providing for the recognition of Bangladesh; to the Committee on Foreign Affairs.

By Mr. SHOUP:

H. Con. Res. 519. Concurrent resolution expressing the sense of the Congress with respect to motor vehicle insurance and an accident compensation system; to the Committee on Interstate and Foreign Commerce.

By Mr. SLACK:

H. Con. Res. 520. Concurrent resolution expressing the sense of Congress respecting Federal expenditures; to the Committee on Government Operations.

By Mr. TIERNAN (for himself, Mr. O'NEILL, Mr. BYRNE of Pennsylvania, and Mr. BURTON):

H. Con. Res. 521. Concurrent resolution expressing the sense of the Congress with respect to the current situation in Northern Ireland; to the Committee on Foreign Affairs.

By Mr. ASPINALL (for himself and Mr. SAYLOR):

H. Res. 795. Resolution to provide funds for the expenses of the investigations and studies authorized by House Resolution 18; to the Committee on House Administration.

By Mr. SISK (for himself and Mr. SMITH of California):

H. Res. 796. Resolution providing for the consideration of House Joint Resolution 1025, a joint resolution to provide a procedure for settlement of the dispute on the Pacific coast and Hawaii among certain shippers and associated employers and certain employees; to the Committee on Rules.

By Mr. SEIBERLING:

H. Res. 797. Resolution expressing the sense of the House that the United States should recognize Bangladesh; to the Committee on Foreign Affairs.

By Mr. McMILLAN:

H. Res. 798. Resolution providing funds for the Committee on the District of Columbia; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ABBITT:

H.R. 12901. A bill for the relief of Raymond W. Whitemore, Jr.; to the Committee on the Judiciary.

By Mr. BURTON:

H.R. 12902. A bill for the relief of Lee Shie-Chien Chu; to the Committee on the Judiciary.

By Mr. KEATING:

H.R. 12903. A bill for the relief of Anne M. Sack; to the Committee on the Judiciary.

By Mrs. MINK:

H.R. 12904. A bill to provide that Maj. Carvel de Bussy shall be advanced to the grade of lieutenant colonel, and for other purposes; to the Committee on Armed Services.

SENATE—*Wednesday, February 2, 1972*

The Senate met at 10 a.m. and was called to order by the Acting President pro tempore (Mr. METCALF).

PRAYER

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

Almighty God, who adorns the earth with beauty, enter our lives and make them resplendent with devotion to beauty, goodness, and truth. May the Creator-Spirit fill life with new meanings and fresh insights. Lead us through the stresses and strains of the day with pure hearts and souls at peace. Keep us steadfast in devotion to the welfare of all the people and the quest for enduring peace. Give us clarity to see Thy will and courage for doing it. In our private lives and in public service help us this day and every day more nearly to live as we pray.

In the name of Him who went about with loving heart. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, February 1, 1972, be dispensed with.

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

ORDER OF BUSINESS

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

SPESSARD LINDSEY HOLLAND—IN MEMORIAM

Mr. CHILES. Mr. President, Adlai Stevenson once said:

> For a man to love his country truly,
> He must also know how to love mankind. . . .

Spessard Lindsey Holland believed in the promise of America because he believed in its people. He was a humble man, a man of the people, who felt more at home in Bartow than in the social circles of Washington, D.C. He was a scholar and a keen intellect; yet, he liked nothing better than to hunt and fish in his beloved Florida.

Spessard Holland's career in the service of his State and his country spanned half a century, but he never sought fame. Rather, he sought to do lasting good and to make this country and this world a better place for all of us.

Spessard Holland was a gallant soldier in defense of his country. When America entered the First World War, Spessard Holland went to Jacksonville to enlist in the Army. He was commissioned a second lieutenant in the coast artillery in August 1917, and assigned to Key West. From there, he went overseas to France the following January where he volunteered as an aerial observer. In 30 days, he was at the front—flying. Several times, he was almost shot down and for his valor, Spessard Holland was honored with the Distinguished Service Cross.

Spessard Holland emerged from the war as a captain and he came home to marry his faithful and beloved, Mary Groover. She was an inspiration and source of strength to him for the rest of his life. A devoted wife and mother, Mary Holland was the perfect complement to her husband. Spessard Holland was prouder of his family than of any of his many legislative accomplishments.

Spessard Holland respected knowledge and learning and he fought to insure that each child would have a quality education. Both his parents were teachers, and he planned to be one when he enrolled at Emory University. After the war, he returned to his hometown and assumed the chairmanship of the local school district. Later, as Governor, he approved new tax laws which increased teachers' salaries an average of 40 percent.

Spessard Holland served his State and his country nobly and selflessly in all three branches of government—as a State legislator and U.S. Senator, as a prosecuting attorney and county judge, and as Governor. In the Florida Legislature, Spessard Holland assisted in drafting the Florida School Code, backed the Workmen's Compensation Act and old age assistance—all lasting achievements which moved the State forward.

Spessard Holland assumed the Governorship at the beginning of the wartime years when the State of Florida was close to bankruptcy. Within 6 months, Florida was on the road to recovery. Spessard Holland—a man of action—had begun to reform the tax system and soon Floridians would have a gas tax amendment which would reduce interest rates on road bonds. His love of nature and his native land prompted the creation of a strong game and fish commission, removed from political patronage. Moreover, he turned over State lands and money to the Federal Government for the establishment of the Everglades National Park, and as a U.S. Senator, he guided authorization and appropriations bills through the Congress for its continuing expansion and development.

Spessard Holland left the Governor's mansion as well liked and respected as when he entered it—a unique achievement in State politics. He loved the law and wanted to practice in Bartow and he also looked forward to having more time to enjoy his family and friends. However, U.S. Senator Charles Andrews' health was failing and he decided not to seek reelection. Florida and the U.S. Senate needed Spessard Holland and he was persuaded to run for election. He won the primary in May 1946 and was to have taken office in January 1947. Senator Andrews died in September of 1946 and Spessard Holland was appointed to fill the remainder of his term.

Spessard Holland came to Washington

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to represent his State—and he served as Florida's finest representative. He was most proud of his agricultural legislation, and he handled the Farm Credit Administration legislation in both committee and on the Senate floor. He believed in individual initiative and he fought to assure that the land banks belonged solely to the people that used them. He helped expand the Farmers Home Administration to assist the smaller, low-income farmers. As he stated in 1965:

I still strongly believe in our private enterprise system, in sound competition, in individual responsibility, and in keeping the government as close as possible to the people.

Spessard Holland was an effective legislator and an equally effective attorney. He wrote the Tidelands Act which guaranteed to the States ownership of submerged coastal lands along their boundaries. The bill became law but was challenged before the Supreme Court. Spessard Holland was chosen to argue before the Court and he did so brilliantly. He won his case and the Tidelands Act remained the law of the land.

Spessard Holland was a political conservative, but more important he was a libertarian. He fought for equality and justice for every man, and he lived up to these principles. He began his fight to eliminate the poll tax in Federal elections in 1946 by introducing a constitutional amendment and he reintroduced this amendment again and again until its ratification as the 24th amendment to the Constitution in 1962. No man would ever again be denied the right to vote because he could not pay.

Spessard Holland was compassionate and understanding, fairminded, and conscientious. When the issue of statehood for Alaska came before the U.S. Senate, he was the first southerner to support the cause. He had always believed in the right of self-determination in government, and he fought—and won—to secure total representation for the Alaskan people.

Spessard Holland was a man of complete, utter integrity who was revered by even those who disagreed with him. He was one of the ablest men ever to sit in the U.S. Senate and his wisdom and judgment were respected by Senators on both sides of the aisle.

Spessard Holland loved Florida and its rivers and streams and magnificent Everglades. He was an advocate of flood control and conservation before they became fashionable issues because of his esteem for nature and life.

Spessard Holland was a simple man—an unpretentious man—who worked with diligence and dedication to make the American dream a reality. He was my good friend and a wise counsel, and I miss him deeply. However, his legacy will always be with us—and we are a better people and a better Nation because he lived.

His life was gentle, and the elements so mix'd in him that Nature might stand up and say to all the world, "This was a man!"

The ACTING PRESIDENT pro tempore. Under the previous order, the Chair now recognizes the distinguished Senator from Florida (Mr. GURNEY) for not to exceed 15 minutes.

Mr. GURNEY. Mr. President, it is a sad honor for me to speak today of the career of our former colleague Spessard Holland—sad in the knowledge that a great American is no longer with us. He leaves behind him a proud legacy of accomplishment and a host of sorrowing friends and admirers. It was my good fortune to have served with him in the Senate for 2 years and in Congress for 8; he was, indeed, a man of great character and integrity, a man for whom everyone had the greatest respect.

Spessard Lindsey Holland was a very special man, one who served his country with honor and distinction, in war and in peace, for over 50 years. Those of us in the Senate remember him well for his service, his leadership, and his inspiration. His wise counsel will be sorely missed. Yet, while he may no longer be physically with us, the memory of his character and spirit will not soon be forgotten.

During the last few years there has been a great deal of soul searching in America, accompanied by expressions of guilt over supposed evils of the past. The past is something many Americans would have us be ashamed of—but when we look at the contributions of a man like Spessard Holland we realize that it is men like these that have helped make America great and it is those who attack them who should be ashamed. Few men in American history have served as long or at as many levels of government as Spessard Holland and even fewer have served as well.

Senator Holland's distinguished career began in one era and ended in another. He was born on July 10, 1892 in Bartow, Fla., some 11 years after his parents had moved to the State. As a youth, he went to school in the town that was to become his lifelong home, graduating from Summerlin Institute—now the Bartow High School—in 1909. From there he went on to Emory College, from which he graduated in 1912 but to which he dedicated much time and effort right up until his death. This was to become typical of this man of service; he always contributed more to anything in which he became involved than he received in return.

College diploma in hand, he entered the University of Florida Law School. While there he not only was an outstanding scholar, but also found time to participate in athletics and to be student body president. In fact, he was such a good athlete that in 1916 the legendary Connie Mack offered him a contract to play pro baseball with the old Philadelphia A's. However, he chose not to sign. Baseball's loss turned out to be Florida's—and the Nation's—gain.

Soon after graduating from law school in 1916 Spessard Holland went off to fight for his country. In 1917 he was commissioned a second lieutenant in the coast artillery and subsequently went to France where he transferred to the Army Air Corps. As a flier he saw action in four of the major battles of 1918, shot down one German plane and was, himself, shot down in combat. As a result, he was awarded the Distinguished Service Cross, the citation of which noted "extraordinary heroism in connection with military operations against an armed enemy." He came home from the war a captain.

After returning home, getting married, and practicing law briefly, he accepted appointment as prosecuting attorney for Polk County. In 1920, he was elected county judge—a position he held until 1929. Then, in 1932, he ran for, and was elected to, the State senate where he served with distinction for 8 years.

While in the State senate, Spessard Holland made some notable contributions. He sponsored measures aimed at reducing taxes, improving public education, introducing workmen's compensation, and providing assistance for the elderly and the unemployed. He wrote and sponsored legislation creating the Florida Citrus Commission and he sponsored the Soil Conservation Districts Act, the Cooperative Market Act, and the Fair Trade Act. And, perhaps most important in terms of his future career, he led the successful fight to abolish the poll tax in Florida because he believed it to be morally wrong. There were many in the country in the 1930's, 1940's, and 1950's who did not agree. These people were to find out that Senator Holland fought long and hard for what he believed in.

In 1940, with war clouds on the horizon, Floridians chose him to be their 28th Governor. He saw his task as one of preparing the State for the struggle ahead and then making sure that it contributed fully to the war effort. But that was not all, for during his term as Governor he signed the deed that conveyed 850,000 acres of land, water, and swamp to the Federal Government to be turned into a Federal park. However, establishment of the park did not come right away; not surprisingly it was a freshman Senator from Florida, Spessard Holland, who introduced the required bill into the Senate.

In 1946, he decided to run for the U.S. Senate and won the Democratic primary in September. Since victory in the primary meant victory in the general election, it was only logical that he should be appointed to the seat when the incumbent Senator Charles Andrews died in September 1946. So began his distinguished Senate career that was to span nearly a quarter century. During that time he made innumerable significant contributions to the course of legislation.

Enumerating all these contributions would fill a volume; so let me just mention a few of the high points.

As a freshman Senator, he followed up on his earlier efforts and introduced the bill that, when passed in 1947, created the Everglades National Park.

In 1949, he first introduced a constitutional amendment to prohibit the poll tax in Federal elections. He kept introducing it until he finally saw it passed in 1962 and ratified by the States in 1964 as the 24th amendment to our Constitution.

He was a prime mover behind the passage of the Tideland Act which restored to the States property rights to submerged coastal belts lying within their boundaries. Later—in 1959—he personally argued the constitutionality of the act before the U.S. Supreme Court.

He took a leadership role in the passage of the central and southern Florida flood control project, and supported

many other river and harbor projects that have proven to be most beneficial to the cause of national development.

In 1956, Senator Holland took a leading role in the passage of the Highway Act which initiated our Interstate System which, only now, is nearing completion.

I could go on but the record speaks for itself.

As the senior Senator from Florida for 20 of his 24 years in the Senate, he took a great interest in those things that directly concerned the State, while at the same time, keeping an unrelenting eye on the national interest. His committee assignments reflected his concerns. He became a member of the Agriculture and Forestry Committee early in his Senate career and ultimately became its second ranking member. Later he went on the Appropriations Committee and worked his way up to fifth ranking member. His third committee was Aeronautics and Space, and although he joined it late, his presence on the appropriations committee helped give him leverage.

Over the years, he became known as a strong supporter of agricultural interests due to his committee work. On appropriations, his concern for fiscal responsibility was always a sobering influence and as far as the space program was concerned, he became, over the years, one of its strongest supporters.

In 1970, Senator Holland, still as vigorous as ever at age 78, decided to end his distinguished Senate career. He did not want to stay on too long, he said, and he felt that it was time to give a younger man a chance. And so he retired, with the same grace and dignity that always marked his efforts.

Retirement meant going home to Bartow and to his family. But it did not mean a withdrawal from the world. He continued to take an interest in politics and he was preparing to write a book or two—one on the history of Florida, so much of which he helped make, and the other on his family. Sadly, time ran out and these tasks were never completed. We may only be thankful that the end came peacefully and without prior suffering.

Senator Holland's death is a tragic loss for Florida and for the Nation. He was a truly great gentleman—a man who personified the best elements in American life. He was a man of unwavering integrity; he was dedicated to his work and to doing what he thought best for America; and he was a man of perception—a man able to appreciate the past, understand the present, and perceive the challenges of the future. No narrow-minded man was this Senator; he was guided by principle but he was always tolerant of the views of others. He was an independent thinker who spoke his mind when the occasion warranted but he granted the same right to others. In summary, he was a patriot in every sense of the word—a man who loved and fought for his country and all the good things it stood for. But, perhaps he will best be remembered for his dignity, courtesy, and upright manner with which he always conducted himself. In so doing, he set an example that all America would do well to follow.

Spessard Holland's career will not soon be forgotten. Its scope of achievement was truly amazing and reflects great credit not only on the man but on the State and Nation that produced him. While he will be sorely missed, we may take consolation from the fact that as long as America keeps producing leaders and statesmen like Spessard Holland, its future will be bright indeed.

At this time of sorrow, we offer to his beloved wife of 52 years, Mary, and to their four children, our deepest sympathy. We share with them—and with the rest of the Holland family—the deepest sense of personal loss.

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

Mr. GURNEY. I yield.

Mr. MANSFIELD. I wish to join the two distinguished Senators from Florida in their statements relative to our late distinguished colleague Spessard Holland.

Spessard Holland had an outstanding record of service. He served in the Armed Forces during the First World War, was awarded a number of decorations, and acquitted himself with distinction.

He served as Governor—and as a fine Governor—of the State of Florida. Following that, he served many years in the Senate of the United States.

Spessard Holland will be remembered not only for his diligence, his integrity, his understanding, his patriotism, and his knowledge, but also he will be remembered as the author of the 24th amendment—the Holland amendment—which abolished the poll tax.

He also will be remembered as being in the forefront of the fight to give to the Territory of Hawaii the status of statehood.

Spessard Holland made many contributions to the welfare and betterment of his State. He was a devoted servant of the United States, a man whom we all respected, whom we all loved, and whom we all miss.

So I should like to join with my distinguished colleagues with these few remarks to express my appreciation, my affection, and my respect for a man who served the Senate well, who served his State and Nation with dignity and understanding, who is missed and will be missed, and who has left his mark on this body. He was a great Senator.

Mr. PASTORE. Mr. President, as this Senate approaches its tremendous responsibilities of this year of 1972, it is well that we pause to revere the memory of men who once were our colleagues—and shared our responsibilities with their rare gifts of mind and heart.

Such a Senator was our departed friend, Spessard L. Holland.

It seems fitting that the passing from this life of Spessard Holland should be as gentle as was the gentle bearing of this great American—scholar-soldier-teacher-statesman.

The people of his beloved Florida bestowed on their native son every honor in their power to give. As Governor and Senator few men have given to their State and country the dedicated service that is the life story of our colleague and friend who served here in this quarter century of America's drama, danger, and destiny.

A flying ace in World War I—a four-letter athlete in college—Phi Beta Kappa in scholarship—we remember him best as a debater on this Senate floor—and his particular audience, his beloved wife listening with rapt attention in the gallery.

For Spessard Holland—in all his labors—had in mind the sanctity and security of the home—his home and the homes of all Americans.

It seems only yesterday that the Hollands—here on "the Hill"—observed their golden anniversary—and a day of genuine celebration for us and his legion of neighbors and friends.

Spessard Holland was a southerner who fought for repeal of the poll tax—and saw his efforts through to success.

A world figure, he fought for the preservation of the Florida Everglades as precious natural wealth for all people.

It was a treasured dividend of service in the Senate to have enjoyed the friendship of this splendid human being who shall be remembered forever by his senatorial title—"the gentleman from Florida."

A nation's gratitude and sympathy go to his beloved wife—the inspiration of his life.

Mr. BIBLE. Mr. President, it is an honor to join my colleagues in paying final tribute to one of the most respected members of this body, Senator Spessard Holland.

When Senator Holland died last November, our majority leader called him a "U.S. Senator in the best meaning of the term." I share that assessment. Senator Holland's fine work in the fields of agriculture, conservation, and taxation left a permanent testimonial in American history to his dedication and ability.

I worked most closely with Senator Holland on the Appropriations Committee, and his keen judgment has been sorely missed there. But it was our common interests in the preservation and development of parks and recreation areas that brought us most closely together. As chairman of the Interior Parks and Recreation Subcommittee, I valued Senator Holland's wisdom and guidance in the development of the Everglades National Park and the many other fine recreation and wildlife programs benefiting not only Florida but every section of our Nation.

He may be best remembered, however, for his courageous work in behalf of the 24th amendment to the Constitution. This landmark amendment struck down the poll tax, an unfair and often discriminatory burden on our citizens.

It is unfair, really, to single out any accomplishment when we honor the memory of Senator Holland. For his interests were broad and his legislative record was one of the most productive.

Senator Holland was in every respect a valiant Senator, a champion of human rights, and a guardian of our Nation's great national heritage. His contributions were legion, and his State and Nation have lost a valued friend and advocate.

Mr. BYRD of West Virginia. Mr. Pres-

ident, it is difficult when one is eulogizing a man of the stature and accomplishments of Spessard Holland to decide what facets of his character and career to emphasize. There were so many that were outstanding.

The late senior Senator from the State of Florida served in this distinguished body for almost a quarter of a century. He had enjoyed the absolute confidence of the people of his State as their representative in Washington and also as their Governor. He left them a legacy of lasting beauty when he championed, against great odds, the establishment of the Everglades National Park. Generations of Floridians to come will have cause to be grateful to this distinguished leader for his courage and foresight.

Senator Holland served with much distinction on the Committees on Appropriations, Agriculture and Forestry, and Aeronautical and Space Sciences, and to each he gave to the fullest extent the benefit of his diligence, perception, mastery of public issues, and a high level of personal integrity. He was a man of true loyalties to his country, his State, and his colleagues. But he also possessed an independence of mind and never shirked the task of speaking his mind if and when the necessity arose.

Spessard Holland was a man of dignity and unfailing courtesy. He was the embodiment of a southern gentleman. There was not a Member of the Senate who did not respect and esteem Senator Holland for his qualities as a legislator, as a human being, and as a friend. I am proud and grateful to have been his colleague in the U.S. Senate.

Mr. ERVIN. Mr. President, I wish to join in the tribute which my friend the distinguished assistant majority leader, Mr. BYRD of West Virginia, has paid to the late Spessard Holland.

Spessard Holland held virtually every office within the gift of the people of Florida. Before he held his first office, however, he served in the American Expeditionary Force in a branch of the service which required men of heroic mold; namely, the Army Air Force. He served as an observer in the Army Air Force. In those days, the Army Air Force was equipped with planes which can be described merely as crates. It required the greatest amount of physical courage even to go up in the air in one of the crates, let alone to subject oneself to the fire of the enemy in one of them.

Spessard Holland was awarded the Distinguished Service Cross by the American Expeditionary Force in France for the extraordinary heroism he displayed as an observer in the Army Air Force, which was the only air force operating on the Western Front in behalf of the American Expeditionary Force.

Spessard Holland had the physical courage that enabled him to brave the dangers of physical combat. After he returned to Florida, he devoted his keen intellect, his great learning, and his magnificent moral and political courage to the service of his people. He was a man gifted by his Creator with a wonderful mind. That was illustrated by the fact that he was selected as a Rhode scholar to attend Oxford University, in England, but was prevented from so doing by the fact that the First World War occurred and that he responded to his country's call by volunteering his services.

Not only was he a great student; he was also an outstanding athlete. He was renowned in the athletic annals of the University of Florida as one of the greatest pitchers of all time on its baseball teams. He was offered a contract by that prince of the diamond, Connie Mack, to pitch baseball for the Philadelphia Athletics.

After serving his country in the First World War, Spessard Holland returned to his home in Florida and was speedily honored by those who knew him best—that is, his neighbors—with election to the Florida State Legislature, where he served with great acceptability and was responsible for much beneficient legislation for his State.

He also served in the capacity of county judge. I think that his judicial experience, although it was not long, gave him a cast of mind which remained with him throughout the remainder of his life.

Spessard Holland was always willing to hear both sides of a question. He always recognized that there was much to be said on both sides of controversial questions. He was willing to listen to those who disagreed with him. After he was convinced of the rectitude of his position in respect to any public issue, he fought for that position valiantly.

After serving the people of his home county in the capacities of State legislator and county judge, Spessard Holland was elevated to the highest office within the gift of the people of Florida; namely, the office of Governor of that great State. Here he served during the trying days of the Second World War in a manner which reflects credit upon a man who was essentially a great public servant.

After a highly distinguished career as Governor of Florida, Spessard Holland was chosen to represent the State of Florida in the U.S. Senate, where he soon distinguished himself as one of the ablest Members of the Senate, and where he earned the respect and the admiration of all persons who knew anything about his public service in the Senate, including those who may have disagreed with him and who may have fought him on many occasions.

If I were asked to epitomize the political philosophy of Spessard Holland, I would say that he believed in clinging to the true and tried landmarks of the past, but that at the same time he was not opposed to giving consideration to new ideas. I have known few, if any, men who had the stature of Spessard Holland.

I was very much distressed when he decided to retire from the Senate, although he explained to me at that time that he was moved to do so, because he was susceptible to angina and that on some occasions this unfortunate ailment made it difficult for him to carry some of the burdens of his office.

I hated to see him leave the Senate, because for years I sat immediately behind him. I am now privileged to occupy the seat which he occupied. During the years when he occupied this seat, and I sat immediately behind him. I often called upon him for advice in respect to the complex and difficult legislative proposals pending before the Senate. I always found his advice extremely helpful, because he made it a practice to study all the issues that came before the Senate and then to accept the side of the issue which his intelligence told him was on the right side for his country and which his commonsense told him was the most practical solution of the proplem under consideration.

I will emphasize what Spessard Holland always acknowledged, that is, that his great achievements as a public servant were due to the devotion and encouragement of a great woman, Mary Holland, who was his constant love and inspiration.

I have always thought, from the time I came to know Spessard Holland and to admire him for the qualities of his head and to love him for the qualities of his heart, that he was fittingly described in a poem written by another man whose surname happened to be Holland, a poem by Gilbert Holland. That poem is as follows:

God give us men! A time like this demands
Strong minds, great hearts, true faith, and ready hands;
Men whom the lust of office does not kill;
Men whom the spoils of office cannot buy;
Men who possess opinions and a will;
Men who have honor; men who will not lie
Men who can stand before the demagogue and hear his treacherous flatteries without blinking
Tall men, sun-crowned
Who dwell above the fog in public duty and in private thinking.

Such a man was Spessard Holland. He was one of the most faithful public servants this country has ever known.

I would say that today America is uttering the prayer which Gilbert Holland phrased in the poem which I have just quoted. America is still praying for men of strong minds, great hearts, true faith, and ready hands. And unless America's prayer is answered, it is not likely that the American dream will long endure.

I shall never cease to miss Spessard Holland and his courageous and intelligent example as a legislator, and I shall never cease to praise the good Lord for having given me the privilege of knowing and being closely associated with one of the finest human beings that the good Lord ever created; namely, Spessard Holland.

Mr. YOUNG. Mr. President, I share the very great sense of loss we all feel with the passing of our esteemed colleague, Spessard Holland.

I feel his loss particularly keenly as I was privileged to work very closely with him all during the nearly quarter of a century he served in the U.S. Senate. As a long-time member of the Senate Appropriations Committee and chairman of the Subcommittee on Agricultural Appropriations, he demonstrated time and again his vast knowledge of the complex problems of agriculture. During nearly all of the time he served in the Senate, Spessard and I were also members of the Senate Agriculture Committee.

He was always a powerful advocate for the interests of his State of Florida and always had a keen understanding of and intense loyalty to our national interests.

His thorough study and analysis of any problem before the Congress always commanded the respect of all of us and contributed heavily to whatever debate was in progress.

Senator Holland was a very able lawyer and one of the Senate's most powerful advocates of the interests of Florida and, in fact, every issue he became involved in. He was a tough, hard fighter for the things he believed in, but was always courteous, gentlemanly, and considerate.

He was exceptionally faithful to his duties as a Senator. Even after he announced his retirement, he continued to work just as hard as ever and was very active in his committee work and on the floor of the Senate to the last day of his service.

Spessard Holland served his State and Nation throughout his life. Air Pilot in World War I, State legislator, Governor, U.S. Senator. These were the offices to which he brought his skills. In each instance he established an enviable record that will serve for years as an example.

We are all better for having had an opportunity to work with and know Spessard Holland. He was one of my best friends in the Senate. We will miss him deeply and Patricia and I extend our deepest sympathies to his wonderful wife, Mary, and all of the family.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the period for other eulogies of the life and career of the late distinguished Senator from Florida, Spessard Holland, be extended through the month of February so as to give Senators who are absent from the Chamber at this time, because of other duties, a chance to make their feelings known.

