a wilderness area has been questioned by the Minnesota Public Interest Research Group—MPIRG. This student-funded group of lawyers and scientists, representing some 80,000 students at 16 colleges and universities in Minnesota, has asked the U.S. Forest Service to prepare an environmental impact statement on the effect of timber-cutting in the Boundary Waters Canoe Area in northern Minnesota. The North Star Chapter of the Sierra Club, the Natural History Society, the Minnesota Environmental Control Citizens Association—MECCA, the Minnesota Canoe Association, and the Rovers Outing Club at the University of Minnesota are supporting MPIRG's request.

The Boundary Waters Canoe Area, over 1 million acres of peerless land and lake country, stretches along the north-eastern Minnesota-Canadian border for approximately 145 miles. The route of the voyageurs passed through this country of vast forests and countless island-studded lakes and streams. Here in America's prime canoe area, and the only Federal wilderness area of any real size east of the Rockies, man can still seek solitude.

In the following article in the University of Minnesota's Daily of January 12, 1972, a member of MPIRG's research staff urges that this unique wilderness area be protected from harmful commercial development:

CLEAR CUTTING IN BWCA: BARKING THE WRONG TREES
(By Sue Kline)

"There are some who can live without wild things, and some who cannot . . . Like winds and sunsets, wild things were taken for granted until progress began to do away with them."—Aldo Leopold, Sand County Almanac.

The preservation in this country of some places that are wild and relatively untrammeled by man is the basic issue behind the Minnesota Public Interest Research Group's (MPIRG) recent request that the Forest Service enforce an immediate moratorium on all timber cutting in the Boundary Waters Canoe Area (BWCA) until an environmental impact statement can be prepared.

The impact statement would permit the public and the Congress to decide whether timber cutting is appropriate within a wilderness area, which was defined by the 1964 Wilderness Act as a place "where earth and its community of life are untrammeled by man . . . with the imprint of man's work substantially unnoticeable."

We believe that the provisions of the National Environmental Policy Act require this action on the part of the Forest Service.

Gravel logging roads, acres of sawed-off tree stumps and the whine of chain saws seem inconsistent with the maintenance of a wilderness area. Logging in the BWCA is indefensible on scientific, recreational, economic and biological grounds.

The BWCA is the only large virgin wilderness left in this country east of the Rocky Mountains. There are a few thousand acres in Michigan and blocks of a few hundred acres scattered throughout the East.

The BWCA is also the only area designated under the 1964 Wilderness Act in which logging is permitted. Forty percent of the BWCA's 1 million acres were set aside in what was called a portal zone. One-quarter of the remaining 400,000 virgin, or uncut, acres is located in this zone.

For purposes of scientific study the BWCA is invaluable. It is the last virgin remnant of the great conifer forests that once covered nearly all of the northern United States.

Human survival may someday depend upon the knowledge we can gain only from the study of natural ecosystems. But once an area has been logged it becomes impossible to separate natural from artificial forces.

Research on natural ecosystems is just beginning. The large size of the virgin forest of the BWCA must be maintained so that large-scale ecological processes can operate in a natural setting—processes such as seed dispersal, natural succession, fire and maintenance of viable populations of large mammals.

The Little Sioux fire of last spring has immeasurably increased the scientific value of one of the tracts, the Sunnydale sale. Because of a successful fire control program, this is our first chance in 60 years to study the effects of extensive fire in almost any forest in the United States.

Thousands of dollars worth of experimental plots have already been set up, and at least five studies are in progress. If cutting goes ahead as scheduled next week on the unburned portion of the sale, all of the studies will be seriously compromised or completely invalidated. The Forest Service demonstrates monumental short-sightedness by making no attempt to forestall the cutting of an invaluable research area.

Almost all of the logging done in the BWCA is clear cutting, because other methods are uneconomical.

Clear cutting destroys an area for recreational use because of the extensive network of roads that must be built to haul out the logs. In addition, it takes at least 20 to 30 years for the forest to regrow to the point at which it can provide for an enjoyable experience.

From a recreational standpoint, the BWCA is the most popular wilderness area in the country and it is a central attraction for tourism, northern Minnesota's major industry.

Recreational use of the BWCA has grown tremendously in the last few years. About 127,000 persons spent 1,139,700 visitor days in the BWCA last year, and this number has increased about 10 percent every year.

Loggers are not permitted to cut within 400 feet of lakes and streams, but we question whether we can preclude the possibility of wilderness uses other than canoeing by covering all but small strips near lakes and portages with miles of criss-crossing roads.

Thousands of miles of logging roads already wind in and out of the southern portion of the BWCA. We must also question what kind of wilderness experience even canoeists can have when wandering a few hundred feet from their campsite means stumbling onto a vast clearing covered with tree stumps and bulldozed roads.

Ironically, we do not even need the wood in the BWCA. More than 90 percent of what is being cut can be used only for pulp wood, and not for the sawtimber that goes into the building of houses.

There has been a surplus of pulpwood in Minnesota for many years. This means that more wood could have been cut on a sustained yield basis than actually was.

In 1969, the last year for which figures are available, there was a surplus of 1,776,871

cords, as compared to the 212,000 cords at stake in the BWCA (a cord is the unit of measurement for pulpwood and, for a species such as jack pine, contains about 10 trees).

Tragically, the government is losing money on the whole process. By its own rules, the Forest Service is required to replant the trees that are cut.

At the minimum, it is costing the Forest Service twice as much to replant the forest than the timber companies are paying for the privilege of cutting it.

For example, the jack pines in the Sunnydale sale took 107 years to grow and were sold to Northwest Paper Company for \$1.08 a cord, which comes out to less than 11 cents per tree. The Forest Service's reforestation plan estimates that it will cost \$120,000 to reforest this tract of land, while Northwest Paper will pay the government only \$81,150.45 for the trees.

In effect, we are subsidizing private companies to take one of the last remaining virgin wilderness areas in this country and make it into paper towels and toilet paper.

The figures for other timber sales in the BWCA are comparable. By the Forest Service's own estimate, it is costing us twice as much to replant as the trees are worth to private companies. It is hard to believe that the Forest Service would continue with such an unprofitable venture, but it becomes easier to understand when we keep in mind the fact that Congress makes Forest Service appropriations on the basis of the amount of timber sold in the various national forests.

This means we have cases like the Sunnydale sale, which extends six miles into previously uncut virgin areas of the BWCA, which the Forest Service was so eager to have cut that negotiations with Northwest Paper went on for two years while the Forest Service continuously lowered the price until the company could not afford to turn it down.

It would be cheaper for us to pay the timber companies not to cut, just as we pay farmers not to grow particular crops.

The Minnesota timber industry claims that Minnesota companies need the trees in the BWCA to keep mill production going, so that jobs will not be lost.

However, more than half of all the timber now under contract to be cut in the BWCA is owned by a Canadian firm, Northern Forest Products. The trees are cut, loaded onto trucks and shipped to Thunder Bay, Ontario, for processing.

Canadians get the jobs, the taxes and probably revenues from the United States when the finished products are shipped here to be sold.

A year ago, the Canadians cancelled all logging contracts for several American firms in the Quetico Provincial Park, the Canadian equivalent of the BWCA and no longer permit logging of that wilderness area. If it is difficult to justify subsidizing the decimation of the BWCA by American firms, it is ludicrous to pay foreign firms to do so.

In addition, Northwest Paper, the one Minnesota firm that holds any sizeable number of timber contracts in the BWCA, has ample alternative areas to cut on state and federal lands alone, so that any temporary cessation of timber cutting would not be a substantial hardship, if hardship at all (figures are not available on the extent of the company's private holdings).

An argument commonly heard from the logging industry and Forest Service personnel is that if the forest is not cut, the trees will disintegrate and fall down, leaving only brush and grass. This assertion is false and has no biological basis.

One species may give way to another through the natural process of succession, but the forest will not disappear.

Jack pine, red pine, black spruce and aspen reproduce best in the open spaces left by fire or clear-cutting. Other trees, such

as white spruce, balsam fir, cedar and red maple are shade-tolerant and will grow beneath the "pioneer" species.

As the pine, aspen and other sun-loving species slowly die off, in a process which takes hundreds of years they will be replaced by shade-tolerant trees, which may be capable of reproducing themselves indefinitely.

Another defense of logging in the BWCA is that it may improve wildlife habitat. Certain animals such as deer and moose feed on the shoots of the young plants that sprout following the creation of an open space.

However, natural forces, such as fire and windstorms, can just as effectively provide for improved wildlife habitats.

Controlled burning, which has been used quite effectively in various parts of the United States, is even more effective than cutting in upgrading wildlife habitats.

In most cases, fire will burn off the heavy organic layer on top of the soil, preparing a better seedbed for plants than logging. Fire also returns needed nutrients to the soil.

The Forest Service has encountered many problems in its attempts to prepare cut-over land for seeding. Rock raking, a controversial practice, was used until a few years ago. Bulldozers were used to scrape off vegetation remaining after cutting, and, unfortunately, the top few inches of soil as well. The soil was plowed into mounds several hundred feet apart.

The result was unpleasant. Scraggly trees grew on the soil from which essential nutrients had been scraped, while the long rows of mounds were covered with plant-life.

Until about a year ago, the Forest Service used herbicides to rid the ground of its vegetation cover. This method seemed to be fairly successful, but was dropped because of fear of possible long-range effects.

The Forest Service doesn't like to talk about it, but it has had many failures in its replanting efforts. It is about two years behind on most of its replanting program, and some areas are too distant to be reached in time for replanting to be effective. Some tracts have been replanted in time but just didn't grow well.

We are dealing with fragile processes and delicate balances, and it is somewhat vain of us to believe that we can improve on natural processes of reproduction and succession which have evolved over millions of years.

Timber cutting in the BWCA cannot be justified economically, scientifically or biologically, but even if this were not so, there would still be one overriding reason for keeping it wild.

Human beings have a spiritual need for wild places. We have swarmed across a continent full of prairie flowers and tall pines and left it covered with concrete and short-order restaurants. In an increasingly plastic and artificial world, it is important that we have some places here and there where it is possible to escape from all signs of human handiwork.

Tree farms have their place, just as Disneyland do, but let us keep some places where we can see a tree that got there by itself and was not stuck in the ground by a man.

MAN'S INHUMANITY TO MAN— HOW LONG?

HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. SCHERLE. Mr. Speaker, a child asks: "Where is daddy?" A mother asks: "How is my son?" A wife asks: "Is my husband alive or dead?"

Communist North Vietnam is sadistically practicing spiritual and mental genocide on over 1,600 American prisoners of war and their families.

How long?

NIXON'S SHOPWORN PEACE PLAN

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. ROSENTHAL. Mr. Speaker, in his latest prime time TV special, President Nixon tried to tell us he has a new plan for peace in Indochina. But close scrutiny reveals some semantic shuffling and political posturing, but nothing fundamentally new.

What we need is not an eight-point peace plan, but a one-point program: Total U.S. withdrawal now. That means not only do we pull out our troops from South Vietnam, but our bombers from adjoining countries and seas as well; it means not waging war directly or by proxy; it means setting a date for withdrawal now, not after the completion of long and difficult negotiations involving the entire Indochina question. There is no justification for making captured Americans sit in their North Vietnamese prisons while negotiations drag on.

I commend to my colleagues today's lead editorial from the Washington Post. It presents an excellent analysis of the President's speech and should be read by all. The editorial, "Vietnam: The Same Old Shell Game," follows:

VIETNAM: THE SAME OLD SHELL GAME

Those who value form over substance may find a political triumph in Mr. Nixon's new "Plan for Peace" in Indochina—a veritable political masterpiece, courtesy of nationwide TV. Senator Mansfield, for example, hailed it as a long step forward; Senators Muskie and Humphrey welcomed it as a new initiative. The President himself called it "generous," as if generosity had any place in our dealings with a ruthless and relentless adversary. Republican sympathizers are delighting in the way the rug is supposed to have been pulled from under those who have been advocating a "date certain" for our withdrawal in exchange for our prisoners of war—on the theory that this is what the President has been secretly offering. This is what was meant to dazzle us—along with the drama of Dr. Kissinger's thirteen transatlantic trips, the secret dealings, the surprise. We are meant to believe, in short, that the President has gone the extra mile for peace" and that whatever happens next—continued impasse, a new Communist offensive, an increase in American casualties, a prolonged, open-ended war—is not his fault.

Well you can make the argument that it is Hanoi's fault, or even that the whole war is Hanoi's, (or Peking's or Moscow's) fault, and not gain much by doing so. You can prove, as Mr. Nixon did, that the enemy has been duplicitous, but that is hardly a revelation. You can assert that Mr. Nixon has tried what some of his critics have long been urging him to try, but even if that were so, (which it isn't) it doesn't help much when it doesn't work—except perhaps at home, politically for a time. The fact of the matter is, of course, that there is drama in the unveiling of a secret peace initiative and a little vindication, perhaps, and not much else—not even, in this case, much surprise.

Last November 12, just about the time when Dr. Kissinger was busiest on his Parisian rounds, the President was asked if he had any reason for encouragement concerning prospects for release of our POWs, and he replied: "No reason for encouragement that I can talk about publicly. I can say, however, that we are pursuing this subject, as I have indicated on several occasions in a number of channels . . ." So the likelihood of private dealings was always there and the real surprise is in the terms the President was offering "the other side"; there is, in fact, no better way to measure the significance of the President's hitherto secret "plan for peace" than by comparing it with one he was proposing publicly in October, 1970—when there were 384,000 American troops in South Vietnam. At that time, Mr. Nixon announced that the United States would offer in Paris a plan for:

"An agreed timetable for complete withdrawal as part of an over-all settlement"; An immediate and unconditional release of all prisoners of war held by both sides;

A fair political solution, which would "reflect the existing relationship of political forces" in South Vietnam. The U.S., he said, would abide by the outcome (whether one reached by negotiation or election, he did not specify) and he added that "we know that when the conflict ends, the other side will be there, and the only kind of settlement that will endure is one both sides have an interest in preserving (in other words, an eventual piece of the action in Saigon was held out to the Communists);

An Indochina peace conference, to negotiate a wider settlement which would be guided by the terms of the Geneva Accords of 1954 (Vietnam) and 1962 (Laos).

A cease fire, to be internationally supervised.

That, then, was the Nixon peace plan fifteen months ago, publicly put forth in Paris. What is essentially new or different about the one Dr. Kissinger has been pushing secretly? Essentially nothing, except that elaborate election machinery has been added—an electoral process made in America, rooted in democratic institutions which are alien to the Vietnamese, and one to which Hanoi has been consistently hostile. That, and an eye-catching deadline of six months for U.S. troop withdrawal, which is about as uncertain a "date certain" as could be devised, depending as it does on an agreement not just on prisoner exchange, as the President's leading critics have proposed, but on working out the incredibly difficult details of a cease fire and an election procedure.

This, we are asked to believe, is a new peace plan whose unilateral, public disclosure is likely to break the impasse with Hanoi. This, we are told, is progress, when in fact it is more of the same old shell game. It may work, for a time, for as this game has been played with the Vietnam war over the years, the hand of a government in possession of a secret and in command of prime time has proved more often than not to be quicker than the eye. But the real news here is not of a new peace plan, or even of an earnest secret initiative. What the President told us Tuesday night was nothing more or less than that he and Dr. Kissinger have been privately pressing upon Hanoi a rather shopworn peace plan, only slightly refurbished, and that over a period of 30 months they have been had; he is telling us that he still wants it done the American way and that the North Vietnamese are still not buying it; he is telling us that negotiation isn't working, and that this, by his own admission leaves the alternative of "Vietnamization" which he is frank enough to describe as the "long voyage home."

So unless there is a lot the President isn't telling us, we are just where we were before we learned of Dr. Kissinger's secret travel; still insistent on having it our way; still counting on the North Vietnamese to abandon

the goals of some forty years of fighting; still unwilling to act upon the President's own, public estimates (also offered in Oct., 1970) that the "South Vietnamese have gained the capability to handle the situation"—and with less and less to offer, as our ground forces shrink, in exchange for our prisoners of war.

LEGISLATION FOR SPECIAL CHILD- FEEDING PROGRAMS

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. VANIK. Mr. Speaker, in studying the Federal budget for fiscal year 1973, it appears that the administration has cut back on several food programs for low-income children.

In his state of the Union message, the President said that—

One of the critical areas in which we have worked to advance the health of the Nation is that of combating hunger and improving nutrition.

While there is a welcome increase of \$140 million in the food stamp program, there appears to be a series of cutbacks in food programs for preschool and school children.

Following is a list of child-feeding programs included in the Department of Agriculture budget and a comparison of the budget estimates for fiscal years 1972 and 1973:

Program	Fiscal year—	
	1972	1973
School lunch.....	225, 108, 000	225, 000, 000
Special assistance to needy children.....	237, 047, 000	237, 047, 000
School breakfast program.....	25, 000, 000	18, 500, 000
Food program for nonschool- children (sec. 13).....	37, 775, 000	20, 775, 000
Special milk program.....	104, 000, 000	92, 090, 000

As author of the legislation providing for food assistance to children in non-school situation—section 13—I am particularly concerned about the nearly 50-percent reduction in this program which is geared toward helping low-income family children receive nutritious meals during the summer months and in preschool centers.

In the very same budget message which provides for a cutback in this program, there is a brief description of the success of the section 13 program: In fiscal year 1971, 107.5 million meals were served to 573,000 children during the summer months and to 224,000 children during school year programs. In the present fiscal year, it is estimated that 1.3 million children will be assisted and 197.5 million meals provided.

During the last month, I have written to the directors of this program in the various 50 States. To date, I have received answers from 28 of them. The data I have received clearly proves that this program must be expanded—not cut.

To prevent large numbers of day-care center programs from being cut, to provide for food assistance during the summer months, there is the documented

need for at least \$42 million for this program.

Therefore, I have just introduced legislation today to increase the authorization level of this program from \$32 million to \$42 million. I will also enter in

the RECORD at this point a summary of the data I have received, including quotes from the various State directors attesting to the urgency of increased funding for this program.

I hope that this authorization bill can

win rapid approval so that a supplemental appropriation can be provided for this program during the spring. In this way, these feeding programs can continue and the children they serve will continue to receive these important, nutritious meals.

State	Fiscal year allotment	Sec. 13 applications received dollar value			Number of children served under allotment	Maximum number of children served if full funding	Estimated surplus or deficit 1972 or 1973	Remarks of State administrators
		School year	Summer	Total				
Alabama.....	\$1,023,523	\$368,523	\$655,000	\$1,023,523	44,100		-\$400,000	Although we do not have valid applications in this office which have not been funded, it is true that a number of institutions need to make application.
Alaska.....	68,526			12,000	146		+\$56,000	I agree with your efforts in that these children should be cared for along with school age children in order to prepare them for their later years in the educational field. The number of children presently being served is 1,701 and the number that could have been served for all valid applications funded is 2,783.
Arizona.....	195,570			174,552	1,701	2,783	Deficit	
California.....	863,437	373,224	490,213	863,437	7,000		-\$2,000,000	California has been allocated \$863,437 in special food service program funds for 1971-72. It was our understanding that these funds were for year-round programs and that additional funds would be allocated for the 1972 summer feeding programs. Yesterday, however, we were informed by a representative of the U.S. Department of Agriculture that the \$863,437 is our total allocation, including funds for the summer program. At the present time, approximately 7,000 children are participating in year-round programs and we have encumbered slightly more than \$700,000 for this purpose. Obviously, we have a serious funding problem. In addition, we conservatively estimate that with an early guarantee of funding, we can reach 230,000 children in the 1972 summer feeding program. At this level, the funding needed will be approximately \$2,407,000.
Colorado.....	182,941			268,100	2,500	3,200	-\$48,700	11 approved applications are on file. These applications cover 25 child-care centers serving 1,345 children. If additional funds are not appropriated, or reallocated from other States, it may be necessary to reduce reimbursement rates for May and June in one or more of these programs. There are no applications pending at the present time. However, new program centers anticipated for fiscal year 1973 may increase 1973's requirements by \$56,966. With full use of allocated funds anticipated, no attempt was made by this agency to encourage applications which, although they might be approved, could not be funded. The second question you raised is the estimated dollar value of all sec. 13 applications received. The applications we have pending are estimated to amount to about \$24,000 per month. However, I would like to make it clear that under the instructions received from the Department of Agriculture, we have discouraged applications for this program and have publicized the fact that funds are very limited. I believe that is a fair statement that our present sec. 13 programs could easily be doubled which would require approximately \$60,000 per month on a 12-month basis.
Delaware.....	91,000	288,000	12,000	3,000,000	1,420	1,870	-\$209,000	
Florida.....	1,079,355	1,020,280	535,000	1,555,280	53,849		-\$476,000	
Hawaii.....	87,934			87,934	1,345		-\$56,966	
Illinois.....	627,090			288,000	10,400		-\$93,000	We had a rapid growth during last fiscal year (1971) and are experiencing a rapid growth so far during this fiscal year (1972). So far we have not had to disapprove any applications that qualified.
Indiana.....	347,392			482,750	5,640	7,130	-\$136,000	It is commonly known that most individual States as such do not contribute much financial assistance (cash contribution) toward the support of food service programs; therefore, the efforts of Congress and its grants-in-aid are most significant and vital to the continued success of all food service activity. It seems at this time that sec. 13 funds available to Kentucky for fiscal 1972 are adequate. Had the participation period been longer in several cases, the financial picture would have been different and no doubt additional funds needed. We project that we will be serving 73,000 children a day, 2 snacks and a lunch during the summer months of June, July, and August. At this time, no funds are available for these children for the summer.
Iowa.....	318,165	178,000	24,000	202,000			+\$116,000	
Kansas.....	275,951			151,000	4,000		+\$126,000	See full text of letter following the table. From July to November \$117,704.90 has been expended for payment of food. We estimate that food payments only for the year will amount to \$307,200. Unless a supplemental budget of approximately \$58,700 is approved, this program must be curtailed in April. Because of insufficient funds, no nonfood assistance applications have been approved. Because of past inadequate funding, we are not accepting any new applications for summer programs in fiscal 1973. A request from Boston with 32 centers had to be refused in fiscal 1972. We believe, however, that these funds are not adequate for 2 reasons: 1. We have been informed by the USDA that no new programs should be approved because of the lack of funds and that this is substantiated by, 2. Much to do that is currently being raised by other agencies; Headstart programs in particular to substitute sec. 13 funds for food budgets previously provided through OEO, or other agencies.
Kentucky.....	700,278	435,555	225,961	671,692	18,808	20,508		
Louisiana.....	501,432			501,432	5,006	7,215	-\$1,245,000	Allocations: Yearly program 1971..... \$343,488 Summer program 1971..... 154,779 Total..... 498,267 The sum of \$292,827.00 was requested but only \$154,779 was allocated to Minnesota by the U.S. Department of Agriculture. As a result, we still owe the city of St. Paul for their summer program \$26,197.27; at that, we curtailed many applications received after June 1971. Current balance on hand (year around) \$125,271.32. We appreciate your help in obtaining sufficient funds not only to maintain, but expand this program. From the data given, you can understand that this fine program will be terminated unless funds are given soon.
Maryland.....	269,011	(¹)	(¹)	(¹)	1,600	4,271	±400,000	
Massachusetts.....	390,512	571,800	246,000	767,800	16,198	19,325	377,300	
Michigan.....	530,133	(²)	(²)	(²)				
Minnesota.....	\$498,267	\$541,280	\$166,635	\$707,915			-\$202,503	

State	Fiscal year allotment	Sec. 13 applications received dollar value			Number of children served under allotment	Maximum number of children served if full funding	Estimated surplus or deficit 1972 or 1973	Remarks of State administrators
		School year	Summer	Total				
Mississippi.....	750,000	200,000	550,000		2,086			See full text of letter following the table.
New York.....	5,007,600			5,340,000	224,861	236,626		
North Carolina.....	476,686			476,686	27,140	32,140	50,000	
Ohio.....	629,820			(¹)	(¹)	(¹)		
Oklahoma.....	608,374	(²)	(²)	(²)			85,000	The year-round fund will be depleted when March claims are paid, and we have spent nothing for equipment assistance. We have requested more funds or a transfer of \$85,000 from the recreation program which would allow us to accept applications from worthy day-care programs. We stopped taking applications, as the Federal agency advised us not to expand. We have had a number of inquiries and gave a negative answer. It seems that some are in trouble because other sources of help have been withdrawn. We will be short of funds for the summer recreation program in June if the transfer request is granted; however, we believe the day-care programs need first consideration in Oklahoma. We would have approximately the same amount spent last June, but the funding information came too late for Oklahoma City and Tulsa to start serving lunches.
South Dakota.....	211,753			150,000	5,719		+61,753	
Utah.....	126,537			73,000	1,250		+53,500	
Vermont.....	84,082			92,631.32	2,517		-8,549	
West Virginia.....	478,243	399,998	174,871	574,869	8,879	12,374	-96,626	This allows for no increase in participation within current programs nor does it allow for the approval of new programs. We are anticipating applications from 3 additional day care centers within the next few weeks. These centers would be expected to serve a total of approximately 150 children daily. We would, of course, be unable to approve these applications without additional funding, though the centers would otherwise qualify for participation. Further applications are expected during the remainder of the current fiscal year. It is the intent of this agency to seek additional funds from the U.S. Department of Agriculture when new applications from any eligible child-care institution are actually in hand.
Wyoming.....	70,627			21,600			(³)	

¹ Fully used.
² No data at this time.
³ All funds will be used.

⁴ 70 applications pending, 2,870 unserved.
⁵ Funding is adequate.

**MARYLAND FOOD COMMITTEE, INC.,
 Baltimore, Md., December 15, 1971.**

DEAR CONGRESSMAN VANIK: Mrs. Samm Brown at the Children's Foundation in Washington called me yesterday to inquire whether it would appear that Maryland would have adequate Section 13 funds, under the National School Lunch Act, to feed all the eligible children in day care centers in the State during this fiscal year. The answer clearly is no; but beyond that simple negative it is at the moment difficult to determine exactly how short of funds we will be.

The State School Food Authority estimates that, as of now, we are carrying in this program approximately 1600 children in 52 day care centers and that we have at least 15 other day care centers waiting for inclusion. Because of the sudden illness of the head of the department and the loss of one other staff member, the Maryland School Food Authority is operating presently at a tremendous handicap. The statistics given above are only tentative and the office at this time is unable to project the needs in day care. They promise to get to work on it as rapidly as possible.

Meanwhile the Maryland Food Committee is trying to research the problem. An examination of the State Health Department record of licensed day care centers reveals at least 117 non-profit day care centers, servicing 4,271 youngsters whose meals are probably eligible for federal subsidy. Because of the interpretation placed on USDA regulations by the State Food Service Office or because of the way the USDA represents those regulations to the State office; there has been little or no effort to try to expand this federally funded feeding program. Spot checks of day care centers suggests that in Maryland the nutrition of this very vulnerable group of children is frequently sadly neglected. The Maryland Food Committee hopes to conduct a careful survey of all these day care centers in January to determine exactly what are their food needs.

As far as available federal funds are concerned, according to the USDA, Maryland will have a total of \$170,076 to spend on year-round programs under Sec. 13 in F.Y. '72. At 60¢ per child for 260 days this would provide

reimbursement for meals for only 1090 children and Maryland presently has 1600 youngsters on the program. Admittedly all centers are not receiving the 60¢ per child rate, but some probably should receive more.

In trying to clarify Maryland's Sec. 13 financial position, we spoke with Mr. Hugh Gallagher in the USDA. His letter in reply is attached. Not mentioned in his letter is a fact he related verbally; that the State School Food Authority was told last March to annualize its March reimbursement level, and use that as a ceiling, or budget for F.Y. '72. According to Mr. Gallagher the March level of reimbursement multiplied by 12 was \$170,076. The Maryland office has no record of that request or directive. In fact, the Maryland State Office fiscal records are somewhat at variance with Mr. Gallagher's and it would seem to us that the difference might be extremely significant.

According to the State School Food Authority a USDA directive in 1969 stated that F.Y. '70 funds were to carry the non-school food service year-round programs through September, 1970. Therefore the F.Y. '71 funds were not to be encumbered until October, 1970. It was for this reason that \$128,656 of this allotment was not used. However, there were in the spring of 1971 at least 12 day care centers asking for federal funding for food and they were told no money was available. Also in June in Baltimore there was a massive summer recreation program in progress involving some 30,000 youngsters, who received no food for the first two weeks of the program because there were "no funds available". These facts make the non-use of \$128,656 available funds doubly disconcerting to citizens.

The State School Food Authority however labors under the handicap of only fractional information from the USDA. Up until the very end of F.Y. '71 they were under the impression that this \$128,656 could be used in Maryland summer feeding programs in the summer of '71. The policy of the USDA in only making partial fiscal information available to the State becomes clearer in F.Y. '72. More than 30,000 youngsters were fed in Baltimore's summer feeding program which finally started in July. The letters of

credit reimbursing the state for this program came through in two parts both charged to "Special Summer Food Service". The first was "through Aug. 1, 1971" and was in the amount of \$417,686; the second was "through Nov. 1, 1971" and was in the amount of \$275,272. Nowhere was the state told that \$98,935 of this money was being charged to Maryland's \$269,011 for year-round programs. In fact, the state office has never been told that Maryland's share of F.Y. '72 direct appropriation for Sec. 13 is \$269,011! The letter of credit received in August and charged to Sec. 13 funds was in the amount of \$12,985, and that received on Nov. 27, also charged to same account was \$157,091. Together they total \$170,076. The state has received no word from the USDA that this is a partial or total apportionment, though Mr. Gallagher's letter to me would indicate that it is all Maryland will receive.

In view of this confusion, the Maryland Food Committee wonders whether the office of Budget and Management is again designing administrative policy and the USDA under their pressure has pulled out funds allocated to the states for year-round programs and used these to partially pay for summer-only programs. By this technique, Sec. 32 funds are conserved and day care expenditures cut, because no funds are available. In fact, it would seem to us a possible point of inquiry as to whether the USDA can shift funds in this way and whether Maryland can do anything to regain the \$98,935 which was intended to be used in year-round programs.

This is a very long letter, but I felt that a complete account of what is going on in Maryland would be useful to you in your effort to get supplemental funding for non-school food service programs. We certainly support you in your effort and if there is any further information we can supply, we trust you will write us. In the struggle to combat hunger in this country, one of the key populations to reach is that of the very vulnerable toddler age children. Non-school food service feeding programs in day care centers offer almost the only feasible method of reaching any significant number of these youngsters. Such feeding programs must be

improved and expanded or our school lunch program will always be too late.

Sincerely yours,

SUSAN P. TIPPETT,
Executive Director.

THE STATE EDUCATION DEPARTMENT,
Albany, N.Y., December 30, 1971.

DEAR CONGRESSMAN VANIK: Your letter of December 20, 1971 contained three simple questions which are actually quite complicated to answer. The basic answer is that we are being asked to do a job with handcuffs and blindfolds strategically located. I will answer your specific questions with embellishment for those areas which are complicated.

(1) The size of our States' allocation—we were informed last July that \$887,880.00 would be available for year round programs and \$4,119,720.00 would be available for summer only programs. We established our program acceptance on these figures. To date we have received letters of credit for \$653,628.00 for year round and \$3,232,862.00 for summer only programs. Assurance has been given to us from U.S.D.A.-F.N.S. in Washington that if our reimbursements for presently operating year round and approved summer only programs exceed the letters of credit, additional funds will be made available. It was made very clear that no expansion to new programs would be allowed.

(2) The estimated dollar value of all Section 13 applications received.—This figure is a misnomer in as much as we were told not to accept any more applications. Therefore, there were no new programs added after August except New York City which we shut off as of November 1 because of start up time and the nature of their administrative system. It is estimated that actual applications have an approximate expenditure requirement of \$5,340,000.00. There is no way we can anticipate what programs would have made applications had we not been instructed to prohibit expansion.

(3) The number of children being served under the programs we were able to fund versus the number that could have been served if all valid applications had been funded. Present operations extend to 14,918 A.D.P. children in 350 programs for the year round programs, and reached 209,943 A.D.P. children in 203 programs during the summer. It is estimated that an additional 11,765 children could have been reached had adequate funding been available. Unfortunately there are undoubtedly many children in need of additional food in centers who were verbally told funding was no longer available and who subsequently did not make application.

I sincerely hope that priorities for child nutrition programs can be clearly defined so that we at the Agency Administrative level can make some definitive plans pertaining to their direction. Either we are in the business all the way or out. This in between monster is raising havoc with those who can least afford to lose—the people and worst of all—their children.

May I extend my warmest thanks for your concern with their well-being. If there is anything further that we might possibly do to be of assistance, please ask.

Sincerely,

RICHARD O. REED.

FOUNTAIN SUBCOMMITTEE MONITORS
FDA'S REGULATION OF
DRUGS

HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. FOUNTAIN. Mr. Speaker, last month Medical World News reported

that the Food and Drug Administration, under prodding from the Intergovernmental Relations Subcommittee which I chair, had issued a special drug bulletin warning physicians not to give the drug diethylstilbestrol—DES—to pregnant women. DES, which has long been known to cause cancer in test animals, was linked early last year with the occurrence of vaginal cancer in the female offspring of women who had been treated with DES during pregnancy.

This finding was reported by investigators at the Massachusetts General Hospital in April 1971. On the basis of those reports and the discovery of other similar cases in New York State, Dr. Ingraham, the New York State Commissioner of Health, officially notified all physicians in New York of the danger of using synthetic estrogens during pregnancy. He also wrote to the FDA on June 15, 1971, offering to provide the New York case histories, and urging immediate Federal measures to ban the use of synthetic estrogens during pregnancy.

It took FDA nearly 2 months merely to acknowledge Dr. Ingraham's letter. Meanwhile, our subcommittee staff made weekly inquiries concerning FDA's position on this urgent matter. When the subcommittee could obtain no evidence at FDA that the Agency was giving this problem serious attention, I asked FDA Commissioner Edwards to be prepared to discuss it in a public hearing in November.

As Medical World News correctly points out, it was only then that the FDA acted to warn doctors of the danger of DES and other synthetic estrogen drugs—an action which the New York State Department of Health had taken many months earlier on the basis of the same scientific evidence.

Mr. Speaker, it should not be necessary for a committee of the Congress, or any other group, to prod a regulatory agency into performing its duties on a timely and efficient basis. I regret to say that it has become almost standard practice for the FDA either to ignore important health problems involving drugs and foods, or to postpone taking prompt and incisive action even after those problems have received widespread public attention.

A recent example of this is FDA's belated action on January 3, 1972, limiting the use of hexachlorophene. This action came only after the potential hazards of hexachlorophene had been given extensive coverage in the scientific and lay press.

For instance, an article in the November 19, 1971, issue of Science—the official publication of the American Association for the Advancement of Science—entitled, "Hexachlorophene: FDA Temporarily on Brain-Damaging Chemical," quotes an FDA official as having announced last spring:

We have no feeling of concern with hexachlorophene and at this time, with the information at hand, do not plan any regulatory action.

FDA is accused of delaying action even though its own scientists at the Toxicology Branch in Atlanta, Ga., had discovered the brain-damaging properties of hexachlorophene when they fed the

chemical to rats almost 3 years earlier. The Science article charges that FDA had possession of this information since 1969, and concludes:

To an alert administrator, the first reports from the Atlanta scientists should have set red lights flashing and bells ringing.

But, according to Science:

The data on hexachlorophene flowing in from the FDA scientists in the Atlanta Toxicology Branch was treated with a dilatoriness that amounted almost to suppression.

A follow-up article in the January 14, 1972, issue of Science, following FDA's action to restrict the use of hexachlorophene, sums up the situation in these words:

The FDA's handling of the hexachlorophene affair affords in several respects a notable case study of regulatory action. If the FDA had not allowed the use of hexachlorophene to mushroom in the absence of adequate safety data, the situation would not have arisen in which millions of consumers are being exposed daily to a potentially brain-damaging chemical. Moreover, the various regulatory positions adopted by the agency appear to be markedly out of phase with the scientific data on which they were presumably based.