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

Mr. GURNEY. I thank the distinguished majority leader.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the distinguished Senator from Delaware (Mr. ROTH) is recognized, Mr. Keith Guthrie, a member of his staff, be permitted to remain on the floor of the Senate during the delivery of Senator ROTH's speech.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Under the previous order, the Senator from Delaware (Mr. ROTH) is recognized for not to exceed 15 minutes.

THE INDIA-PAKISTAN WAR

Mr. ROTH. Mr. President, the tragic events that culminated in war last November between India and Pakistan have kindled a controversy over U.S. policy toward the South Asian subcontinent. We have heard complaints that the administration should have acted more vigorously to oppose repression of the rebellion in East Bengal. At the same time, critics have deplored the strain placed on our relations with India by the administration's forthright condemnation of Indian military intervention and its concern to restrain a possible Indian assault on West Pakistan. Those who are dissatisfied with our actions in the recent crisis charge that the United States has taken the side of a military dictatorship against the world's largest democracy. They express dismay that the United States ended up on what was, given the realities of military power and geography, predictably the losing side. The result, they claim, has been serious damage to American prestige abroad.

I share the widespread concern over the impact the recent crisis has had on our position in South Asia. The United States has many reasons to be interested in what goes on in this region. It contains one-fifth of the world's population. It occupies a strategic location—along the trade routes between Europe and the Far East and separating the two great Communist powers—the Soviet Union and China—from the Indian Ocean. The United States has invested billions of dollars in foreign assistance to support the economic development of India and Pakistan. Both countries have made remarkable progress toward economic modernization; but this progress inevitably suffers from conflicts such as the recent one, and the fruits of U.S. assistance are wasted. Americans have an additional reason to take an interest in the course of India's development, because that country, despite immense obstacles, has maintained a working democracy. It is, therefore, especially saddening that recent events have cast a shadow on our relations with India.

If we have reason to fell concern about the state of our relations with the nations of the subcontinent, we should recognize that the sources of our current difficulties lie deeper than the anti-Indian "tilt" adopted by the administration when hostilities broke our between India and Pakistan. To limit one's view only to the recent crisis is to take a highly superficial approach in analyzing the U.S. relationship with India and Pakistan.

To gain a proper perspective on the recent crisis, we should recall two basic facts about the politics of the subcontinent. The first is that it is a region of deep ethnic, linguistic, and religious cleavages. The second is that it is a region on which the interests of three major powers—the United States, the Soviet Union, and China—converge and, occasionally, conflict.

Let me first speak about the cleavages which divide the subcontinent. The most important is that which separates Hindu from Muslim. Its roots go back many centuries, as far as the year 1000, when Muslim invaders from the west first began to spread their authority across northern India. Hostility between the followers of the two religions has influenced the course of history on the subcontinent ever since. It was responsible for the very creation of two separate nations—India and Pakistan—at the time the British ended their dominion over the region in 1947.

This traditional Hindu-Muslim animosity has permeated relations between India and Pakistan. To the accumulated prejudices of centuries have been added new grievances arising out of the partition which created the two nations. The most important source of friction has been Kashmir, a Moslem area which is claimed in its entirety by Pakistan but is partly administered by India.

It is thus hardly surprising that relations between India and Pakistan have been marked by constant tension and occasional open warfare. Each nation harbors an obsessive fear of the other. India cannot rest easy as long as Pakistan maintains its claim to all of Kashmir. Pakistanis remember the reluctance with which some Hindu leaders in 1947 accepted the creation of a separate Pakistani state. They suspect their more powerful neighbors of desiring to eliminate Pakistan or reduce it to the status of an impotent satellite.

In the recent crisis on the subcontinent we have seen the effects of another important cleavage—between the eastern and western regions of Pakistan. The Bengalis, who make up most of the population of East Pakistan, have almost nothing in common with the people of West Pakistan except the Muslim religion. The Bengalis have their own language and cultural traditions. Their homeland is separated by over 1,000 miles of Indian territory from West Pakistan.

The ties between these two dissimilar regions were steadily eroded by growing Bengali disenchantment with the central government's policies. The Bengalis felt that their interests were neglected. They cited the case of the 1965 Indo-Pakistani war over Kashmir, when the Eastern region was left to fend for itself, exposed to possible Indian attack but without sufficient forces to provide for its defense. The Bengalis, pointing out that they comprised a majority of Pakistan's population, demanded that they be given a greater voice in the national government and more autonomy to manage their own affairs. Last March the simmering dissatisfaction in the East boiled up into rebellion when the Pakistani Government moved to set aside the results of elections in which Bengali representatives obtained a majority of the seats in the national assembly.

Let us turn now from the internal to the external forces at work on the subcontinent. I emphasized earlier that the region is one in which the United States, the Soviet Union, and China have all taken an active interest. The attitudes of these three powers have had one feature in common. Each of them has been sensitive about any increase in either of the other's influence on the subcontinent. The Soviet Union and China keep a wary eye on the region because of its proximity to their southern frontiers. Their concern has sharpened as their relations with each other have deteriorated. China's boundary dispute with India gives Peking an additional reason for watching developments on the subcontinent closely.

The American approach to the region has been strongly influenced by the doctrine of containment, under which we sought, partly by building a chain of interlocking military alliances, to create barriers to the spread of Communist influence throughout the world. Since the subcontinent occupies a strategic position on the southern edge of the Commu-

nist world, we have seen the projection of our influence there as a means of deterring Soviet and Chinese expansionism. It was in pursuit of this objective that we successfully sought Pakistani accession to both the Southeast Asia Treaty and the Baghdad Pact, which became the basis for CENTO.

The interplay of external and internal forces on the subcontinent has greatly complicated our efforts to devise a satisfactory policy toward the region. We have not found it easy to reconcile our efforts to guard against Soviet and Chinese expansionism with our desire to maintain friendly ties with both India and Pakistan.

Our treaty relationships with Pakistan are a case in point. At the time of the Southeast Asia Treaty in 1954, we began to provide military equipment to our new ally, Pakistan. This brought protests from New Delhi, which feared that any arms supplied to Pakistan would be used against India and felt compelled to increase its defense budget. Another result was that the Soviet Union and India began to see a greater mutual interest in closer ties.

In 1962 we had a similar experience, except that this time it was our relations with Pakistan that suffered. When Chinese troops advanced against Indians in the disputed boundary region of the Himalayas, we hastened arms to India. Alarmed by this build-up of Indian military strength, Pakistan threatened to leave SEATO and sought support from China, which responded by concluding a boundary treaty and providing arms and economic aid.

These two instances illustrate the intricate pressures which tend to enmesh not only us, but also the Russians and the Chinese, in the continuing bilateral quarrel between India and Pakistan. In fact, if we review the diplomatic history of the region since 1947, we find a steady trend toward great power involvement. The Soviet Union has increasingly supported India, both against China and Pakistan. In addition to providing arms, it has endorsed the Indian position on Kashmir. China, largely because of its boundary dispute with India, has drawn closer to Pakistan. We have already seen how the United States has frequently been caught in the crossfire between India and Pakistan.

The growing involvement of the United States, the Soviet Union, and China carries great risks, for it means that the prestige and resources of these three nations are committed under circumstances which they cannot always control. Individually, they have in the past been signally unsuccessful at restraining India or Pakistan from resorting to force. They have likewise had little success in eliminating the sources of conflict, as witness the long series of futile diplomatic efforts to resolve the status of Kashmir. Collectively, they might be better able to exert a restraining influence, but usually they have not deemed it in their interest to cooperate to this end. Under these conditions, the danger that the great powers may become directly involved in a conflict as a result of events on the subcontinent is greatly magnified.

The complexities with which we must deal were never more evident than in the recent crisis. When we examine the chain of events that began with the Bengali rebellion in March 1971, we find several familiar patterns.

First of all, we see the powerful workings of the internal cleavages that divide the subcontinent. The rebellion in East Bengal and the brutal and bloody attempt by the Pakistani army to suppress it are the dramatic results of one of these cleavages. Similar forces reveal themselves in the Indian military intervention, which enabled India to eliminate its arch-enemy from a position on its eastern frontier.

Secondly, the recent crisis once again shows how little the great powers are able to do to restrain conflict on the subcontinent. Our restriction of arms shipments and economic aid and our pressure for a political accommodation between East and West Pakistan proved insufficient to deter the Pakistani Government from pursuing a policy of brutal repression which seemed sure to end in disaster. Later, when an Indian attack on East Pakistan was imminent, the great powers proved no restraining influence. The Soviet Union supported India by interposing its veto to prevent United Nations action; and the U.S. efforts to dissuade India from invading were, in such circumstances, ineffective.

Finally, we have seen the great powers once again lining up on opposite sides of a regional conflict, with all the risk that that implies for escalation. The United States and China supported Pakistan, while the Soviet Union backed India.

It seems to me that our unhappy experience in the recent crisis underscores the importance of making a hardheaded assessment of our interests in the region. This is an essential first step if we are to avoid repeating the past pattern of involvement in intraregional conflicts over which we have little control but which jeopardize our relations with the peoples of the subcontinent and magnify the risk of confrontation with the Soviet Union or China.

This will require that we have a clear conception of the Soviet and Chinese threat to our interests in the region. In evaluating the danger from that direction, we should take a careful look at the barriers of geography, culture, and national interest that stand in the way of the extension of Chinese and Soviet influence in the region. We should beware of exaggerating the leverage which any external power can exert in the affairs of nations as large and diverse as those in South Asia. Of those nations, India especially has demonstrated a stability and strength of purpose that suggest it will not readily become the pawn of an outside power.

If we are to have a realistic policy on the subcontinent, we must also be mindful of the constellation of power within that region. There can be no doubt that India, by reason of its population, territory, resources, and political stability is the key nation. It follows that our relations with India should be given a high priority when formulating our South Asian policy. It is true that American and Indian interests do not coincide in all respect and that our differing cultural traditions present obstacles to easy understanding between us. But India's primacy on the subcontinent cannot be evaded, and we should not without good reason take actions in that region which undermine our ties to India.

In stressing the importance of India, I do not mean to imply that we should ignore Pakistan. Even with the loss of the eastern region, it will remain a significant force on the subcommittee and one deserving our consideration.

Criticism of Pakistan's political shortcomings has, I believe, too often failed to take into account the handicaps under which it has labored. The 1947 partition affected it more deeply than India; the disruption to the economy and to government administration was much more severe while the resources available to it were more limited. After independence, its economic progress, which we assisted, was noteworthy. This is an achievement in which both the United States and Pakistan can take pride.

The analysis I have made suggests that we should realistically adjust our policies to take into account the changes that have come about on the subcontinent as a result of the recent crisis. This means that we should be willing to go at least halfway with India in seeking to restore a modicum of confidence and cordiality to the relationship between our two countries. We need not, nor should we, condone India's resort to armed force against Pakistan. But we should recognize that there is nothing to be gained for either of our countries in keeping each other at arm's length.

A few days ago, India's able ambassador, Mr. L. K. Jha, offered an encouraging comment about the future of United States-Indian relations. Speaking to the National Press Club, he said:

> Though in the recent past sharp differences developed between India and the United States, I do believe that the two great democracies of the East and West will rediscover the friendship that exists in each for the other.

I am confident that Ambassador Jha's assessment will prove correct. It benefits neither the United States nor India to dwell on the discords of the recent past. Instead we should look for opportunities to increase cooperation between our two nations.

One of the major consequences of the recent crisis is the proclamation of the new state of Bangladesh. This provides a crucial test of our willingness to adopt a realistic approach in dealing with the subcontinent.

There is no compelling reason why we should not desire to have friendly relations with the people of Bangladesh. With 70 million inhabitants, it is the eighth most populous nation in the world. Its leader, Sheikh Mujibur Rahman, has publicly stated his government's hope that amicable ties can be established with the United States. The sheikh appears to enjoy the overwhelming support of his countrymen and has made significant efforts to restore normality in his country by concluding an accord with the guerrilla forces to turn in their weapons to the government. If the regime in Dacca demonstrates its intent and ability to carry out the respon-

sibilities inherent in membership in the community of nations, it seems inevitable that we will wish to establish diplomatic relations with it. Once it has met this test, and its beginning is most promising, I believe we would be unwise to delay recognition. In the meantime, I support the continuance of our programs to relieve the suffering caused to the people of Bangladesh by the conflict there.

Pakistan presents an especially difficult challenge for our foreign policy. That nation has suffered a humiliating military defeat. In the process, it has lost over half of its population, one-sixth of its territory, and a large share of its economic resources. Festering Pakistani resentment could become a poisonous influence on the international politics of the subcontinent.

The answer, it seems to me, is to smooth the way for the Pakistani Government to provide a better way of life for its people. This means encouraging Pakistan to focus its energies on the positive task of economic and social development rather than on a negative drive to recapture what can never be regained.

Happily, there are indications that Pakistan is approaching the problems of readjustment in a positive way. The new government of President Bhutto has acted in statesmanlike fashion in promptly releasing the Bengali leader, Sheikh Mujibur Rahman. It has been conciliatory in its dealings with India and Bangladesh. And it has indicated that it will proceed vigorously in seeking solutions to the country's political and economic ills.

The measures I have just discussed are steps that we can take now. Over the long term, I believe we should remain alert to opportunities to provide a firmer foundation for peace on the subcontinent. Recent events have underlined the lesson taught by a quarter-century of intermittent strife in that region, namely, that competition among the great powers abets instability. Had the United States, the Soviet Union, and China been willing to take concerted action, the chances would certainly have been better that an international crisis over East Bengal could have been averted. Perhaps at some time in the future these three nations will find it possible to join in constructive action to reduce tensions in the region. One such step might be a moratorium on supplying arms to the subcontinent. I am not optimistic that we will soon see any progress along these lines. However, the prospects may improve as we move toward the era of negotiations President Nixon is seeking in our relations with the Soviet Union and China.

In the meantime, I earnestly hope that we will keep in mind the need for a balanced approach to the subcontinent. We have no reason to be the enemy of any of the South Asian countries, and we have important reasons to be friendly with all. If we act promptly to show our interest in good relations with each of the region's three nations, I am convinced we will have made a good start toward overcoming the ill-effects of the recent crisis.

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

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 30 minutes, with a limitation of 3 minutes on each Senator to be recognized.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

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

The second assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

MAHALIA JACKSON

Mr. BYRD of West Virginia. Mr. President, it was with genuine regret that I read of the death of Mahalia Jackson. By her passing, the world has lost a true artiste and a woman whose musical talent was equalled only by her love of simplicity.

The real measure of her greatness lay in the fact that she achieved world-wide fame as a singer of the gospels despite her own sincere efforts to shun the spotlight. The simple country church on a Sunday morning meant more to this great Negro contralto than the plaudits of thousands in Carnegie Hall.

Mahalia Jackson was born 61 years ago in that cradle of music, the city of New Orleans. From very humble beginings, she rose to be described as "the world's greatest gospel singer" and to be offered the chance of international fame and substantial wealth by no less a musical celebrity than Louis Armstrong, then at the height of his fame. Gospel songs were the only musical form she countenanced. Once, when she was offered a most lucrative contract to record some of the famous "blues" songs, she declined, saying:

"Blues" are the songs of despair. Gospel music is the music of hope. I will always sing the songs of hope.

Now that the rich voice of Mahalia Jackson has been stilled, we can perhaps pray that her philosophy of hope over despair may inspire all of us to follow her example and say, as she did:

The humble churches are my filling stations.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an editorial appearing in today's Washington Post, entitled, "Mahalia Jackson."

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

[From the Washington Post, Feb. 2, 1972]

MAHALIA JACKSON

Few believers have obeyed with so much heart the command of the Psalms, "make a joyful noise unto the Lord," than Mahalia Jackson. Many in this city who mourn her death remember Miss Jackson's appearances at the Kennedy Inauguration, at Constitution Hall or at the 1963 March on Washington where she sang "I Been 'Buked and I Been Scorned." Although her singing at these scenes was on fire with belief in the Lord, the flames of the gospel truly spread when Miss Jackson sang in the storefront churches or revival tents. There, the listeners were moved to shouting, dancing and the ecstasy of letting go; the audience felt good because Miss Jackson's singing made things look good. "Gospel songs are the songs of hope," she said. "When you sing gospel, you have the feeling there is a cure of what's wrong."

As for some of the things that were wrong, Miss Jackson was painfully aware of racism and poverty. She was a victim of both in her early life, and never forgot that millions of others did not have her luck in escaping them. Among other commitments, she was a board member of the Southern Christian Leadership Conference. Even today, whether in the deep rural South or the Northern inner city, it is common for black parents to tell their children inspirational stories of how Mahalia Jackson, in the words of her famous spiritual, "moved on up a little higher."

Long before soul became a vogue word, Mahalia Jackson embodied it. Soul came through not only because her voice throbbed with rhythms of deep richness but also because of the confidence she expressed that the words of her spirituals made sense. She avoided nightclub dates and other forms of easy commercialization; if you are going to sing about the straight and narrow path, Miss Jackson believed, then you had better keep on it yourself. To the enrichment of millions of people who valued greatness of spirit and beauty of music, Mahalia Jackson did just that.

Mr. JAVITS. Mr. President, I wish to identify myself with the beautiful remarks by the Senator from West Virginia about Mahalia Jackson.

I knew her well and have spoken on many platforms where she sang. A dearer and sweeter soul never existed.

The Senator has said it correctly. Here was one woman who was so worshipful of her responsibility to her people that no consideration of personal advancement, of money, or of any convenience or comfort that would come to her exceeded her deep sense of duty and responsibility to give whatever she had to give—which was her art—to the emancipation and new freedom for her people.

I think it is very touching and very fitting that the Senator has said the beautiful things he has said about Mahalia Jackson.

Mr. BYRD of West Virginia. I thank the distinguished Senator.

THE IRISH SITUATION

Mr. BUCKLEY. Mr. President, last Sunday's killing of 13 demonstrators in Londonderry underscores the horror of the developments now taking place in Northern Ireland. They bring to 25 the number who have lost their lives in just the past month, and to 230 the number who have died since the disorders first broke out 3 years ago.

The anguish felt by the Catholic minority in Ulster, and the humiliations and discriminations to which they have been subjected for centuries, must command the sympathy and indignation of all free men. We Americans have a legiti-

mate concern over injustices suffered by others elsewhere in the world; and we have the right and the duty to give expression to that concern and to seek thereby to galvanize the moral consciousness of others.

To understand the depths of the frustrations which have led to the present tragedy, it is necessary to know something of the history of the treatment which has been accorded to Catholics in Ireland. In 1700, for example, the infamous penal laws were enacted which stripped Irish Catholics of the most basic rights. They were forbidden to maintain schools, they were excluded from all areas of political life, and they were even prohibited from buying land.

After centuries of abuse and humiliation, the Irish people finally rebelled; and in 1922 they succeeded in achieving an agreement with England which resulted in the creation of a free Irish republic, but only at the expense of the partition of Ireland. Twenty-six out of 32 counties were granted their independence, but the remaining six were retained under British rule as an enclave 60 percent Protestant and 40 percent Catholic, an enclave now known as Northern Ireland.

The political arm of the Protestant majority, the Unionist Party, has been in control of Northern Ireland ever since partition, and the age-old discriminations visited on the Catholic minority in Ulster have been maintained ever since, despite repeated attempts by the Catholics to free themselves of their status as second-class citizens and to achieve the conditions of true social, political, and economic equality. True, certain reforms have recently been enacted promising to do away with job discrimination and to improve housing, but the hardening of attitudes grown apparent in recent months renders the hope of achieving political equality under a unionist government as remote as ever.

If the conditions in Northern Ireland continue to deteriorate, it will be virtually impossible to achieve justice for the Catholic minority or a peaceful solution of their ancient grievances. There are hopeful signs, however, that peace can be restored and justice rendered, and the ultimate reunification of the Irish people achieved, if only the present situation in Ulster can be defused before the polarization of attitudes becomes complete, and the extremists on both sides of the Irish question achieve control. Former British Prime Minister Harold Wilson, for example, has publicly indicated his support of the principle of reunification, and public opinion polls in England show that a majority favor the removal of British troops from Northern Ireland.

I believe that we Americans can express the extent of our concern for the plight of the minority in Ulster and at the same time advance the cause of justice in two ways. In the first place, we can appeal to the conscience of the British people to bring an end to the discrimination which continues to exist in Northern Ireland, and to the bloodshed to which it has given rise. And second, we can as friends of long standing of both the Irish and the British peoples, offer our good offices to help the parties arrange for the orderly withdrawal of British troops, and to negotiate a peaceful resolution of their differences. It is to this end that I introduced last December Senate Resolution 221 calling on the United States to offer the hand of friendship and in this manner to help bring this increasingly bloody conflict to an end. To my mind, this is the most effective means by which the United States can help establish conditions in which the ultimate reunification of the Irish people can take place, and their longstanding grievances finally resolved.

Mr. President, I earnestly hope that my colleagues will see fit to act favorably on my resolution in the very near future.

Mr. JAVITS. Mr. President, will the Senator yield, if necessary on my time?

Mr. BUCKLEY. I yield.

Mr. JAVITS. Mr. President, I would like to join with my colleague from New York in these sentiments. It may interest him to know that years ago, it must have been 18 or 20 years ago, going back to 1950, I introduced resolutions, periodically, in the House of Representatives for the unification of Ireland. The only hearing they ever had was before the House Foreign Affairs Committee.

I think the Senator has outlined from his own deep feelings, which I share thoroughly, a very sensible way to approach this problem. Ireland should be unified, and I welcome the opportunity to work with him. Perhaps I shall introduce another unification resolution. But I think the sentiment expressed and the quality and nature of the proposed remedy are very well adapted to the situation. Without a proper solution to this crisis there could easily be complete anarchy and even worse bloodshed than we have seen, and God knows this tragedy is enough for anyone.

Mr. BUCKLEY. Mr. President, I thank my senior colleague, both for his support and for his understanding of the turmoil now afflicting the Irish people.

THE EUROPEAN COMMON MARKET'S OFFER OF TRADE NEGOTIATIONS OPENS WAY FOR IMMEDIATE SUBMISSION OF LEGISLATION TO DEVALUE THE DOLLAR

Mr. JAVITS. Mr. President, I rise this morning to comment on a statement we find in the press relating to the European Common Market's offer for new trade negotiations with the United States commencing in 1973, which will deal, first, with removal, if possible, of the remaining tariff barriers; second, with the removal of nontariff barriers to trade; and third, with international commodity agreements.

Our agricultural products are suffering very seriously at the hands of the Common Market, and may suffer more if the common agricultural policy is not modified and if present trends of preferential arrangements between the Common Market and other countries continue. Already, Latin America is being seriously prejudiced in that regard by agreements between the Common Market and the so-called Associated African Countries.

But, Mr. President, what is alarming and what must be placed against the backdrop of encouraging trade news is the continued fall in the price of the dollar. Gold is now at $48.25. Forty-eight dollars was considered unthinkable, but the price has now exceeded that; and the dollar is under increasing pressure in the world's international money markets.

Mr. President, I believe one reason we have this condition is that the United States announced the tactic that it would not submit to Congress for action the bill to devalue the dollar and to increase the price of gold—which is strictly fictional; we are not going to exchange gold for dollars anyhow—and we attached that to some unspecified trade concessions. There was no need for that, Mr. President; and if this trend continues in light of the progress made on the trade front, it could destroy everything that has been accomplished by the interim monetary agreement. It is fully capable of doing that, particularly now that the Europeans and our other trading partners have gone as far as they are likely to go over the short term. Failure to submit the gold-dollar devaluation bill promptly has created enormous uncertainties which if continued could jeopardize the interim monetary settlement of December 16 to the detriment of the recovery of our domestic economy and to the health of the economy of the entire free world.

So I strongly urge upon the President of the United States that he submit the gold legislation for the consideration of the appropriate committees of Congress now, without any further delay. This morning we have the offer of the Common Market, and short-term trade concessions are being negotiated tomorrow. The Japanese have made an agreement on steel. An agreement on textiles was announced earlier, as have been orderly marketing arrangements for other products such as automobiles. That is more than adequate, in terms of any trade concessions that are immediate and off the cuff, as it were, that need to accompany this bill which would insure an approximate 17-percent revaluation of the yen against the dollar. I believe that if additional trade concessions are needed they will follow; we have plenty of carrots for that purpose.

Second. Mr. President, promptly when the invitation of the Common Market is picked up, and Japan joins in it through the OECD, we should move forward at once in these terms of a "new trade round," as the paper has it.

Finally, Mr. President, the answer for our country to the enormous deficits it faces—more than $70 billion in 2 years—is an increased productivity drive, which would allow our economy to break out to a higher level of economic growth thereby generating increased revenues. Toward this end, Congress wisely put on the books $10 million and gave recognition by statute to a National Commission on Productivity, now established in the executive branch, and that is where it stands. Productivity is the place to move; the place to push. Increased productivity and expanding economic growth are the only answer to our serious deficit problem.

With a $1,050-plus billion economy, it does not take a great percentage improvement to soak up a $30 billion or

$40 billion deficit. That is where we can make it, and in no other place.

For all those reasons, I urge the President to immediately submit the dollar-gold devaluation bill and to make full use of the congressionally enacted productivity initiatives and to build upon these.

Mr. President, I ask unanimous consent to have printed in the RECORD the news stories to which I have referred.

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

EUROPEANS URGE NEW TRADE ROUND

BRUSSELS, February 1.—The European Economic Community declared tonight that it is prepared to open a new round of worldwide negotiations to liberalize international trade.

The E.E.C.'s foreign ministers, at the end of a two-day meeting here, agreed on a declaration of intent stating that the community would be willing to start the negotations in 1973.

If this Common Market declaration is accepted by the United States, Canada, Japan and other non-Communist industrialized countries, the stage will be set for the most important series of worldwide trade negotiations since the Kennedy round of trade bargaining ended in 1967. That series of talks yielded a number of substantial reductions of trade barriers.

The idea of a new Kennedy round of negotiations to remove remaining barriers has been discussed in international trade circles for several years. But pressure for the new talks has mounted as a result of last year's world monetary crisis.

COMMITMENTS SOUGHT

The United States particularly has been seeking commitments from its key trading partners to agree to the new round of negotiations as an essential step in a major overhaul of the world monetary and trade system.

According to Common Market officials, the declaration agreed on by the foreign ministers calls for the new negotiations to aim at removing barriers to industrial trade, creating international commodity agreements for agricultural products and eliminating nontariff barriers.

The declaration will be formally presented to the United States here on Thursday when American and Common Market negotiators resume talks on short-term trade concessions the Nixon Administration is seeking from the European community. Essentially Washington has been attempting to gain concessions from the Common Market in its policy toward American agricultural exports and a suspension of the Common Market's plans to negotiate preferential trade agreements with nonmember countries in Europe.

MODEST CONCESSIONS

During their meeting here, the European foreign ministers agreed on additional but modest concessions to allow more American oranges and grapefruit to be sold in the European community. They also agreed to increase the E.E.C.'s stockpile of wheat to help maintain world wheat prices. The United States has complained that excessive Common Market exports of wheat have depressed world prices for the product.

The foreign ministers refused, however, to make any immediate concessions toward American exports of tobacco and corn—two additional products on which the United States has been seeking a relaxation of Common Market restrictions. They also rejected the idea of altering their plans for special trade arrangements with non-member European countries.

The immediate objective of the current United States-Common Market negotiations on short-term trade issues is to clear the way for Congressional action to approve formally the devaluation of the dollar. The Nixon Administration has stressed that it will not ask Congress to take this action until it has secured "satisfactory" short-term trade agreements with the Common Market, Japan and Canada.

Common Market officials are hoping that, while the E.E.C.'s specific offer on short-term concessions are limited, its agreement to enter into world-wide bargaining on long-range trade questions will encourage favorable action by Congress on the dollar.

These officials stress that all the Common Market's concessions to the United States on trade matters are contingent on a positive Congressional vote to devalue the dollar and solidify the new international monetary agreement worked out in December.

GOLD PRICES SET RECORDS: DOLLAR VIEW IS CONFIDENT

GAINS ARE $1 AN OUNCE

LONDON, February 1.—The price of gold soared by $1 an ounce in London and Zurich today, and set records on markets across Europe. The rush to buy gold helped send the value of the United States dollar down on foreign-exchange markets.

Gold dealers attributed the sharp rise in the price of gold to the scarcity of sellers in the market.

South Africa, which produces nearly 75 per cent of the West's gold, was believed to have been delaying sales as the market has risen in recent weeks, expecting even higher prices. Also, speculators and industrial users of gold have increased demand.

The biggest price rises came in London and Zurich, the two major markets. In London where the price was $47.25 an ounce Monday, it closed today at $48.25. One dealer said sellers "are really holding off." He called today's price "a bit far fetched," noting that three weeks ago dealers would have scoffed at anyone predicting prices above $48 an ounce.

Demand, according to London dealers, war coming from all over the world, with some European buyers bidding on behalf of clients in the Near and Far East.

The record prices included: Zurich—$48.10–$48.40, up from $47.00–$47.30 Monday; Frankfurt—$48, up from $47.49; Paris—$47.95, up from $47.30.

The new levels were the highest since the free markets were set up under the two-tier system for gold, introduced in March, 1968. Government central banks trade gold on the official market at a fixed price of $38 an ounce. Speculators, jewelers and industrial users deal on the free markets, where the price fluctuates according to supply and demand.

The system works only as long as the markets are kept strictly separate. The bigger the spread between them, the greater the danger that a government might cheat—buy low on the official market, sell at a profit on the free market and bring down the system.

STEADY SILVER PRICE SEEN

As soon as gold began climbing today, the dollar weakened. Dollar selling was most active in London, where gold buying was also heaviest. The dollar dropped to within a fraction of its post-devaluation low of 3848 British new pence in late-afternoon trading, then rose slightly.

There will be "no sustained upward trend" in silver prices in 1972, according to Handy & Harman, the New York-based refiner and fabricator of precious metals.

In its annual forecast of the silver market, the company said it did not expect silver prices to return to the low level of 1971, however, when they moved as low as $1.288 an ounce. The high was $1.752 for spot silver.

The restraining factor on prices this year will be the 350 to 400 million ounces in the hands of speculators and investors, which probably will be liquidated over a period of years, the concern predicted.

Last year, United States industrial consumption of silver was 126 million ounces, about 4 per cent below Handy & Harman's revised 1970 figure. It predicted a "moderate improvement" in industrial demand this year.

EXPERTS HOPEFUL ON DOLLAR FUTURE

APPRAISALS OF EXPERTS

(By Henry Giniger)

PARIS, February 1.—A group of economic experts representing the major trading nations sought today to dispel concern in the world's money markets about the effectiveness of last December's currency reallignments.

The group, which met at the headquarters of the Organization for Economic Cooperation and Development, said the Washington agreements, by which the dollar was devalued and other currencies revalued "has a good chance of leading to the desired result."

But Dr. Otmar Emminger chairman of the Balance of Payments Committee of the organization, said it would take some time. He predicted that there would be no substantial improvement in the United States balance of payments before next year and that it was apt to get worse before it got better.

Dr. Emminger, who is vice chairman of the West German Federal Bank, also took a calm view of the lack of dollar flow back to the United States, a flow that had generally been expected after the monetary meeting.

LACK OF CONFIDENCE

When it did not occur, lack of confidence resulted but the German banker insisted there was no basis for it.

The group said that for the first nine months, the realignment was likely to have a "perverse effect." Imports into the United States will be more costly while exports will only gradually pick up.

It was noted that while business conditions in the United States were improving, they were getting worse in other countries, such as Japan, or stagnating, as in Italy and West Germany. This will have a depressant effect on American exports until those economies also recover.

Herbert Stein, chairman of the Council of Economic Advisers, later gave an optimistic report on the expected upturn in the American economy after meeting with the wider economic policy committee of the O.E.C.D.

"There is no cause for alarm that the arrangements that have been made will not lead to international economic equilibrium," he said at a news conference.

WARNING ON REVERSAL

Mr. Stein said he had warned last December about expecting a sudden reversal in the dollar flow. But Dr. Emminger noted in his earlier meeting with the press that there had been general disappointment that it had not taken place.

There was a return flow of more than a billion dollars, he said, but it was absorbed in part by the continuing American deficit.

The two major reasons why the flow has not been more visible and marked, according to Dr. Emminger's committee, is first, the leads and lags in trade payments which cannot be quickly reversed but which will be reversed when several billion dollars of export deals mature.

Second, part of the "abnormal" flow out of the United States is sensitive to interest rates and last month these rates fell in the United States to their lowest point in eight years on short-term loans.

Dr. Emminger explained that consequently there was no interest rate inducement for repatriating funds but he expected such an inducement to occur.

Rates in Europe and Japan are dropping, while those in the United States are expected to rise as over-all economic recovery occurs.

Dr. Emminger saw some virtue in only a gradual flowback to the United States since it will help offset, he said, the continuing deficit of American payments through this year.

QUORUM CALL

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

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

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

REPORT ON OVEROBLIGATION OF APPROPRIATIONS

A letter from the Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, on certain overobligation of appropriations (with an acompanying paper); to the Committee on Appropriations.

REPORT ON OFFICERS ON DUTY WITH HEADQUARTERS, DEPARTMENT OF THE ARMY

A letter from the Secretary of the Army, reports on the number of officers on duty with Headquarters, Department of the Army, and detailed to the Army General Staff, as of December 31, 1971 (with accompanying reports); to the Committee on Armed Services.

PROPOSED DONATION OF CERTAIN SURPLUS PROPERTY TO NATIONAL RAILWAY HISTORICAL SOCIETY

A letter from the Chief of Legislative Affairs, Department of the Navy, reporting, pursuant to law, that the Department of the Navy proposes to donate certain surplus property to the Charleston, South Carolina, Chapter of the National Railway Historical Society; to the Committee on Armed Services.

REPORT ON OFFICERS ON DUTY IN THE EXECUTIVE PART OF THE DEPARTMENT OF THE ARMY AT THE SEAT OF GOVERNMENT

A letter from the Secretary of the Air Force, reporting, pursuant to law, that, as of December 31, 1971, there was an aggregate of two thousand fifty-six officers assigned or detailed to permanent duty in the executive part of the Department of the Air Force at the seat of Government; to the Committee on Armed Services.

REPORT ON PROCUREMENT RECEIPTS FOR MEDICAL STOCKPILE OF CIVIL DEFENSE EMERGENCY SUPPLIES AND EQUIPMENT PURPOSES

A letter from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on actual procurement receipts for medical stockpile of civil defense emergency supplies and equipment purposes, for the quarter ended December 31, 1971 (with an accompanying report); to the Committee on Armed Services.

REPORT ON PROGRESS OF ARMY RESERVE OFFICERS' TRAINING CORPS FLIGHT INSTRUCTION PROGRAM

A letter from the Secretary of the Army, transmitting, pursuant to law, a report on progress of the Army Reserve Officers' Training Corps Flight Instruction program, for the year 1971 (with an accompanying report) to the Committee on Armed Services.

PROPOSED AMENDMENT OF SECTION 396 OF COMMUNICATIONS ACT OF 1934

A letter from the Director, Office of Telecommunications Policy, Executive Office of the President, transmitting a draft of proposed legislation to amend section 396 of the Communications Act of 1934 to increase and extend for 1 year the authorization for the Corporation for Public Broadcasting (with an accompanying paper); to the Committee on Commerce.

REPORT OF GENERAL ACCOUNTING OFFICE

A letter from the Comptroller General of the United States, transmitting, pursuant to law, report of the activities of the General Accounting Office, during the fiscal year 1971 (with an accompanying report); to the Committee on Government Operations.

REPORT OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Examination of Financial Statements of the Tennessee Valley Authority for Fiscal Year 1971", dated February 1, 1972 (with an accompanying report); to the Committee on Government Operations.

PROPOSED PSYCHOTROPIC SUBSTANCES ACT OF 1971

A letter from the Attorney General, transmitting a draft of proposed legislation to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to discharge obligations under the Convention on Psychotropic Substances relating to regulatory controls on the manufacture, distribution, importation, and exportation of psychotropic substances (with an accompanying paper); to the Committee on the Judiciary.

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, copies of orders entered relating to temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

REPORTS RELATING TO THIRD PREFERENCE AND SIXTH PREFERENCE CLASSIFICATIONS FOR CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports relating to third preference and sixth preference classifications for certain aliens (with accompanying papers); to the Committee on the Judiciary.

REPORTS ON DEFECTOR ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports on certain defector aliens (with accompanying papers); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens (with accompanying papers); to the Committee on the Judiciary.

REPORT ON POSITIONS IN GRADES GS–16, GS–17, AND GS–18

A letter from the Chairman, Civil Service Commission, a report on positions in grades GS–16, GS–17, and GS–18, for the calendar year 1971 (with an accompanying report); to the Committee on Post Office and Civil Service.

REPORT OF VETERANS' ADMINISTRATION

A letter from the Administrator, Veterans Administration, Washington, D.C., transmitting, pursuant to law, a report of that Administration, for the fiscal year 1971 (with an accompanying report); to the Committee on Veterans' Affairs.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. THURMOND (for Mr. HARTKE) from the Committee on Veterans' Affairs, with an amendment:

S. Res. 236. A resolution to authorize additional clerical assistants for the Committee on Veterans' Affairs (Rept. No. 92–601); referred to the Committee on Rules and Administration.

Mr. THURMOND. Mr. President, as you know, Senate Resolution 100, which was adopted last year, authorized the Committee on Veterans' Affairs to employ three additional clerical assistants. This authorization is due to expire February 29, 1972, and a new resolution as amended asking for an extension to February 28, 1973, is now being favorably reported by unanimous vote.

The committee has found that the three additional clerks did much to alleviate the heavy workload, and an excellent system of staff functioning has been in effect since enactment of Senate Resolution 100.

The amendment to the resolution, Senate Resolution 236, introduced by Senator HARTKE on January 26, 1972, is to insert the words "from March 1, 1972" after the word "authorized" and before the word "through."

The resolution, as amended, reads:

Resolved, That the Committee on Veterans' Affairs is authorized from March 1, 1972 through February 28, 1973, to employ three additional clerical assistants, to be paid from the contingent fund of the Senate at rates of compensation to be fixed by the chairman in accordance with the provisions of section 105 of the Legislative Branch Appropriation Act, 1968, as amended.

Mr. President, the Rules Committee has suggested early action by our committee on the resolution for an extension of 1 year for these three positions so that the Rules Committee will be able to act prior to the expiration date of February 29, 1972.

Mr. President, I request early action on this resolution, and for the above reasons urge the adoption of the amendment to Senator HARTKE'S resolution, Senate Resolution 236.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. HRUSKA, from the Committee on the Judiciary:

Ralph E. Erickson, of California, to be an Assistant Attorney General;

Dale Kent Frizzell, of Kansas, to be an Assistant Attorney General; and

Henry E. Petersen, of Maryland, to be an Assistant Attorney General.

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

Kenneth Rush, of New York, to be Deputy Secretary of Defense; and

Eberhardt Rechtin, of Maryland, to be an Assistant Secretary of Defense.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. TALMADGE (by request):

S. 3104. A bill to amend existing statutes to authorize the Secretary of Agriculture to issue cotton crop reports simultaneously with the general crop reports. Referred to the Committee on Agriculture and Forestry.

By Mr. STENNIS:

S. 3105. A bill to authorize the Secretary of Agriculture to develop and carry out a forestry incentives program to encourage a higher level of forest resource protection, development, and management by small nonindustrial private and non-Federal public forest landowners, and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. TAFT:

S. 3106. A bill for the relief of Dr. Stanley Gan and his wife, Trees Gan. Referred to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 3107. A bill to amend title XVIII of the Social Security Act to authorize the provision of home health services under the insurance program established by part A thereof without a prior stay in a hospital. Referred to the Committee on Finance.

By Mr. STENNIS (for himself and Mrs. SMITH) (by request):

S. 3108. A bill to authorize appropriations during the fiscal year 1973 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces, and for other purposes. Referred to the Committee on Armed Services.

By Mr. CRANSTON (for himself, Mr. TAFT and Mr. JAVITS):

S. 3109. The Urban Rehabilitation Act of 1972. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. WEICKER (for himself, Mr. DOMINICK, and Mr. MATHIAS):

S. 3110. A bill to facilitate the movement of persons and goods in interstate commerce, and to aid in eliminating the burdens on interstate commerce which result from the lack of adequately coordinated transportation facilities in many parts of the United States, through a comprehensive program of Federal assistance to States and localities to aid in the provision of such facilities. Referred to the Committee on Finance.

By Mr. BENNETT:

S. 3111. A bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of certain distributions and sales pursuant to the Bank Holding Company Act Amendments of 1970. Referred to the Committee on Finance.

By Mr. HOLLINGS:

S. 3112. A bill to protect marine mammals; to establish a Marine Mammal Commission; and for other purposes. Referred to the Committee on Commerce.

By Mr. CRANSTON (for himself and Mr. TUNNEY):

S. 3113. A bill to declare that the United States holds in trust for the Bridgeport Indian Colony certain lands in Mono County, Calif. Referred to the Committee on Interior and Insular Affairs.

By Mr. GRIFFIN:

S. 3114. A bill to improve the enforcement of Federal labor laws by establishing a United States Labor Court, and for other purposes. Referred to the Committee on Labor and Public Welfare.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STENNIS:

S. 3105. A bill to authorize the Secretary of Agriculture to develop and carry out a forestry incentives program to encourage a higher level of forest resource protection, development, and management by small nonindustrial private and non-Federal public forest landowners, and for other purposes. Referred to the Committee on Agriculture and Forestry.

A FORESTRY INCENTIVES PROGRAM

Mr. STENNIS. Mr. President, American forests have served the Nation well. They gave settlers food and fuel, provided wood for homes and cities, withstood the pressures of two World Wars and still furnish fiber for the highest per capita consumption of paper in the world.

Past and present demands, however, plus the relentless ravages of fires, insects and diseases, have had severe impacts on the Nation's 4,500,000 private, nonindustrial forests. These woodlands, aggregating 309,000,000 acres, are not now in condition to produce their share of the future requirements of an ever-expanding population. They are only growing wood at one-half their productive capacity. Yet within three short decades the Nation will need twice as much wood as is being produced now.

According to a recent conservation needs inventory by the U.S. Department of Agriculture, about 25 percent of the private, nonindustrial forest land needs to be reforested. In addition, growing conditions in 46 percent of the forests need to be improved by replacement of diseased and defective trees and similar cultural treatments.

Placing these rundown forests in better condition would yield multiple benefits. Land now idle would contribute its proper share to the strength of the Nation. Watersheds would be protected from erosion. The beneficial effects of trees upon the environment would be enhanced.

More importantly, jobs for the unemployed would be created and the entire rural economy strengthened.

I have a plan for the achievement of these goals. It would share the cost of tree planting and other basic forestry work with private, nonindustrial owners. Sharing the cost of activities in the national interest would be an incentive for landowners to make the long-term investments required to bring their properties to full productivity.

My proposal would parallel the successful agricultural program being conducted under the Soil Conservation and Domestic Allotment Act of 1935, but with special attention to the needs of forestry.

My plan would operate through the existing agencies of the U.S. Department of Agriculture and State governments. It would not require any additional administrative organization.

In brief, my proposal would:

First. Authorize the Secretary of Agriculture to carry out a forestry incentive program to encourage the protection, development and management of nonindustrial private and non-Federal public lands. Land owners would be encouraged to plant seedlings where needed and apply such cultural treatments as are necessary to produce timber, expand recreational opportunities, enhance environmental values, protect watersheds and improve fish and wildlife habitat.

Second. Authorize the Secretary to share up to 50 percent of the cost of forest practices on non-Federal public lands; and up to 80 percent of the total cost on nonindustrial private lands.

Third. Share with local associations or groups of nonindustrial forest owners up to 80 percent of the cost of manpower, equipment, planting stock and other materials required to carry out essential forest management practices.

Fourth. Utilize the services of State and local ASCS committees established under the Soil Conservation and Domestic Allotment Act. These committees, now composed primarily of agriculturists, should also include representation of forest owners, forest managers and wildlife or other natural resource interests.

Fifth. Federal funds may be allocated for cost sharing on a bid basis with priority accorded landowners contracting to carry out approved forestry practices for the smallest Federal cost share. This provision will spread Federal funds over a larger acreage.

Sixth. The Secretary of Agriculture is authorized to investigate the effectiveness of loans, loan guarantees and annual payments for periods not exceeding 10 years as methods of achieving the objectives of the forestry incentives program.

Seventh. The Secretary shall consult with the State forester or other appropriate official so that the forest incentives program may be carried out in coordination with other related programs.

A program such as I have outlined here could make a very significant contribution to American forestry in a 10-year period. Within the decade, basic forestry treatments could be applied to 45 million acres. These treatments would add nearly 9 billion board feet of timber annually.

In fact, a forestry incentives program must operate within such a time span if adequate timber supplies are to be available by the year 2000. Such a timetable is mandatory because of the lead-time required to grow a tree from seedling to merchantable size.

It is estimated that the average annual cost of a forestry incentives program of the recommended scope would be about $88,000,000 per year. But it is recognized also that it will take a little time to establish seed orchards of superior trees, collect seeds, and produce seedlings for planting. However, timber stand improvement practices can be applied as rapidly as labor can be employed and trained. Therefore, it is recommended that this program be launched immediately with an initial appropriation of $25,000,000 for the first fiscal year.

Mr. President, in order to carry out the purposes of the program I have outlined, I introduce a bill for appropriate reference and ask unanimous consent that it may be printed at this point in my remarks.

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

S. 3105

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

SEC. 2. (a) Congress hereby declares that the Nation's growing demands on forests and related land resources cannot be met by intensive management of Federal lands and industrial forests alone; that the 309 million acres of nonindustrial private land and 29 million acres of non-Federal public forest land contain 65 percent of the Nation's total forest resource base available to provide timber, water, fish and wildlife habitat, and outdoor recreation opportunities; that the level of protection and management of such forest lands has historically been low; that such lands can provide substantially increased levels of resources and opportunities if judiciously managed and developed; that improved management and development of such lands will enhance and protect environmental values consistent with the National Environmental Policy Act of 1969 (83 Stat. 852); and that a forestry incentives program is necessary to supplement existing forestry assistance programs to further motivate, encourage, and involve the owners of small non-industrial private forest lands and the owners of non-Federal public forest lands in actions needed to protect, develop, and manage their forest lands at a level adequate to meet emerging national demands.

(b) For the purposes of this Act the term "small nonindustrial private forest lands" means commercial forest lands owned by any person whose total ownership of such lands does not exceed 5000 acres. Such term also includes groups or associations owning a total of 5000 acres or less of commercial forest lands, but does not include private corporations manufacturing products or providing public utility services of any type or the subsidiaries of such corporations.

SEC. 3. The Secretary of Agriculture (hereinafter referred to as the "Secretary") is hereby authorized and directed to develop and carry out a forestry incentive program to encourage the protection, development, and management of small nonindustrial private lands and non-Federal public forest lands. The purposes of such a program shall be to encourage landowners to apply practices which will provide for the afforestation of non-forest lands and reforestation of cutover and other nonstocked and understocked forest lands, and for intensive multiple-purpose management and protection of forest resources to provide for production of timber and other benefits, for protection and enhancement of recreation opportunities and of scenic and other environmental values, and for protection and improvement of watersheds, forage values, and fish and wildlife habitat.

SEC. 4. (a) To effectuate the purposes of the forestry incentives program authorized by this Act, the Secretary shall provide a range of forestry incentives which shall include the following:

(1) Cost sharing with the owners of small nonindustrial private forest lands and the owners of non-Federal public forest lands in providing practices on such lands which carry out the purposes of the forestry incentives program. No cost sharing under this paragraph shall provide for a Federal contribution in excess of 50 percent of the total cost of practices on non-Federal public forest lands or in excess of 80 percent of the total cost of practices on small nonindustrial private forest lands, and no one small nonindustrial private forest landowner shall receive cost sharing under this Act on more than 500 acres in any one fiscal year.

(2) Cost sharing with the owners of small nonindustrial private forest lands for the purposes of providing manpower, equipment, planting stock, and other materials to carry out the practices to be encouraged by the forestry incentives program. No cost sharing under this paragraph shall provide for a Federal contribution in excess of 80 percent of the total cost of materials, equipment, and services.

(b) The Secretary may, for the purpose of this section, utilize the services of State and local committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended (49 Stat. 1150; 16 U.S.C. 590h(b)) and distribute funds available for cost sharing under this Act by giving consideration to pertinent factors in each State and county including, but not limited to, the total areas of small nonindustrial private forest lands and non-Federal public forest land and to the areas in need of planting or additional stocking, the potential productivity of such areas, and to the need for timber stand improvements on such lands. The Secretary may also designate advisors to serve as ex officio members of such committees for purposes of this Act. Such exofficio members shall be selected from (1) owners of small nonindustrial private forest lands, (2) private forest managers or consulting foresters, and (3) wild life and other private or public resource interests.

(c) Federal funds available to a county for small nonindustrial private forest lands each year may be allocated for cost sharing among the owners of such lands on a bid basis, with such owners contracting to carry out the approved forestry practices for the smallest Federal cost share having first priority for available Federal funds, subject to the Federal cost sharing limitations prescribed in subsection (a) of this section.

(d) Buildings, dams, roads, and other structures shall not be eligible for recreation development cost sharing under this Act.

SEC. 5. The Secretary shall investigate and evaluate the effectiveness of loans, loan guarantees, and annual payments for the establishment or maintenance of practices on small nonindustrial private forest lands which meet the purposes and objectives of the forestry incentives program provided for under this Act. In carrying out any such investigation, the Secretary is authorized to conduct a pilot program and make annual or periodic payments under agreements with owners of small nonindustrial private forest lands for periods not to exceed 10 years or guarantee loans to such owners under such terms and conditions as he shall determine to be fair and reasonable. Such loans may include, but not be limited to, low interest rates; deferred payment plans; non-recourse provisions; long term repayment provisions; and a provision under which a portion of the principal and interest of such loans may be waived at maturity under circumstances determined by the Secretary. Not to exceed $5,000,000 may be appropriated for the purposes of this section in any fiscal year.

SEC. 6. The Secretary shall consult with the State Forester or other appropriate official of each State in the conduct of the forestry incentives program provided for in this Act. Federal assistance under this Act shall be extended in accordance with such terms and conditions as the Secretary deems appropriate to accomplish the purposes of this Act. Funds made available under this act may be utilized for providing technical assistance to and encouraging non-Federal public landowners, and the owners of small nonindustrial private forest lands in initiating practices which further the purposes of this Act. The Secretary shall coordinate the administration of this Act with other related programs and shall carry out this Act in such a manner as to encourage the utilization of private agencies, firms, and individuals furnishing services and materials needed in the application of practices, included in the forestry incentives program.

SEC. 7. There are authorized to be appropriated an amount not to exceed $25,000,000 to carry out the provisions of this Act. Such funds shall remain available until expended.

By Mr. HUMPHREY:

S. 3107. A bill to amend title XVIII of the Social Security Act to authorize the provision of home health services under the insurance program established by part A thereof without a prior stay in a hospital. Referred to the Committee on Finance.

HOME HEALTH CARE FOR THE ELDERLY

Mr. HUMPHREY. Mr. President, today I am introducing legislation which will redress one of the major inequities of title 18 of the Social Security Act; namely, the medicare program. The proposed amendment will extend all home health care provisions of the medicare program to the elderly on the prescription of a physician, eliminating the requirement of a hospital stay of at least 3 days in order to receive these benefits. This amendment will not only directly benefit the elderly by covering many services which formerly were covered only as post-hospital care, but will ultimately save the Government millions of dollars in medicare hospital fees. We have neglected the needs of our aged for too long and in the process we have created an unnecessarily expensive and inefficient system. My proposed amendment seeks to increase coverage for the elderly, while saving the Federal Government a considerable amount of money. It is eminently logical, fiscally sound, and just.

The largest single factor in the high cost of health care is hospitalization. In 1946, hospital care cost about $9 a day, 4 years ago, for a patient to have hospital care in the State of New York the cost stood at $50 per day. By 1970, the $50 had doubled to $100. With a demand for hospital beds continuing to rise as a result of national health insurance, that cost will go higher. If a national program of health coverage for all age groups is enacted into law, we can expect a sharp increase in hospital costs. We must attempt to stop this trend before this crisis situation becomes catastrophic.

A primary way to keep hospital care costs down will be to find means of substantially reducing the increased pressure for the use of hospital beds. This can be done without impairing necessary health care. The best professional judgment today is that hospital care is not necessarily the best kind of health care for many patients who now receive it or seek it. Hospital and nursing institutional care, I would argue, should be reserved as much as possible for cases of emergency, acute illnesses, and/or surgery. A system which requires the aged to stay in a hospital for 3 full days in order to benefit from home health care, is both inefficient and insensitive to the physical and phychological needs of our senior citizens.

Presently, under title 18 of the Social Security Act, essential health needs are covered only as post-hospital care. Visits

by physicians, nurses, physcial therapists, occupational therapists, speech therapists, and home health aides fall into this category. And probably the most glaring omission in medicare non-post-hospital coverage is in the area of prescription drugs. The aged spend a disproportionate part of their budget, often a limited pension that barely covers the essentials of life, on medical prescriptions. Illnesses requiring long-term medicinal treatment prove ruinous. The costs of medicines often constitute a majority of the expenses associated with sickness and can quite easily run into hundred and even thousands of dollars, money which was set aside to guarantee dignified and productive senior years. None of these expenses are presently covered under non-post-hospital medicare benefits. This situation must be remedied.

A study recently published by the Public Health Service concluded that home health services reduced the costs of medical care by decreasing hospital use. The physicians participating in the study reported that they would not have hospitalized some of their patients if home health services were covered under medicare without the requirement of a prior 3-day hospital stay. The Health Insurance Advisory Committee has recommended that hospitalization as an eligibility requirement for home health care medicare benefits should be eliminated. The amendment which I am proposing addresses these problems and implements their most substantive conclusions.

The number of aged continues to rise. It is estimated that there will be more than 25 million men and women over 65 years of age by 1980. For their sake as well as for the sake of all Americans who have a stake in keeping health care costs within control, a program of home health services without prior hospital stay must be implemented. It will make home health care a better and effective part of our medical care system. The result would be a reduction of medicare and medicaid costs, a stabilization of hospital care costs, and a contribution to the health and morale of all who are sick and elderly.