Procrastination and inaction by FDA are maladies sorely in need of correction. I want to assure my colleagues that I intend to do everything I can to help insure that FDA properly performs the important responsibilities which the Congress has entrusted to it.

The articles from the December 17, 1971, issue of Medical World News and the November 19, 1971, and January 14, 1972, issues of Science follow:

[From the Medical World News, Dec. 17, 1971]

WARNING FROM THE FDA—DOCTORS CAUTIONED ABOUT ESTROGEN IN PREGNANCY

The Food and Drug Administration, under pressure from a congressional subcommittee, has warned doctors not to give diethylstilbestrol (DES) to pregnant women. Use of the drug during pregnancy appears to increase the risk of female offspring developing vaginal adenocarcinoma years later, the agency has told physicians in a special FDA drug bulletin.

A synthetic nonsteroidal estrogen developed in 1938, DES was the first inexpensive orally effective estrogen introduced in medicine. The National Academy of Sciences' drug efficacy study reports it is effective for replacement therapy in cases of estrogen deficiency associated with menopausal syndrome, for control of functional uterine bleeding, for relief or prevention of engorgement of the breasts postpartum, and for palliative therapy in the treatment of carcinoma of the prostate in men and of carcinoma of the breast in postmenopausal women.

In the late 1940s and early 1950s, another use of DES became common: administering it in doses of 5 mg to 150 mg per day to prevent threatened abortion. But last April, Dr. Arthur L. Herbst and colleagues at Massachusetts General Hospital, Boston, reported an association between adenocarcinoma of the vagina in women in their late teens and early twenties and administration of DES to their mothers during pregnancy.

Although the Mass General investigators reported their findings to the FDA, the federal agency did nothing except follow developments of the research. Dr. Herbst had identified eight cases of adenocarcinoma of the vagina in which the mothers had taken DES years before. None of the mothers of 32 control women free of disease had taken the drug.

Then in August, Dr. Peter Greenwald and his colleagues in the New York State Department of Health reported another five cases. The New York commissioner of health passed the word on to the FDA and suggested that the agency alert physicians nationwide.

At this point, Rep. L. H. Fountain (D-N.C.), chairman of the House Intergovernmental Relations Subcommittee, got into the act, prodding the FDA to move. But it was not until the Fountain subcommittee announced that it would hold hearings on the agent that the FDA required manufacturers to list pregnancy as a contraindication in the package insert.

At the hearings, FDA Commissioner Charles Edwards explained that his agency had been following the situation closely since April but had delayed action until it could study all the data. "It must be emphasized that this type of epidemiologic study defines only an association and not a cause-and-effect relationship," he testified. Nevertheless, he announced that the FDA would caution doctors individually about the association in the special drug bulletin.

All other estrogens—except oral contraceptives containing these agents—will be required to have the following warning in the labeling, says the bulletin: "A statistically significant association has been reported between maternal ingestion during pregnancy of diethylstilbestrol and the occurrence of vaginal carcinoma developing years later in the offspring. Whether such an association is applicable to all estrogens is not known at this time. In any case, estrogens are not indicated for use during pregnancy."

Meanwhile, the Fountain subcommittee is focusing on another question relating to DES: Should the drug continue to be used as an additive to animal feed to stimulate faster growth, in light of its association with cancer and in the face of increased reports of DES residues in slaughtered beef?

[From the Science magazine, Nov. 19, 1971]

HEXACHLOROPHENE: FDA TEMPORIZES ON BRAIN-DAMAGING CHEMICAL

The Food and Drug Administration is preparing to take limited action against certain uses of a brain-damaging chemical some 18 months after scientists in one of the agency's regional offices first raised doubts about the chemical's safety. The chemical, hexachlorophene,* is an antibacterial agent used in a wide variety of soaps, shampoos, deodorants, creams, and sundry cosmetics. Hexachlorophene will probably turn out to be quite innocuous in most of its normal uses, but because of confused and dilatory action, the FDA and the industries it is supposed to regulate have not yet managed to assess the potentially serious hazards the chemical presents.

The chief of these hazards is that small concentrations of hexachlorophene produce microscopically visible damage in the brains of rats. Since the chemical is absorbed through the skin, it may reach harmful concentrations in the blood, particularly of people who make heavy use of hexachlorophene-containing products. A second danger, even less well assessed, is that hexachlorophene may contain as a manufacturing impurity the group of chemicals known as dioxins, minute quantities of which can cause violent skin eruptions and acne.

Hexachlorophene has enjoyed more than two decades of safe use as the standard antibacterial agent of soaps. This record was chiefly due to the responsible policy of the Swiss-based Givaudan Corporation, which developed and patented the chemical. Contrary to its best commercial interests, Givaudan sold hexachlorophene only to companies that could demonstrate a safe and effective use for it in their products. When Givaudan's

patent expired 3 or 4 years ago, so did its control. Regulation passed to the FDA, which has placed virtually no restrictions on the chemical.

Because of its extreme toxicity, Givaudan refused to sell hexachlorophene for such internal uses as in throat lozenges. But the FDA has countenanced its use in toothpastes and mouthwashes. Hexachlorophene is now an ingredient of some 300 to 400 products, ranging from fungicides for vegetables and citrus fruits, to shoeliners, shampoos, and after-shave lotions. Among its most need-less uses is in vaginal deodorants, a \$53 million-a-year racket founded on high pressure advertising and the ruthless exploitation of modern phobias about body odor. (Hexachlorophene is not even effective against the type of bacteria chiefly responsible for vaginal odor.) Like DDT, another chlorinated aromatic compound, hexachlorophene has become a common human additive, being present in the bloodstream in amounts typically of 1 part per billion. Such has been the consequence of regulatory responsibility passing from an industrial company to a government agency.

Danger signals about hexachlorophene have not been wanting, only ignored. Two unique diseases, chloasma and burn encephalopathy, have been associated with the chemical. Chloasma, described as a blackening of the face, was reported in 1961; burn encephalopathy, a state of coma and muscle twitching often observed in burn patients treated with hexachlorophene, was described in 1968 by D. L. Larson of the Galveston Shrine Burn Institute. Chloasma and other skin diseases that have periodically been associated with hexachlorophene should have been particularly suggestive to would-be regulators. Hexachlorophene is synthesized from 2,4,5-trichlorophenol, the same chemical that in the manufacture of the herbicide 2,4,5-T is known to give rise to dioxin. Dioxin was found in the mid-1960's to cause the gross skin disease, named chloracne, that disfigured workers in a 2,4,5-T plant.

Equally suggestive should have been the finding, first announced in 1967, that hexachlorophene can enter the body not just via wounds and burns, but through the intact skin. No one in the FDA seems to have been bothered by the thought that a poison intended for external use only might daily be reaching the bloodstream of millions of users.

Nonetheless, though for a quite different reason, it was an FDA scientist who first raised the lid on hexachlorophene. Because of a manufacturer's application to use hexachlorophene as a fungicide, a test of the chemical's toxicity was undertaken at the FDA's toxicology branch in Atlanta, Georgia. Renate D. Kimbrough and her colleague Thomas B. Gaines found that rats became paralyzed after a 2-week diet containing 500 parts per million (ppm) of hexachlorophene. Examining the rats' brain and spinal cord, they noticed "a peculiar edema of the white matter resembling spongy degeneration. . . ." (The damage was reversible; animals removed from the diet recovered over a period of weeks.) Later studies established that the same brain lesions were produced (in 8 out of a group of 10 rats) by a diet containing as little as 100 ppm of hexachlorophene, but no effect was observed with a diet of 20 ppm. In a review of these and other results that was finally published this August, Kimbrough concluded that "At the present state of our knowledge, the unnecessary use of concentrated hexachlorophene should be curtailed, and residues on food products should be reviewed and restricted when appropriate."

The relevance of the rat data to man was studied further by two other FDA scientists, Robert E. Hawk and August Curley, also of the Atlanta Toxicology Branch. Measuring the concentrations of hexachlorophene in the blood of rats, Hawk and Curley found that rats fed a diet containing 100 ppm of

the chemical were carrying an average of 1.2 ppm in their blood (with a range of 0.985 to 1.48 ppm). Rats fed more concentrated diets of hexachlorophene had a proportionately heavier load of hexachlorophene in their blood. Blood levels measured in 12 human subjects with no unusual exposure to the chemical ranged from a minimum of 0.005 ppm, to 0.089 ppm for the subject who had made the greatest recent use of a hexachlorophene product. The latter concentration is almost a tenth of that which causes gross brain damage in the rat. These results were announced by Curley and Hawk in March at a meeting of the American Chemical Society.

Another important study by the four Atlanta scientists concerned the use in hospitals of concentrated hexachlorophene solutions to wash infants. In collaboration with Gerald Nathanson and Laurence Finberg of the Montefiore Hospital in New York City, they found that at the time of discharge from hospital the infants had accumulated blood levels of hexachlorophene averaging 0.109 ppm. The highest level recorded—0.646 ppm—was measured in a baby boy washed five times with a 3 percent solution of hexachlorophene. This level is more than half the blood concentration which causes brain lesions in rats.

What was the response of the FDA to the information emerging about hexachlorophene? In fact, the agency was learning almost nothing it had not already known since at least April 1971, at which time an FDA official announced, "We have no feeling of concern with hexachlorophene and at this time, with the information at hand, do not plan any regulatory action." The important work of the FDA's Atlanta scientists had been communicated to the FDA's Washington office a year beforehand, in April 1970, and in preliminary form as early as July 1969. Moreover, studies carried out by the FDA's Washington staff had brought to light serious data about the levels of hexachlorophene attained in human blood.

These studies, though not yet published, form part of an internal FDA review of hexachlorophene, a first draft of which was completed in June. Parts of the report were seen by Cecil H. Fox of West Georgia College, Carrollton, Ga., in the course of a study of hexachlorophene he made this summer as a member of Ralph Nader's Center for the Study of Responsive Law. From documents made available by Fox to *Science*, it appears that quite high levels of hexachlorophene have been detected in human blood by the FDA study. For instance, persons showering with pHisoHex (a 3 percent solution of hexachlorophene) accumulated between 0.1 and 0.38 ppm of hexachlorophene in their blood. Mouthwash users who gargled once a day with a 0.5 percent hexachlorophene solution for 3 weeks built up an average concentration of 0.06 ppm hexachlorophene in their blood.

The highest level found in shower users—0.38 ppm of hexachlorophene in their blood, a level that causes gross brain damage in rats. Another group of hexachlorophene users at risk are the 24 million Americans who use vaginal deodorant sprays. The residues of these sprays, once the volatile matter has evaporated, are surprisingly strong in hexachlorophene. Analyses conducted in the FDA Division of Colors and Cosmetics Technology show that Vespri, the number two best seller, contains 0.24 percent hexachlorophene in the bulk spray, but 98.5 percent in the residue left on the skin. FDS, the market leader, contains only 0.08 percent hexachlorophene in bulk, but 4.4 percent in its nonvolatile matter. The FDA has received a score of consumer complaints about vaginal deodorants in the last year and the manufacturers have had many more.

Another group of users at risk are acne sufferers, for whom strong hexachlorophene solutions such as pHisoHex are the standard prescription. Besides the chance that hexachlorophene may enter the bloodstream in

*Hexachlorophene is known chemically as 2,2'-methylenebis(3,4,6-trichlorophenol).

large doses, acne sufferers stand to have their condition exacerbated by any dioxin that may from time to time contaminate hexachlorophene samples. The extreme toxicity of dioxin—a single exposure of between 1 nanogram and 1 microgram will raise a visible reaction on the skin—means that levels below the ordinary limits of detection may still be toxic.

These and the other risks to users of hexachlorophene products are impossible to evaluate without more data than is at present publicly available. But the FDA seems to have been less than zealous in generating the necessary data. The most pertinent grant the agency is supporting is one that it grudgingly inherited from a Public Health Service program. Moreover, the data on hexachlorophene flowing in from the FDA scientists in the Atlanta Toxicology Branch was treated with a dilatoriness that amounted almost to suppression. The first news of Kimbrough's toxicity tests on rats started to reach the FDA in monthly reports dating from July 1969. A completed paper by Kimbrough and Gaines describing the microscopic damage caused by hexachlorophene in the brains of rats was submitted for approval to the FDA's Washington office in April 1970. After a 7-month delay, the paper was approved for publication and finally entered the public domain as an article in the August 1971 issue of *Archives of Environmental Health*. A major review of the literature on hexachlorophene was completed by Kimbrough for the FDA in May 1970 but took another 15 months to reach the public eye. Curley and Hawk submitted for publication in June 1970 their data on hexachlorophene concentrations in rat and human blood; the FDA refused permission to publish for 6 months, until in January 1971 the Atlanta Toxicology Branch was transferred to the newly created Environmental Protection Agency, a move that allowed the two scientists to make their work known at the American Chemical Society meeting this March.

To an alert administrator, the first reports from the Atlanta scientists should have set red lights flashing and bells ringing. The issues raised by the Atlanta experiments required urgent answers to such questions as what significance the rat data have for man. Are humans more or less sensitive to hexachlorophene than rats? If a blood level of 1.2 ppm hexachlorophene causes gross brain damage in the rat, do lesser doses cause any detectable behavior change? What is the upper level of dioxin that could escape detection in hexachlorophene and yet still cause skin damage?

The FDA has had at least 18 months to answer these questions, but so far has neither acted against hexachlorophene nor set forth reasons for not doing so. Hexachlorophene may, in fact, be quite safe for most normal uses, but the longer the FDA delays announcing the reasons for supposing this to be the case, the greater the likelihood that political pressures rather than scientific data will decide the issue.

These pressures have already started to act, following the publication in August of the Atlanta scientists' work. The FDA has been working for 6 months on a second scientific review of hexachlorophene, the completion of which would, in normal circumstances, precede any regulatory action. Although the report is not expected to be ready for up to a month, the FDA announced last week, through the mouth of its press officer John T. Walden, that it will act "soon" to require warning labels on vaginal deodorants and liquid skin cleansers such as pHisoex. The industries concerned responded with the arrogance and strong-arm tactics that are known to pay off against the FDA. Leonard H. Lavin, president of the Alberto-Culver Company, which makes the market-leading FDS vaginal deodorant, fired off a telegram

to FDA Commissioner Charles Edwards demanding that Walden be sacked for his "inaccurate, irresponsible and unauthorized statements about certain products containing hexachlorophene." (Walden's crime was to tell the Washington Post that there is no medical justification for hexachlorophene in vaginal deodorants.) Lavin demanded a meeting in Washington with Commissioner Edwards the next day. According to E. P. Doyle, Alberto-Culver's vice-president for public relations, "We had a meeting with Edwards on Friday afternoon and we feel satisfied that they will await more scientific evidence before taking any action. Our people feel the FDA doesn't have any good scientific information and was acting simply on the basis of generalized and somewhat biased articles," Doyle added.

The FDA's promise of further delay to Alberto-Culver may not be in either's interest, since countervailing pressure from Congress and consumers may rush the agency into a premature and unnecessarily harsh decision. And while the FDA makes up its mind, the public continues to bear whatever risk exposure to hexachlorophene may represent.—NICHOLAS WADE

[From the Science Magazine, Jan. 14, 1972]

FDA'S "PRUDENCE" ON HEXACHLOROPHENE

The Food and Drug Administration (FDA) last week announced sweeping restrictions on hexachlorophene, the antibacterial agent to which the public is now exposed through some 400 different products ranging from soaps to cosmetics and vaginal deodorants. "The only prudent course is to reduce the total human exposure to hexachlorophene," explained FDA Commissioner Charles C. Edwards.

The FDA's handling of the hexachlorophene affair affords in several respects a notable case study of regulatory action. If the FDA had not allowed the use of hexachlorophene to mushroom in the absence of adequate safety data, the situation would not have arisen in which millions of consumers are being exposed daily to a potentially brain-damaging chemical. Moreover, the various regulatory positions adopted by the agency appear to be markedly out of phase with the scientific data on which they were presumably based. The results of crucial experiments indicating that hexachlorophene causes lesions in the brains of rats were made available to FDA decision-makers in April 1970 and were communicated in preliminary form as early as July 1969 (*Science*, 19 November 1971). Yet as recently as 10 November 1971 agency spokesmen said there were no plans to seek an outright ban on hexachlorophene, only to require certain products to carry warning labels.

The only new evidence that appears to have come to light between then and last week's restrictions is a study submitted to the FDA on 19 November by Winthrop Laboratories, in which newborn monkeys washed daily for 90 days with a 3 percent hexachlorophene solution were found to have developed brain damage similar to that observed in rats.

There is no immediately obvious reason why such a study, a necessary confirmation of the rat data, was not required or instituted by the FDA 21 months ago, when the rat experiments were first reported. (These experiments were carried out by FDA scientists based in Atlanta, Georgia, but because of the agency's protracted delay in granting permission to publish, the data have reached the public domain only in the last few months. In published documents, the FDA misleadingly refers to this data as a "recent" study.)

Few drugs are totally free of risk, but in most instances the risks are far outweighed by the benefits. Such is not the case with

many of the uses of hexachlorophene; a report by the Drug Efficacy Study Group of the National Research Council, which was released last month by the FDA, concludes that hexachlorophene preparations are "lacking in substantial evidence of effectiveness for . . . the broad claim as a vaginal douche, in the treatment of chronic eczema, in irrigating or cleansing wounds and burns, and as an 'aid to personal hygiene.'"

An FDA *Drug Bulletin* issued last month gives the impression that this important study is of recent origin by stating that it was published by the FDA on 8 December 1971. In fact, the study has been in the FDA's possession for nearly 3 years, since April 1969.

The market for vaginal deodorants, most of which contain hexachlorophene as the principal active ingredient, has grown from nothing 5 years ago to a business worth \$53 million a year and involving 24 million women. Probably more than half of this growth has occurred since mid-1969, by which date the FDA knew both that hexachlorophene was ineffective as a vaginal deodorant and that it was potentially damaging to mammalian brains.

The FDA has the strictly legalistic defense that vaginal deodorants are a cosmetic, and cosmetics, unlike drugs, are not required by the Federal Food, Drug, and Cosmetic Act to be proven safe and effective prior to marketing.

The hexachlorophene incident seems to have stimulated an important reinterpretation of this *caveat emptor* policy. In a statement to be published this week in the *Federal Register*, the FDA professes, "It is fundamental that no manufacturer of a consumer product has the right to place that product on the market without first substantiating its safety. . . . In the case of a cosmetic, although the act does not require FDA approval prior to marketing, it necessarily contemplates that the manufacturer has obtained all data and information necessary and appropriate to substantiate the product's safety before marketing."

Because this has not been the case for hexachlorophene, the FDA found it necessary last week to ban the use of hexachlorophene as an active ingredient in cosmetics (it may be used as a preservative at a level no higher than 0.1 percent) and to require that soaps and other skin cleansers containing more than 0.75 percent hexachlorophene be available by prescription only. All antibacterial ingredients used to replace hexachlorophene in cosmetic compounds must be adequately tested for safety prior to marketing, failing which the packet must bear a prominent warning.

This regulatory action, which will safeguard the millions of consumers who use vaginal deodorants and high concentration hexachlorophene cleansers, is the direct—albeit long delayed—consequence of work by the scientists at the FDA's toxicology branch in Atlanta (the branch has since been transferred from the FDA to the Environmental Protection Agency). The scientists are Renate D. Kimbrough and Thomas B. Gaines, who first discovered the braindamaging properties of hexachlorophene when they fed it to rats. These results were confirmed and extended by August Curley and Robert E. Hawk, also of the Atlanta toxicology branch. It is presumably indicative of the value placed by the FDA on good science that these scientists have not yet received any word of official praise or recognition for their achievement.

In a review of the hexachlorophene question made available to the FDA in May 1970, Kimbrough concluded "At the present state of our knowledge, the unnecessary use of concentrated hexachlorophene should be curtailed." Some 21 months later, Commissioner Edwards has acted on Kimbrough's advice.—N.W.

THE ONE TRULY NECESSARY DUTY
OF GOVERNMENT

HON. JOHN G. SCHMITZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. SCHMITZ. Mr. Speaker, Milton Friedman, professor of economics, said:

The excuse for the destruction of liberty is always the plea of necessity—that there is no alternative.

What are the truly necessary tasks of Government? Today we are told that it is Government's indispensable duty to become involved in almost every area of American life. Such major assaults on liberty as mandatory Federal price and wage controls are justified in the name of necessity. Every proposed cut in Federal spending or elimination of bureaucrats from the public payroll is greeted with anguished howls that every cent and every desk is absolutely necessary. The web of governmental restrictions on the life and work of the productive citizen grows tighter and more complex while more and more special, unearned privileges go to the unproductive.

It is time we started talking sense about what Government really has to do.

The one truly necessary task of Government is protection of the lives and the property of its citizens. This is the purpose for which governments were established at the very beginning of the history of civilizations. It is the one function of Government we cannot live without. History has shown again and again that when any government ceases to be able to perform this, its essential duty, either it is promptly supplanted by a foreign government through conquest which can at least keep order, or there is a plunge into anarchy whose horrors soon make the people willing to accept any government, no matter how tyrannical, as the lesser of evils.

When France was plunged into anarchy at the time of the French Revolution, the result was a totalitarian state under Napoleon Bonaparte who nearly conquered the world. When Russia was plunged into anarchy after the Kerensky government overthrew the Czar in 1917, the result was to pave the way for Bolshevik dictatorship. In both these cases the enemy was within. But he may also come from outside, as when France in 1940 had allowed its national defense to become wholly inadequate resulting in Hitler's lightning conquest of the country in just a little more than 1 month.

Whenever our Government is no longer able to protect American citizens adequately against crime and subversion at home and would-be conquerors abroad, we will suffer exactly the same fate.

Yet one would hardly guess it by listening to the rhetoric of our numerous Presidential candidates of both parties as they "gear up" for the 1972 campaign, telling us that our real problems are poor social relations and "pockets of poverty" in our cities—problems which

supposedly can be solved by hiring more bureaucrats to hand out more money.

We are finding that as we extend Government into more and more areas where its intrusion is not necessary and in many cases actually harmful, the ability and willingness of Government to perform its one essential task declines. We concentrate so much on trying to cure the stomachaches and runny noses of our society that we forget the man who is pointing a gun at our head, or try to pretend that he can be "reasoned with" through negotiations or that a flower will grow out of his gun barrel. We may take it almost as a natural law of government that the more different jobs we give it to do, the less well it will do its essential job of protecting the lives and property of our people.

The first questions every 1972 candidate for President and for Congress should hear are: What are you going to do about crime in the streets? What are you going to do about internal subversion and revolutionary violence? Above all, what are you going to do to strengthen our national defense?

LESSONS OF HISTORY WARN
AGAINST PRESIDENT'S TRIPS TO
MOSCOW AND PEKING

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. RARICK. Mr. Speaker, many of our colleagues may recall a popular book of three decades ago entitled "You Can't Do Business With Hitler." The thesis of the writing is that a dictator is an unscrupulous, hard dealing, and uncompromising person who acts almost always to serve his own interests. Any concessions are made with the view of using the concession to achieve some greater gain for himself. His words are suspect and his promises are kept so long as they serve his purposes.

Now that Herr Kissinger has arranged for the President to confer with Red China's Dictator Mao next month and with Communist Russia's Dictator Brezhnev in May, a similar volume entitled "You Can't Do Business With the Communists" is needed at once for the edification of President Nixon. This would be a worthy project for the Ford Foundation to subsidize.

History has been defined as the story of what a people did, and what happened to them because of what they did. It has been said before that those who fail to learn and profit from the lessons of history are doomed to repeat them. This maxim applies to nations as well as to individuals.

In an enlightening speech given in Toronto, Canada in 1959, our Ambassador to Canada at the time, the Honorable Richard B. Wigglesworth, expressed the policy of our Government toward Soviet Russia when he traced the history of the treachery, broken promises, and aggressive imperialistic expansionism of the Soviets. He concluded his address with the following sage counsel:

Why is it when the record of the current

history of the Soviet Union is so clear, when the written and spoken words of its leaders are so specific in pointing to world domination as the basic objective of the Soviet Union, that some people . . . believe that the Soviet Union is peace loving.

Again, I think that the answer is a simple one. They believe that the Soviet Union is peace loving because it says so and because it says so repeatedly in skillful, clever and sophisticated ways until the real record is forgotten.

The agents of World Communism devote much more money, more time and more energy to propaganda than does the free world. Their immediate tasks are often simplified by the fact that they are completely unhampered by facts or truth in carrying out their mission.

While the attitude of the United States toward Communist countries has mellowed, the Communists have not relaxed in their drive for world domination.

The history of the Soviet Union since 1917 reveals that its ruthless dictators have gone back on almost every promise and treaty they have ever made. In fact, their leaders have boasted that "promises are like piecrusts, made to be broken." They have been unyielding in their negotiations as have the Red Chinese—except when the goals of international communism are advanced—and as a consequence the United States has ended up placating and appeasing them with generous concessions. The United States has been accused on numerous occasions by both Red Russia and Red China of being an imperialistic country while in reality they alone are the true imperialists, and even today they continue their aggressive imperialistic expansionism. I insert in the Record at this point the imperialistic record of aggressive territorial expansion of the Soviets and Red Chinese as of 1970:

	Area (square miles)	Population (before annexation)
Territories annexed:		
Rumanian provinces.....	19, 446	3, 700, 000
Estonia.....	18, 353	1, 122, 000
Latvia.....	25, 400	1, 951, 000
Lithuania.....	22, 059	2, 957, 000
Northern East Prussia.....	5, 418	1, 187, 000
Eastern Czechoslovakia.....	4, 900	731, 000
Eastern Poland.....	70, 000	11, 800, 000
Finnish provinces.....	18, 000	450, 000
Tannu Tuva.....	64, 165	65, 000
Japanese possessions.....	17, 850	433, 000
Tibet.....	560, 000	1, 200, 000
Total.....	825, 591	25, 596, 000
"Socialist camp" dependencies:		
Albania.....	11, 100	2, 019, 000
Bulgaria.....	42, 845	8, 370, 000
Cuba.....	44, 218	8, 074, 000
Czechoslovakia.....	49, 370	14, 362, 000
Eastern Germany.....	41, 500	16, 100, 000
East Berlin.....	155	1, 100, 000
Hungary.....	35, 919	10, 284, 000
Poland.....	120, 832	32, 207, 000
Romania.....	91, 660	19, 721, 000
Outer Mongolia.....	604, 090	1, 174, 000
North Korea.....	46, 814	13, 100, 000
North Vietnam.....	63, 360	20, 000, 000
Total.....	1, 151, 663	146, 511, 000
Total annexations and dependencies.....	1, 977, 154	172, 107, 000
Under attack:		
Cambodia.....	69, 898	6, 557, 000
Laos.....	91, 429	2, 825, 000
South Vietnam.....	66, 263	17, 404, 000
Total.....	227, 580	26, 786, 000
Grand total.....	2, 204, 834	198, 893, 000

Source: AFL-CIO, "Who is the Imperialist," June 1971.

Mr. Speaker, the President's proposed trips to Peking and Moscow, if carried out, will prove to be disastrous to the liberties of American citizens or they will produce nothing. The clear lessons of history prove that free peoples cannot do business with dictators, be they Communist or Fascist. The President would do well to heed the caution of Pope Pius XI in his 1937 Encyclical Letter "On Atheistic Communism:"

See to it, Venerable Brethren, that the Faithful do not allow themselves to be deceived! Communism is intrinsically wrong, and no one who would save Christian civilization may collaborate with it in any undertaking whatsoever.

I insert in the RECORD at this point the text of an address given on April 16, 1959 by the Honorable Richard B. Wigglesworth, U.S. Ambassador to Canada at that time:

[From the Ottawa Journal]

U.S. AMBASSADOR WARNS: "WE MUST NOT FORGET"

(NOTE.—Text of address of Richard B. Wigglesworth, Ambassador of the United States, at a combined meeting of the Canadian and Empire Clubs of Toronto, April 16, 1959.)

I would like to refer briefly to some of the reasons back of current free world policy toward the Soviet Union.

I would like to cut through the propaganda fog which the Soviet Government so ably spreads and take a look at the record of the past 20 years in the belief that the undisputed facts clearly reveal for all who will look, the basic objectives of Soviet foreign policy.

I would hope that these approaches would leave no room for doubt or fancy regarding the basic objectives and motives of the Soviet Union and will explain why my country does not feel that it can gamble its security by basing important agreements with the Soviet Union on faith, a quality which recent history shows it scarcely deserves.

In my judgment the best place to look for clues with respect to future actions by the Soviet Union is in its past actions. The free world cannot afford to overlook the lessons of history and of experience if it is to survive. Past Soviet actions are the only solid indications we have as to future intentions unless we accept as gospel the no more reassuring writings and statements of their leaders such as Khrushchev's recent remark: "We will bury you."

The history of the last 20 years can be forgotten only at our risk and peril. We must not forget that on October 31, 1939, Mr. Molotov in a speech before the Supreme Soviet referred to the then recently concluded mutual assistance pacts between the Soviet Union and Estonia, Latvia and Lithuania. He said: "All these pacts of mutual assistance strictly stipulate the inviolability of the sovereignty of the signatory states and the principle of non-interference in each other's affairs. These pacts are based on mutual respect for the political, social and economic structure of the contracting parties, and are designed to strengthen the basis for peaceful and neighborly co-operation between our peoples. We stand for the scrupulous and punctilious observance of the pacts on the basis of complete reciprocity, and we declare that all the nonsensical talk about the Sovietization of the Baltic countries is only to the interest of our common enemies and of all anti-Soviet provocateurs." This speech was delivered less than 20 months before the USSR with its Red Army incorporated by force these three independent countries into the Soviet Union. It was delivered only 20 months before the cattle cars moved eastward to Siberia loaded with tens of thou-

sands of men, women and children who had done no wrong unless wishing to live in peace as citizens of independent countries was wrong. They had put their trust in Soviet good faith.

We must not forget the key role of the Red Army poised on the border when the death knell of democracy was sounded for Czechoslovakia in February of 1948.

We must not forget the first threat to Berlin in June of 1948 and the free world's victory through the round the clock airlift.

We must not forget that at the Geneva summit meeting in 1955 the Soviets agreed that "The Heads of Government, recognizing their common responsibility for the settlement of the German question and the reunification of Germany, have agreed that the settlement of the German question and the reunification of Germany by means of free elections shall be carried out in conformity with the national interests of the German people and the interests of European security".

At the Foreign Ministers' conference in Geneva four short months later the Soviet Union refused to reflect that commitment in any action or agreement.

We must not forget that it was only two and a half short years ago that the incredibly brave Hungarian people rose in a supreme effort to obtain freedom and a government of their own choosing. They were on the verge of success when Soviet tanks brought in from outside Hungary killed thousands of unarmed Hungarians and forcibly reimposed an unwanted regime on that country.

We must not forget that it was only five months ago that the Soviet Union artificially created a crisis between East and West over Berlin while loudly professing its dedication to peace.

Gentlemen, the basic motives of the Soviet Union during the past 20 years can be summed up in the words aggressive expansion. Aggressive expansion by subversion and the exertion of political pressure, if possible—by the use of force, if necessary, and if it appears to promise success.

And by subversion I of course mean the whole arsenal of weapons including threats, false promises, infiltration, economic warfare and other familiar tactics of the cold war. The free world must be prepared to overcome encroachment either by force or by subversion. By its united military strength it has blocked any recent expansion of the Soviet Union by military means and forced the Kremlin to turn to subversion. By united action it can also counter Soviet subversion.

I have spoken of disarmament.

Following World War II the Soviet Union maintained much of its vast military apparatus while the free world drastically demobilized its armed forces. Today it is estimated that the Soviet army has about 175 divisions while only 21 divisions are in the central command of the NATO Commander, General Norstad. The only way the West can hope to face these overwhelming odds is by having adequate armaments including appropriate nuclear weapons.

The USSR in all disarmament discussions has had as a major objective increasing the relative effectiveness of its massive manpower by denial of nuclear weapons to the West. The West has maintained that only through an agreement under which conventional forces are phased more nearly into balance can the limitation of nuclear weapons be considered. The West for reasons already mentioned has also taken the position that an effective inspection system is an essential part of disarmament.

The Soviet Government has maintained the absurd position that the purpose of the West in insisting on an inspection system is not to insure that a disarmament agreement is carried out but is a subterfuge to permit espionage.

I have referred to disengagement.

Soviet ultimate objectives with respect to the various forms of disengagement which have been proposed include the withdrawal of allied forces including Canadian, United States, British and French forces from Germany to their respective countries (3,000 miles for the Canadians and Americans) in exchange for withdrawal of Soviet troops within their borders (a few hundred miles); the neutralization of Germany; and the break-up of NATO.

Aside from the completely artificial creation of the Berlin crisis by the Soviet Union the European border between the Soviet orbit and the West has been comparatively free from dangerous incidents. This in itself casts doubt on the Soviet contention that military disenchantment alone—that is the mere physical separation of forces—would reduce world tension. The vital elements in the reduction of world tension is not military disengagement but political disengagement to which the Soviet government has yet to make any significant contribution.

I have mentioned the discontinuance of nuclear weapons tests.

The United Kingdom and the United States as you know have been ready and willing to reach an agreement to ban such tests provided there is effective, impartial machinery for policing such a ban.

As those of you who have followed the recent discussions at Geneva in the press will appreciate the Soviet representatives have been insisting on a system of self-inspection supervised by a control organization subject to veto by any one of the permanent members of the commission. This would give a possible violator full power to prevent any action whatsoever and is not the effective, impartial machinery which the free world must insist on. The West cannot base its survival solely on faith in the word of the Soviet Union in dealing with matters of such vital importance.

Why is it when the record of the current history of the Soviet Union is so clear, when the written and spoken words of its leaders are so specific in pointing to world domination as the basic objective of the Soviet Union, that some people believe that the Soviet Union is peace loving?

Again, I think that the answer is a simple one. They believe that the Soviet Union is peace loving because it says so and because it says so repeatedly in skillful, clever and sophisticated ways until the real record is forgotten.

The agents of World Communism devote much more money, more time and more energy to propaganda than does the free world. Their immediate tasks are often simplified by the fact that they are completely unhampered by facts or truth in carrying out their mission.

PRESIDENT NIXON FAILS TO SET A DATE AND FAILS TO STOP THE BOMBING

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mrs. ABZUG. Mr. Speaker, Mr. Nixon has not taken the two simple steps that are needed to end this war. He failed to set a date for withdrawal contingent only on the release of our prisoners of war, as is "the policy of the United States"—expressed in section 601 of the Military Procurement Act, Public Law 92-156. And, he did not say he would immediately stop the mass bombing

which has intensified over the past 2 months.

What is also shocking is that he conducted these negotiations in secret, unknown to the U.S. Congress, when these are matters of public interest and public concern. The fact that the announcement was made jointly with General Thieu, the nonelected dictator of South Vietnam, is even more upsetting, because it makes it seem that the propping up of the Thieu regime remains a major object of the President's policy.

MICHIGAN'S SENATOR ROBERT P. GRIFFIN

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. VANDER JAGT. Mr. Speaker, during the interval between congressional sessions the Detroit Sunday News carried an excellent story by editorial writer Harry Karns on U.S. Senator ROBERT P. GRIFFIN. I am very pleased to share this account of the career of the Senate's assistant minority leader with my colleagues in the House of Representatives:

WILL ANTBUSING STAND WIN OR LOSE FOR BOB GRIFFIN?

(By Harry Karns)

Senator Robert Griffin appears to be in trouble. Paradoxically, that worries the Democrats.