After the contribution our senior citizens have made to all of us as individuals, and to our Nation as a whole, enactment of this amendment is a very small way of saying thank you, of telling them that the dignity of their retirement years does not have to be destroyed by the burden of health costs, or the inequities and redtape of an inefficient system.

By Mr. STENNIS (for himself and Mrs. SMITH) (by request):

S. 3108. A bill to authorize appropriations during the fiscal year 1973 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty components and of the Selected Reserve of each Reserve component of the Armed Forces, and for other purposes. Referred to the Committee on Armed Services.

Mr. STENNIS. Mr. President, for myself and the senior Senator from Maine (Mrs. SMITH), I introduce, by request a bill to authorize appropriations during the fiscal year 1973 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces, and for other purposes.

I ask unanimous consent that the letter of transmittal requesting introduction of this bill and explaining its purpose as express by the administration be printed in the RECORD immediately following the listing of the bill.

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

GENERAL COUNSEL OF THE
DEPARTMENT OF DEFENSE,
Washington, D.C., January 24, 1972.

Hon. SPIRO T. AGNEW,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is forwarded herewith proposed legislation "To authorize appropriations during the fiscal year 1973 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces, and for other purposes." This proposal is a part of the Department of Defense legislative program for the 92nd Congress, and the Office of Management and Budget has advised that enactment of the proposal would be in accord with the program of the President. This proposal is also being sent to the President of the Senate.

This proposal would provide authorization for appropriations as needed for procurement in each of the categories of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and for other weapons for each of the military departments in an amount equal to the new obligational authority included in the President's budget for fiscal year 1973. In addition, the proposal would provide fund authorization in amounts equal to the new obligational authority included in the President's budget for fiscal year 1973 in total for each of the research, development, test, and evaluation appropriations for the military departments and the defense agencies. Appropriations are also authorized for the Emergency Fund for research, development, test and evaluation or procurement or production for the Department of Defense.

Title III of the proposal prescribes the average annual active duty personnel strength for each component of the Armed Forces as required by subsection (d)(1) of section 412 of Public Law 86–149, as amended, in the number provided for by new obligational authority in appropriations requested for these components in the President's budget for fiscal year 1973, and includes provisions enabling the President to increase the numbers authorized (1) upon determination that the application of this ceiling will seriously jeopardize the national security, and (2) informing the Congress of the basis for such determination.

Title IV of the proposal provides for the average strengths of the Selected Reserve of each Reserve component of the Armed Forces in the number provided for by the new obligational authority in appropriations requested for these components in the President's budget for fiscal year 1973.

This proposal would also include for fiscal year 1973 language authorizing appropriations of the Department of Defense to be made available for the support of the (1) Vietnamese and other Free World Forces in Vietnam, and (2) local forces in Laos, the terms of which are substantially identical to the most recent congressional actions on Department of Defense Authorization and Appropriation Acts for this purpose except for the deletion of authorization for assistance to Thailand.

The reporting requirements of subsection (b) of section 401 of Public Law 89–367, as amended, are considered permanent and would be equally applicable to this provision.

Applicable statements related to environmental impact are also being provided as required by section 102(2)(c) of Public Law 91–190.

Sincerely,

J. FRED BUZHARDT.

Enclosure.

By Mr. CRANSTON (for himself, Mr. TAFT, and Mr. JAVITS):

S. 3109. The Urban Rehabilitation Act of 1972. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. CRANSTON. Mr. President, I introduce for appropriate reference legislation to upgrade and extend the life of substandard and deteriorating inner city housing.

This bill permits landlords and owner occupants of single and multifamily units to refinance their mortgages over longer term periods at lower rates for the purpose of securing additional funds for basic housing repairs and improvements.

Much of the housing for low and moderate income families in urban areas across the Nation is in intolerable condition: Rat-infested, garbage-strewn buildings with broken stairs and handrails, nonfunctioning furnaces, hazardous wiring, and leaky roofs are commonplace.

These delapidated and unsafe inner-city dwellings are likely to remain the only homes for millions of families in the foreseeable future, according to a report prepared by the University of California at Los Angeles. Considering our present housing shortage, increased housing needs resulting from population growth, and housing production expectations, replacement units will not be available in the short run.

The result of poor housing maintenance is that many buildings which could be repaired and whose useful life could be greatly extended are now being abandoned. "Housing and Poverty" (1970) by William Grigsby et al., concludes:

The country is fast approaching a housing crisis. For a number of cities, it has already arrived. It is not a production crisis, present emphases federal programs notwithstanding. Rather it is occassioned by the deterioration and partial abandonment of large sectors of the inner city. Were only the worst buildings being abandoned or poorly maintained, the interpretation of this situation would have to be favorable. This is not the case, however. Much fairly good housing is falling

into disuse and disrepair. Indeed, the numbers are overwhelming even reasonably large production efforts for low income families."

In New York City approximately 180,000 units, both good and bad were abandoned between 1965 and 1970. The rate of abandonment is faster than the rate of construction in New York. In Philadelphia the comparable figure was 35,000. To a lesser degree the same situation has been reported in a number of cities.

Not all substandard housing can be saved, but where buildings are located in transitional or improved neighborhoods, refinancing should be available to restore these homes and apartments to extend their useful lives.

The key to this refinancing program is the provision of FHA guarantees to assure the availability of building improvement loans in low- and moderate-income areas. The guarantee will both assure the availability of such loans and reduce the interest rate charge for such loans.

These loans are either not now available or are only available at high interest rates, because they involve a higher risk than ordinary refinanced loans and are more expensive to administer.

The combination of an FHA guarantee and Federal administrative assistance to assure that the buildings are properly maintained, will enable lenders to charge lower interest rates.

The legislation further provides that if refinanced loans are not available at the FHA established interest rate ceiling, the Government may subsidize the points necessary to bring the interest down to the FHA level. A point is 1 percent of the mortgage principal. By subsidizing points, the effective interest rate is lowered.

The current FHA interest ceiling is 7 percent. The prime interest rate is currently 4¾ percent. At these interest levels, a 1½ point—1½ percent of principal—subsidy should at most be required to make these loans available at the FHA rate. In many cases no subsidy will be required.

The debt service after the loan is refinanced under this program can be no greater than the debt service prior to the loan. If a tenant or landlord now pays $150 per month on a mortgage, he will pay no more under this refinancing program. All of the additional money made available by refinancing must be used to repair the structure. To illustrate, if a current 3-year, $3,000, 10-percent interest loan were refinanced for an additional 5 years at 7½ percent, $4,000 of new money would become available for repairs and improvements.

A primary aim of the bill will be to facilitate modest rehabilitation of single and multiunit dwellings. At present, HUD has limited refinanced rehabilitation loans to rehabilitated structures which will remain in use at least 20 years.

We need a program which will help maintain buildings as habitable structures for shorter periods of time. If modest repairs are made now, many of these buildings can be more fully rehabilitated as additional Federal subsidy funds become available in the future. In addition, we will prevent the waste of thousands of dwelling units which are critically needed and difficult to replace.

The HUD has been unwilling to make modest rehabilitation loans because of the lack of assurance that the property will be properly maintained after the modest rehabilitation is completed. This bill contains several provisions to assure that the rehabilitated structures are properly maintained for the period of the loan.

Landlords who take out rehabilitation loans will be required to spend a stated percentage of their annual rental income for maintenance. Nationally, 15 percent of rental income is spent for apartment house maintenance, but only 5 percent of rental income is spent for apartment maintenance in inner city districts, according to a model cities study. This program will permit landlords to pass along any increased maintenance costs to the tenants in the form of increased rents.

By requiring landlords to spend a stated amount on maintenance each year, we will undercut the incentive to spend the least possible amount for maintenance in order to maximize building income. We will provide the landlord with an incentive to find and make those repairs the building needs to increase its longevity.

The bill further provides that a landlord will not be permitted to make rent increases, if he has failed to spend the funds committed for maintenance.

Another provision of the bill protects the present inhabitants of substandard housing from unwarranted rent increases after the rehabilitation is completed. When landlords voluntarily take out rehabilitation loans, they will be required to limit rent increases for the period of the loan to any increases in costs they incur, plus a return on those added costs consistent with the return they now receive on their investment in the building.

Improvement of living conditions of people now occupying substandard deteriorated buildings is a primary objective of this bill. If rents were increased above added costs as a result of the improvements, many tenants would have to relocate, thus frustrating the program's objective. We must, however, provide the landlord with a consistent and fair return on his investment. This bill guarantees that return.

While the bill places limitations on the landlord, its basic intent and effect, will be to help landlords and tenants equally.

A report written by the National Housing Law Center of the Office of Economic Opportunity, stated:

Increases in maintenance and operating costs resulting from the general pattern of inflation have produced tension and hostility between landlords and tenants. The landlord caught between rising costs and his tenants incapacity to pay higher rents, will frequently sharply reduce expenditures for operations, maintenance and repairs. The inevitable result of each such reduction is deferral of maintenance leading rapidly to deterioration, squalor and intolerable living conditions.

The Housing Center report goes on to indicate that recent court decisions have imposed on landlords an obligation to maintain his premises in a habitable condition or forego rents. Property owners without the wherewithall to make such repairs, may decide to abandon their buildings, thus intensifying the current housing crisis. This program will permit landlords to meet this obligation.

The proposal contains several additional incentives for the landlord. The interest on his mortgage will be lowered to the FHA insured rate. The repairs and improvements will increase the time which the property will produce income. Supplemental funds will be available to defray any excessive emergency maintenance costs. The improved condition of the property will tend to reduce the future vacancy rate, and thus increase total rent receipts and profits.

The cost of this program will be nominal when compared to the cost of the Federal subsidy program for single and multiunit structures. The present 236 multiunit programs permit a subsidy of up to 9 percent per annum for the life of the mortgage. This program will at most require a payment of 3 percent of principal at the outset of the loan. On a 20-year $100,000 loan at 9 percent, the cost to the Federal government under the 236 program will be $105,600, while the cost under this program would at most be $3,000. At 7½ percent, the cost to Federal Government would be $183,040.

Because of the deep Federal subsidy involved in the 236 program, HUD has been unwilling to permit rehabilitations in neighborhoods which might be saved but where some question exists. Further because 236 rehabilitation subsidies compete with money for new 236 housing, HUD has placed a — percent ceiling on 236 rehabilitation funds. Finally because 236 rehabilitation requires a "gut" rehabilitation of the buildings involved, in most cases the tenants are not able to live in the structure during the lengthy rehabilitation period. This program would not interrupt tenancy.

At present, there is also a limited unsubsidized rehabilitation program to help refinance and rehabilitate apartment houses. The program is, however, limited to blighted areas where substandard housing predominates.

As a result of this limitation, the Department of Housing and Urban Development has only provided a refinancing guarantee where extensive rehabilitation will be undertaken. Very few landlords have been willing to make such extensive improvements in these blighted areas.

Refinancing apartment mortgages under the current law is also only available if the structure serves predominantly family groups. If a building serves predominantly elderly residents or young couples without children, it does not qualify for refinancing.

There is no Federal program at present to enable individual homeowners to refinance their homes and make necessary repairs. Individual owner-occupants can take out a second mortgage with a Federal guarantee to make needed repairs, but because they would have to make large monthly mortgage payments, few homeowners have taken advantage of this plan.

Another Federal program provides grants and loans at 3 percent interest to enable homeowners in urban renewal and code enforcement areas to bring their homes up to urban renewal or code standards, but these areas are limited and exclude a vast number of homesites in the central cities where improvements are needed. The deep Federal subsidy—that is, all but 3 percent interest for mortgage life—provided by these programs have also restricted their availability as the result of limited funding.

For the reasons indicated, the law clearly does not provide sufficient assistance to the homeowner and landlord to enable him to make moderate improvements to his property. The bill we are proposing will provide the necessary framework for the needed rehabilitation.

I ask unanimous consent that this bill and the attached fact sheet be printed in the RECORD.

There being no objection, the bill and fact sheet were ordered to be printed in the RECORD, as follows:

S. 3109

A bill to help preserve low- and moderate-income housing

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title II of the National Housing Act is amended by adding, at the end thereof, the following new section:

SEC. 244(a). The purpose of this section is to encourage the broadscale preservation and upgrading of existing low- and moderate-income housing through an extensive program of mortgage insurance, designed [to generate private capital for needed housing repairs and renovations and moderate housing rehabilitation] and to help combat the phenomenon of housing abandonment.

(b) The Secretary is authorized to insure any mortgage in accordance with the provisions of this section, upon such terms and conditions as he may prescribe, and to make commitments for such insurance prior to the date of the execution of any mortgage or any disbursement thereon. The Secretary shall establish procedures to expedite, to the greatest extent feasible, the processing and approval of applications for insurance hereunder.

(c) As used in this section:

(1) the term "low- or moderate-income housing" means any building containing one or more dwelling units which is predominantly occupied by families or individuals of low or moderate income, as determined by the Secretary in a manner consistent with the purpose of this Act;

(2) the term "standard housing" means any dwelling which meets the requirements, exclusive of building code requirements, of all applicable State laws and local ordinances and regulations, relating to housing condition, public health or safety except as such requirements are waived in any given case by the responsible State or local authority. In the event such local standards are absent or inadequate, the Secretary may impose alternative appropriate standards;

(3) the term "economic investment" means any investment in property which is reasonably likely to generate rental income, including a reasonable imputed rental contribution by any owner occupant, sufficient to pay all cash outlays associated with providing standard housing, including property taxes, insurance, mortgage debt service requirements, and operating and maintenance outlays;

(4) the term "mortgage" shall have the same meaning as in section 201 of this Act;

(5) the term "mortgagee" means the original lender under a mortgage-secured loan and his successors and assigns and includes any agency of any State or local government that acts as a mortgage lender;

(6) the term "mortgagor" means the original borrower under a mortgage-secured loan and his successors and assigns;

(7) the term "Secretary" refers to the Secretary of the Department of Housing and Urban Development;

(8) the term "underlying property" means any property covered by a mortgage securing a loan financed or refinanced under this section.

(d) A mortgage insured under paragraph (b) shall:

(1) cover predominantly residential property which provides low- or moderate-income housing or housing which is not standard housing, provided such housing is capable of being placed in standard condition by actions taken pursuant to this section.

(2) be located in a neighborhood which is sufficiently stable and contains sufficient public facilities and amenities to support long-term values or in which the community is planning to carry out a program for neighborhood preservation, conservation, or rehabilitation.

(3) be executed by:

(A) an individual mortgagor who intends to permanently occupy one or more residential units in a structure of not more than 6 units, or

(B) a cooperative or condominium organization approved by the Secretary, which consists of or includes occupants of a majority of the residential units on the property, or

(C) a private nonprofit organization or association approved by the Secretary, or

(D) any other ownership entity, including, but not limited to, individual mortgagors who intend to permanently occupy one or more residential units in structures of more than 6 units.

(E) corporations, general or limited partnerships, trusts, associations and single proprietorships;

(4) involve monthly debt service payments not less than the monthly debt service on the outstanding indebtedness immediately prior to participation in this program: *Provided however,* That if the mortgagor is of a type described in subsections (d)(3)(A), (B), or (C) and if, in the judgment of the Secretary, the investment underlying the mortgage is not an economic investment, the Secretary shall waive the requirements of this section (d)(4) to permit reductions in the monthly debt service to the extent he deems appropriate to insure an economic investment.

(5) secure an indebtedness the principal amount of which shall not exceed:

(A) the amount required to refinance existing indebtedness secured by the property; plus,

(B) such initial mortgage service charges, points and appraisal, inspection or other costs and fees as the Secretary shall, by regulation, approve; plus,

(C) the cost of any repairs and improvements required by subsection (e) and of all additional repairs and improvements accomplished with funds provided by any loan insurable hereunder.

(D) Anything in this subsection notwithstanding, the principal amount of any mortgages insured hereunder may not exceed

(i) in the case of any refinancing by any mortgagor described in subsections (d)(3)(A), (B), or (C), 97 per centum of the sum of:

(1) the amount of the fair market value of the property prior to any repairs and improvements (except that the Secretary may exclude any increase in that value which he determines to be caused by governmental actions under this section); plus,

(2) such initial mortgage service charges, points, and appraisal, inspection, or other costs and fees as the Secretary shall, by regulation, approve; plus,

(3) the cost of any repairs and improvements required by subsection (e) and of all additional repairs and improvements provided by any loan insurable hereunder; or

(ii) in the case of any refinancing by any mortgagor described in subsection (d)(3)(D), 90 per centum of said sum.

(6) provide for complete amortization by periodic payments within such maximum term, not exceeding twenty years, as the mortgagor and mortgagee shall agree upon, based upon the projected number of years the property will be lived in;

(7) bear interest (exclusive of premium charges for insurance and service charges, if any) on the amount of the principal obligation outstanding at any time, not in excess of such percent per annum as the Secretary shall by regulation prescribe as necessary to meet the applicable mortgage market.

(e) Prior to insuring any mortgage under this section, the Secretary shall obtain satisfactory and enforceable assurance from the mortgagor that all repairs and improvements necessary to place the underlying property in standard condition have been or will promptly be made.

(f) Prior to insuring any mortgage under this section the Secretary shall obtain satisfactory and enforceable assurances from the mortgagor that the underlying property will be continuously maintained in standard condition. The mortgagor shall annually commit to maintenance expenditures at least any percentage of his annual rental income which the Secretary deems necessary or appropriate to maintain the building in standard condition.

(g) The Secretary shall insure that no portion of the principal amount of any mortgage insured under this section shall be used or expended for any other purpose than a purpose specified in subsection (d)(5)(A).

(h) Prior to insuring any mortgage under this section, the Secretary shall obtain satisfactory and enforceable assurances from the mortgagor that no rental increase shall be made except as may be required to offset actual and reasonable operating expense increases or increases in debt service payments resulting from any loan provided under subsection (k) hereof. No rental increase shall take effect unless the mortgagor has afforded tenants reasonable notice of the proposed increase and a sufficient opportunity to present objections thereto to the Secretary and to be heard thereon. In addition to any other sanctions which he may deem appropriate, the Secretary may deny rent increases in whole or in part, in any case where, in his judgment, the underlying property is not being maintained in standard condition. Any and all rental increases effected not more than one year prior to the date on which such mortgage insured under this section shall have been executed, except to the extent such rental increases do not exceed the average annual rate of rental increase over the previous five years.

(i) Any mortgagee under a mortgage insured under this section shall be entitled to receive the benefits of the insurance authorized hereunder:

(1) in accordance with the provisions of section 204(a), which apply to mortgages insured under section 203, if the mortgage is secured by property containing one to four dwelling units, and the provisions of subsections (b), (c), (d), (g), (j) and (k) of section 204 shall be applicable to such mortgages; or

(2) in accordance with the provision of section 207(g), which apply to mortgages insured under section 207, if the mortgage is secured by property containing five or more dwelling units and the provisions of subsections (d), (e), (h), (i), (j), (k), (l), and (n) of section 207 shall be applicable to such mortgages;

except that all references in sections 204 and 207 to the "Mutual Mortgage Insurance Fund" shall be construed to refer to the "Special Risk Insurance Fund" and all references therein to sections 203 and 207 shall be construed to refer also to section 244: *Provided, however*, That if a loan resulting in default did not meet FHA requirements for this program or if more than 20 per centum of the loans originally executed by the mortgagee are in default, the claim will not be paid unless the mortgagee shows that said default was not due to its negligence.

(j) In order to insure maximum achievement of the purposes of this section and to safeguard against possible abuses:

(1) all mortgages insured under this section shall contain provisions satisfactory to and enforceable by the Secretary, to ensure that in the event of any sale of any property subject thereto, or of any beneficial interest in any such property, within four years of the date upon which the mortgage insurance became effective, by any mortgagor who shall have acquired said property by purchase or gift subsequent to the date of enactment of this section and within four years of the date of said sale, any amount by which the purchase price or other consideration accruing therefor shall exceed the sum of

(A) the consideration paid by said mortgagor for the acquisition of the property; plus

(B) the reasonable and actual cost of repairs and improvements to the property during the period for which the property was held by such mortgagor; plus

(C) an amount, as determined by the Secretary or pursuant to regulations issued by the Secretary and in no event exceeding 0.4% of the amount contained in (A) and (B) hereof times the number of months said mortgagor has owned the property, which reflects reasonable appreciation, if any, in the value of the land and improvements during such holding period,

shall be repayable to the purchaser of said property. Such amount shall be recoverable by said purchaser from such mortgagor by legal action.

(2) all mortgages insured under this section shall contain provisions satisfactory to and enforceable by the Secretary to insure that, in the event any property securing any mortgage insured hereunder shall be sold, or any beneficial interest therein shall be otherwise voluntarily transferred, within five years of the date upon which the mortgage insurance became effective, by any mortgagor described in subsection (d) (2) (A), (B) or (C) to a transferee of the kind described in subsection (d) (2) (D), said transferee shall prepay the then outstanding principal amount of the loan underlying said mortgage to such an extent that the outstanding principal amount following such prepayment shall not exceed the principal amount of that could have been then outstanding, taking into account the requirements of subsection (d) (5), if said transferee had been the mortgagor at the time the mortgage was first insured under this section.

(3) the Secretary shall authorize mortgagees, to the greatest extent feasible, to take action contemplated by this section, including the provision of insured financing or refinancing, without obtaining prior approvals, and shall establish such certification and inspection requirements procedures, and such other safeguards as to sales, charges, and methods of operation as, in his opinion, are necessary or appropriate for the protection of the interests of tenants residing in the mortgaged properties or otherwise to effectuate the purposes of this section. All obligations imposed under subsections (e), (f), (g), (h) and (j) or, by the Secretary under this section, shall be enforceable by the Secretary.

(k) With respect to any mortgage insured under this section and the underlying property and, notwithstanding any other provision of this Act, if, at any time, the taxes, interest on the mortgage debt, mortgage amortization payments, mortgage insurance premiums, hazard insurance premiums, the expense of maintenance and operation of the property covered by the insured mortgage and the cost of any necessary but unanticipated major capital outlays during the term of the mortgage exceed the rental income of the property, including a reasonable imputed rental contribution by any owner occupant, the Secretary may, in his discretion and upon such terms and conditions as he may prescribe, insure under this section a loan by the mortgagee in an amount not exceeding the excess of the foregoing expenses over the rental income or a loan to refinance the existing indebtedness, plus such excess.

(l) The Secretary shall cooperate with the Secretary of Labor and the Secretary of Health, Education and Welfare, to insure that, to the greatest extent feasible, funds appropriated under the Manpower Development and Training Act of 1962, as amended, shall be made available on a priority basis for training and employment support use in connection with improvements financed by mortgages insured under this section. The Secretary shall cooperate with the Director of the Office of Minority Business Enterprises, the Director of the Educational Development Agency, and the Administrator of the Small Business Administration, to insure maximum utilization of minority and small business contractors in connection with improvements financed by mortgages insured under this section.

(m) In administering the program established, the Secretary shall use his best efforts to enlist the support and actual cooperation of state and local governments in establishing and maintaining programs which contribute to the achievement of the purposes of this section, including the provision of adequate municipal services in low- and moderate-income areas, particularly areas threatened by building abandonment, and in insuring to the greatest extent feasible, the administration of laws and ordinances relating to the existing housing stock, including building codes, housing codes, health and safety codes, zoning laws and property tax laws, in such manner as will encourage maximum utilization of this program in accordance with the purposes herein expressed.

(n) The Secretary shall develop and maintain full information and statistics regarding the utilization of and experiences incurred under this program, which shall include, but not be limited to, information and statistics concerning:

(1) financial market conditions, including the interest rates, payback periods and other terms and conditions affecting housing eligible to be financed hereunder;

(2) the character, extent and actual costs of repairs, renovations and moderate housing rehabilitation undertaken hereunder;

(3) factors affecting and statistics showing the extent of actual and potential utilization of this program;

(4) factors affecting the processing time of applications submitted hereunder and statistics showing processing times actually experienced;

(5) mortgage arrearages and defaults on mortgage loans insured hereunder;

(6) Abuses of the program, actual or potential, and remedial and punitive actions taken in connection therewith; and

(7) the costs of administering the mortgages insurance program provided by this section;

and shall submit to the Congress annual reports summarizing such information, which shall include his analysis of the effectiveness and scope of the program and his recommendations for its improvements and greater utilization.

(O) If the Secretary determines that the unavailability of property insurance coverage is hindering the widespread utilization of this program, he shall take all practicable steps to ensure that the protection and benefits of the Urban Property Protection and Reinsurance Act of 1968 are utilized to provide adequate property insurance coverage for mortgagors and mortgagees under this program.

(P) If the Secretary determines that widespread utilization of this program is hindered by the charging of points or discounts by mortgagees, he shall take steps to implement the Government National Mortgage Association's authority under section 305(j) and 302(c) of this Act to purchase and make commitments to purchase mortgages insured under this section, at a price equal to the unpaid principal amount thereof at the time of purchase, with adjustments for interest and any comparable items, and to sell such mortgages at any time at a price within the range of market prices for the particular class of mortgages involved at the time of sale as determined by the Association.

(Q)(1) section 238(b) of this Act is amended by striking out "and 243" each time it appears and inserting in lieu thereof "243 and 244."

(2) the second sentence of section 305(g) of the National Housing Act is amended by inserting between "and" and "no such commitment" the following: "if the mortgage is not insured under section 244."

BACKGROUND FACT SHEET, URBAN REHABILITATION ACT OF 1972, FEBRUARY 2, 1972

Considering our present housing shortage, projected population growth, and realistic expectations of housing production, it seems clear that unsafe, dilapidated inner-city dwelling units will remain the only homes available for millions of people of low and moderate income for the foreseeable future. Moreover, thousands of soundly constructed buildings are being abandoned because of bad plumbing and wiring. Improvement of existing residential property is therefore essential.

I. PRESENT HOUSING CRISIS

A. Housing production during the past six years has fallen 1.2 million units short of the need. (Through 1970, the latest available date. Unless otherwise noted, all facts are taken from a Study by Schecter & Schlefer for H.R. Banking & Currency Comm., Subcomm. on Housing.)

1. Definition of "housing needs"

"Starting with 1965 each year's housing starts have been significantly below the level required to meet the needs of household growth, mobility and replacements of losses from the supply." (Cumulative total since 1965 is the 1.2 million units)

B. 6 million substandard units are currently in use. 700,000 of these are in California.

1. About 62,400 substandard units were rehabilitated under federal programs in 1971. Projected figure of rehabilitations in 1972 according to HUD is 108,000.

2. More than 4,600,000 units lack complete plumbing facilities. (1970 Census figure)

3. More than 3,000,000 units are without complete kitchen facilities. (1970 Census figure)

C. Abandonment of livable dwellings.

1. Rate in New York City and Newark exceeds rate of housing production.

2. About 180,000 units were abandoned in New York City between 1965–1970. (50,000 annually) (Source: Gribsgy, et al., Study on "Housing and Poverty" June 1970)

3. Nearly 5% of New York City's total housing stock is abandoned. (Source: Testimony of Prof. G. Sternlieb before Hearings of Senate Committee on Banking & Currency on housing in the 70s)

4. In NYC in 1968, 80% of housing losses

were in buildings classified not only three years earlier as sound or deteriorating, but not dilapidated. (Testimony of Neil Hardy, Asst. Administrator, HUD, NY)

5. Annual abandonments in Philadelphia estimated to be 35,000 units.

6. Abandonments in Baltimore about 4,400 annually.

II. PROJECTED NEEDS

A. 26 million new housing units needed in the decade ending 1978, according to HUD's National Housing Goal.

1. Census figures indicate probable increase of 13.5 million households between 1970–1980.

2. An estimated 8.5 million units will be needed to replace existing housing which will be abandoned or otherwise no longer in use by that time. (The 1970 Census estimates that 27 million units currently in use are at least 30 years old.)