Check the indications from recent samplings:

Griffin is running no better than neck and neck against prospective Democratic foes in his bid for re-election in 1972.

The Republican national administration is trailing in Michigan.

But Griffin is at his best when the chips are down. In the language of professional football, he is a quarterback who makes "the big play." He is a classic unlooser of "the long bomb"—the pass that wins the game when it seems lost.

Therefore, it's the Democrats who are on the defensive.

Griffin may have found his "long bomb" in the school busing issue.

When the volatile issue of busing first blazed up, some politicians, unwilling to dispute the courts or antagonize civil rights forces, pretended not to notice the issue and prayed it would go away. Others acknowledged and came down on both sides of it.

Griffin, gambling that he correctly sensed the depth of public concern, took a stand against forced busing. He offered a direct and simple remedy which at first seemed politically unlikely but may finally prove to be the only way to satisfy majority opinion: a constitutional amendment making forced busing illegal.

It was a typical Griffin performance.

Some men fashion political careers by avoiding controversy. Griffin has fashioned his by going to the heart of bitter argument; by rocking the boat; by challenging people who appear invulnerable; by championing causes that seem impossible.

With an audacity disturbing to old hands, Griffin in 1965 executed a congressional coup which, had it failed, could have made a laughing stock of him and could have wrecked his political career irreparably. Then a member of the House, he led a rebellion by moderate and liberal "young Turks" against what they regarded as the negative leader-

ship of Rep. Charles A. Halleck, the Republican floor leader. Warnings of fiasco ringing in his ears, Griffin succeeded in dumping Halleck and installing Rep. Gerald R. Ford, a fellow Michiganian, in his place.

Scarcely had Griffin got his feet wet as a U.S. senator than he collided head-on with the American Bar Association, Senate leaders in both parties, and President Johnson by opposing the confirmation of Justice Abe Fortas as chief justice. The late Senator Everett Dirksen described Griffin's objections as "frivolous, diaphanous gossamer."

Standing virtually alone at first and appearing certain to be rebuffed, Griffin finally prevailed, and Fortas departed from the court altogether. It was the first time since 1795 that a nominee for chief justice had been refused confirmation by the U.S. Senate. Dirksen recalled something Charles Halleck had said about Griffin: "Don't underestimate the power of this young man."

How is it that Griffin, who rides forth like Don Quixote, often manages to return from battle looking like Sir Lancelot?

He has neither charismatic personality nor one of those well-oiled publicity machines that turn pumpkins into coaches. In fact, there is something actually anti-publicity about Griffin's low-key, monosyllabic administrative staff and his public relations corps, whose members seem to be saying: "You don't want to buy any brushes today, do you?"

Everything about Griffin's appearance conveys an impression of squareness and marks him—erroneously, it turns out—as Mr. Average. He has what the barbers call "a regular gentleman's haircut," peers intently through an undistinguished pair of glasses, wears a nondescript suit and necktie. He's a Kiwanian and a member of the American Legion and the Boy Scouts. The major work of art on the wall of his office is a portrait of the late Senator Robert Taft. And, the final testament, he has been named one of the Ten Outstanding Young Men in America by the U.S. Jaycees.

At first Griffin seems an innocuous personality with a pleasant smile. Under the surface of that smile, however, is the hardness of a man with compelling ambitions, a man difficult to get close to or absorb warmth from.

Nobody searches out Robert Griffin for a light-hearted chat. The peak of his hilarity was a proposed amendment limiting the number of employees in the Agriculture Department to the number of farmers in the United States. His frugal wit tends to be wryly self-conscious. Offering to help a political friend, he remarked: "I'll speak for you or against you—whichever you think will help."

Since he cannot overwhelm with personal magnetism or con with clever public relations, Griffin must fall back on less romantic and more demanding devices—such as shrewdly calculating the political odds and working tirelessly, bulldoggedly to do what logic tells him is possible.

Some think Griffin too much interested in the techniques and raw politics of government and too little concerned with philosophical concepts. To which he would reply that government is first of all the art of getting things done. Once satisfied that odds favor him, he charges forth with a bull-headed energy awesome to those around him.

Asked to comment on their boss, few members of Griffin's staff say he's a jolly fellow with a heart of gold and the patience of Job, but universally they respect his drive and his perfectionism.

"The work ethic runs very deep in the senator," observes one of his aides. "It's a matter of conscience. He is proud of coming from a working class family, proud his Dad was an auto plant foreman, proud of having gotten where he is by toiling. Not to be working seems to him an unnatural state."

The office of Republican whip, with enough

duties to baffle a human octopus, provides Griffin a habitat well suited to his talents and his proclivity. Picked usually because he's a good manager, an expert parliamentarian and a shrewd negotiator, the whip works for party discipline and unity and serves as a watchdog of party interests in the Senate. He gets his partisan colleagues to the Senate floor for crucial votes, acts in general as a legislative and political traffic director, and performs the duties of floor leader when the latter is absent.

In Griffin's first months as assistant minority leader, which is what they call the GOP whip officially these days, some of his colleagues complained that he pushed too hard. One senator pointedly told a Griffin aide: "You are working for a perfectionist. He wants the job done right. And he wants it done yesterday."

The general attitude soon changed. Griffin showed impeccable tact, a capacity for organization and a vigor not often displayed in that office. When he ran to succeed himself as whip in January of 1971, he won election unanimously—while his more famous counterpart in the Democratic Party, Senator Edward Kennedy, was being defeated for neglecting his job.

While executing the grand strategy of Senate politics, Griffin still finds time to keep his fences mended back home in Michigan. He presses federal spokesmen to visit Michigan to find out why the state's 175,000 citizens of Spanish descent aren't getting their share of federal jobs and services; seeks federal funding for a \$60 million federal office building for Detroit; crusades for a better weather warning system for the protection of Coho fishermen; campaigns for sea lamprey control in the upper Great Lakes.

A typical Griffin day reads like a recipe for bleeding ulcers.

The senator arrives in his Capitol office at 8:30 a.m. (unless it's the morning that he goes to the White House to confer with the President) bearing a briefcase bulging with the previous night's work. At once he gets busy returning telephone calls and conducting a staff meeting, at which he issues instructions, hears reports, and previews the day's agenda.

At 10 o'clock, when the Senate is meeting, he goes there to open the day's activities. He then keeps himself available to rush to the Senate floor at a moment's notice. After a light lunch, he keeps appointments and deals with an unceasing flow of legislative problems and Senate "housekeeping" duties. There may also be press conferences and meetings with fellow Republicans on questions of policy.

After the Senate quits for the day, Griffin returns to his office, makes calls, signs letters, confers again with his staff, writes speeches. It is often 8:30 p.m.—sometimes as late as midnight or 1 a.m.—when, carrying the inevitable briefcase packed with more work to be done at night, he heads for Bethesda, Md., the Washington suburb where he lives with his wife, the former Marjorie Jean Anderson of Ludington, and their children.

Griffin has been giving full value all his life. Born in Detroit in 1923, he started working as a drug clerk at age 12. At Dearborn's Fordson High School he pulled more than his own weight—145 pounds—as guard on the football team. He served in the Army in World War II and won two battle stars. He earned his own way through Central Michigan University (where he was president of the senior class) by washing dishes and working on an assembly line.

He went from Central Michigan to the University of Michigan Law School, where he took his degree in 1950. Until 1956 he practiced law in Traverse City. Then began a phenomenal series of unlikely political victories.

An unknown 32-year-old attorney, he challenged a "solid" incumbent for a seat in the

U.S. House of Representatives. To the surprise of everyone, except perhaps Griffin himself, he won.

In May of 1966, George Romney, then governor of Michigan, appointed Griffin to fill the Senate vacancy created by the death of Senator Patrick V. McNamara. Seeking a full Senate term, Griffin opposed G. Mennen Williams, a six-term governor and unmatched vote-getter, in the fall election.

HOW HE WHIPPED WILLIAMS

Since Griffin had co-authored the controversial Landrum-Griffin Act, a measure requiring labor unions to account for their conduct, his name supposedly was mud to Michigan working men. Williams opened the campaign with the remark that Griffin had much to explain about Landrum-Griffin.

Though Romney wanted him to play the issue down, Griffin used it as a battering ram against Williams. He proudly described Landrum-Griffin as a "bill of rights for the working man," explained that the act assured the rank and file of labor a secret ballot and a regular financial accounting from their leaders, and noted that John Kennedy, Philip Hart and McNamara had all voted for it. Finally, in a debate before the Economic Club of Detroit, Griffin forced Williams to admit that, if he'd been a senator when the Landrum-Griffin bill came up, he probably would have voted for it, too.

Griffin won the Senate race by a margin of 300,000 votes, thus becoming the first Republican in 14 years to go to the Senate from Michigan. While still in his first term in the Senate, he won the post of assistant minority leader, thus becoming the first Michigan senator of either political party to hold his position of leadership.

As GOP whip, Griffin has his finger on the Senate pulse and enjoys a standing weekly invitation to the White House. He is uniquely situated to get timely action on measures of interest to him and his state. Through Griffin, Michigan has entree to the executive branch and unusual power in the legislative branch of U.S. government.

Moreover, Michigan has this entree in the present rather than at some distant time because Griffin achieved by political acumen the standing and influence which senators usually gain only through the time-consuming process of seniority. He became whip at age 45, which was 10 years younger than the average age of Republican whips upon their election to that post. He had served in the Senate only 3½ years, two years less than the average period of Senate service of men selected as whips.

SENATOR'S DUTY IS TO HIS STATE

In the office of whip, Griffin walks the razor's edge between party loyalty and personal independence and does a remarkably good job of keeping his balance. Although generally a Nixon supporter, he takes vigorous exception to any suggestion that the position of assistant minority leader makes him a rubber stamp of the Nixon administration. Discussing the Senate leadership's relationship with the White House, Griffin observes:

"It would be wonderful, in an idyllic sense, if Republican leaders in Congress and the administration could see eye to eye on each and every issue. But this is not in the nature of politics.

"Each senator has his own conscience to deal with and he must represent his state and its interest. In addition, he is a member of an equal and coordinate branch of government which has its own obligation under the Constitution. One wise observer has said that if two people agree 100 percent on every issue, one of them is superfluous."

Griffin has been anything but superfluous. Early in 1971, for example, Treasury Secretary John Connally stated that the administration had no plans for tax cuts. Con-

trary to the administration's economic game plan at that time, Griffin introduced a bill to repeal the 7 percent excise tax on cars as a means of restoring public confidence.

Griffin theorized that the lower cost of cars would stimulate buying, which in turn would create more employment in Michigan's auto industry and produce benefits throughout the U.S. economy. In the end, the proposal became a part of President Nixon's new economic plan.

Griffin consistently opposed the continued funding of the supersonic transport (SST), a net project of the Nixon administration. His outspoken opposition persuaded undecided, Republican senators to join in sealing the doom of the SST.

OPPOSED NIXON NOMINEE

Despite pressure from the White House, Griffin opposed the President's nomination of South Carolina Appellate Judge Clement F. Haynsworth for the U.S. Supreme Court. Griffin had demanded high judicial standards in the weighing of Abe Fortas, Lyndon Johnson's nominee for chief justice, and stuck to those standards in the case of a Republican president's nominee. His announced opposition contributed materially to Haynsworth's rejection.

When Griffin discovered a movement afoot in the administration to nominate segregationist Albert Watson to the U.S. Court of Military Appeals to replace former Michigan Senator Homer Ferguson, he issued a sharp statement of displeasure which convinced President Nixon to abandon the nomination. Subsequently, Nixon nominated the first black, Robert M. Duncan, ever to be named to that court.

Griffin himself succinctly sums up his record of disagreement: "I'm no patsy for the President."

People who like to put politicians in carefully labeled categories always have trouble deciding into which compartment they should fit Griffin. The same man who wants to outlaw forced busing possesses a consistent record of support for civil rights measures in Congress. Taking a strong law-and-order stance, he has urged a national computerized war on crime; and he once joined a discrimination suit against a suburban Maryland country club because of its "whites only" guest rule.

It's not the typical liberal pattern or the typical conservative pattern. It is the Griffin pattern, taking its shape from the issues rather than from doctrinaire devotions to party lines.

HE'S NO "LINDSAY LIBERAL"

Following the Fortas fight, Griffin said: "I was branded a conservative because of my stand. I consider myself a moderate. I don't like labels anyway." Again: "I'm interested in the problems of the cities, and I voted for civil rights. If you tried to paint me as a John Lindsay liberal, it wouldn't be right. But I'm not a conservative either."

While he frequently displays independence, Griffin is in the final analysis a Republican; and not just a Republican, but Republican whip with a broad loyalty to the administration. So his fate inevitably must be linked to some extent with that of Mr. Nixon. Though Mr. Nixon lags in Michigan at this point, Griffin faces his own campaign next year with the equanimity of one who has plowed his own furrow and who feels, therefore, that he must and will be judged on his own record.

"If President Nixon carries the state next time," he says, "it of course will be easier for me, but how he makes out won't be decisive for me."

What could prove decisive is the issue of school busing, hot everywhere but absolutely torrid in Michigan. Two court decisions here—one ordering busing in Pontiac, another posing the threat of massive busing

among far-flung school districts—have aroused public feelings as few issues ever do.

Detecting the undercurrent of anti-busing emotion not then fully evident on the surface, Senator Griffin on Oct. 7 introduced a joint resolution proposing an amendment to the U.S. Constitution. The important words of this proposal:

"This Constitution shall not be construed to require that pupils be assigned or transported to public schools on the basis of their race, color, religion or national origin."

LOGIC "CLEAR" ON BUSING

Griffin's logic was clear and direct:

"When a court orders long-distance busing of children because they are black or because they are white, the court disregards and ignores a fundamental truth: Two wrongs do not make a right. Whatever the sins of their fathers, unreasonable punishment ought not be imposed upon the children of a new generation who are guilty of nothing but being born black or white. Racial discrimination is no less discriminatory just because it is court ordered."

Thus he early staked out a commanding position on what is swiftly becoming the overriding issue of American—and Michigan—politics. (If relief from the busing nightmare cannot be obtained through appeal to higher courts, Griffin's proposal would appear to be the only remaining answer.) Meanwhile, Griffin's most probable Democratic opponent, Michigan Atty. Gen. Frank Kelley, put himself on record with a ringing statement of support for busing and then, when the storm broke, hastily issued a statement saying that busing between school districts is unlikely, anyway.

Looking at this situation, one political observer with a reputation for accurate prognostication, said recently: "Damned if I don't think Bob Griffin has done it again."

Assuming he will win next year's election, Griffin has a bright future before him in the Senate, where he is bound to become ever more powerful. But experienced Griffin-watchers believe he has far too much ambition to feel content with a Senate seat indefinitely.

HERR KISSINGER SWINGS SECRETLY IN HARLEM

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. RARICK. Mr. Speaker, apparently all of Henry Kissinger's secret trips are not confined to Red China or the Soviet Union—nor are all of his trips as the errand boy of President Nixon.

According to a recent New York paper, Herr Kissinger also takes trips to Harlem for secret meetings.

It is doubtful if his Harlem negotiations are a security risk—because she is the ex-lover of one of the New York gangsters—it is just that Doc is a swinger.

I insert a news clipping:

[From the New York Daily Mirror, Nov. 26, 1971]

KISSINGER IS SEEING A BLACK BREATHAKER
(By John J. Miller)

Not all Henry Kissinger's gal pals are of the Hollywood glamor girls stereotype. Henry's most secret visits this side of Red China are to a black breather in New York. She's one of Harlem's top photo models and the ex-passion of one of the biggest numbers kings north of 125th St.

BANGLADESH—THE URGENT NEED FOR RECOGNITION AND ASSISTANCE

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. BADILLO. Mr. Speaker, during the brief but bitter fighting between India and Pakistan last month the world bore witness to the folly of the ill-conceived policy of the United States toward India and, particularly, toward the struggle for independence in East Pakistan. For months prior to armed hostilities the United States stood mute and failed to raise its voice against the reign of terror perpetrated against the Bengalis of East Pakistan by Punjabis from the West. While it is true that this was an internal struggle, this country or any other member of the family of free nations simply cannot ignore or condone the blatant violation of basic human rights and dignity which occurred in Bengal or the snuffing out of lives of men, women, and children at the whim of some brutal dictator. The acts of genocide committed in East Pakistan demanded that a hue and cry of protest be raised, yet this Nation remained silent.

Although the Bengalis—in a free and open election in December 1970—voted overwhelmingly against the Government of West Pakistan, the dictatorial Gen. Yahya Khan voided the elections, arrested East Bengal leader, Sheik Mujibur Rahman, and dispatched Punjabi soldiers to occupy the region. One would have assumed that the United States—the champion of freedom and democracy—would have decried this oppressive action and would have demanded that the will of the Bengalis be permitted to be effected. However, this administration, in yet another display of its uniquely inept diplomacy, chose to ignore the suppression of civil liberties and the unilateral abrogation of the election results and pursued a "business as usual" attitude.

Mr. Speaker, time is long past due that the United States reassess its policy, both toward India and Bangladesh, and candidly admit its mistakes. By pursuing our present attitudes toward these two nations we have lost the faith of freedom loving people throughout the world and are ignoring some of the basic principles upon which our own country was founded. I wholeheartedly support legislation which has been introduced extending the immediate recognition of the United States to Bangladesh and the official acknowledgement that this is an independent nation.

Further, we cannot ignore the plight of these 75 million people and the tremendous economic problems being experienced by this, one of the most densely populated areas of the world. The ravages of the despotic Pakistani occupation and their brief but devastating war have left this nation almost completely destitute. Some 40 percent of the country's houses have been destroyed and, daily thousands of people are dying from starvation. Disease is rampant and jobs are nonexistent. We must, there-

fore, enact legislation providing for immediate emergency aid to Bangladesh to help it overcome the devastation wrought by the war and to assist this new nation in effectively coping with its many economic and social problems.