3. An additional 4 million units (to reach the total 26 million figure) represent increases in vacancies because of the increasing mobility of our society.

III. PROSPECTS FOR MEETING THE NEEDS

A. Realistic estimates show between 17–21 million new units likely to be completed by 1978, up to 9 million short of the need.

B. By increasing the rehabilitation of existing structures, we will reduce the loss of supply due to deterioration and dilapidation and thus reduce the deficit of needed housing.

Mr. TAFT. Mr. President, I have today cosponsored, with the Senator from California (Mr. CRANSTON) and the Senator from New York (Mr. JAVITS) the Urban Rehabilitation Act of 1972.

Mr. President, 1971 was the best year in our Nation's history for housing construction. Over 2 million units were started last year, a 43-percent improvement over the 1970 figure. The Federal Government played a major role in setting this record—over 40 percent of the new units were started under the auspices of government programs. Both the Department of Housing and Urban Development and the housing-related industries deserve praise for supplying Americans with new housing at a faster rate than ever before.

At the same time that we have been making great strides in providing new housing, however, the existing housing in all too many of our cities is falling apart. The number of substandard units in Baltimore, for example, increased from 43,000 to 65,000 between 1960 and 1969. New York City's inventory of deteriorating housing grew by 37 percent in the early and middle 1960's, while the number of units in standard condition grew by only 2.4 percent. The situation is similar in other cities across the country. As of 1968, more than 2 million urban housing units were "substandard" and were either dilapidated, deteriorating, or lacking in full plumbing facilities. It is not uncommon for the housing of our low and moderate income Americans to be infested with rats and plagued by stench and garbage, treacherous electrical arrangements, leaky roofs, inadequate heating systems, and broken windows, stairs, and handrails.

Over the last few years, a new dimension to this already dismal picture has developed as massive amounts of housing have simply been left to rot. Cleveland is losing 2,400 units per year in this way, and Chicago is losing about 1,800. There are approximately 20,000 abandoned buildings in Philadelphia, 5,000 in Baltimore, 2,000 to 3,000 in Detroit, and around 1,000 in Boston and Washington. In New York City, housing is being abandoned at a faster rate than it is being constructed. Even these figures do not indicate the seriousness of the abandonment problem at the local level, since abandonments tend to snowball in a neighborhood. The abandoned properties attract socially undesirable elements who either vandalize the properties or use them for socially unacceptable and illegal purposes. Residents of nearby structures who can move out of the neighborhood are likely to do so. The resultant high vacancies and reduced rental incomes encourage more abandoment, blight, and social problems in the neighborhood.

We must recognize that high construction rates are no substitute for coming to grips with the problem of deteriorating housing. Considering our present housing shortage and projected population growth, it seems clear that inner city dwelling units which are presently aging and in many cases substandard, will remain the only homes available for millions of low- and moderate-income families. The ability of housing construction to provide relief for this situation is further limited by its predominantly suburban location, which makes it virtually inaccessible to those who are poor or victims of discrimination. While it is essential that we restore and preserve existing residential property, present Government housing programs provide very little assistance along these lines.

The major economic factor involved in the housing deterioration process is that inner city owners just cannot afford to spend money on their property. All elements of housing costs—financing, maintenance, operating, and property taxes—have been rising swiftly and and steadily over the past decade. As a result, the owner-occupant finds that he cannot afford to make needed repairs and improvements. The landlord realizes that adequate rent rises to meet the increasing expenses are precluded by the limited incomes of his tenants, and reacts by skimping on maintenance and repairs. The result in terms of the livability of his dwelling is disastrous. New York judges, recognizing the seriousness of this economic squeeze, often charge such meager fines as 50 cents for violations of housing codes. In areas where militant tenants have brought about strict enforcement of the codes, many landlords have chosen to abandon structurally sound units rather than follow a court order requiring them to carry out moderate rehabilitation.

Faced with this problem, some landlords and owners have only one desire—to get what they can out of their investment, and get out. In neighborhoods where there is already considerable blight and the abandonment process is well under way, this attitude is likely to predominate. Such areas probably need comprehensive and deep subsidy programs such as urban renewal. In so-called transitional neighborhoods, however, where blight is not so widespread and the abandonment process has hardly begun, many people may very much want to stay in the neighborhod and protect their investment. They would like to raise the value of their property by making repairs and improvements, and realize that such improvements may result in reduced future maintenance expenditures and lower vacancy rates. They are also aware that any such investment can be written off for tax purposes in 5 years, under the provisions of the 1969 Tax Reform Act, and that moderate rehabilitation would relieve harassment by tenant groups and code enforcement agencies. Taking out a loan for repairs and improvements is impractical for them, however, if it means increasing their monthly debt service payments. In addition, their neighborhoods have long been "redlined" by conventional lending sources, and financing for mortgages and rehabilitation is therefore exorbitantly expensive if available at all. This situation leads directly to abandonment by some property owners who have a large balloon payment coming due at the end of a short-term mortgage, and find that refinancing at economically feasible terms is just not available. Thousands of owners in New York City alone must face the refinancing problem in the near future.

I believe that the fate of the people who want to protect the value of their homes is crucial to the future of our cities. Their desire to stay is evidence that both their individual housing units and their entire neighborhoods can be saved, at least for awhile, without pouring in vast amounts of taxpayers' money. These neighborhoods could well become devastated in the near future, however, if we completely neglect them now. Because Senator CRANSTON, Senator JAVITS and I feel that the most effective way to fight deterioration of housing and neighborhoods is to arrest it in its early stages, we are today introducing a bill which does not subsidize inner city property owners, but nevertheless provides the means for them to make needed repairs and improvements without increasing their monthly debt service payments. The bill would also directly combat housing abandonment by making it possible to refinance balloon mortgage payments at reasonable terms.

Our proposal is to use the leverage of FHA loan guarantees to acquire private market refinancing of mortgages at the FHA interest rate. These mortgages may cover additional funds for moderate rehabilitation as well as the outstanding mortgage indebtedness. By stretching out the length of present mortgages, money for repair and improvements can be provided without increasing the mortgagor's monthly debt service. For example, if a person originally held a $15,000, 20-year loan at a 5-percent interest rate and has been paying $99 per month for 15 years, his outstanding balance is $3,300. If he refinances at a 7-percent interest rate with a 5-percent discount and lengthens his term of repayment from 5 years to 10, the new principal, which still requires payments of $99 per month, will include $2,844 which can be used for repairs and improvements. If

more of the mortgage has been paid off at the time of refinancing, more money will be made available for repairs and improvements. By refinancing at the terms given in this example, $4,794 would be made available if 3 years remain on the term of his original mortgage, and $5,844 if only 2 years remain. In neighborhoods where deterioration has been occurring for some time, most mortgages will have a shorter term than 20 years and a higher interest rate than 5 percent. Refinancing in such cases can often provide proportionately even more money for improvements than is provided in the example which I have given.

Owners of substandard housing or housing occupied predominantly by persons with low or moderate incomes would be eligible for this program. In addition to the outstanding indebtedness on their present loan, the new mortgage must cover enough money to support the rehabilitation necessary to promptly place the housing in standard condition. No funds made available through refinancing can be used for any purpose other than rehabilitation. "Standard condition" will be defined by local codes unless the Secretary of HUD finds that they are absent or inadequate, in which case he may impose alternative standards.

We realize that a one-shot job on deteriorating housing is not going to be enough to assure lasting improvements. This bill, therefore, requires that the housing be continuously maintained in standard condition for the life of the new mortgage, and that the mortgagor must spend whatever percentage of his annual rental income the Secretary of HUD deems necessary or appropriate for maintenance. The Secretary may deny proposed rent increases and impose other sanctions as a penalty for violating these provisions. To help insure that an adequate level of maintenance is feasible, the Secretary may permit a mortgagor's debt service to be reduced through refinancing under this program if, and only if, he finds that such a reduction is necessary to create an economic investment. So that maintenance is not thwarted because a mortgagor's furnace blows shortly after he has spent his improvement money, for example, the Secretary may insure an additional loan or refinancing to take care of emergency capital outlays.

If the mortgagor wishes to rehabilitate more extensively than is required, he may take out a larger loan and do so. Let me emphasize, however, that we are not trying to provide a means for substantial rehabilitation of housing. In accordance with our goal of providing moderate rehabilitation, we have limited the capacity of mortgagors to extend mortgages by setting the maximum new mortgage term at 20 years.

I believe that any housing preservation program should specifically encourage those mortgagors who are most likely to exhibit a real and continuing concern for their neighborhood. Studies have shown that owner-occupants, who have such a large and important stake in their neighborhoods, have the best maintenance record of all mortgagors. Owner-occupancy is also perhaps the only recognizably effective defense against housing abandonment. Our bill, therefore, requires less equity from owner-occupants of less than seven unit dwellings, and tenant cooperatives and condominiums who occupy a majority of the units on the property, than from other groups. Nonprofit organizations are also given preferential treatment. All of these types of mortgagors are exempt from the percentage limitation on debt service reduction, and the requirement that a minimum amount of rehabilitation accompany any such reduction, which we are imposing on other landlords.

Because the importance of the condition of the entire neighborhood for the success of this program cannot be overemphasized, refinancing under the program will only be allowed in neighborhoods which either contain sufficient public facilities and amenities to support long-term values or are carrying out neighborhood preservation programs. There is also a section in the bill which encourages State and local governments to concentrate municipal services in these areas; that section also encourages them to administer other laws such as property tax laws in a manner consistent with the program.

It is unfortunate but true that the experience of past Government housing programs has provided us with glaring examples of what to avoid as we design a new program. With these examples in mind, we have guarded against the displacement of tenants as a result of rehabilitation by allowing rents to rise only with operating costs. We have also designed mechanisms to eliminate exploitation by speculators, to avoid augmenting George Romney's role as the Nation's largest inner city landlord, and to speed up the processing of applications for insurance under the program.

The chances for speculators to benefit from the program are reduced by the fact that there is no transfer of ownership involved. In addition, people who buy a house, refinance with an FHA guarantee, and use the money for a cosmetic rehabilitation job, will not be able to obtain the inflated appraisal which has enabled speculators to sell property at prices far above the fair market value in other programs. This is because the per annum appreciation after refinancing is limited to 4.8 percent for anyone who sells his property within 4 years of the refinancing.

Default problems are also reduced by the nature of the program, because loans under this bill are not likely to be as large as in new construction or substantial rehabilitation programs. As an additional safeguard, the bill contains equity requirements which will be higher in most cases than those that presently exist in many trouble-prone programs—5 percent of the property value for the "preferred" mortgagors enumerated earlier, and 10 percent for other groups such as absentee, profitmaking owners, the program will not include mortgagors who are new and inexperienced property owners. Most importantly, participants will not have to increase the monthly debt service which they have been successfully paying since they took out their existing mortgage.

Many of us have received complaints from constituents that the processing time for the acceptance of loan insurance applications in present FHA programs can drag out to a year or longer. To help insure that such an intolerable situation does not impede the functioning of this program, the processing system is patterned after that used for title I home improvement loans. Banks would be encouraged to decide on their own whether a proposed loan meets FHA criteria, and to extend the loan without prior approval from FHA. Under this bill a bank would advise FHA when it makes the loan, but FHA would play no active role in the process. If the borrower thereafter defaults, the lender would recover its losses from FHA, provided the loan met FHA requirements for the program. To prevent abuse or neglect by the lenders, if more than 20 percent of a lender's loans under this program are in default at the time he makes a claim he has to show to the FHA that the default was not due to his negligence in order to receive reimbursement for it.

The bill also contains a provision to allow the use of the Fannie Mae-Ginnie Mae Tandem plan to support the FHA interest rate if necessary. I hope that this will not be necessary, however, and that the program can at least be initiated without the help of the Tandem plan.

This bill would encourage the utilization of manpower development programs and the use of minority and small business contractors in connection with the contemplated repairs and improvements. It would direct the Secretary of HUD to take all practicable steps to insure that property insurance is made available under the Urban Property Protection and Reinsurance Act of 1968 in any neighborhood where he finds that the lack of available property insurance is hindering the widespread utilization of the program. The bill would prevent a mortgagor in the 10 percent equity group from getting around the equity requirement by buying property from a mortgagor in the 3 percent group after that mortgagor has refinanced with FHA insurance, and it would require HUD to maintain extensive information on all aspects of the programs operation.

The bill which Senator CRANSTON, Senator JAVITS, and I are proposing is not designed to eliminate all the problems of all property owners in transitional inner city neighborhoods. Operating and maintenance costs, as well as the need for moderate rehabilitation, may impose such a hardship in some cases that a shallow subsidy is needed in addition to this bill. We are also relying on other legislative proposals, and State and local government actions, to provide the continuing high level of municipal services which is so important to neighborhood preservation. Our bill will not save neighborhoods singlehandedly. I believe, however, that it will prove to be an effective means of enabling owners to preserve their housing and prevent housing deterioration—at very little cost to the Federal Government. It also seems important to me that because there is no direct sub-

sidy to participants except as needed to support the FHA interest rate, those who refinance will do so because they really want to protect their investment and save their neighborhoods. I believe that it is far preferable to help these people save their own neighborhoods now, before those neighborhoods further deteriorate, than to struggle against blight later with bulldozers and massive expenditures.

I ask unanimous consent that there be inserted at this point in the RECORD, a statement relative to the operation of this program in various financial situations, prepared by the Earl Warren Legal Institute at the University of California, Berkeley.

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

THE OPERATION OF THE PROGRAM IN VARIOUS FINANCIAL SITUATIONS

Upon implementation of the proposed new refinancing programs, numerous differing financing situations will be encountered and it is, therefore, useful to consider how the program will operate in each of them. In descending order of program feasibility, they are 1) short term, high interest loans; 2) short term, high effective, but low contract, interest rates; 3) short term but low actual interest rates; 4) long term, reasonable interest rates; 5) balloon mortgages; and 6) mortgages in default upon which only interest payments are being made.

In analyzing these situations, certain general factors must be kept in mind. The basic principle is that refinancing made available on better terms because of the FHA guarantee enables an owner to support a larger principal with the same monthly payments. The difference between the old and new principals must be used for needed repairs and improvements. Beyond this basic principle there are six other refinements. First, as the principal on the existing loans increases, the amount of repair and improvement money that can be made available by refinancing will also increase. Second, the higher the present interest rate on the current debt, the greater will be the amount of repair and improvement money made available on refinancing. Third, as the term of the existing debt increases, the amount of repair and improvement money made available decreases. Fourth, the longer the new term after refinancing, the more repair and improvement money will be made available. Fifth, allowance must be made for points that the lenders may charge. Thus it is assumed in the following discussion that a 5% discount will be charged. Sixth, beyond the benefits secured from the better terms, additional money for repairs and improvements may be obtained, if the refinancing occurs in the latter years of a mortgage and thus a substantial portion of the original principal has been paid off.

SHORT TERM—HIGH INTEREST RATES

If the old loan was for a short term and at a high interest rate, the greatest benefits from refinancing can be secured. The following tables indicate how refinancing such short term high interest rate loans will operate when the old interest rates, principals and amortization periods and new amortization periods vary.

Table A—Various principals

This table shows the amount of repair and improvement money made available by refinancing five year, fifteen percent interest loans of *varying principals*, if the payments on the new loan are the same, the term of the new loan is fifteen years, the interest rate is 7.0% and 5% discount is charged.

Principal	Payments	New principal	Repair and improvement money	5 percent discount
$1,000	$25	$2,780	$1,640	$140
$2,000	50	5,560	3,282	278
$3,000	75	3,340	4,923	417
$4,000	100	11,125	6,569	556
$5,000	125	13,905	8,210	695

Table B—Various interest rates

This table shows the amounts of repair and improvement money made available by refinancing five year, three thousand dollar loans of *various interest rates* for fifteen years at 7.0% interest with a 5% discount.

Interest rate	Payments	New principal	Repair and improvement money	5 percent discount
Percent:				
10	$66	$7,341	$3,974	$367
12	69	7,615	4,235	380
15	75	8,342	4,925	417
18	80	8,900	5,455	445
20	84	9,345	5,828	467
23	89	9,900	6,405	495

Table C—Various ola amortization periods

This table shows the amount of repair and improvement money made available by refinancing fifteen percent, three thousand dollar loans of *various terms* for a fifteen year period at 7.0% interest with a 5% discount.

Term	Payments	New principal	Repair and improvement money	5 percent discount
Year:				
3	$109.47	$12,125	$8,519	$606
4	88.00	9,790	6,301	489
5	75.00	8,340	4,923	417
6	66.00	7,341	3,974	367
7	60.00	6,774	3,341	341

Table D—Various new amortization periods

This table shows the amount of repair and improvement money made available by refinancing a five year, fifteen percent, three thousand dollar loan for various terms at 7.0% interest with a 5% discount.

New term	Payment	Principal	Repair and improvement money	5 percent discount
Year:				
8	$75	$5,500	$2,225	$275
9	75	5,995	2,695	300
10	75	6,455	3,132	322
11	75	6,885	3,541	344
12	75	7,290	3,925	365
13	75	7,660	4,277	383
14	75	8,015	4,615	400
15	75	8,340	4,923	417

Short term—high effective interest rate

The existing financing may carry a reasonable interest rate on the face of the loan but the transaction may have involved hidden financing charges in the form of either discounts or inflated purchase prices. It is contemplated that upon refinancing, the mortgagor, in order to recoup part of the hidden finance charges, will attempt to persuade the previous lender to accept, as repayment, an amount less than the face amount of the existing indebtedness. See subsection 244(d)(3) and the discussion of this point in the annotations to that subsection. The following table shows the operation of the refinancing mechanism when five year, seven percent, three thousand dollar loans involving discounts of ten to twenty-five percent are refinanced for fifteen years at seven percent interest, with a discount of 5%, and repayment of the debt is reduced by the amount of the original discount.

TABLE E.—HIDDEN FINANCING CHARGES

Previous discount	Payments	New principal	Amount of debt repaid	New discount	Repair and improvement money
Percent:					
10	$60	$8,000	$2,700	$400	$4,900
15	60	8,000	2,550	400	5,050
20	60	8,000	2,400	400	5,200
25	60	8,000	2,250	400	5,350

It may not be possible to recoup all of the hidden finance charge. Table F indicates the amount by which the repair and improvement moneys would be reduced in situations identical to those in Table E, with the one exception that either 30% or 60%, of the hidden charge is recouped.

TABLE F

Previous discount	Amount of discount recouped (percent)	Repair and improvement money
Percent:		
10	30	$4,700 (−$200)
10	60	4,800 (−1,100)
15	30	4,750 (−300)
15	60	4,900 (−150)
20	30	4,800 (−400)
20	60	5,000 (−200)
25	30	4,850 (−500)
25	60	5,100 (−250)

Short term—reasonable actual interest rate

Even short term loans with reasonable contract interest rates that do not involve hidden finance charges will provide sufficient repair and improvement moneys when refinanced under the proposed program. Thus the following table shows the amounts of repair and improvement money made available by refinancing five year, seven percent loans of varying principals for fifteen years at seven percent interest with a five percent discount.

TABLE G

Old principal	Payments	New principal	5 percent discount	Repair and improvement money
$1,000	$20	$2,225	$111	$1,114
$2,000	40	4,450	222	2,228
$3,000	60	6,675	334	3,341
$4,000	80	8,900	445	4,455
$5,000	100	11,115	588	5,557
$6,000	120	13,350	668	6,682

Long term—low interest rates

The loan to be refinanced may have been a long term, low interest rate loan, obtained at a time when the surrounding neighborhood was acceptable to institutional lenders. If the neighborhood has changed sufficiently to make institutional lenders unwilling to offer new financing to a property owner in this situation, without the protection of government mortgage insurance, the proposed program can help property owners secure needed repair and improvement money. Two factors will influence the amount of money which will be made available. The first will be the number of years for which the owner has been paying off the loan. As the end of the term of the original loan nears, more of its principal will have been

paid off and thus more money is available for repairs and improvements. The second will be the size of the monthly payments on the existing loan, which, of course, will vary depending upon the original principal of that loan. Tables H and I reflect these two factors.

TABLE H

This table shows the amount of repair and improvement money made available when a $15,000, twenty year, 5% loan is refinanced at various stages of the amortization process, for ten years, at 7% interest, with a 5% discount.

Payments	Year of refinancing	Outstanding balance	New principal	5-percent discount	Repair and improvement money
$99	5th	$13,770	$8,520	$426	[1] −$5,676
$99	10th	9,330	8,520	426	[1] −1,236
$99	13th	7,005	8,520	426	1,089
$99	15th	5,250	8,520	426	2,844
$99	17th	3,300	8,520	426	4,794
$99	18th	2,250	8,520	426	5,844

[1] Not feasible.

TABLE I

This table shows the amount of repair and improvement money made available by refinancing in the 17th year of amortization, of twenty year, 5% loans of various principals, for new terms of 10 years, at 7% interest with 5% discount.

Old principal	Payments	Outstanding balance	New principal	5 percent discount	Repair and improvement money
$20,000	$132	$4,400	$11,360	$568	$6,392
$17,500	115	3,850	9,895	495	5,550
$15,000	99	3,300	8,520	426	4,794
$12,500	82	2,750	7,055	353	3,952
$10,000	66	2,200	5,680	284	3,196

The above tables assume that the term of the new loan will be ten years. Of course, if sufficient repair and improvement money is not made available with a ten year refinancing, one alternative would be to use a longer term if it appears that the property will be lived in for that longer time period. At the same time, if all of the money for repairs and improvements made available by a ten year term is not needed, then the new term can be shortened.

Balloon mortgages

Mortgage instruments which do not provide for the complete amortization of the principal amount over the mortgage term are known as balloon mortgages, and the amount outstanding, as the balloon payment.

The feasibility of refinancing these mortgages depends largely on the size of the balloon payment relative to the amount of original indebtedness secured. If the size of the balloon payment is less than 50% of this amount then refinancing will almost always be feasible and in the mortgagor's interest, especially if the original term and interest rate are unfavorable as compared with those available under the program. However, if the balloon exceeds 50% of the principal amount and if the term is approximately equal to the term available under the program then refinancing under this program will not be helpful.

Default situations

If the mortgagor is currently in default and only making interest payments on the loan, refinancing under the proposed program is only likely to be helpful if the interest rate on the original loan is very high. In addition, to the extent that mortgagors are able to renegotiate the amount to be repair on existing debts, the program will be feasible in more cases.

TABLE J

This table shows the operation of the program when $10,000, ten year loans, at varying interest rates, upon which the mortgagor stopped making principal payments in the eighth year are refinanced for 15 years, at 7% interest with a 5% discount. The payments on the new loan equal the interest payments being made on the outstanding balance at the beginning of the eighth year.

Interest rate	Outstanding balance	Payments	New principal	5-percent discount	Repair and improvement money
Percent:					
6	$3,640	$18.00	$2,000	$100	[1]
8.5	3,829	27.00	3,000	150	[1]
10	4,047	33.75	3,755	188	[1]
12	4,250	42.50	4,725	236	$239
15	4,549	57.00	6,340	317	1,474

[1] Not feasible.

Mr. JAVITS. Mr. President, I have joined with Senators CRANSTON and TAFT in sponsoring a bill to establish a new housing program which would allow for refinancing of existing mortgages on housing for low- and moderate-income families.

The existing housing shortages for low- and middle-income families remains quite severe throughout New York State and the Nation. Heretofore, national housing efforts have focused mainly on the production of new housing while neglecting the existing housing stock. At this time we need new initiatives to preserve and upgrade our existing housing. I believe that this bill will be an important first step in that process.

In New York City, energies, and resources have been poured into new housing for depressed communities—though not really enough—while housing in transitional areas has deteriorated at an alarming rate. Neighborhoods such as Washington Heights in Manhattan, Crown Heights, East Flatbush, and Bushwick in Brooklyn and Tremont in the Bronx can be the devastated Brownsvilles of tomorrow. A far more logical strategy would be to stabilize what we have at modest cost while continuing production efforts. That is why I have joined with Senators CRANSTON and TAFT in this bill.

Hopefully, this bill will help with the problem of neighborhood decay and mass abandonment. I believe that the questions raised about several of the present FHA insurance programs should not deter the Congress from initiating new programs which will help us solve the tremendous housing problem which still exists in many of our major cities.

Shortly, I intend to introduce a bill providing for an interest subsidy where necessary as an adjunct to this bill to provide additional tools in the struggle to save on our existing housing stock. I hope that the Senate Banking Committee will give all these measures thorough consideration at its executive sessions which will be starting soon.

By Mr. WEICKER (for himself, Mr. DOMINICK, and Mr. MATHIAS):

S. 3110. A bill to facilitate the movement of persons and goods in interstate commerce, and to aid in eliminating the burdens on interstate commerce which result from the lack of adequately coordinated transportation facilities in many parts of the United States, through a comprehensive program of Federal assistance to States and localities to aid in the provision of such facilities. Referred to the Committee on Finance.

FEDERAL TRANSPORTATION ACT

Mr. WEICKER. Mr. President, on June 24, 1969, I introduced in the House the first bill to create an overall transportation trust fund. Today, I am introducing the same bill altered only to conform with changed circumstances.

On that day 2½ years ago I recall talking with members of the press. The general consensus was that such a massive reorienting of our transportation programs, such a frontal assault on the sacred cow of a hundred lobbyists could only be the mental aberration of an inexperienced, idealistic freshman Congressman obsessed with a district full of New Haven Railroad commuters.

Today, the transportation trust fund is an idea whose time has come.

The traffic jams, deteriorating rails, moldering subway cars, nonexistent buses, stagnant air, and mass frustration of our metropolitan areas are everyday life in major cities across the country and tomorrow's life in infant cities across the Nation.

Today nearly 75 percent of all Americans live in urban areas.

Today, over 50 percent of the air pollution in this country comes from transportation—most of it from the automobile.

Today nearly 55,000 people are killed each year on our highways. Automobile riders die at a rate five times higher than air travelers and 30 times above those going by rail.

Today highways and airports in urban areas can cost up to $40 million an acre while within the continental United States, well over 200,000 miles of railroad track lie largely idle—much of it in and around major metropolitan areas.

Today stack time, bad weather, and miserable ground facilities make air travel ever more time consuming and costly.

But worse than all this, the Federal Government and the States are totally unable to solve their transportation problems with anything approaching freedom of choice and flexibility.

The fiscal 1972 budget for the Department of Transportation tells the story only too well:

	Percent
Highways	63
Airports and airways	21
Water transport	12.8
Mass transit	2.8
Railroads	.6

Beyond this, the crazy quilt of transportation laws distorts the picture even more with complicated, uncoordinated, and arbitrary Federal funding shares.

For instance, a State can get up to nine times its money for highways, a maximum of twice its investment for mass transit, and must match Federal money dollar for dollar on airports. Railroads suffer the most for, with the exception of absurdly small sums allocated to Amtrak, a State can expect absolutely no help at all.

All this leaves a Governor with only one choice: Build more highways because you can get more bang for the buck. In 1956, when the highway trust fund was created, this was a relatively happy—and often correct—choice to make.

Today, with 80 percent of the Interstate System completed, times have changed. Too many parks, too many houses, too many businesses have been slabbed over with asphalt; too many neighborhoods and cities have been irrevocably split by 100-foot wide barriers of concrete and steel.

But the real irony is that despite the pollution, despite the destruction, despite the noise, despite the billions and billions of dollars spent, traffic jams only get worse. The real interstate traveler—the trucker dependent on highways for his livelihood, the bus company dependent on speed for revenue, the businessman dependent on his car for sales and the housewife dependent on ease of travel for her family's well-being—all these vie constantly for every square inch of highway with the factory worker, the corporate executive, the small businessman, the clerk, the secretary who commute daily to work. The end result is simple: Mass petrification, rather than mass transportation.

Highways are vital to our national economy. They have opened up whole sections of the country previously isolated from the mainstream of American life. But to return these highways to the people who need them, we must now increasingly recognize the need for short-haul mass transit, longer haul rail and water transportation facilities, and air transport spread more rationally beyond urban centers. Most important, we must tie all modes of transportation together under a common plan and give each State the freedom to innovatively solve its problems with the end being mobility, rather than the criteria being how to wangle the most Federal money for each State dollar spent.

The bill I propose today would allow innovation. It would allow freedom of choice. It would necessitate planning and coordination. It would encourage regional cooperation. It will lead to a total, national transportation system that will move people and goods effectively.

Mr. President, I ask unanimous consent that a synopsis of this bill—creating a Federal transportation trust fund—be printed in the RECORD at this point.

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

FEDERAL TRANSPORTATION TRUST FUND—SYNOPSIS

Section 1-3: Title, statement of findings and purpose, and definitions.

Section 4: Establishes a Federal Transportation Trust Fund which includes all funds spent in accordance with any Federal-aid Transportation law (Highway Trust Fund, Airport and Airway Trust Fund, Urban Mass Transit Act, etc.). The Trust Fund takes effect on July 1, 1973 and continues through June 30, 1983. All transportation-related excise taxes and appropriations from general revenues for transportation purposes will be included in the Fund.

The total amount in the Fund in Fiscal Year 1973 will amount to approximately $7.75 billion.

Section 5: Extends all transportation-related excise taxes at their current levels for the life of the Fund.

Section 6: States that no expenditures can be made from the Trust Fund except for projects which are part of overall state transportation plans approved in advance by the Secretary of Transportation. The plans will include all types of facilities for all modes of transportation, and must show coordination with local development and transportation planning.

The Federal government may finance 90% of the cost of formulating these plans.

The Secretary may, in certain cases, approve projects for specific communities which are vital to adjacent states even if the state in which the community is located does not have an approved plan.

Section 7: Establishes the formula under which funds will be allocated to the states. This formula is heavily weighted toward urban areas since approximately 75% of the U.S. population now lives in cities or surrounding suburbs. It combines land area, total population, and the number of cities with over 50,000 people to arrive at a single allocation for each state.

This section also provides that all projects funded from the Trust Fund will be 75% financed by the Federal government with 25% coming from state and local governments.

To encourage regional, multi-state projects, the Secretary may add up to 10% of the cost for projects involving more than one state, and this added contribution will not be charged against a state's allocation under the formula.

Section 8: Reserves 5% of the Fund annually for use at the Secretary's discrimination, in increasing funding for regional projects.

Section 9: Establishes an office of Planning and Coordination in the Office of the Secretary to approve state plans, assure coordination among such plans and give final approval to all projects.

Section 10: Sets the effective date of July 1, 1973.

Mr. President, there are over 200 million Americans and daily each of them is touched by transportation This gives transportation the biggest, most directly concerned constituency in the country.

These constituents do not care where their highway or airport user taxes go, they do not care where the revenues from their subway tokens, bus fares and plane tickets go. They do care about mobility—they want to be able to get from New York to Chicago, Oakland to San Francisco, South Chicago to the Loop, or Washington to National Airport with speed, frequency, and safety.

Federal, State, and local governments do not represent concepts. But Senators, Governors, and mayors do represent travelers—and travelers jams. And we are also supposed to represent answers and change rather than happy silence and status quo. In the case of transportation that means creating a system rather than living with 1,000 happenings.

A lot has happened in the last 2½ years. I, and others who have proposed similar bills are supported by the National Governor's Conference, the National League of Cities, the National Conference of Mayors—and by 200 million plain, ordinary, unorganized people. We have an opportunity to prove that Congress can solve a problem before it becomes a crisis. That would be as significant to American Government as moving would be to the American traveler.

By Mr. BENNETT:

S. 3111. A bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of certain distributions and sales pursuant to the Bank Holding Company Act Amendments of 1970. Referred to the Committee on Finance.

Mr. BENNETT. Mr. President, today I am introducing legislation that would amend the Internal Revenue Code of 1954 with respect to tax treatment of certain distributions and sales pursuant to the Bank Holding Company Act Amendents of 1970. It was understood when the Senate passed the 1970 amendments that the hardship caused by divestiture would be ameliorated by appropriate tax relief legislation allowing for the tax-free distribution of divested assets. I would like to point out that similar tax legislation was enacted after the Bank Holding Company Act of 1956 and after its 1966 amendments.

In general the 1970 amendments required a one bank holding company to divest either its bank or its nonbank assets. My legislation would provide some tax relief to the stockholders in those bank holding companies that will be forced to divest themselves of assets. Under this proposal, property which is required to be divested could be distributed to the stockholders without any recognition of gain to the stockholders. Without this legislation, the distribution would work an unfair economic hardship on the stockholders through no fault of their own.

I think it is important to note that this will apply only to the distribution of property under the Bank Holding Company Act which had been acquired prior to July 7, 1970—the date the Senate Banking and Currency Committee ordered the bill reported to the Senate. Prior to any distribution, the bank holding company would be required to obtain the certification of the Federal Reserve Board that the distribution is necessary or appropriate to effectuate the Bank Holding Company Act of 1970.

Mr. President, this is not unusual legislation. There are numerous precedents for it, and I would hope it can be speedily enacted to prevent any undue hardships on those stockholders who may have been forced into an economic position through no fault of their own.

Mr. President, I ask unanimous consent that a summary of my bill be printed in the RECORD at this point.

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

SUMMARY OF PROPOSED TAX RELIEF LEGISLATION RELATING TO DISTRIBUTIONS AND SALES PURSUANT TO THE BANK HOLDING COMPANY ACT AMENDMENTS OF 1970

Treasury recommends legislation to amend the Internal Revenue Code of 1954 with re-

spect to the income tax treatment of certain distributions and sales pursuant to the Bank Holding Company Act Amendments of 1970. The 1970 amendments were passed with the expectation that the hardships caused by divestiture would be ameliorated by appropriate tax relief legislation allowing for the tax-free distribution of divested assets. Similar tax relief legislation was enacted after the Bank Holding Company Act of 1956 and after its 1966 amendments.

BANK HOLDING COMPANY ACT AMENDMENTS OF 1970

The Bank Holding Company Act Amendments of 1970 (Public Law 91-607) require a one bank holding company either to divest its nonbanking interests if it chooses to remain a bank holding company, or to dispose of its banking interests so that it is no longer classified as a bank holding company. Generally, divestiture of the bank of nonbank assets is required by January 1, 1981. However, section 103 of the Act allows a bank holding company under certain circumstances to continue activities in which it was lawfully engaged on June 30, 1968 and has been continuously engaged in since that date.

TAX PROPOSAL IN BRIEF

The recommended legislation seeks to (1) update existing sections 1101–1103 of the Internal Revenue Code to permit tax-free distributions to stockholders of property required to be divested under the Bank Holding Company Act Amendments of 1970; (2) provide for nonrecognition of gain to the divesting corporation upon its sale of property pursuant to the Bank Holding Company Act Amendments of 1970; and (3) exempt distributions of appreciated property required to be divested under the Bank Holding Company Act Amendments of 1970 from any tax imposed by section 311(d) of the Internal Revenue Code.

DISTRIBUTIONS TO STOCKHOLDERS

Section (a) of the bill would add section 1121 to the Internal Revenue Code to provide substantially the same tax relief that was extended by sections 1101–1103 of the Internal Revenue Code to divestitures under the Bank Holding Company Act of 1956 and its 1966 amendments. Section 1121 would be added to the Internal Revenue Code rather than amending sections 1101–1103 because these sections would be repealed under H.R. 25, which was introduced by Chairman Mills on January 22, 1971, to repeal provisions in the Internal Revenue Code which are obsolete or are unimportant and rarely used.

Under proposed section 1121, property which is required to be divested could be distributed by a corporation to its stockholders without the recognition of any gain to the stockholders. In the absence of this special provision, such a distribution might otherwise be taxable to the stockholders as a dividend.

Section 1121 would only apply to a corporation which became a bank holding company under the Bank Holding Company Act Amendments of 1970. Although partnerships were made subject to the Bank Holding Company Act by the 1970 amendments the tax relief provisions do not apply to partnerships. Treasury is not aware of any partnerships required to divest under the 1970 amendments. However, Treasury would not oppose extending these provisions to any partnerships which are subject to the divestiture requirements of the 1970 amendments.

The proposal would only apply to the distribution of property under the Bank Holding Company Act which had been acquired prior to July 7, 1970—the date on which the Senate Banking and Currency Committee announced that it would report out a bill dealing with one bank holding companies. This restriction is considered necessary to prevent the bill from applying to corporations which might have purchased interests in banks or other businesses in order that their shareholders might benefit from the tax-free distribution treatment provided under this bill.

In general, proposed section 1121 of the Code would follow the precedent of existing sections 1101–1103 of the Internal Revenue Code as they applied to distributions under the Bank Holding Company Act of 1956 and its 1966 amendment. Accordingly, property which is required to be divested could be distributed without recognition of gain either directly to the stockholders of the bank holding company or to a wholly owned subsidiary created to receive the divested property. If the property is distributed to a specially-created subsidiary, all the stock in the subsidiary then must be distributed to the stockholders of the bank holding company.

Proposed section 1121(d)—as under the prior law—would deny nonrecognition treatment for any distribution which is part of a plan with a principal purpose of avoiding the dividend tax on the distribution of earnings and profits.

Several provisions in the proposed bill differ from prior law. First, proposed section 1121(b) would simplify the certification required from the Federal Reserve Board as a prerequisite to the special tax treatment. The tax law applicable to distributions under the Bank Holding Company Act of 1956 and its 1966 amendment required the Federal Reserve Board prior to any distribution to certify that the distribution was necessary or appropriate to effectuate the Bank Holding Company Act. The Board was also required to give its final certification that the bank holding company had complied with the divestiture requirements of the Bank Holding Company Act within the specified time periods. Proposed section 1121(b) would only require the Federal Reserve Board to certify prior to a distribution that the distribution is necessary or appropriate to effectuate the Bank Holding Company Act Amendments of 1970.

Final certification would not be required, thus avoiding the necessity for holding the statute of limitation open for an extended period. The 1970 amendments provide for a ten year divestiture as opposed to the two year divestiture (with extensions possible to five years) which was required by the 1956 act and its 1966 amendment. Holding the statute of limitations open for ten years until a final certification is obtained would create numerous administrative problems. It also appears that the final certification is unnecessary since the Federal Reserve Board will monitor compliance with the Bank Holding Company Act in any event, and there are severe penalties under that Act for failure to comply with the divestiture requirements.

Second, proposed section 1121(c) modifies the certification rule where a bank holding company elects to *exchange* its banking or its nonbanking assets for the stock of a specially-created subsidiary which stock the holding company then *distributes* to its stockholders. Prior law required the Federal Reserve Board to certify prior to the exchange that the exchange and distribution were necessary or appropriate to effectuate the Bank Holding Company Act. In the interest of flexibility, proposed section 1121(c) would only require the certification prior to the distribution to the stockholders and not prior to the initial exchange with the subsidiary.

Third, proposed sections 1121(a)(3) and 1121(b)(3) would allow non pro rata distributions to qualify for nonrecognition treatment. Non pro rata distributions were allowed under the Bank Holding Company Act of 1956, but pro rata distributions were required for distributions under the 1966 amendment to the Bank Holding Company Act. Allowing non pro rata distributions under the proposed bill is consistent with the rules of section 355 of the Internal Revenue Code which allows a non pro rata distribution of stock of a controlled subsidiary to be made to the stockholders of the parent corporation without the recognition of gain under certain circumstances.

Fourth, the bill allows a bank holding company to divest its banking assets without the recognition of gain even if it owns less than a controlling interest. This treatment complies with the spirit of the 1970 amendments which is to encourage and enforce the separation of banking and nonbanking interests and alleviates the sometimes difficult problem of attempting to determine precisely what constitutes a controlling interest in a bank.

The bill also would permit a "grandfathered" company—which under section 103 of the Bank Holding Act Amendments of 1970 is allowed to continue to hold bank and nonbank interests—to give up its grandfathered status, divest its bank or nonbank interests, and to be entitled to the tax relief that is available to other holding companies that became bank holding companies under the 1970 amendments, provided that such divestiture is accomplished by January 1, 1981.

However, nonrecognition treatment generally does not apply to the distribution of nonbank property which may be lawfully owned by a bank holding company. For example, section 4(c)(6) of the Bank Holding Company Act permits a bank holding company to retain up to five percent of the voting stock of another company. 12 U.S.C. 1843(c)(6). Consequently, a distribution of all the stock of another company which is wholly owned would result in nonrecognition of gain under this bill as to only 95 percent of such distribution. But nonrecognition of gain may be obtained under section 355 with respect to the five percent not qualifying for nonrecognition under section 1121.

Fifth, proposed section 1121(e) introduces a time limit for nonrecognition treatment which requires a distribution to the stockholder of prohibited property or bank property to be completed within three years after the first distribution of such property is made.

SALE OF BANK OR NONBANK PROPERTY

Section (b) of the proposed bill would add section 1122 to the Internal Revenue Code dealing with sales pursuant to the Bank Holding Company Act Amendments of 1970. The section would provide for the nonrecognition of gain where a corporation sells its bank or nonbank property to a third party rather than distributing the property to its stockholders. This type of relief was not offered for distributions under the Bank Holding Company Act of 1956 or its 1966 amendment. However, various bank holding companies have indicated that they will be forced for various business reasons to sell their bank or nonbank asset rather than distribute them to their stockholders. Tax relief appears equally warranted where the provisions of the Bank Holding Company Act are met by the sale of assets instead of their distribution to stockholders.

Section 1033 of the Internal Revenue Code presently provides for the nonrecognition of gain from a sale or exchange to effectuate certain policies of the Federal Communications Commission. Section 1081 of the Code provides for the nonrecognition of gain on exchanges or distributions in obedience to certain orders of the Securities and Exchange Commission.

In many respects the required divestiture of bank or nonbank property under the Bank Holding Company Amendments of 1970 is analogous to an involuntary conversion. Accordingly, proposed section 1122 would offer relief patterned after the existing provisions in the Code dealing with involuntary conversions.

Thus, proposed section 1122 would allow a bank holding company to elect to defer the recognition of gain on a divestiture sale if the amount realized from the sale is reinvested in certain qualifying replacement property within a specified period of time.

In order to qualify under this provision, a bank holding company which sells either its bank property or its nonbank property would have to invest the proceeds of sale in the purchase of a controlling (80 percent) stock interest in another corporation or in the purchase of substantially all the assets of another corporation. For this purpose control would be determined without regard to whether or not the acquiring corporation had control of the acquired corporation immediately before the purchase, so that a corporation could reinvest in additional stock or one of its controlled subsidiaries. The required reinvestment could be made in anticipation of the divestiture sale or within three years after the sale with provision for the extension of this period by the Secretary or his delegate for reasonable cause.

The basis of any stock or assets which are acquired under this proposal as replacement property would be reduced by the amount of deferred gain. Where stock of another corporation is acquired, the basis of the underlying assets of the acquired corporation would also be reduced by the amount of the deferred gain, but not below the greater of the basis of the stock which is acquired or the basis of the old assets which were sold pursuant to the Bank Holding Company Act.

The proposal would only apply to the sale of property which was acquired before July 7, 1970 and which the Federal Reserve Board, prior to the sale, certifies is necessary or appropriate to effectuate the Bank Holding Company Act Amendments of 1970.

AMENDMENT TO SECTION 311(D) OF THE CODE

Section 311(d) of the Internal Revenue Code generally requires a corporation to recognized gain where it distributes appreciated property to its stockholders in redemption of their stock. The proposed legislation would make clear that section 311(d) of the Internal Revenue Code would not apply to a bank holding company which distributes appreciated property under the Bank Holding Company Act Amendments of 1970 to its stockholders in redemption of their stock. The proposed exception for distributions under the Bank Holding Company Act is consistent with the present exception in section 311(d) for certain distributions of stock required under the antitrust laws.

By Mr. HOLLINGS:

S. 3112. A bill to protect marine mammals; to establish a Marine Mammal Commission; and for other purposes. Referred to the Committee on Commerce.

Mr. HOLLINGS. Mr. President, on February 15 and 16 of this month, the Senate Commerce Committee Subcommittee on Oceans and Atmosphere will conduct public hearings into ocean mammal legislation. As many of us are aware, the impact of man upon marine mammals has ranged from indiscriminate slaughter to careless neglect. There is strong scientific evidence at this time to show that a number of species are now in danger of becoming extinct—simply because of man's voracious appetite to kill for profit. Because of this scientific information, there is now hope that man will temper his treatment of these animals with a view toward the future.

The subcommittee wants to look at the full range of legislation on this subject. Because of this, I am today introducing a bill identical to H.R. 10420, entitled the Marine Mammal Protection Act of 1971. This bill was produced as a unanimous report of the House Subcommittee on Fisheries and Wildlife Conservation, which conducted exhaustive hearings last September prior to drafting this legislation. It was the position of a majority of the House that marine mammals and the marine ecosystems upon which they depend for survival require additional protection from man's activities. These mammals include whales, porpoises, seals, sea otters, polar bears, manatees and other species.

The subject of marine mammal protection is a controversial one and opinions differ significantly. Scientists and experts disagree sharply about the effect or need of this type of legislation. But the increasing level of public attention to this problem has certainly brought home to us in Government the need to act. The subcommittee shall produce legislation on this issue shortly after the completion of our hearings. I cannot at this time project the subcommittee's position, but I feel certain that our legislation will be comprehensive. For that reason, I do not at this time take a position on the bill I introduce today. My purpose is to see that it is considered by the subcommittee along with all of the other bills which have been introduced in the Senate.

By Mr. CRANSTON (for himself and Mr. TUNNEY):

S. 3113. A bill to declare that the United States holds in trust for the Bridgeport Indian Colony certain lands in Mono County, Calif. Referred to the Committee on Interior and Insular Affairs.

Mr. CRANSTON. Mr. President, I am introducing today for appropriate reference a bill to declare that the United States holds in trust approximately 20 acres of land in Mono County, Calif., for the 60 members of the Bridgeport Indian Colony. I am pleased to be joined by my friend and colleague (Mr. TUNNEY) in sponsoring this legislation. Congressman HAROLD T. JOHNSON of California, whose district includes Mono County, is introducing identical legislation in the House.

The land described in the bill is an unoccupied 20-acre tract of federally owned land adjacent to the town of Bridgeport in Mono County, Calif. It is being set aside for the Bridgeport Indian Colony as a substitute for a tract of land wrongfully taken from them in 1914.

The land on which the Indians are presently living is land they have occupied continuously for a period of time which, at the very least, precedes the coming of the white man. Despite this long and continuous occupancy and despite an explicit regulation promulgated by the General Land Office prohibiting the granting of a land patent for any lands occupied by Indians, a patent was issued under the Desert Land Act in 1914 to a non-Indian. This patent included the tract now occupied by the Bridgeport Indian Colony.

This land is now owned by several non-Indian heirs to the original patentee. The Indians have continued to occupy the site, but early in 1968 one of the owners demanded that they vacate. Legal intervention has kept the eviction proceedings in abeyance since 1968, but it is clear that a permanent solution must be found very soon.

The best solution for all concerned, in my opinion, is to provide the Indians with a new land base. Since their present land base was wrongfully taken from them, it is only fair to provide them with a new one. Furthermore, with a secure trust land base, the Bridgeport Indian Colony will be in a better position to improve their living conditions.

Presently, 12 of the 19 Indian families in the Bridgeport area live in totally substandard housing. Eleven of the families, including all of the families that now reside on the disputed land, have no sanitation facilities and no inside running water. Five of the homes are heated solely by wood-burning stoves, and three have no refrigerator. Only three of the 19 families can claim a member with full-time employment. All the rest are unemployed. A secure trust land base will enable these Indian people to overcome the very severe obstacles of unemployment and chronic poverty and to utilize existing Federal resources to improve their standard of living.

It is my understanding that the Bridgeport townspeople are in full support of this legislative proposal. In addition, the Mono County Board of Supervisors has unanimously approved a resolution in support of the efforts of the Bridgeport Indian Colony to obtain as a homesite the 20-acre tract of federally owned land described in my bill. I am hopeful that Congress will support this attempt to correct just one of many injustices suffered by the Indian people of California.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 1534

At the request of Mr. HUMPHREY, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 1534, a bill to amend title 10, United States Code, to prescribe additional health benefits for certain dependents. When a member of a uniformed service who is on active duty for a period of more than 30 days is released from such duty, and has a wife who is pregnant, she may be provided health benefits for that pregnancy under section 1076 or 1079.

S. 2728

At the request of Mr. HUMPHREY, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 2728, a bill to establish a Citizens' Committee To Study Congress.

S. 2956

At the request of Mr. STENNIS, the Senator from North Carolina (Mr. JORDAN) was added as a cosponsor of S. 2956, a bill to make rules governing the use of the Armed Forces of the United States in the absence of a declaration of war by the Congress.

SENATE JOINT RESOLUTION 112

At the request of Mr. BROCK, the Senator from Arizona (Mr. GOLDWATER) was

added as a cosponsor of Senate Joint Resolution 112, proposing an amendment to the Constitution of the United States relating to open admissions to public schools.

SENATE JOINT RESOLUTION 187

At the request of Mr. PACKWOOD, the Senator from Oklahoma (Mr. BELLMON) and the Senator from Arizona (Mr. FANNIN) were added as cosponsors of Senate Joint Resolution 187, providing for a procedure for settlement of the dispute on the Pacific coast and Hawaii among certain shippers and associated employers and certain employees.

SENATE JOINT RESOLUTION 189

At the request of Mr. BROCK, the Senator from West Virginia (Mr. RANDOLPH), the Senator from Kansas (Mr. DOLE), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Delaware (Mr. BOGGS), the Senator from Colorado (Mr. ALLOTT), the Senator from Pennsylvania (Mr. SCOTT), the Senator from Georgia (Mr. TALMADGE), the Senator from Georgia (Mr. GAMBRELL), the Senator from Hawaii (Mr. FONG), the Senator from Massachusetts (Mr. BROOKE), the Senator from Colorado (Mr. DOMINICK), the Senator from Iowa (Mr. MILLER), the Senator from Vermont (Mr. STAFFORD), the Senator from Minnesota (Mr. MONDALE), the Senator from Nevada (Mr. CANNON), the Senator from North Dakota (Mr. YOUNG), the Senator from Oregon (Mr. PACKWOOD), the Senator from Alaska (Mr. STEVENS), the Senator from Iowa (Mr. HUGHES), and the Senator from Oklahoma (Mr. HARRIS) were added as cosponsors of Senate Joint Resolution 189, to authorize the President to designate the period beginning March 26, 1972, as "National Week of Concern for Prisoners of War, Missing in Action," and to designate Sunday, March 26, 1972, as a national day of prayer for these Americans.

ADDITIONAL COSPONSORS OF A RESOLUTION

SENATE RESOLUTION 232

At the request of Mr. CHILES, the Senator from Maine (Mr. MUSKIE), the Senator from Indiana (Mr. HARTKE), and the Senator from Oregon (Mr. PACKWOOD) were added as cosponsors of Senate Resolution 232, expressing the sense of the Senate that the remainder of the amount appropriated for the rural electrification program for fiscal 1972 be immediately released by the Office of Management and Budget.

SENATE CONCURRENT RESOLUTION 56—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO THE ABANDONMENT OF RAIL SERVICES

(Referred to the Committee on Commerce.)

SENATOR HUMPHREY CALLS FOR MORATORIUM ON RAILWAY ABANDONMENTS UNTIL DECEMBER 31, 1972

Mr. HUMPHREY. Mr. President, I am today submitting a concurrent resolution on behalf of myself and my colleague from Minnesota, Senator MONDALE, expressing the sense of the Congress that a moratorium be declared on any further abandonment of rail services or facilities within the rural and nonmetropolitan regions of the United States until at least December 31, 1972, in order to provide time for appropriate investigations to be conducted to determine what might be done to continue such transportation services, where needed.

Mr. President, since 1920 the Interstate Commerce Commission has permitted over 60,000 miles of railway to be abandoned. Almost 14,000 miles of trackage has been abandoned in the last 10 years alone.

Rail transportation for many of our Nation's smaller communities and industries located in rural areas is the only mode of bulk transportation available. Discontinuance of this service to these communities means their certain demise.

If we are serious in our commitment to pursuing a more balanced national growth strategy in this country and in revitalizing our Nation's rural areas and smaller communities as a part of such a strategy, then we must take a closer look at the importance of continued rail transportation to their future growth and development.

This is just another example of how we have ignored, as a Nation, the interrelationships of various happenings and decisions that directly affect our future growth and development as a Nation.

We now have several Federal programs to provide assistance in expanding jobs and industry in rural areas and in our smaller communities. And, many more have been proposed. Yet, in other parts of our Government we not only permit, but encourage abandonment of rail service, which often is vital to the successful operation of the very businesses that we are trying to help with other Federal programs.

Such dicotomies of purpose are to often found within our public and private decisionmaking process and steps should be taken to minimize such conflicts.

Mr. President, abandonment of railway trackage is creating serious economic and social problems for many Minnesota communities. If a moratorium can be declared on these abandonments, ways and means might be found to continue rail service to them. We need time to study these questions including possible subsidies to the railroads themselves in order to continue service where needed.