Earlier this month the president of the All India Women's Conference in Gujarat wrote to the New York State chairman of the National Organization of Women—NOW—expressing the group's deep concern over the policies pursued by the United States toward the people of Bangladesh and urging that India and the United States join to assist these unfortunate victims of international politics. This is the plea of a group of women to another organization of women, pleading for aid for their sisters in Bangladesh—probably the most tragic victims, with their children, in this struggle. I believe this letter and its appeal for help and understanding should be carefully considered and reflected upon by our colleagues and I present it for inclusion in the RECORD:

MISS JACQUELINE CEBALLOS,
President, New York NOW,
New York City, N.Y.

DEAR MADAM: We, the women's organizations of Gujarat, India are surprised, and shocked at the U.S. policy of wanton indifference, connivance and collusion with Pakistan's reign of terror, unpardonable brutalities unprecedented in their range, cruelty and inhumanity inflicted on millions of people whose only fault, if any, was to have exercised their free and fearless vote for the party and leader of their choice. Particularly horrifying have been the indecencies and indignities, harrowing and hideous in the extreme, inflicted upon the womenfolk who till the other day were their own citizens. These persecutions and genocidal killings sent waves after waves of refugees to India. Never before in human history have so many (10 million) in such miserable condition fled for shelter on so short a time! Pakistan has also indulged in a systematic and merciless butchery of the intellectuals, teachers and the professional and cultural elites of the Bangla people.

As citizens of India we hold democracy, freedom and equality as fundamental rights of all irrespective of religion, colour and sex, principles and ideals that are cherished by the people of America. The most painful part of the present situation is that the mightiest of democracy is ranged against the largest functioning democracy of Asia—India—and that too in league with the totalitarian regime of China and the military junta of Pakistan.

In spite of this, the will of the people has prevailed and Bangla Desh now is a reality. The supreme task before us is that of reconstruction of the new nation and the rehabilitation of the uprooted millions going back to their hearth and home.

From whatever little we know of the U.S. public opinion, it is squarely opposed to the policies pursued by the U.S. Government. As in India so in the U.S., women form half of the population and the electorate. Their opinion, views and attitudes would go a long way in directing and fashioning the foreign policy of their Government. We look to you and similar other organizations in the U.S. to take lead in bringing about the desired change in the U.S. policies so as to produce better appreciation of the facts and the situation in regard to India and the Bangla Desh. The damage caused by the U.S. policies even at this late stage, can be mitigated if public opinion is made to prevail. In this the role of women and their organizations would be of vital and crucial significance.

We appeal to you therefore to exert your energy and influence so as to bring about better and more understanding relationship between our two countries in the hour of trial and help build the new society of Bangla Desh on the foundations of democracy, freedom, secularism, and justice. The opportunity is here and now and let it not be frittered away.

Yours faithfully,

PUSHPA R. MEHTA,
President, All India's Women's Conference,
Gujarat State Branch.

Yesterday, in response to this letter and in a display of solidarity with their sisters in India and Bangladesh, a delegation of women called upon the Ambassador of India. They informed the Ambassador of their deep disagreement with the policies currently being pursued by this Government toward Bangladesh and expressed their support of the women in India and, especially, the women and children made homeless by the war. Meeting with Ambassador Jha were Betty Friedan, a founder of NOW and one of the leading advocates of the women's movement—national NOW president, Wilma Scott Heide; Heide Toffler; Natalie Gittelsohn, news editor of Harper's Bazaar; Lillian O'Connor, vice president of the World Union of Catholic Women's Organization; Mitzi Haggard of the Ad Hoc Committee for the Women of Bangladesh; Irma Badillo; and Frances Flippen of the National Council for Negro Women.

I commend these women for their initiative and the action they took yesterday. I am hopeful that, by such meetings, the peoples of India and Bangladesh realize that this administration's current misguided policy and inhumane attitude does not reflect the sentiments of the majority of the American public and that we will continue our efforts to correct the current inequity and work for recognition of and urgently needed aid to Bangladesh.

PENAL REFORM

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. BROOMFIELD. Mr. Speaker, the crisis which confronts our penal system is hardly of recent origin. On the contrary, the proper means to treat and rehabilitate criminals has been and continues to be a most nagging question for society to answer. Over the years, a multitude of ad hoc commissions and experts have sounded the call for penal reform.

While their suggestions were almost without exception commendable, history shows that progress has been painfully slow. Whatever the reason for this lack of speed, whether it be apathy, lack of funds or coordination of effort, the time has long passed when we can tolerate inaction.

Therefore, Mr. Speaker, I rise today to introduce legislation designed to take an important step forward in the field of penal corrections. I need not go on about the necessity for this kind of re-

form. The conditions of our Nation's prisons as well as the specter of Attica highlight the urgency of the situation better than rhetoric.

At the recently concluded National Conference on Corrections which was convened at the initiative of President Nixon, Chief Justice Warren Burger underscored the need for legislative action. At that time, he said to a gathering of our Nation's leading penologists:

What is desperately needed is that you have the resources and the authority that only public support and legislative action can provide.

It is with that sentiment, Mr. Speaker, that I present today this blueprint for prison and rehabilitation improvement. Many of the provisions of my bill are similar to those ideas that Attorney General Mitchell has termed to be necessary to bring genuine reform to this neglected aspect of our society.

One aspect that will be particularly emphasized in this program is job training and drug treatment. It is no coincidence that lack of employment skills and drug addiction are common problems for prisoners. Indeed, they are to some extent the very cause of most crime.

There is a provision to deliver increased educational opportunities to the prison population. These funds will be assigned for the training of teachers, emphasizing remedial skills, and college level courses for those inmates who are qualified.

Statistics show that the recidivism rate for released convicts is 75 percent. Programs of this type which until now have been conducted on a limited scale demonstrate that this recidivism rate can be drastically cut. I contend that in this way we can turn our correctional system into a true rehabilitation system rather than one which hardens and trains professional criminals.

My measure would provide money to the States to improve their probation facilities. Probation is perhaps the most important phase of rehabilitation. It is also the most difficult. A concerted effort in this area will reap almost immediate benefits. For one, it is drastically cheaper than incarceration, resulting in an overall saving to the States. Second, it can and does help keep the first offender from a second or even third conviction. Finally, the bill lays the foundation for the replacement of large, isolated penitentiaries with smaller community-based institutions. Prisons must be smaller if we are to deliver constructive and meaningful rehabilitation to these individuals.

At the same time, we must stress that new prisons should be located closer to our communities. It is within these communities that the personnel and facilities which modern correctional policies so desperately need can be found. Furthermore, it is to these same communities that the released prisoner must return and live.

Mr. Speaker, if passed, this measure will benefit not only the individual prisoner but society as well. If we release a man from prison in the same condition in which he entered confinement, we have done nothing toward solving the crisis of our soaring crime rate.

If rehabilitation is to be a positive force, it must include education, job training, drug therapy, and comprehensive post release counseling to ease the individual's return to society. Society will find that acceptance easier, too.

Mr. Speaker, I urge that this bill receive the careful consideration of the House in the days ahead. We can and must infuse our penal system with a sense of hope and opportunity for the benefit of the individual as well as the Nation.

A SALUTE TO RABBI DR. ISRAEL GERSTEIN OF THE AHAVAS ISRAEL PASSAIC PARK JEWISH COMMUNITY CENTER

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. ROE. Mr. Speaker, shortly after the adjournment of the first session of the 92d Congress I had the privilege of participating with the Jewish community of my congressional district in a testimonial dinner with deepest respect and admiration for the most distinguished Rabbi Dr. Israel Gerstein for a lifetime of outstanding service to his fellow man.

Through this historic journal of Congress I respectfully request you to join with me in national recognition of the quality of his leadership and the excellence of his character in promulgating, enhancing, and preserving the richness of the Hebrew religious and cultural heritage not only redounding to the spiritual and moral integrity of those of his religious belief but his pioneering efforts contributing so materially to the ecumenical spirit of brotherhood, the truth of knowledge and cultural enrichment of all of the people of our community, State and Nation.

The eloquence of the statement of the members of his congregation in testimony to his quarter of a century of service and dedication at the helm of Ahavas Israel will provide you with a brief biography of his contribution in his dynamic and energetic career in the cause of good will and understanding among all men and expresses the warmth, affection and high esteem with which he is held by all of us. I would like to share that statement with you, as follows:

RABBI DR. ISRAEL GERSTEIN

PRELUDE

Born in Lodz, Poland, Rabbi Gerstein was brought to Chicago, Illinois by his father as a teenager. The family consisted of father, mother and four brothers. Enrolled in two schools: Yeshiva (known as Hebrew Theological College) and elementary school.

"Young Man In A Hurry", he was graduated from grade school in 6 months, from Medill High School in 2 years. He took courses at Crane Jr. College, Lewis Institute and University of Chicago and graduate work at University of Denver, where he was awarded an MA.

He was ordained by the faculty of the Hebrew Theological College, and was called to Denver where he was acclaimed the youngest rabbi in the United States. It was only six and a half years since he passed through Ellis Island. Because of the climate, he ac-

cepted a position in the South. He came to Shreveport, Louisiana with his new bride, the former Channa Swirsky. While in Shreveport, he was active in a number of regional organizations, particularly B'nai B'rith, serving as State Chairman.

He was called to Chattanooga's B'nai Zion, which had just erected a magnificent synagogue. There he developed a broad program covering every age level. The school was reorganized and brought up registration from a negligible number to 250. Membership took a big jump. Adult Education, Men's Club activities made the synagogue the hub of the community.

With his flair for writing, the editor of the Chattanooga Times invited him to write for the Sunday Times Magazine. His articles on Talmadie Lore met with wide appeal. He also had a weekly half-hour radio program and was a frequent speaker at the State University in Chattanooga. During the War, he acted as Chaplain at Ft. Oglethorpe, Georgia and Camp Forrest, Tennessee, and headed the USO in Chattanooga.

In 1943, Bloch Publishing Company published his book of sermons, essays on timely and timeless topics. It was an instant success. He was also editor of the Sermon Manual, published by the Rabbinical Council of America and served as editor of Jewish Life.

1946—PASSAIC!

Rabbi Gerstein assumed his duties at Ahavas Israel August 1, 1946. He had served B'nai Zion Synagogue in Chattanooga for 12 years. B'nai Zion Congregation was the largest in the city and was well established with an impressive edifice. The Rabbi's primary motive for making a change was the advantage that would accrue to his children in the fields of general and Jewish education.

The first impression of Ahavas Israel's "plant" was depressing to say the least. An ancient residence was pointed out as the home of his new congregation which bore the grandiose title of Community Center. The auditorium attached to the residence in front offered little consolation. During the week it was used by the pupils of No. 3 school as a gym. On week-ends it was prepared for service, and that required logistics. Who was going to take down the basket, put up the chairs, bring in the Torah, etc.? In general the gym had to be converted into something where the name of God could be mentioned without profaning it.

The Hebrew School was in a chaotic state. Its reorganization became a top priority. The Rabbi began by recruiting qualified personnel, and in a relatively short time, the school which was at the bottom of the ladder in the community, advanced to a position at the very top in the entire area.

Unlike the physical facilities, the human material that made up the membership was of high quality. The bi-monthly meetings of the men featured enthusiasm and commitment. The Sisterhood was a beehive of activity. The need for new facilities inspired a variety of enterprises.

About two years after coming to Passaic, ground was broken for a new Sanctuary. In 1952 first services were held.

At the same time, the Rabbi participated in civic affairs, and was active in metropolitan, State and national organizations. Locally, Rabbi Gerstein was the only Rabbi to participate in the following: Groundbreaking for the new Beth Israel Hospital; the new City Hall; Veterans Apartments on River Road and new No. 3 school.

Requests came from the publisher of the book "Reveille or Taps" for a second edition. It was again a big success.

The Rabbi became a television personality. He was the only Rabbi in the area who appeared on every major television network. He was active in the New York Board of Rabbis, the Rabbinical Council of America, the Synagogue Council of America. He was

elected President of the Rabbinical Council of New Jersey.

Appointed a Commissioner of the Passaic County Mental Health Board. Now a member of the Professional Advisory Committee of the Mental Health Board. Appointed to the Local Assistance Board which administers the Welfare Program in the city of Passaic. Later became Chairman, and for several months was Welfare Director because of a vacancy. He also served as co-chairman of PICA, local interfaith group.

In 1959 the Hebrew Theological College of Chicago, the Rabbi's alma mater, conferred upon him the degree of Doctor.

Ahavas Israel was the locale for happy events in the Rabbi's family. In 1950, Mordecai became Bar Mitzvah; in 1955, Hadassah was married to Rabbi Joseph Feder. In 1963 Mordecai, now Dr. Gerstein, was married to Miss Lyn Matthew.

Other milestones that the Rabbi recalls: a Testimonial Dinner in 1953; a dinner to celebrate his tenure in 1963.

Tonight . . . celebrating his twenty-fifth or silver anniversary at Ahavas Israel!

CADET CALVIN P. DERCK

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. BRINKLEY. Mr. Speaker, as we all know, the cadets attending our service academies are among the finest young men this country produces. Therefore, I was pleased to receive a most refreshingly thoughtful and candid letter from a young constituent I appointed to the Air Force Academy—Cadet Calvin P. Derck. The letter reads:

JANUARY 24, 1972.

HON. JACK BRINKLEY,
House of Representatives,
Washington, D.C.

DEAR MR. BRINKLEY: Thank you very much for the calendar. As the one you sent last year, it will be very useful in the conduct of my day to day affairs.

I would also like to thank you for the support you gave me when I applied for the Academy. Your appointment has meant a great deal to me. It is not often that I openly say how much I like the Academy. Usually I complain about this institution. However, I know that this is not fair to either myself or the Academy. I know that this is one of the finest schools in the world and I am quite proud to be a member of the Cadet Wing and a future officer in the Air Force.

Over the past year and a half, I have learned an enormous amount of knowledge. This not only encompasses the erudition acquired from the academic curriculum, but also the knowledge received from the experience of both following and leading people. I am quite thankful for being here because I feel that this is what I want in life. I am most happy in my career selection.

At this time, I suppose a great many people are wondering why the Air Force Academy has had so many honor scandals. Some people feel that the Academy is filled with men who lie, cheat and steal. On the contrary, it is composed of only the most honorable men. It is these people who will not tolerate dishonest members of the Cadet Wing to be commissioned in our Air Force. We do not want the Air Force to be weakened by unscrupulous officers who would compromise their position for any reason.

The Cadet Honor Code states, "We will not

lie, steal, or cheat, nor tolerate among us anyone who does." In any honor scandal, the majority of the Cadets dismissed are guilty of toleration. This is the hardest part of the Code to abide by, but it is perhaps the most important. It is the toleration clause that makes the Cadet Honor Code what it is. Without such a provision, the Code would not be enforceable. It would just be some words written on a piece of paper. However, with the toleration clause, policing of our Honor Code becomes a Cadet responsibility. This is the only way that the Honor Code can function properly. It is a Code designed and administered by Cadets. It is this way that makes the Code meaningful to each person at the Academy. In this way, a strong sense of honor is instilled in a Cadet so that when he graduates, he will carry with him the integrity so necessary in the Air Force.

As I look back over my year and a half at the Academy, I am a little disappointed in my academic performance. In the same sense, I feel that I have misplaced the confidence that you showed by appointing me. I hope that I can do better so that you will not be disappointed in your sponsor.

Thank you very much for all the help that you have given me. It is much appreciated and in the future I hope that I can show myself more deserving of your support.

Sincerely yours,

Cadet CALVIN P. DERCK.

WISE ACTION BY SENATE
COMMITTEE

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. FINDLEY. Mr. Speaker, the Senate Committee on Agriculture and Forestry yesterday demonstrated great wisdom and courage in refusing to approve the Strategic Storable Agricultural Commodities Act for floor consideration by the full Senate. When the committee voted 10 to 4 against this unwise bill, it supported what I believe to be the position of most Midwest grain farmers and two of the most widely respected Illinois publications which had editorially urged defeat of the measure. Both the Chicago Tribune and Prairie Farmer magazine urged defeat of the measure.

When the House approved the strategic reserve bill, it became a bitter partisan issue. Ironically, the only two Democrats on the Senate committee who voted for the measure are the two presidential candidates on the committee. The six other Democrats, along with the four Republican Senators, who voted against the bill, took a wise step in removing politics from farm income considerations. With all the risks inherent in agriculture, farmers will be happy the Senate Agriculture Committee has decided not to play politics with their economic futures.

The editorials from Prairie Farmer and the Chicago Tribune are included as part of these remarks:

[From the Chicago Tribune]

PHONY FARM BILL

In their haste to embarrass the Nixon administration and play politics with the farm vote, some Democratic leaders in Congress

find themselves the principal characters in a comedy of errors that would be laughable if the matter weren't so serious. The matter concerns a bill to increase price supports by 25 per cent on feed grains and wheat and to create a "strategic reserve" of these grains that would cost nearly \$1.5 billion to build and \$215 million annually to maintain. The objective is to stabilize farm prices and boost farm income by \$2 billion a year.

With the aid of big city Democrats, the bill passed the House late last year by a close vote of 182 to 170. As a way to win the farm vote, the measure caught the eye of two Democratic Presidential hopefuls. Sen. Humphrey of Minnesota and Sen. McGovern of South Dakota. They helped it win the approval of a Senate agriculture subcommittee and now hope to push it thru the full committee in a hearing scheduled for tomorrow.

As the two see it, farmers will vote for candidates who help give them a hefty boost in income. Moreover, inasmuch as the administration is opposed to the bill on economic grounds, President Nixon can be accused of being unsympathetic to the plight of the family farmer.

But somewhere between the House and the Senate someone discovered that the bill's provisions were so inconsistent as to make it inoperable if it became law. These defects developed because the measure started out as two separate House bills. One, introduced by Rep. Neal Smith [D., Ia.], would authorize government stockpiling of surplus grains at a top price of \$1.17 a bushel for corn and \$1.37 a bushel for wheat. The other, introduced by Rep. John Melcher [D., Mont.] and added as a floor amendment, boosted price supports for corn and wheat to \$1.31 and \$1.56 a bushel respectively.