The concurrent resolution is as follow:

SENATE CONCURRENT RESOLUTION 56

Expressing the sense of the Congress that a moratorium be declared on any further abandonment of rail services or facilities within the rural and non-metropolitan regions of the United States until such time that appropriate investigations can be conducted to determine what might be done to continue such service where it is determined to be essential to the continued growth and development of communities and industries located within such regions. This moratorium shall not end before December 31, 1972

Whereas, the American people, in the early days of our nation's history, made generous grants of land, including the mineral rights of such land, to American railroad companies in order to stimulate the growth and development of the then unsettled rural parts of our nation; and

Whereas, the pursuit of a more balanced national growth and development pattern in the United States has been declared by the Congress as a matter of the highest priority; and

Whereas, the President and Executive Branch of the Federal Government has indicated concurrence in the pursuit of this goal; and

Whereas, it has been acknowledged by both the Legislative and Executive Branches of Government that revitalization of Rural America and our nation's smaller communities is essential to the successful attainment of this goal; and

Whereas, the continued availability of rail transportation services and facilities within Rural America today are absolutely essential to the continued economic and social viability of those communities and industries located within this part of our nation; and

Whereas, wholesale abandonments of rail service are being permitted within rural areas, which is causing major disruptions in the commerce and movement of goods and services produced and required in such areas; and

Whereas, little is known about the overall impact that these abandonments are having on future growth and development of such areas; Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the Federal Interstate Commerce Commission, in cooperation with the U.S. Department of Transportation and other appropriate departments and agencies of Federal and State governments, declare a moratorium on all further abandonments of rail service or railways until such time as appropriate studies and analysis can be made concerning the adverse impact that such abandonments are having on the areas and communities served by rail transportation. As a part of these studies and analysis, recommendations should be submitted to the Congress, the Executive Branch, and to the Interstate Commerce Commission regarding what actions might be taken to continue such rail service where it is essential to the continued growth and development of the regions and communities largely dependent upon such service.

RAILROAD LINE ABANDONMENTS MUST STOP

Mr. MONDALE. Mr. President, currently there are several applications for railroad line abandonments pending before the Interstate Commerce Commission. Some of the proposed abandonments will deny rural communities balanced and competitive commercial transportation service. The eventual result will be increased transportation costs to farmers and rural businessmen. Also, there would be sudden and drastic shifts of heavy freight volume to public highways. The trucking industry is indeed a vital part of our transportation complex and it must continue to grow. But a sudden shift away from rail transport could severely overtax maintenance facilities of our highway system and reduce highway safety.

Continuing to force railroads into a position where economics dictate that they reduce service and abandon lines is one of the greatest injustices the Government can deal to rural America. Farmers already face a drastic cost-price squeeze. They certainly should not be burdened with additional problems or added costs in getting their products to the marketplace. As increasingly narrower margins force farmers to tighten up and reduce expenditures, while still others move off

their farms, rural businessmen lose sales. Facing that situation, they should not have sudden increases in freight rates visited upon them either.

Mr. President, with the help of the Federal Government, railroads opened up the frontiers of this great Nation. But now, for several years, little has been done to help the railroads remain viable in rural areas. Some railroad beds are several decades old and desperately in need of repair. I am often told that some of them in the State of Minnesota are so bad that trains are only allowed to travel at 20 miles per hour over them and in the spring, when the ground is soft, they must slow down to 7 miles per hour.

This should not be allowed to continue happening when this transportation is so vital to thousands of communities and millions of people.

During recent years, the Senate has considered several proposals to give aid of one type or another to bail out defense industries or for development of aircraft and space vehicles. These projects are always tremendously costly and have very limited down-to-earth value to most citizens. The SST, and more recently, the space shuttle, fit into this category.

As you know, Mr. President, I have strongly opposed these proposals. Why should we spend billions of dollars on a space truck when there are 20 mile-an-hour trains serving some of our most productive farm country? Better rail service is vital right now to millions of people in rural America. Instead of considering the granting of abandonments, we should be studying ways of helping railroads to improve their service to rural America.

The main argument for the SST and now for the Space Shuttle is that these projects will create jobs and boost the economy. Revitalization of the railroads serving America would create jobs too. Additionally, it would directly benefit more people by bringing new life to rural areas. This is of uppermost importance to the national interest. Good rail service, along with better farm prices, is basic to rural development. If the term "rural development" is ever to be more than just words, we need to continually upgrade all transportation services in rural America.

Mr. President, a national moratorium on reductions in rural rail service is needed. Comprehensive investigations are needed to find out what action is needed to stop this trend toward reduction of rail service in rural areas. We need to find methods of continuing and expanding service while treating railroad companies and other transportation industries equitably.

Railroad service is essential to the economy of our Nation. We must take whatever steps are necessary in Congress to make certain that railroads maintain service to rural America. If this means additional subsidies to the railroads, these would be good investments with direct payoffs in the form of revitalization of rural America. Possibly to keep railroad beds in better condition, the Federal Government should nationalize them and maintain them, as is done with public highways.

I am not suggesting any of these as definite answers to the problem, but these and several other possibilities should be studied.

A moratorium on line abandonments is needed until the Senate Subcommittee on Surface Transportation, the Department of Transportation and the Interstate Commerce Commission have thoroughly explored all the alternatives.

ADDITIONAL COSPONSORS OF A CONCURRENT RESOLUTION

SENATE CONCURRENT RESOLUTION 55

At the request of Mr. BYRD of West Virginia, for Mr. HOLLINGS, the Senator from Texas (Mr. BENTSEN), the Senator from Oklahoma (Mr. HARRIS), the Senator from Illinois (Mr. PERCY), the Senator from Wisconsin (Mr. NELSON), the Senator from Alaska (Mr. GRAVEL), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Illinois (Mr. STEVENSON) were added as cosponsors to Senate Concurrent Resolution 55, expressing the sense of Congress that the President should immeditely recognize Bangladesh as an independent foreign country and recognize the government of that country.

STRATEGIC STORABLE AGRICULTURAL FOOD COMMODITIES ACT OF 1971—AMENDMENT

AMENDMENT NO. 853

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

SENATOR HUMPHREY INTRODUCES A NEW GRAIN RESERVE AND LOAN INCREASE BILL

Mr. HUMPHREY. Mr. President, last week the administration led by Secretary Butz was successful in defeating the House-passed strategic grain reserve bill, H.R. 1163. The administration and Secretary Butz fought against enactment of this legislation from the very day it was first introduced in the House and Senate. And most of their objections and attacks on this legislation were directed against those provisions which gave wheat and feed grain producers an increase in their 1971 and 1972 loan levels. Yet President Nixon former Secretary Hardin and now Secretary Butz all have made repeated statements that they believe prices for these commodities are too low and should be improved. However, if they really wanted to bring this about, they should have, and could have, taken action themselves to increase 1971 and 1972 crop loan levels and reduce plantings this year to levels not to exceed market demands. Secretary Butz has all the statutory authority he requires to make these adjustments but still refuses to employ it.

Last Thursday, USDA released its planting intentions report which indicates that producers are planning to plant more than 70 million acres to feed grains this year. Plantings at this level would produce close to 200 million tons of feed grains this year or about 30 million tons more than we need. Adding this carryover to last year's carryover of 45 million tons, would economically destroy most of our Nation's feed grain producers and eventually create chaos throughout the grain and livestock industries.

Mr. President, I have been exhorting the administration, the Senate Agriculture Committee, and the Senate itself for over 5 months regarding the weaknesses of the administration's set-aside programs; the need to tighten up production controls under these programs; the need for reserve inventory authority and the need to increase the loan levels for these basic commodities. The administration has consistently fought against every proposal that I and others have made in the Congress to achieve these objectives.

The Senate Agriculture Committee voted down the House-passed bill that would have accomplished much of what is needed and tabled my companion proposal to tighten up the 1972 programs.

However, the full Senate has not had an opportunity to vote on these matters. Therefore, I am today introducing for myself, Senator MONDALE and others, amendments in the form of a substitute to S. 2729 the strategic grain reserve bill that we introduced during the last session of Congress.

I am reintroducing this bill with the hope that passage of all of its provisions will be unnecessary. If Secretary Butz promptly exercises the authority that he now has to increase 1972 loan levels by at least 25 percent for wheat, feed grains, and cotton, I will withdraw those provisions from the bill. The same applies to those provisions of the new bill which will require him to hold 1972 plantings of feed grains to a production level not to exceed 170 million tons. But if he fails to act soon on these matters, I will leave them in the bill so they can be considered along with the grain reserve features of the bill.

I wrote to Secretary Butz last Thursday following release of the planting intentions report and urged him to exercise his statutory authority to bring about the necessary reductions in plantings. I pointed out that although there was legislation still pending before Congress to require him to take such action, not enough time was available for Congress to act before signup begins.

The new feed grain option announced by Secretary Butz today is another example of administrative actions, "too little and too late," to ease the economic plight of the Nation's feed grain producers.

The January 27 report of the Statistical Reporting Service indicated that farmers, under the 1972 feed grain program, announced in October, planned to reduce their 1972 plantings of corn and grain sorghums by less than half of the amount required to reach the administration's goal of 170 million tons of feed grains produced in 1972.

Under the new option announced today, it is most unlikely that the reduction in 1972 plantings will be sufficient to achieve more than two-thirds to three-fourths of the administration's announced goal.

There is little possibility that farmers will divert an additional 6 million acres of corn and over 2 million additional acres of grain sorghums as a result of the new option. Yet this is what is needed to

achieve a 170 million-ton feed grain production goal in 1972.

Feed grain production in 1972 almost surely will be fully adequate to meet next marketing year's needs, providing no opportunity for a price-strengthening reduction in stocks. Only an unfavorable growing season can rescue grain producers under this Nixon-Butz program.

The new option with its higher rate of payment for those who reduce their 1972 plantings of feed grains by 2 acres for each acre increase in set-aside above the basic 25 percent, provides a positive incentive for a reduction in corn and an increase in soybean plantings.

Probably fully two-thirds of the producers, however, will probably take advantage of the other options which permit the planting of feed grains on all cropland not set aside. Two-thirds to three-fourths of the estimated $2 billion in 1972 payments will go to feed grain producers who are not required to reduce their 1972 plantings, as compared to 1971.

I regret to say, the 1972 feed grain program, including this new option, will be the most expensive Government payment program to date, yet will be ineffective in achieving its adjustment goals.

Mr. President, I wish to announce that I intend to call up the bill that I am introducing today in the very near future for consideration by the Senate. Whether I keep those provisions in it pertaining to mandatory increases in 1972 loan increases and reduced feed grain plantings, will depend upon what action, if any, is taken by Secretary Butz and the administration to adopt those provisions administratively.

But, in any event, I intend to ask the Senate to vote on the grain reserve features of this bill. I believe the Senate will endorse the "ever-normal granary" concept embodied in this bill and should be given the opportunity to vote on it.

Mr. President, I request unanimous consent to have my amendment which is in the nature of a substitute to S. 2729 printed at this point in the RECORD.

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

AMENDMENT NO. 853

Strike out all after the enacting clause and insert the following:

That this Act shall be cited as the "Strategic Storable Agricultural Food Commodities Act of 1972".

SEC. 2. Notwithstanding the provisions of any other law, the Secretary of Agriculture shall establish, maintain, and dispose of a separate reserve of inventories of wheat, and feed grains, as provided in this Act.

Such reserve inventories shall include not more than the following quantities; (1) three hundred million bushels of wheat; and (2) a total of thirty million tons of feed grain.

SEC. 3. (a) The maximum price the Secretary shall pay for any commodity shall be $1.35 per bushel for corn and other feed grains at prices reflecting feed value equivalent to corn; and for wheat $1.55 per bushel.

(b) The minimum price the Secretary shall pay for any commodity shall be 90 per centum of the price specified in section 3(a).

(c) Such maximum and minimum prices and the quantity to be procured during the marketing year and the estimates used in arriving at the same shall be announced during such marketing year on the last Friday of July for wheat, and on the last Friday of October for feed grains: *Provided*, That for the 1972 marketing year such announcements shall be made as soon after the effective date of this Act as is reasonably possible.

(d) The Secretary is authorized to proportion purchases and reserve stocks of the various varieties and grades of each of the above commodities to correspond to usual marketing demands.

SEC. 4. (a) Except when a state of emergency has been proclaimed by the President or by concurrent resolution of Congress declaring that such reserves should not be sold the Secretary shall offer each commodity in the reserve for sale at a price of 105 per centum of the price as provided in section 3(a): *Provided*, That such sales shall in no event be less than the market price for the commodity at the time of sale: *Provided further*, That the sales during any marketing year shall be limited to the net quantities by which estimated domestic consumption and exports exceed estimated domestic production and imports.

(b) The Secretary is also hereby authorized to dispose of commodities in such reserve as follows:

(1) For use in relieving distress (a) in any area of the United States, including the Virgin Islands, Guam, and the Commonwealth of Puerto Rico, declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities and (b) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress, as amended (42 U.S.C. 1855 et seq.).

(2) For use in connection with a state of civil defense emergency as proclaimed by the President or by concurrent resolution of the Congress in accordance with the provisions of the Federal Civil Defense Act of 1950, as amended (50 U.S.C. Appl. 2251–2297), or for use in a major disaster as defined in section 102 of the Disaster Relief Act of 1970 (Public Law 91–606).

(3) For sale in assistance in the preservation and maintenance of foundation herds of cattle (including producing dairy cattle), sheep, and goats and their offspring, under section 407 of the Agricultural Act of 1949, as amended (7 U.S.C. 1427), and to provide feed for livestock in any emergency area under the Act of September 21, 1959, as amended (7 U.S.C. 1427, note).

(4) For use to meet famine or other urgent or extraordinary relief requirements outside the United States as determined by the President.

(c) The Secretary may buy and sell at an equivalent price allowing for the customary location and grade price differentials, substantially equivalent quantities in different locations or warehouses to the extent needed to properly handle, rotate, distribute, and locate such reserve. Such purchases to offset sales shall be made within two market days.

(d) The Secretary may accept warehouse receipts in lieu of taking physical possession of the grain, but in such cases the obligor under the warehouse receipt shall be required at all times to have the grade stated on the warehouse receipt or a better grade available for delivery.

(e) The Secretary shall make a daily list available showing the price, location, and quantity of the transactions entered into hereunder.

SEC. 5. The Secretary shall use the Commodity Credit Corporation to the extent feasible to fulfill the purposes of this Act, and to the maximum extent practicable consistent with the fulfillment of the purposes of this Act and the effective and efficient administration of this Act shall utilize the usual and customary channels, facilities, and arrangements of trade and commerce. The Secretary is authorized to store grain purchased under this section in producer-owned and commercial storage facilities.

SEC. 6. There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

SEC. 7. The purchase authority under sections 2 and 3 of this Act with respect to each of the commodities specified shall expire at the end of the marketing year for the 1975 crop of such commodity.

SEC. 8. (a) Section 107(a) of the Agricultural Act of 1949, as amended, is further amended by striking the period at the end, inserting a colon, and adding: *"Provided further*, That notwithstanding any other provision of this Act, the Secretary shall increase the loan level heretofore announced for wheat of the 1972 crop pursuant to this section, as amended by the Agricultural Act of 1970, by 25 per centum."

(b) Section 105 of the Agricultural Act of 1949, as amended, is further amended by substituting a colon for the period at the end of the sentence in (a)(1) and adding: *"Provided*, That notwithstanding any other provision of this Act, the Secretary shall increase the loan levels heretofore announced for feed grains of the 1972 crop pursuant to this section, as amended by the Agricultural Act of 1970, by 25 per centum."

(c) Section 103(e)(1) of the Agricultural Act of 1949, as amended, is further amended by adding at the end thereof the following: "Notwithstanding any other provision of this Act, the Secretary shall increase the loan level heretofore announced for cotton of the 1972 crop pursuant to this section by 25 per centum."

SEC. 9. The Secretary of Agriculture shall take such additional action under section 105 (c) of the Agricultural Act of 1949 and other law as may be necessary to limit the total production of feed grains in the United States in 1972 to not more than 170 million tons.

Amend the title so as to read: "A bill to authorize the establishment and maintenance of reserve supplies of corn, grain sorghum, barley, oats, and wheat for national security and to protect domestic consumers against an inadequate supply of such commodities; to maintain and promote foreign trade; to protect producers of such commodities against an unfair loss of income resulting from the establishment of a reserve supply; to assist in marketing such commodities; to assure the availability of commodities to promote world peace and understanding; and for other purposes."

Mr. HUMPHREY. Mr. President, I now urge other Members of the Senate to join in the cosponsorship of this legislation which is so vital not only to our Nation's grain and cotton producers, but to all of us as consumers.

The farmers who produce these commodities are entitled to a fair market price for their production. The Federal Government which provides programs and funds to help stabilize agricultural production and market prices, must insist that adequate supplies of these commodities are available at reasonable prices. And, it also must insist that tax dollars spent on these programs are spent prudently.

However, since last summer, what has been happening is that grain producers have suffered plummeting prices for their crops in the marketplace. Huge carryovers of wheat and feed grains have been created with danger of further stocks being added to our carryover supplies again this year. And we also are witnessing sharp increases in Govern-

ment costs to finance program approaches that offer only minimal hope of bringing production in line with market demands. Such mismanagement of our Nation's farm policy and programs by the Nixon-Butz administration is bankrupting many of our agricultural producers and destroying our Nation's family farm system.

However, much of the risk-taking which is a part of managing these programs can be minimized. Playing Russian roulette with our Nation's grain supply should no longer be permitted. Miscalculations with respect to reaching certain production levels can and usually does prove disastrous either to consumers or to farmers depending upon whether too little or too much is produced. However, armed with an effective reserve inventory authority, the Government can protect the interest of both farmers and consumers from such miscalculations or production variations caused by weather conditions. When production goals are exceeded, excess supplies can be removed from the market to prevent them from depressing prices to farmers and when production falls short of goals, additional supplies needed to meet market demand can be drawn from reserves.

Now that is a fairly simple and yet basic concept which, in my judgment, is essential that we adopt if we are to avoid a continuation of the boom and bust cycles we have been experiencing these many years. Farming has become a very expensive business operation. Planning and market price stability are important determinants regarding the success or failure of a producer. I believe a grain reserve program as contained in the bill I have just introduced will provide that needed stability and planning environment.

A feature I have added to the bill introduced today, which was not included in the earlier bills I introduced, is a provision requiring an increase of 25 percent in the loan rate for cotton this year. Currently, cotton prices are very good. They are not only well above the current loan level, but are above the new loan level that would be established if the 25-percent increase I am proposing were adopted by the Department or enacted into law by Congress. That is to say that the 25-percent increase I am proposing would not affect current prices. However, if cotton producers plant the 7-percent in increased acreage this year that was reflected in last week's planting intentions report, the price of cotton will likely drift downward next year and cotton producers will need the higher loan levels. I have discussed this proposal with many cotton producers from the various cotton belts and all of them voiced immediate and strong support on behalf of it. And, Mr. President, I think it only fair that if a 25-percent increase is provided to our grain producers, the same should be provided to our cotton producers.

Mr. President, I earnestly hope and again urge Secretary Butz to exercise the authority he now has to increase these loan rates and to further tighten up the 1972 programs for feed grains. I also urge my fellow Senators to join in the cosponsorship of the bill just introduced. Maybe if enough Senators were to add their names as cosponsors, Secretary Butz and the administration might be encouraged to move a little sooner than otherwise might be the case.

FOREIGN ASSISTANCE AND RELATED PROGRAMS APPROPRIATION BILL, 1972—AMENDMENTS

AMENDMENT NO. 854

(Ordered to be printed.)

Mr. GURNEY (for himself, Mr. CHILES, Mr. BROOKE, Mr. RIBICOFF, Mr. BUCKLEY, Mr. CRANSTON, Mr. TUNNEY, and Mr. JAVITS) proposed an amendment to the bill (H.R. 12067) making appropriations for foreign assistance and related programs for the fiscal year ending June 30, 1972, and for other purposes.

AMENDMENT NO. 855

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

Mr. CHILES (for himself and Mr. GURNEY) submitted an amendment, intended to be proposed by them, jointly, to House bill 12067, supra.

EQUAL EMPLOYMENT OPPORTUNITIES ENFORCEMENT ACT OF 1971—AMENDMENT

AMENDMENT NO. 856

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

Mr. DOMINICK submitted an amendment intended to be proposed by him to the bill (S. 2515) to further promote equal employment opportunities for American workers.

AMENDMENT NO. 857

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

Mr. SPONG. Mr. President, I submit an amendment to the pending bill for printing.

Mr. President, this amendment to S. 2515 is quite simple. I can explain it in a few words.

The amendment would broaden the exemption given to religious organizations to hire individuals of a particular religion for work connected with all of its activities rather than only its religious activities as the bill now has it. This would permit religious organizations, for instance, to hire only individuals of their own faith to teach in a church-supported school.

This exemption would extend to employment in other activities as well.

Mr. President, there are many activities of church organizations which, while not religious in nature, have religious sensitivity and I do not think the Congress ought to arbitrarily restrict such groups in the conduct of their affairs. I believe it is dangerous ground for us to be treading on anyway and I see no harm whatever in granting exemptions to such organizations provided that only a religious criterion is involved.

NOTICE OF HEARINGS ON AMPHETAMINES

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguished Senator from Indiana (Mr. BAYH) announcing hearings to be conducted by the Subcommittee to Investigate Delinquency.

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

Mr. BAYH. Mr. President, as Chairman of the Subcommittee to Investigate Juvenile Delinquency, I wish to announce investigative hearings on the efficacy of amphetamines for the short-term treatment of obesity and the related issue of production quotas.

The Department of Justice has established production quotas for amphetamines and methamphetamines. However, in view of the high potential for abuse, the actual extent of abuse, and the questionable efficacy of these dangerous substances for the short-term treatment of obesity, I think it appropriate that this matter be aired publicly.

These hearings will be held February 7, 1972, in Room 2228, New Senate Office Biulding.

Witnesses scheduled to appear include Dr. Charles C. Edwards, Commissioner, Food and Drug Administration; Dr. Edward A. Wolfson, Associate Professor and Vice Chairman, Department of Preventive Medicine and Community Health, New Jersey College of Medicine and Dentistry, appearing on behalf of the American Public Health Association; Arthur Goldstein, Chairman, Huntington Narcotics Guidance Council, Huntington, Long Island, New York; and Bruce J. Brennan, Vice-President and General Counsel, Pharmaceutical Manufacturers Association.

Those who wish to file statements for inclusion in the record of the hearings should contact the Subcommittee staff as soon as possible.

RESCHEDULING OF HEARINGS ON THE EGG INDUSTRY ADJUSTMENT ACT

Mr. JORDAN of North Carolina. Mr. President, I wish to announce a rescheduling of hearings on S. 2895, the Egg Industry Adjustment Act. The Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices of the Committee on Agriculture and Forestry will hold hearings on this legislation February 15 and the morning of February 17, instead of March 7, 8, and 9 as originally announced. The hearings will be in room 324, Old Senate Office Building, beginning at 10 a.m. Anyone wishing to testify should contact the clerk of the committee as soon as possible.

NOTICE OF HEARINGS ON BUDGET ESTIMATES FOR THE DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS, 1973

Mr. BIBLE. Mr. President, I want to announce that hearings on the budget estimates included in the Department of the Interior and related agencies appropriation bill will be held by the subcommittee of the Committee on Appropriations charged with the responsibility for that bill beginning Wednesday, February 23. Secretary Morton will be the first witness.

The hearings will begin at 10 o'clock in the morning and at 2 o'clock in the afternoon, and will be held in room 1114, New Senate Office Building. They are

scheduled at least through March 15 for departmental witnesses.

I have set aside Thursday, March 16, to hear Members of Congress, and I will appreciate it if they will advise me or the clerk of the subcommittee as soon as possible if they desire to appear.

The subcommittee will hear from outside witnesses at a later date which will be coordinated with their appearances before the House Committee on Appropriations so as to save them the necessity for a second trip to Washington. It appears now that these hearings will be on April 11 and 12.

CHANGE OF TIME OF HEARING

Mr. BYRD of West Virginia. Mr. President, at the request of the distinguished Senator from Washington (Mr. JACKSON) I wish to state that the hearing by the Committee on Interior and Insular Affairs and ex officio members pursuant to Senate Resolution 45 on "New Technologies for the Generation of Clean Electricity from Coal," previously scheduled for 10 a.m. on February 8, 1972, will be changed to 9:30 a.m. the same day. The room, 4200 New Senate Office Building, remains the same.

NOTICE OF HEARING ON THE TECHNOLOGY ASSESSMENT ACT OF 1972

Mr. JORDAN of North Carolina. Mr. President, I wish to announce that the Subcommittee on Computer Services of the Committee on Rules and Administration has scheduled a public hearing for Thursday, March 2, 1972, at 10 a.m., in room 305, Old Senate Office Building, on S. 2302, a bill to establish an Office of Technology Assessment for the Congress as an aid in the identification and consideration of existing and probable impacts on technological application. The bill to be cited as the "Technology Assessment Act of 1972".

Any Members or other persons desiring to testify should contact the Subcommittee on Computer Services.

This bill, which I introduced on July 19, 1971, is intended to strengthen and expand the information and analytical capabilities of Congress by creating an Office of Technology Assessment in the legislative branch.

The purpose of the bill is well stated in its "Declaration of Purpose" which is worthwhile quoting in full:

DECLARATION OF PURPOSE

SEC. 2. The Congress hereby finds and declares that: (a) Emergent national problems, physical, biological, and social, are of such a nature and are developing at such an unprecedented rate as to constitute a major threat to the security and general welfare of the United States. (b) Such problems are largely the result of and are applied to—(1) the increasing pressures of population; (2) the rapid consumption of natural resources; and (3) the deterioration of the human environment, natural and social, though not necessarily limited to or by these factors. (c) The growth in scale and extent of technological application is a crucial element in such problems and either is or can be a pivotal influence with respect both to their cause and to their solution. (d) The present mechanisms of the Congress do not provide the legislative branch with adequate independent and timely information concerning the potential application or impact of such technology, particularly in those instances where the Federal Government may be called upon to consider support, management, or regulation of technological applications. (e) It is therefore, imperative that the Congress equip itself with new and effective means for securing competent, unbiased information concerning the effects, physical, economic, social, and political, of the applications of technology, and that such information be utilized whenever appropriate as one element in the legislative assessment of matters pending before the Congress.

The basic responsibilities and duties of the Office shall be to provide an early warning of the probable impacts, positive and negative, of the applications of technology and to develop other coordinate information which may assist the Congress in determining the relative priorities of programs before it.

The Act categorizes technology assessment into eight steps: (1) identify existing or probable impacts of technology or technological programs; (2) where possible establish cause-and-effect relationship; (3) determine alternative technological methods of implementing specific programs; (4) determine alternative programs for achieving requisite goals; (5) make estimates and comparisons of the impacts of alternative methods and programs; (6) present findings of completed analyses to the appropriate legislative authorities; (7) identify areas where additional research or data collection is required to provide adequate support for the assessments and estimates; and (8) undertake such additional associated tasks as appropriate.

ORGANIZATION

The Office shall consist of a Technology Assessment Board which shall formulate and promulgate the policies of the Office, and a Director who shall carry out such policies and administer the operations of the Office.

TECHNOLOGY ASSESSMENT BOARD

The Board shall consist of eleven members as follows: (1) two Members of the Senate who shall not be members of the same political party, to be appointed by the President pro tempore of the Senate; (2) two Members of the House of Representatives who shall not be members of the same political party, to be appointed by the Speaker of the House of Representatives; (3) the Comptroller General of the United States: (4) the Director of the Congressional Research Service of the Library of Congress; (5) four members from the public, appointed by the President, by and with the advice and consent of the Senate, who shall be persons eminent in one or more fields of science or engineering or experienced in the administration of technological activities, or who may be judged qualified on the basis of contributions made to educational or public activities; and the Director.