Obviously, the government cannot build a grain reserve if the law requires a purchase price lower than prices guaranteed to farmers. And just as obviously, with such a glaring defect in the bill, most congressmen did not know what they were voting for when they passed it.

Sen. Humphrey has persuaded the Senate agriculture subcommittee to correct the defects. But the changes would have to be re-submitted to the House, where they may not be so readily acceptable. By now it may have occurred to big city Democrats that if the bill became law, food prices would go higher.

Aside from that, the bill would be harmful in the long run to farmers themselves, as Secretary of Agriculture Butz points out. He says it would sabotage the current farm program by causing the government to clamp much tighter restrictions on crop production, and would wreck efforts to increase farm exports by pricing ourselves out of world markets. The latter objection alone is sufficient reason to defeat the bill, inasmuch as American farmers depend on foreign markets to take the output of about one of every four crop acres.

Furthermore, the rationale that a "strategic reserve" of grains can be isolated from the market to stabilize or raise prices in the long run is purely a hoax. Sooner or later, what goes into the reserve must come out, and when it does prices will fall. Meanwhile, the high cost to taxpayers of maintaining an ever-mounting stockpile and of subsidies to pay farmers for restricting output could be expected to bring public ire down on the heads of farmers, who do not deserve it.

Many farmers are struggling with difficult economic problems that deserve sympathetic understanding and realistic efforts toward a solution. They don't deserve irresponsible legislation designed chiefly to promote election-year aims of politicians, many of whom don't even know what they are voting for when they pass it.

[From the Prairie Farmer magazine]
U.S. SENATE SHOULD KILL THE SMITH-MELCHER BILL

It seems incredible that a proposal like the Smith-Melcher bill could get as far as it has. Passed by the house and approved by the senate agricultural committee in mid-December, it now goes to the Senate for action in late January.

Smith-Melcher calls for a \$2-billion strategic grain reserve and would boost commodity loan levels 25%.

Chances of senate passage are better than 50-50. How can this be? Would congress really pass a bill that creates more problems for farmers than it solves? Would congress pass a bill that would prove damaging to farmers in the long run?

The answer is obvious. It would. In an election year anything can happen that might enhance the candidate's image in the eyes of his farmer constituents.

On the surface the bill looks good. But like the iceberg, it is the hidden part beneath the surface that does the damage. Perhaps the politicians think the voters are too dumb to realize this—that all they can see is the frosting on the cake.

Supporters of Smith-Melcher are mainly the same group that tried to embarrass the administration by casting doubts on the fitness of Earl Butz for secretary of agriculture.

The rationale for the strategic reserve is that it would release pressure on price with 25 million tons of feed grains being isolated from the market. The suggestion that the reserves would have no effect on price is an insult to our intelligence and a cruel hoax on farmers.

The strategic reserve was tried by the Eisenhower administration. It failed miserably. The surpluses in the reserve depressed prices and became a monster willed to Orville Freeman. The buildup and disposal costs to the taxpayers were fantastic.

Raising the loan rates—corn to \$1.31 and wheat to \$1.56—would derail participation in the 1972 set-aside program. We need participation this year. Discontent already is high over failure of the program last year. An increased loan rate on 1972 production would compound the agony.

There are other serious ramifications. The Smith-Melcher bill would just about wreck our export program by pricing ourselves out of the market. It would also encourage foreign competition to produce under our high price umbrella.

It would have a bad effect in 1972 by driving farmers into corn where we have a surplus and out of soybeans where we have a shortage.

The man now mainly responsible for the success or failure of our farm programs is Secretary Butz. He should not be placed in a straitjacket nor sabotaged in his efforts by politically-motivated congressmen. Butz considers Smith-Melcher a menace to farmers and to his plans.

The senate should support Butz and kill this bill. If it doesn't, the president has only one alternative—veto the Smith-Melcher bill.

SAFETY PROGRAMS AND REGULATION FOR NURSING HOMES

HON. WILLIAM J. KEATING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. KEATING. Mr. Speaker, it is with deep sorrow that I bring to your attention the tragedy yesterday in Lincoln

Heights, Ohio, where nine elderly patients, all women, died burned beyond recognition in a nursing home fire. One patient who escaped the blaze still remains in critical condition.

Local, State, and Federal fire officials are still sifting through the charred debris trying to determine the cause of this fatal fire.

It is still not known whether the victims died from the intense heat or asphyxiation. Two of those patients were blind. Two were found dead in their wheelchairs. The deadly fire occurred in the middle of the night and no way was found to save the victims.

The President's Commission on Fire Prevention and Control, headed by Richard E. Bland, chairman, was on the scene hours after the fire broke out. The Commission was accompanied by a member of my staff.

The nursing home is owned and operated by a woman in her 70's who was asleep at the time of the fire. She was fortunate enough to escape the blaze along with her 16-year-old nephew.

The home is located in Lincoln Heights, a community on the northern outskirts of Cincinnati. It has a 100 percent black population of some 8,000 persons.

The home was a rambling one-floor frame and cinderblock structure which had passed inspection by the State fire marshal's office last April with "no violations." Its license was renewed about 2 weeks ago.

The facility is an intermediate nursing home. There are some 700 intermediate nursing facilities in Ohio. Under present regulation, the home must have 24-hour supervision.

It is not required at this time to have a sprinkling system for the safety of its patients.

If the home was certified as a skilled nursing home, it would have to adhere to the life safety code administered by the National Fire Protection Association. Under this regulation, this particular home would have been required to have a sprinkler system to be licensed.

No one will ever know if, indeed, a sprinkling system could have saved any of the victims.

But, it is the responsibility of Congress and the American people to explore and investigate every aspect of fire safety in our nursing homes to insure the safety of our senior citizens.

We also must seek ways to assist operators of these intermediate nursing homes to upgrade their facilities.

We also must insure that communities such as Lincoln Heights can get Federal help in upgrading their fire and lifesaving equipment.

Chairman Bland told officials at the scene that we must have nursing homes which will provide a reasonable chance for the elderly to evacuate the building when such tragic fires occur.

Another official of the commission, after viewing this scene, termed the condition of Lincoln Heights' home as atrocious. He said:

The building should never have been used as a nursing home.

This is the second such nursing home

tragedy in Ohio within the past 2 years.

In January 1970 a fire at the Harmar Nursing Home in Marietta, Ohio, killed 32 patients.

Most of the victims in that fire died from heavy smoke coming from the rubber backing on the wall-to-wall carpeting.

Since that Marietta fire, new Federal regulations have been adopted to prevent a recurrence.

Presently, other Federal efforts in behalf of improving nursing homes are being conducted in the Department of Health, Education, and Welfare.

In August of 1971, the present administration focused its attention on institutions for the aged. In a supplemental budget request for fiscal 1972 \$9,572,000 was appropriated to establish a five-point program to upgrade medical care standards and enforcement programs for nursing homes and intermediate care facilities for the aged. In addition, data collection and research studies and audits of nursing home operations were authorized.

The budget request for this new initiative for fiscal 1973 is \$13,040,000. The thrust of this new program is to provide for trained personnel to work in these facilities and to inspect these institutions for safety and health compliance.

And additional effort is presently being carried out by HEW Department headed by Mrs. Marie Callender who is a Special Assistant for Nursing Home Affairs. She is coordinating the various Federal programs that affect nursing home facilities and attempting to bring all programs together and avoid duplication in this vital area of health services. This will mark the first time that the various programs conducted by the National Institutes of Health, Social Rehabilitative Services, and Health and Mental Health Services will be coordinated. There are presently 23,000 institutions for the aged in the United States—77 percent of these are privately owned and operate for profit, 15 percent are privately owned by nonprofit organizations and 8 percent are owned and operated by State and local governments. Some 500,000 employees work in these institutions for the elderly.

In the United States there are 20 million citizens over 65 years of age and 900,000 of these live in these institutions.

There homes and institutions are big business in America. Total Federal, State and local private support total \$2.6 billion in 1970.

Some of these facilities are already under Federal supervision through medicare and medicaid regulations and a large number of these institutions will soon be subject to Federal health and safety requirements.

There is a considerable need for well trained compliance officers who will see to it that proper supervision and maintenance exists in these homes.

A proposed 18-month Federal training program would call for 100 percent Federal funding to train 23,000 nursing home employees and inspectors. This proposal would require a change in present Federal law to allow for 100 percent Federal funding.

I have only outlined here the details of the program that faces us in Congress. The tragedy that became real in Lincoln Heights, Ohio, two nights ago must not be repeated in other congressional districts and other States.

We must provide at the very minimum, adequate assurance to our older citizens that they will not be helpless victims in similar disasters.

At the very least, all institutions for the elderly should be able to provide for quick egress for patients and residents under similar circumstances.

Basic safety features must be required and maintained.

I hope we act together to prevent re-occurrences such as the Lincoln Heights tragedy.

PRICE AND WAGE CONTROLS AND INFLATION

HON. JOHN G. SCHMITZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. SCHMITZ. Mr. Speaker, during our recent recess a very fine letter from A. G. Heinsohn, Jr., president of Cherokee Textile Mills in Sevierville, Tenn., to the editor of the Knoxville, Tenn., News-Sentinel, was brought to my attention. Dealing with price and wage controls and inflation, it cuts through the fog of myth, deceit, half-truth, and superficial, confused thinking which surrounds this issue, with the clear and inescapable truth. Unless and until we face up to the hard realities that Mr. Heinsohn so vividly sets before us, we will never stop inflation and will be doomed to repeat history's old story of failure and disaster resulting from reliance on price and wage controls to deal with peacetime inflation.

The letter follows:

SEVIERVILLE, TENN.,
December 20, 1971.

EDITOR,
Knoxville News-Sentinel,
Knoxville, Tenn.

DEAR SIR: This concerned American, more determined than ever not to exchange freedom under God for enslavement under political masters, wishes to point out inaccuracies in your December 17 editorial: WAGES, PRICES AND CONTROLS.

Never mentioned is the indisputable fact that the federal government is the SOLE culprit, the SOLE cause of the rising wage and price spiral. Never mentioned is the fact that ONLY the federal government can stop run-away prices and wages by practicing fiscal sanity and honesty.

When a government grinds out printing press dollars to finance destructive deficit spending it increases the amount of money in circulation. This forces wages and prices upward as inevitably as night follows day.

To expect the people back home to prevent wages and prices from rising, while the government in Washington continues to debauch the currency, is akin to asking water to flow uphill.

Politicians in Germany tried wage and price controls prior to her collapse and takeover by Hitler. It was not the fault of the people back home that it took a basketful of paper marks to purchase a pack of cigars. The people did not debauch the currency. Their political leaders did it.

Further, all of the editorial writers in the world, pounding typewriter keys 24 hours a day, cannot abolish the law of supply and demand any more than they can void the law of gravity.

As authentic documentation there is enclosed herewith an excerpt from an article written 26 years ago by that respected economist, Ludwig von Mises.

Surely that day has come when those of us who work for a living, who say we believe in God and who say we love American, must stand up and be counted. To remain silent, in the mistaken belief that America is too far down the road to be saved, is to play directly into the hands of those who seek to enslave us.

Party loyalty is one thing when the leadership honors its promises and its oath of office. But it is something else when the party leadership becomes power-hungry enough to violate both its promises and its oath of office.

Exposure is one thing oath-violators dread and exposing wage-price controls as a fraudulent tool of enslavement is the duty of all liberty-loving Americans.

Sincerely,

A. G. HEINSOHN, JR.,
President.

HOPE FOR ALCOHOLICS

HON. HOWARD W. ROBISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. ROBISON of New York. Mr. Speaker, the Postal Service's Program for Alcoholic Recovery, known as PAR, deserves the attention of my colleagues because it is making praiseworthy headway against the very difficult problem of alcoholism among Postal Service employees. The Postal Service, of course, shares this problem with all Federal Agencies which, according to the Comptroller General, are experiencing a 7 percent rate of alcoholism among their employees. But it is the Postal Service which has singly set out to make a dent in this figure.

PAR is an imaginative people-to-people program which works with the individual to help him find the solution to his drinking problem. The program began getting results in San Francisco 26 months ago, and more recently it has gotten results in Chicago and Boston. During the coming year, the Postmaster General has announced it will be initiated in 20 additional big-city post offices.

Mr. Speaker, I take this opportunity to commend the Postal Service for its imaginative and energetic efforts to meet the problem of alcoholism head on. For the benefit of my colleagues, I am inserting an article from a recent Postal Life which further explains the PAR program:

HOPE FOR ALCOHOLICS

Fulton Caldwell is a handsome young man of 34. He's well-dressed in the latest striped shirt, sports a neat beard and speaks with the intelligent assurance of a man on his way up.

Looking at him, it's hard to believe that only six years ago Fulton Caldwell was an alcoholic who for more than 12 years lived by and for the bottle. His drinking became a progressively greater burden to his family, to

his fellow clerks in the Los Angeles post office and to his own well-being. Eventually, he lost all.

Caldwell was more fortunate than most alcoholics, however. He was guided into Alcoholics Anonymous and with the help and sympathy of recovered alcoholics he was able to achieve sobriety and a new start for himself. Today he works in the Chicago post office on the Postal Service's Program for Alcoholic Recovery trying to reach some of the estimated 37,500 postal employees who are gripped by the tragedy of alcoholism.

"You can't understand what it's like unless you've been there yourself," said Caldwell, telling his story with obvious conviction. "That's why AA helped me. I could believe the AA people because they knew what I was going through." This idea that only a recovered alcoholic can understand the torment of an alcoholic, and that alcoholism is a complete and treatable disease is the basis of the Program for Alcoholic Recovery (PAR) now operating in the San Francisco, Chicago and Boston Post Office. PAR counselors, all of whom have been recovered alcoholics for at least three years, serve as personal examples of problem drinkers who kicked the habit and acquaint alcoholic employees with all of the methods available for overcoming their problem.

PAR was established with the hope that it could help otherwise competent postal employees overcome alcoholism and remain on the job as productive workers.

And so far, this hope has been a reality. In San Francisco, the post office PAR office has been operative for 26 months, and 65 alcoholics are "recovered"—which means by PAR definition they have rehabilitated their work life and have not had a drink for at least one year. Another 145 employees of the 208 PAR members are well on their way to recovery. PAR at the Chicago post office was established in April, 1970, and 75 percent of the 174 members have shown improvement. The Boston program, begun in June, 1970, has a success rate of 83 percent for 183 members. Such results are among the highest for any similar program in government or out, and to date the Postal Service has received 150 inquiries about the PAR plan from private businesses concerned with the same problem.

PAR's unusual achievement can be attributed to a well-thought-out program. Recovered alcoholics like Fulton Caldwell are full-time counselors available for guidance right in the post office. They rely on their own experience in their confidential sessions with employees. They recruit PAR members in four ways: Some 39 percent just walk in after hearing about the program. About 38 percent are referred by the supervisors. Another 14 percent come as a result of an adverse action initiated because of their drinking. The PAR post office promises to regard drinking as an illness, to suspend disciplinary action, and to remove all record of it from the file of an employee who performs up to PAR and resumes good work habits.

PAR members, with their counselors' aid, explore the available avenues for recovery in their community and their relative cost and success rates. Although most choose Alcoholics Anonymous membership, others find that psychotherapy, religious guidance or medical treatment is best for them.

PAR is the brainchild of Stanley K. Day, a former postal finance division chief in Headquarters. Day, also a recovered alcoholic, was certain there was a way to bring help to the many others who could not conquer their problem alone. So six years ago Day turned his analytical talents to determining the probable extent of alcoholism in the Postal Service.

He began with available national studies which reveal that more than nine million Americans suffer from alcoholism and that

no background, age, position in life, sex, or level of education is immune.

"These are shattering statistics," said Day, "but they're real."

Day made his point and the Program for Alcoholic Recovery had a modest beginning in the San Francisco post office in November, 1968. Its success was repeated in Boston and Chicago.

"We can't afford not to do it," said Day. "It just makes good business sense to invest \$1 when you know you'll get back \$5." Postmaster General Winton M. Blount agreed and on December 8, 1970, he directed the preparation of a five-year program and budget for PAR.

But PAR is more than good business. "I know it's saving money," said Henry McGee, Postmaster of Chicago. "But it would be worth doing if it cost us money. It's saving lives."

Supervisors are also enthusiastic about PAR, much to the satisfaction of the counselors. "They've been very helpful. We've had supervisors bring drunk employees up here personally," said Caldwell. "Seventy-four of our members are supervisor referrals." This reaction is understandable, considering the alternatives supervisors had in the past. They could cover up for the alcoholic, but his work was substandard and his fellow workers had to shoulder the burden. Or they could initiate disciplinary action, leaving the employee's problem unsolved and his family to suffer. "But now that there's PAR, it's no favor to anyone to hide an employee's drinking," said Day.

Postmaster McGee agrees, but feels the climate is improving. "In the past, there's been a social stigma to supporting an alcoholism program. But most enlightened persons today understand that it is a universal illness and are sympathetic."

Undoubtedly, though, the best testimony for PAR will be the alcoholic recoveries it leaves across the country. And as one counselor put it, "Miracles are the rule here, not the exception."

STATE REGULATORY COMMISSIONERS URGE RESUMPTION OF A.T. & T. INVESTIGATION

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. BINGHAM. Mr. Speaker, the National Association of Regulatory Utility Commissioners represents the utility and transportation regulatory commissions of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and the U.S. Virgin Islands. In a recent statement in the form of a letter to various Members of the House and Senate, NARUC blasted the Federal Communications Commission for canceling its planned investigation of the American Telephone & Telegraph Co. The NARUC statement charges that—

The detriment inflicted upon the American consumer by this failure of regulation is difficult to underestimate.

It charges further that "the cancellation of the investigation at this time is in dramatic conflict with the goals of the national economic stabilization program" and "constitutes a dereliction of duty on the part of the FCC" and "deprives State regulatory commissions of governmentally verified pricing evidence in Bell intrastate rate cases."

This statement is in accord with legislation I introduced, with 21 cosponsors, on January 18, 1972, calling for authorization of funds to allow the Federal Communications Commission to complete its long postponed and recently abandoned investigation of the internal finances and so-called vertical integration of the American Telephone & Telegraph Co. and its subsidiaries. It also supports an appeal, which I joined with 11 other members of the New York City congressional delegation to the Price Commission, urging rejection of a recently authorized telephone rate increase in New York State as an unwarranted violation of Federal price guidelines.

The text of the NARUC statement follows:

NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS,

Washington, D.C., January 20, 1972.

GENTLEMEN: I write to you in a time of great public distress over the failure of the Federal Communications Commission (FCC) to discharge even its basic legal responsibilities to the American consumer. Since the FCC is a creature of the Congress and is answerable to it, we believe the time has come again to petition the Congress to right the wrongs of the FCC.

WESTERN ELECTRIC PRICING

This letter is provoked in part by the atrocity committed by the FCC against the American consumer on Thursday, December 23, 1971—a "day of infamy" in the annals of utility regulation. On this day, the last business day before Christmas, the FCC, by a 4 to 2 vote, delivered a gift to the American Telephone & Telegraph Company (AT&T) by the cancellation of its long-promised investigation into the reasonableness of the prices and profits of the Western Electric Company, Inc., the wholly-owned manufacturing subsidiary of AT&T. Docket No. 19129.

The detriment inflicted upon the American consumer by this failure of regulation is difficult to underestimate. Moreover, the cancellation of the investigation at this time is in dramatic conflict with the goals of the national economic stabilization program.

Western Electric manufactures approximately 75% of all communications equipment sold in the United States. It furnishes communications equipment to the Bell System operating telephone companies of AT&T and is a major contractor for the Federal Government in connection with defense activities. The prices paid by Bell System companies for Western Electric equipment are reflected in rate-making by the FCC and State regulatory commissions.¹ Accordingly, Western Electric pricing forms an important part of the Bell System cost of service which is borne by the millions of ratepayers across the Nation.

The prime responsibility of the FCC, as of any economic regulatory agency, is to vigorously regulate rates so as to avoid the placing of any undue burden on the consuming public. The regulation of rates involves two basic factors—the valuation of rate base,

¹ Under the division of regulatory responsibility prescribed by the Communications Act, the FCC regulates approximately 3 billion interstate long distance toll calls a year and the State commissions regulate approximately 166 billion intrastate toll and local exchange calls a year in our nationally integrated communications network. In terms of plant investment, the FCC exercises jurisdiction over approximately 25 percent of Bell System plant while the State commissions exercise jurisdiction over the remaining 75 percent and over virtually all of the plant of the independent telephone companies.

which in the case of the Bell System is largely affected by Western Electric pricing, and the fixing of an adequate rate by return on the rate base. Obviously, the failure of the FCC to investigate the reasonableness of Western Electric pricing constitutes a dereliction of duty on its part and, further, deprives State regulatory commissions of governmentally verified pricing evidence in Bell intrastate rate cases.

Ironically, the FCC has given, as two of its reasons for cancelling its Western Electric pricing investigation, the need to deploy its staff in implementing new unorthodox policies calling for the certification of specialized common carriers and the interconnection with the national communications network of private branch exchange (PBX) equipment and other customer-provided devices.

These new concepts, when viewed in the light of the Western Electric surrender and its long history of manipulating unfair cost separations between interstate and intrastate users, clearly reveal a deep-rooted cancer in the FCC—a malignancy to deregulate what Congress has given it to regulate—a malignancy to serve the interests of big users and manufacturers to the detriment of the millions of small users across the Nation.

A brief review of these subjects supports the diagnosis.

TELEPHONE SEPARATIONS

The FCC on November 5, 1969, stated that it had negotiated with Bell System telephone companies an interstate toll rate reduction totaling \$237 million. During the period of negotiations, the National Association of Regulatory Utility Commissioners (NARUC) had urged the FCC to use Bell excess earnings to fund a change in then existing interstate-intrastate cost separations so as to relieve the undue rate burden being borne by local and intrastate users. At that time, the same Bell System was seeking rate increases in 16 States totaling in excess of half a billion dollars. We pointed out that it was contrary to the public interest for the FCC to further reduce already low interstate rates for the benefit of a small relatively affluent class of users when the vast number of telephone users were being required to pay more and more to support the national network through excessive cost allocations.

The FCC gave no heed.

In response to the request of the NARUC, the Senate Committee on Commerce and the House Committee on Interstate and Foreign Commerce held hearings in the 91st Congress on this issue and on legislation to create a Federal-State Communications Joint Board.² The NARUC in testifying in these hearings described the inequitable and flawed history of cost separations under the hand of the FCC.

The NARUC pointed out that the average user of telephone service is benefited more by fixing his flat monthly charge for service at the lowest practicable level rather than by reductions in interstate toll rates—rates which are generally paid by a more affluent class of users. The lower the flat monthly charge the more accessible telephone service is to the economically depressed and to others who are severely disadvantaged by inflation.

As a result of Congressional concern over this consumer issue, the FCC promptly instituted a proceeding to modify cost separations procedures which led to the adoption of the Ozark Plan on October 27, 1970. This Plan caused a shift of Bell System annual

² Hearings before the Communications Subcommittee of the Senate Committee on Commerce on S. 917, 91st Congress, 1st Sess., Dec. 9, 1969, Serial No. 91-42; Hearings before the Subcommittee on Communications and Power of the House Committee on Interstate and Foreign Commerce on H.R. 12150, 91st Congress, 2nd Sess., Feb. 24-25, 1970, Serial No. 91-81.

revenue requirements in the amount of \$126 million from intrastate to interstate operations thereby reducing the rate burden on local and intrastate telephone users.

Moreover, the Congress enacted legislation (Public Law 92-131) to create a Federal-State joint board, composed of 3 FCC commissioners and 4 State commissioners, to make recommendations to the FCC on changes in separations procedures and other communication matters of joint concern.

Unfortunately, Congressional concern was once again required in telephone separations to force the FCC to make even a modest concession to the broad consumer interest.³

SPECIALIZED COMMON CARRIERS

The FCC's oppressive attitude toward small users is further demonstrated by its decision on June 3, 1971, in the specialized common carrier proceeding (Docket No. 18920).⁴ This decision established a policy contemplating extensive competition among existing and new common carriers in the sale of specialized interstate communication services in the rapidly growing field of data transmission. This policy does not take into account the adequacy or inadequacy of existing common carrier service. Accordingly, it represents an abrupt reversal of long-standing Commission interpretation of the requirements of the Communications Act and violates time-proven concepts of public utility regulation.

The certification of new carriers to provide specialized services, where existing carriers adequately serve, will primarily benefit a relatively small number of affluent business users. The economies achieved by these favored few will place a greater economic burden on the millions of small users across the Nation. Rosel Hyde, when Chairman of the FCC, described this kind of regulatory philosophy as being "designed to cost the average American ratepayer money to the immediate benefit of a few with special interests." 18 FCC 2d 953, 81 PUR 3d 209, at p. 225.

In its haste to serve the affluent, the FCC neglected to make an in-depth study of economic impact on small users.

INTERCONNECTION OF PBX AND OTHER CUSTOMER-PROVIDED EQUIPMENT

The FCC is now devising yet another way to benefit the big users and manufacturers to the detriment of small users.

The FCC has organized an industry-dominated advisory committee, with minority Federal and State representation therein, to recommend a program for greatly liberalizing the interconnection of customer-provided PBX equipment with the public communications network.

Such a program will again benefit a very affluent class of users by reducing their communication costs and, further, will increase profits of unregulated manufacturers of PBX equipment, both foreign and domestic. Accordingly, the general public will be forced to again shoulder a greater economic burden in supporting the public network of the regulated common carriers to the extent their revenues are reduced by the conferral of these extraordinary economic bene-

³ The first major separations change in favor of local and intrastate users—the Charleston Plan of 1952—occurred largely through the efforts of Chairman McFarland of the Subcommittee on Communications of the Senate Committee on Interstate Commerce.

⁴ The NARUC has appealed this decision to the United States Court of Appeals for the District of Columbia Circuit, No. 71-1982; and the Utilities and Transportation Commission of the State of Washington has appealed it to the United States Court of Appeals for the Ninth Circuit, No. 71-2919.

fits on big users and manufacturers. Also, a promiscuous interconnection policy may create hazards to the public network which would degrade quality of service to all.

The NARUC on October 29, 1971, requested the FCC to promptly convene a Federal-State joint board under Public Law 92-131 to consider and make recommendations with regard to all phases of interconnection policy. However, the FCC refused to convene such a joint board until after the PBX advisory committee had completed its work.

The FCC has taken advantage of this delay in convening a joint board by directing regulated common carriers to liberalize interconnection of customer-provided "Magical" and "Code-A-Phone" equipment. Although this directive has a direct impact upon State commissions and upon the rates paid by users they represent, and although the directive was clearly within the scope of the joint board function requested by the NARUC, the FCC nevertheless proceeded unilaterally and without prior consultation with the States.

In addition, the FCC is now engaged in meetings with industry representatives to develop standards for interconnection of telephone answering and recording devices. Although this issue is of joint Federal-State concern and also within the scope of the requested joint board function, the FCC has ignored the NARUC plea that State technicians be given sufficient advance notice to permit attendance at these meetings.

Such conduct by the FCC under-cuts the Congressional intent of Public Law 92-131 and offends elemental principles of comity in Federal-State relations.

Here again, the FCC is proceeding without an in-depth study of economic impact on common carrier rate structure.

FEDERAL-STATE JOINT BOARD INVESTIGATION

The cancellation of the Western Electric pricing investigation, the propensity to place an undue rate burden on local and intrastate users by unfair cost separations, the effort to benefit big users and manufacturers by certifying unneeded specialized carriers and by weakening interconnection policies, demonstrate that the FCC has become a citadel of special interest in which the needs of the average consumer are either forgotten or over-ruled.

The FCC has lost the will to regulate.

Accordingly, the FCC should not now be wholly entrusted with the investigation of Western Electric pricing and profits. We respectfully urge that the Congress appropriate sufficient funds to a Federal-State joint board to conduct a thorough and comprehensive investigation of the following paramount issues:

- (1) The prices and profits of Western Electric;
- (2) The economic impact of specialized carriers upon small users;
- (3) The economic and quality of service impact of weakened interconnection policy upon users of the communications network; and
- (4) The fairness of existing cost separations procedures to the consuming public.

The funds appropriated to a Federal-State joint board would be used to employ consultants to conduct the investigation under the auspices of the board and a FCC-State staff. Such consultants would of course only be employed after approval by Congressional leadership.

We further urge the Congress to hold oversight hearings into the conduct of the FCC to determine means for restructuring it to represent the national consumer interest.

With warm regards and best wishes, I am
Sincerely yours,

FRANCIS RIORDAN,
President.

MEDICARE HOME DRUG COVERAGE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 27, 1972

Mr. ROSENTHAL. Mr. Speaker, the Senate Finance Committee is currently holding hearings on legislation to provide prescription drugs for medicare patients outside the hospital. I am a sponsor of H.R. 2355, which would do just that. I wish to speak briefly today in its behalf, as I did before the Finance Committee.

Health care costs have continued to skyrocket in this country while the quality of health care has not. This is particularly so for the elderly and others on fixed incomes. Unfortunately, adequate health care in this country is too often viewed as a privilege, rather than as the right it should be.

A large portion of health care costs stem from the purchase of drugs. This is especially true of our elderly, who must spend 20 cents of their health care dollar on medicine. While the elderly represent only 10 percent of our population, they account for 25 percent of the Nation's prescription drug expenditures, or about \$1 billion a year. It is essential that we make the purchase of these drugs less of a hardship.

Our elderly are faced with rising needs and costs for medicines when they can least afford it. Many are living on minimal, fixed incomes, and expenditures for drugs can have substantial impact on their often too small financial resources. Furthermore, chronic illnesses requiring continuous drug use are prevalent among the elderly and pose a tremendous burden for this age group, fully 25 percent of whom are living at or below the poverty level as measured by Social Security Administration indices.

Aside from financial difficulties, the elderly face additional obstacles. They frequently have transportation problems and find it difficult to shop around for the lower prices they might be better able to afford. Oftentimes, their very illnesses present impediments to their exercising full consumer power.

This measure, I believe, will have a significant side benefit. Many times, the elderly must be admitted to hospitals in order to qualify for medicare coverage of drug purchases that could otherwise be prescribed on an outpatient basis. The present bill will not only eliminate this unfortunate use of much needed hospital space, but will avoid the potentially tragic psychological impact that a hospital stay can have on older people. This is a price that the elderly should no longer be expected to pay.

This program would also help avoid much worry and bother for medicare patients. They would simply pay the pharmacist \$1 for each prescription and not have to worry about keeping any records, paying monthly premiums, filing claims or getting tangled up in and red tape. A person would pay for this coverage during his working years, rather than after he retires and his income is sharply reduced.

Any program has potential administrative problems, and this bill is no different. Yet, the \$1 copayment, the reimbursement directly to pharmacies, and the formulary committee proposal strikes me as offering a balance between safeguards against waste, on the one hand, and protection and convenience for pharmacists, the Government and, of course, the elderly, on the other.

And most programs, Mr. Speaker, are expensive. Again, this one is no different. Yet, the human costs of not enacting

this bill, and thus perpetuating this hardship for our elderly, are far greater than the financial costs involved. In an age when we talk of spending over \$10 billion on space shuttles and one-tenth that amount on elaborate university campuses and Government office complexes, surely we must find the necessary funds to provide drugs for our elderly citizens.

There is no reason why the wealthiest, most technically and scientifically

advanced Nation on earth cannot also be the healthiest. We can no longer permit the dire shortage of medical personnel, the lack of adequate facilities, the unequal geographical distribution of those facilities, and the soaring costs of the available services and facilities to prevent every American citizen from receiving complete and preventative health care. An integral part of this effort is making the necessary drugs available to all who need it, regardless of their ability to pay.

SENATE—Friday, January 28, 1972

The Senate met at 10 a.m. and was called to order by the President pro tempore (Mr. ELLENDER).

PRAYER

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

Eternal Father, who has watched over this Nation in the past and whose grace is sufficient for all our need, continue to guard and guide all who bear the responsibilities of public office. Should we forget Thee, do not forget us, lest we stray from Thy precepts. Forgive our sins. Be patient with our mistakes. Turn us around if our direction is wrong. Assure us when we are right. Be near those who suffer poverty, who are hurt by war or forgotten and unloved by others. Bind us together in our common humanity to be one nation just, and pure, and righteous.

"To serve the present age
Our calling to fulfill
Oh, may it all our powers engage
To do the Master's will."

Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, January 27, 1972, be dispensed with.

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

THE CALENDAR

Mr. MANSFIELD. Mr. President, separate and apart from the application of the Pastore rule of germaneness, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 569, 570, 571, and 572.

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

AUTHORIZATION FOR ADDITIONAL FUNDS FOR THE COMMITTEE ON AGRICULTURE AND FORESTRY FOR ROUTINE COMMITTEE PURPOSES

The resolution (S. Res. 226) to provide additional funds for the Committee on Agriculture and Forestry for routine committee expenditures was considered and agreed to, as follows:

S. RES. 226

Resolved, That the Committee on Agriculture and Forestry is authorized to expend from the contingent fund of the Senate, during the Ninety-second Congress, \$30,000 in addition to the amount, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act of 1946.

AUTHORIZATION FOR ADDITIONAL EXPENDITURES BY THE COMMITTEE ON RULES AND ADMINISTRATION FOR INQUIRIES AND INVESTIGATIONS

The resolution (S. Res. 240) authorizing additional expenditures by the Committee on Rules and Administration for inquiries and investigations was considered and agreed to, as follows:

S. RES. 240

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Rules and Administration, or any subcommittee thereof, is authorized from March 1, 1972, through February 28, 1973, for the purposes stated and within the limitations imposed by the following sections, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

Sec. 2. The Committee on Rules and Administration, or any subcommittee thereof, is authorized from March 1, 1972, through February 28, 1973, to expend not to exceed \$327,000 to examine, investigate, and make a complete study of any and all matters pertaining to each of the subjects set forth below in succeeding sections of this resolution, said funds to be allocated to the respective specific inquiries and to the procurement of the services of individual consultants or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended) in accordance with such succeeding sections of this resolution.

Sec. 3. Not to exceed \$150,000 shall be available for a study or investigation of privileges and elections.

Sec. 4. Not to exceed \$177,000 shall be available for a study or investigation of computer services for the Senate, of which amount not to exceed \$25,000 may be expended for the procurement of individual consultants or organizations thereof.

Sec. 5. The committee shall report its findings, together with such recommendations for legislation as it deems advisable with respect to each study or investigation for which expenditure is authorized by this resolution, to the Senate at the earliest practicable date, but not later than February 28, 1973.

Sec. 6. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92-597), explaining the purposes of the measure.

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

Senate Resolution 240 would authorize the Committee on Rules and Administration, or any subcommittee thereof, from March 1, 1972, through February 28, 1973, to expend not to exceed \$327,000 for inquiries and investigations.

The funds requested by the committee would be allocated to specific inquiries and to the procurement of the services of individual consultants or organizations thereof as follows:

"Section 3 of the resolution would provide that not to exceed \$150,000 would be available for a study or investigation of privileges and elections.

"Section 4 of the resolution would provide that not to exceed \$177,000 would be available for a study or investigation of computer services for the Senate, of which amount not to exceed \$25,000 could be expended for the procurement of consultants."

During the first session of the 92d Congress (February 1, 1971–February 29, 1972) the committee was authorized to expend not to exceed \$113,000 for a study relating to privileges and elections. The Subcommittee on Privileges and Elections estimates that the unobligated balance under this authorization as of February 29, 1972 (funds returnable to the Treasury), will be approximately \$30,100.

In respect to the inquiry into computer services for the Senate, for which purpose \$78,000 was authorized by Senate Resolution 175, agreed to October 21, 1971, the Subcommittee on Computer Services estimates that the unobligated balance as of February 29, 1972, will be approximately \$15,000.

The supporting letters and budgets submitted to the Committee on Rules and Administration by its Subcommittees on Priv-