The Board, by majority vote, shall elect from among its public members, a Chairman and a Vice Chairman, who shall serve for such time and under such conditions as the Board may prescribe, but for a period of not to exceed four years. The term of office of the public members shall be four years with a maximum of eight years service. They shall be appointed to staggered terms.

The Board shall meet upon the call of the Chairman or upon the petition of five or more of its members, but it shall meet not less than twice each year.

DIRECTOR AND DEPUTY DIRECTOR

The Director of the Office of Technology Assessment shall be appointed by the Board and shall serve for a term of six years unless sooner removed by the Board. He shall receive basic pay at the rate provided for level II of the Executive Schedule under section 5313 of title 5, United States Code.

The Director may appoint, with the approval of the Board, a Deputy Director who shall perform such functions as the Director may prescribe and who shall be Acting Director during the absence or incapacity of the Director or in the event of a vacancy in the office of Director. The Deputy Director shall receive basic pay at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code.

INITIATION OF ACTIVITIES

Activities undertaken by the Office may be initiated by committees of Congress, or the Board of Directors of the Office.

AUTHORITY OF THE OFFICE

The Office shall have the authority, within the limits of available appropriations, to do all things necessary to carry out the provisions of this Act, including, but without being limited to, the authority to—(1) prescribe such rules and regulations as it deems necessary governing the manner of its operation and its organization and personnel; (2) make such expenditures as may be necessary for administering the provisions of this Act; (3) enter into contracts or other arrangements as may be necessary for the conduct of its work with any agency or instrumentality of the United States, with any foreign country or international agency, with any State, territory, or possession or any political subdivision thereof, or with any person, firm, association, corporation, or educational institution, with or without reimbursement.

The Director shall, in accordance with such policies as the Board shall prescribe, appoint and fix the compensations of such personnel as may be necessary to carry out the provisions of this Act. Such appointments shall be made and such compensation shall be fixed in accordance with the provisions governing appointments in the competitive service, including classification and General Schedule pay rates; except that the Director may, in accordance with such policies as the Board shall prescribe, employ such technical and professional personnel and fix their compensation without regard to such provisions as he may deem necessary for the discharge of the responsibilities of the Office under this Act.

The Office shall not, itself, operate any laboratories, pilot plants, or test facilities in the pursuit of its mission.

The Office shall hold such hearings, take such testimony, and sit and act at such times and places as the Office deems advisable. For this purpose the Office is authorized to require the attendance of such persons and the production of such books, records, documents, or data, by subpena or otherwise, and to take such testimony and records, as it deems necessary. Subpenas may be issued by the Director or by any person designated by him. If compliance with such a subpena by the person to whom it is issued or upon whom it is served would (in such person's judgment) require the disclosure of trade secrets or other commercial, financial, or proprietary information which is privileged or confidential, or constitute a clearly unwarranted invasion of privacy, such person may petition the United States district court for the district in which he resides or has his principal place of business, or in which the books, records, documents, or data involved are situated, and such court (after inspecting such books, records, documents, or data in camera) may excise and release from the subpena any portion thereof which it determines would require such disclosure or constitute such invasion. Where the subpena or such portion thereof would require such disclosure or constitute such invasion but the books, records, documents, or data involved are shown to be germane to the matters under consideration and necessary for the effective conduct by the Office of its

proceedings or deliberations with respect thereto, the court may require that such books, records, documents, or data be produced or made available to the Office in accordance with the subpena but subject to such conditions and limitations of access as will prevent their public disclosure and protect their confidentiality.

Each department, agency, or instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Office, upon request by the Director, such information as the Office deems necessary to carry out its functions under this Act.

UTILIZATION OF EXISTING AGENCIES

In addition to the Office's general authority to request the services of any executive agency, the Act indicates specific relationships with GAO, the CRS, and the NSF. The GAO shall provide the Office with general housekeeping services including some administrative and clerical support, personnel and financial recordkeeping assistance. The CRS will provide informational, monitoring and staff assistance to the Office as required. Reimbursement of these services will be made on the basis of negotiations between the Chairman of the Board and the Librarian of Congress.

The Office shall maintain a continuing liaison with the National Science Foundation with respect to: (1) grants and contracts formulated or activated by the Foundation which are for purposes of technology assessment, and (2) the promotion of coordination in areas of technology assessment, and the avoidance of unnecessary duplication or overlapping of research activities in the development of technology assessment techniques and programs.

In addition, the Foundation is authorized to initiate and support specific scientific activities in connection with matters relating to international cooperation, national security, and the effects of scientific applications upon society by making contracts or other arrangements (including grants, loans, and other forms of assistance) for the conduct of such activities.

The National Science Foundation Act of 1950 would be amended to allow NSF to finance such activities, whenever feasible from funds transferred to the Foundation by the Office and any such activities shall be unclassified and shall be identified by the Foundation as being undertaken at the request of the Office.

ANNUAL REPORT

The Office shall submit to the Congress and to the President an annual report which shall, among other things, evaluate the existing state of the art with regard to technology assessment techniques and forecast, insofar as may be feasible, technological areas requiring future attention. The report shall be submitted not later than March 15 each year.

APPROPRIATIONS

To enable the Office to carry out its powers and duties, the bill would authorize the appropriation to the Office an amount not to exceed $5,000,000 for its first year of operation, and thereafter such sums as may be necessary.

ADDITIONAL STATEMENTS

PRIVATE PRACTICING GERIATRICIAN LOOKS AT NURSING HOMES

Mr. MOSS. Mr. President, Dr. Victor Kassel—a nationally known geriatrician from my hometown, Salt Lake City—recently addressed a conference on "The Nursing Home: Critical Issues in a National Policy," sponsored by the American Association of Retired Persons, National Association of Retired Persons, and the Duke University Center for the Study of Aging and Human Development.

Dr. Kassel addressed himself to a vital question: Why physicians avoid the nursing home. We have documented the physician's absence in many of our hearings, including our investigation of the Baltimore salmonella epidemic. In that hearing we learned that doctors generally do not view the bodies of patients who have died in nursing homes. Our hearings are replete with the statement that in nursing homes the telephone is a more important medical instrument than the stethoscope and that untrained aides, in the doctor's absence, are dispensing drugs on their own initiative.

Mr. President, the importance of this problem is obvious; therefore, I want to share with my colleagues a doctor's view of why doctors avoid the nursing home. I ask unanimous consent that Dr. Kassel's speech be printed in the RECORD.

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

THE PRIVATE PRACTICING GERIATRICIAN LOOKS AT NURSING HOMES

(Address by Victor Kassel, M.D.)

More correctly stated, "A Private Practicing Geriatrician . . ." I could serve this conference best by making a personal presentation, using the pronoun "I;" and presenting the facts as seen by an *avis rara*, a physician who for over twenty years has limited his private practice to persons sixty years of age and over. Within this context, I will answer the question: "Why don't doctors follow their patients in nursing homes?"

My work with nursing homes began after the activation of the Geriatric Unit in the new Salt Lake Veterans Administration Hospital in 1952. We had developed an ambitious and active treatment program which was highly successful. Very quickly it became apparent that continued hospitalization was not necessary for many of our patients. But we had no place to send the patients after hospital discharge except to nursing homes. In the early fifties, most of the care available in the Salt Lake Area nursing homes was poor. With help of my social worker, we started with five nursing homes and in conjunction with them, we developed an excellent posthospital discharge program. Through the years, the number of cooperative nursing homes increased.

Besides the VA-Nursing Home Program, I have had a variety of patients in most of the nursing homes in the Salt Lake Area. Although my experience with nursing home care is limited to the State of Utah, I have visited a variety of nursing homes throughout the country, and I have spoken before these various groups and have discussed with them their common problems. I find the nursing homes in the State of Utah typical of those throughout the United States. There do exist certain superior homes in the country; none can be found in Utah.

I am highly critical of the various groups involved with the care of the Geriatric patient in nursing homes. Most homes perform on a mediocre level with too many of them seriously inadequate. This becomes obvious when families are questioned about their expectations of good care. Simply, they do not know; they do not know quality care. They accept mediocrity as the norm. In addition, too many physicians vaguely understand the needs of the older patient, and therefore the physicians too have a low expectation of the response of older people to treatment. To this group, I must include many nursing home operators. They too are ignorant of good quality care. Too many of them are convinced that older people upon admission to a nursing home are admitted for terminal care. Even the state bureaus have accumulated ignorant and untrained personnel who do not know what to demand of the nursing home operator in order to have a superior treatment program. Too many people influencing the care of the older person in nursing homes expect very little. In my own training and experience, older people, as in any age group, respond as expected. Low expectation, low response; high expectation, high response!

Care of the Geriatric patient requires periodic but regular visits by the doctor. For years, my patients in nursing homes were seen regularly on regularly scheduled nursing home rounds. During the past year, I realized that I had stopped visiting these patients. Although, I continued to see patients at home, I had abandoned my nursing home practice. What happened?

A few weeks ago when I gave the opening address before the annual meeting of the Utah State Nursing Home Association, I was asked the question: "Why don't doctors see their patients in nursing homes?" My reply was: "The doctors don't go to nursing homes because there are too damn many idiots working there!" In rebuttal, a nursing home operator insisted: "But they're dedicated!" Summed up precisely as: *Dedicated idiots.* Does it make it alright when the worker is incompetent, if the attitude is the right one?

My remark was unkind, but necessary. Too many of the personnel working in nursing homes know nothing about the nursing care of the aged. They know nothing about the aged. Too many incompetent workers are tolerated on the job. In my personal experience, I came to recognize the above when repeatedly I would encounter abysmal stupidity in the nursing homes. They wore me down. The situation became too frustrating. Dealing with nursing home personnel became impossible. The only escape was abandonment.

In August of this year, I was called by an R.N. in a Medicare-approved facility and she told me that one of my patients kept running off. Could she have an order for a straight-jacket. In the twentieth century, a nurse wants to put a patient in a straight-jacket.

In another home, a patient was suffering the toxic effects of overdigitalization. The nurse reacted in an astonished manner when she was told to discontinue the digoxin with: "But it's such a small pill."

There have been too many times that I have visited a nursing home and encountered nurses who could not locate the patient, who were unable to find the chart, who knew nothing about the recent problem presented by the patient.

There are still nurses who feel the brow of the patient in order to determine if there is a fever. Further, there are nurses who take axillary temperatures.

There are too many more examples; all which indicate one thing; untrained people working in nursing homes. Many administrators make a token attempt at training. In my experience, when classes are available, the administrators come; the nursing personnel are left at the home. In the Salt Lake Area, opportunity for classes repeatedly has been offered, and in most instances there are no takers. In-service training must be a continuous process in all nursing homes. Today, ignorance is acceptable.

This accumulated ignorance at work in the nursing home disheartens the physician. He feels no anxiety when hospitalizing his patient, because he has come to expect a high level of care and of responsibility. He is not that comfortable when admitting his patient to a nursing home. His responsibility continues, and he is frustrated.

The Committee on Aging of the American Medical Association has neglected to accept these abandoned patients as a challenge. The Committee still mouths platitudes. See their

recent statement in the October 18th American Medical News. Still socially archaic, fighting the bugaboo: compulsory retirement. The fact that in our economy of abundance with advanced technology and cybernetics there are not enough jobs to go around seems to have escaped my colleagues. They piddle while patients burn.

The Committee's great opportunity to effect a solution to this problem could consist of a campaign of peer pressure. There is no other organization in this country which has their status and is able to induce the doctors to follow their patients in nursing homes. The American Medical Association is the only one with this power. Alas, they never have become involved. Which forces me to question the depth of concern existing among the Committee members, particularly when I recall the reaction of a member of the Committee when he learned that I specialized in the care of the Aged. "You're joking. You don't really do that for a living." He seemed surprised to learn that there are people who have committed their lives to the care of the Aged.

In the history of the Committee on Aging of the American Medical Association, there has never been a concentrated effort to help the nursing homes solve this major problem. In reality, the Committee has abandoned the nursing home, as the doctor has abandoned the patient.

The lack of involvement of the American Medical Association is a macroreaction of the microreaction: The practicing physician's lack of interest in the care of the Aged. There is a joke making the rounds in Salt Lake City which states that all the doctors in the community have the responsibility of keeping Victor Kassel alive. His patients cannot be freed to wander into the offices of other physicians.

These same physicians have not learned of the satisfactions from helping older people. The physician is depressed by their chronological age. He is overwhelmed by the number of chronic degenerative diseases which impair them. He is discouraged by the interfering social problems. Older people require so much more time. Too many practicing physicians cannot give them that time. I remember one general practitioner telling me that he saw between forty and sixty patients a day. In my practice, an initial visit is scheduled for two hours in order to accomplish a complete history and a thorough physical examination.

The Geriatrician is a physician who recognizes that he cares for an *individual* who incidentally is impaired by a variety of medical-surgical, psychiatric-psychological, and social problems. The Internist is discouraged because he prefers to take care of a sick heart or a sick liver. The Psychiatrist persists with the Freudian concept that people over the age of forty do not respond to psychiatric treatment. The General Practitioner prefers his superficial quick ways.

It is required that the practicing physician police the care level in the nursing home. But police it only after he has invested enough time to learn Geriatric medicine. Then he should demand that the nursing home organizations police themselves. The nursing homes want to raise themselves to the level of a profession. With this advance comes responsibility. Too many good nursing homes tolerate pest houses. They elect these inferior administrators to office. They close their eyes when adverse disclosures are made. They prefer not to rock the boat. Throw the rascals out! In this way the prestige of the nursing home will rise. Certainly help from Madison Avenue would not hurt with a Marcus Welby-type television show: Nellie of the Nursing Home.

The final lack of cooperation comes from the Medical Schools. Senator Frank E. Moss surveyed a number of the Medical Schools in order to determine whether Geriatric studies was part of their curriculum. He found none. The physician interested in Geriatrics has to learn it on the side. No classes are given. Instead, from the Medical Schools came superspecialists in overabundance who are not only not interested in giving good Geriatric care, but shamefully do not know how to give the simplest care and advice. In addition, they train doctors not for practice but for research. In some instances, I have become aware of Medical School personnel actually discouraging young medical students from the field of Geriatrics.

From my own experience, I must conclude that physicians neglect their patients in nursing homes because they are frustrated by the depth of ignorance encountered in nursing homes. The nursing home administrator is obligated to eliminate this incompetency which is pervasive throughout the industry. The American Medical Association has the obligation to influence its members to carry on the necessary care of the patient in the nursing home. The private practicing physician must come to learn of the many satisfactions derived from the care of the Aged. The Medical Schools must teach Geriatrics as part of the routine curriculum. Finally, there must be a massive educational program to teach the people of this land about the older person. Older people are not disabled by age; they are disabled by disease; disease is treatable.

JAYCEE LAURELS TO HERBERT STERN

Mr. CASE. Mr. President, in early January the U.S. Jaycees announced its choice of the 10 Outstanding Young Men for 1971. I am happy to report that among them was New Jersey's U.S. attorney, the Honorable Herbert J. Stern.

Mr. Stern first came to prominence in New Jersey when, as a member of the Organized Crime and Racketeering Section of the Department of Justice, he tried the Colonial Pipeline case. Subsequently he was designated first assistant to U.S. Attorney Frederick B. Lacey. When Mr. Lacey became judge of the U.S. Court for the District of New Jersey, Mr. Stern took over.

Having recommended both men, I am glad to report that under their leadership the U.S. attorney's office has been reinvigorated. An expanded staff has been working hard and effectively to root out corruption, to curb pollution and carry out the other manifold responsibilities of the office.

I ask unanimous consent to insert in the RECORD an article from the Sunday Star-Ledger of Newark, N.J. reporting the Jaycees award to Mr. Stern.

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

JAYCEE LAURELS: GROUP CHOOSES STERN FOR NATIONAL HONOR

(By Charles Q. Finley)

U.S. Attorney for New Jersey Herbert J. Stern has been named one of America's 10 Outstanding Young Men for 1971 by the United States Jaycees.

Stern, 35, who has established a formidable record in the successful prosecution of corrupt public officials and organized crime figures in the state, will receive the coveted award next Saturday at Clowes Memorial Hall Theater for the Arts on the Butler University Campus in Indianapolis.

Earlier award winners include such notables as President Nixon, Howard Hughes, Henry Ford 2d, Gov. Nelson Rockefeller and Joe Louis.

The awards will be made as a part of a two-day U.S. Jaycees Convention starting Friday at the Indianapolis Hilton. On Saturday morning at a leadership breakfast Henry Kearns, president and chairman of the Export-Import Bank of the United States, will address the group.

The breakfast will be followed by a two-hour forum during which Jaycee members will ask questions of the award winners.

U.S. Senator and former Vice President Hubert H. Humphrey will address the delegates at the keynote luncheon in the Hilton ballroom. A gala President's Banquet and Ball is scheduled for Friday night at the hotel.

The criteria established as the basis for selecting the most qualified recipients included: Personal improvement, financial success and economic innovation, social improvement to major contemporary problems, philanthropic contribution or voluntary service, political or government service, scientific or technological contributions, legal reform, cultural achievement, academic leadership, athletic accomplishment, moral and religious leadership and success in the influence of public opinion.

In response to his selection, Stern said that the award represents the "recognition of all the work that is being done by the men and women in the U.S. Attorney's offices throughout the country."

Stern said he was "highly honored and deeply grateful," since the Jaycess represent nearly 350,000 young men in America trying to improve conditions for everyone.

A federal attorney for the past six years, Stern was a 1958 honor graduate of Hobart College. He studied law at the University of Chicago Law School with the aid of a Ford Foundation scholarship, graduating in 1961.

He served as an assistant district attorney for New York County. Among significant cases there he conducted the grand jury investigation into the murder of Malcolm X which resulted in three convictions for first degree murder.

In 1965 he joined the Organized Crime and Racketeering Section of the U.S. Department of Justice and was sent to New Jersey to empanel a grand jury for an investigation of the Colonial Pipeline Project. The probe resulted in several indictments which Stern prosecuted and won.

In 1969 he was appointed chief assistant U.S. attorney for New Jersey. In January of the following year he successfully prosecuted the case of U.S. vs. Angelo (Gyp) DeCarlo, convicting one of the most powerful and influential reputed organized crime leaders in the state.

In July, 1970, Stern prosecuted the case of U.S. vs. Addonizio, in which former Newark Mayor Hugh J. Addonizio, other city officials and several members of organized crime were convicted. A landmark case, it was the first time the government was able to prove that high ranking officials of a major city had conspired to commit extortion in collaboration with organized racketeers.

In February of last year he was appointed U.S. attorney for New Jersey. Last July he won a conviction against Mayor Thomas Whelan of Jersey City, the president of the city council and the city's business administrator and purchasing agent, together with the treasurer and police chief of Hudson County and a commissioner of the Port of New York Authority, for conspiracy and extortion.

Under Stern's administration, the New Jersey District has grown from a staff of 18 assistant U.S. attorneys to 51, making it the fifth largest district in the country.

In 1968 he received the Department of Justice Sustained Superior Performance Award and this year was named one of New Jersey's Five Outstanding Young Men.

The other winners of the U.S. Jaycees award are Gary Hill, 32, president of a Lincoln, Neb., metals firm; Larry Byron Kirk, 32,

Aurora, Colo., business manager; Leonard Everett Lyles, 35, tobacco company executive and retired football professional once known as the "fastest man in football"; Dr. Charles E. Perry, 34, Florida educator, and William Mervin Mills, 33, assistant to the commissioner of the Bureau of Indian Affairs.

Also, Frederick Hampton Roy Sr., 34, Arkansas eye surgeon; Dr. Barry David Simmons. 34, Georgia dentist and Robert Hampton Steele, 33, of Connecticut, youngest member of the 91st Congress.

CARL HAYDEN

Mr. PASTORE. Mr. President, the Senate of the United States—and all America—mourns the death of our former colleague—the beloved Carl Hayden.

A son of Arizona and son of an Arizona pioneer, Carl Hayden was not only the symbol of the Grand Canyon State but—in his half century in the Congress—earned the title of "Mr. America."

Sterling in character, wise in counsel, endearing in friendship it was a privilege to have shared some of his years in this Senate body of his utter devotion.

And now Carl Hayden has passed from life's stage—and the soil of his beloved State receives him into its bosom—restfully—rightfully—forever his home.

Four years have passed—yet it seems only yesterday we spoke our regrets and voiced our feelings on this Senate floor as this grand man of Arizona chose to close his—I shall call it—his reign "on the Hill."

He was truly a prince whose power was not so much in his place as in his person—not alone in his seniority but in his sense of sharing—with no personal ambition but always linked to the well-being of America through all the decades of the 20th century in which he deserved and enjoyed the confidence of 10 Presidents.

In the pages of the RECORD I have been reviewing my thoughts of Carl Hayden spoken that May day of 1968 in this Senate—and I have thrilled anew to the many speeches of his colleagues—their tributes of regret, respect, and reverence.

The passing of time has only sweetened the sentiments expressed for an extraordinary man whose life mirrored the story of America—its expansion from pioneer days to the position of world power that events of history fastened upon America—a responsibility that Carl Hayden helped his country to accept and discharge.

New England always liked to claim kinship through the Connecticut birth of Senator Hayden's father, Charles Trumbull Hayden, later teacher and trader along the Santa Fe Trail—then giving his heart, home, and name to Hayden's Ferry near Phoenix, Ariz.—and there, at Tempe, Ariz., Carl Hayden was born 94 years ago.

Though Carl Hayden belongs to all America and to imperishable history, each of us will cherish our closer, personal relations with this grand man—to know his wisdom and his worth in such arduous tasks as those of the Appropriations Committee—to know the resources of his mind and to experience the wholesomeness of his heart.

Carl Hayden was an ideal and an idol. His influence will endure as we seek to emulate him—just as it will endure in the structure of his Government which owes too much to the vision and decision of this great American.

FREEDOM RALLY

Mr. DOMINICK. Mr. President, on January 23, before thousands of free Chinese on Taiwan and again the following day before their leaders in a separate meeting, our distinguished colleague, Senator JAMES BUCKLEY, delivered a Freedom Day speech reflecting the views and ideals of what I believe to be the majority of the American people toward the people of the Republic of China. The speech contains a number of highly significant points which accurately represent the opinions of many of us concerning the dramatic progress of the people of the Republic of China over the past quarter century and the hope which they represent for their brothers on the mainland and the oppressed people throughout that part of the world.

I commend this Freedom Day speech to my colleagues and I ask unanimous consent that it be printed in the RECORD.

Having also served in the China theater in World War II and having visited the Far East in a number of occasions in the past decade, I am convinced that the Chinese nature cannot be long subdued by communism or any other ideology.

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

FREEDOM DAY RALLY SPEECH

(By Senator JAMES L. BUCKLEY)

It was just a little over twenty-six years ago that I had my first introduction to the Chinese nation and to the Chinese people. In December of 1945, when I first caught sight of the Chinese Mainland, I was a very junior officer in the United States Navy serving aboard an LST, one of those large, clumsy amphibious ships which had played a principal role in the great amphibious landings of the Pacific War. We had participated in three of those landings, and thus had played our tiny role in the final defeat of the Japanese Empire. Now, however, we were being assigned to the uses of peace; we were to be used to help repatriate those tens of thousands of persons, largely Japanese civilians and military, who had been stranded far from home by the war's end.

During the ensuing five and a half months, I came to have glimpses of your people and of your national character which have stayed with me ever since. It was in Tsingtao, our first port of call, that I first experienced the great friendship of your people for mine; it was in Shanghai that I was first exposed to your marvelous vitality; and it was on a visit to Peking that I first felt the impact of your extraordinary culture and of your ancient traditions.

But in those months which immediately followed upon the formal end of the Pacific War, it soon became apparent that the surrender of the Japanese forces had not brought peace to the Chinese people. It had merely substituted one struggle for freedom for another. China and her wartime allies had been successful in repelling the Japanese attempt to subjugate China's vast manpower and resources. But while her western allies quickly turned their eyes and energies homeward to the challenges of peace, China was soon left to face alone that other tyranny, Communism, which sought to subjugate her soul.

The last trip which I made along the China coast, in early May of 1946, underscored the new realization that the Chinese people were not destined to savor peace, because our mission this time was not to return Japanese evacuees to their homeland; but rather, to transport elements of the Chinese army from guard duty in Haiphong all the way to Hulutao in Manchuria, from whence they would soon be marching into combat; but this time not against foreigners, but against their own countrymen armed with foreign weapons and a foreign ideology.

Today, over a quarter of a century later, that struggle still goes on; and it goes on only because you, the custodians of Chinese civilization and of Chinese freedom, have kept the faith; because you have not grown weary of the protracted conflict; because you continue to understand, even if others in the free world today are in danger of forgetting, that there can be no compromise with the powers of darkness; there can be no peaceful coexistence in the struggle to control men's souls.

The Republic of China has just emerged from a particularly dramatic engagement in that struggle; one that took place not in China nor in the field, but in the velvet atmosphere of diplomatic halls some ten thousand miles away. It was an engagement which has been widely proclaimed as a sharp defeat for your government and mine. I will not attempt to minimize the bitter disappointment which Americans and Chinese alike have felt at the betrayal and at the historic act of injustice which took place at the United Nations last October. But I do most earnestly suggest that when emotions cool, and when time has given us a better perspective of events, it will be seen that it was the U.N. itself which suffered a crushing defeat last year, and that free China's emancipation from the hot-house intrigues of Turtle Bay may well have marked the beginning of her most effective work in the cause of human liberty, in the cause most specifically of the liberty of that one quarter of all humanity now held captive by the Peking regime.

For over twenty-five years, from the moment of its founding until October 25, 1971, the United Nations had been able to hold itself out as a moral force in this turbulent age, as an instrument which in God's good time would be able to edge the nations of the world towards the peaceful resolution of their differences. In reality, of course, the U.N. had long since demonstrated its impotence in any crisis of major significance; but so long as it was able to stand on the principles of her charter, so long as it denied membership to any state which refused to repudiate the resort to force as an instrument of foreign policy, so long as it remained faithful to her own precepts, it could hold itself up as a source of hope.

On the night of October 25th, however, the U.N. stood naked before the world, stripped of these moral pretensions, when the General Assembly adopted the Albanian Resolution and admitted Peking not on the United Nations' terms but on her own. By this single act, the General Assembly on the one hand embraced a regime which stood convicted of genocide in Tibet and of aggression against the U.N. itself in Korea, a regime which still proclaims a policy of support for worldwide terrorism and subversion; and on the other hand, by this act, the General Assembly simultaneously banished a charter member who for over twenty-five years had demonstrated her fidelity to the norms of international law and to the principles on which the United Nations had been founded

Oh, we know the legalisms which were spun out to justify this action, but the world understands that it was in fact an act of cynicism dictated by the brandishing of rockets, by the seductive promises of a lucrative trade, and by the outward appearances

of power. And if this were not enough to disillusion those who still clung to their early faith in the United Nations, the coup de grace was most assuredly delivered by the contempt for the world community which was exhibited by Peking's envoy in his first address to the General Assembly, and by the contemptible acquiescience of the U.N. in Peking's vindictive demands even down to the disaccreditation of the Representatives of Free China's press.

This, then, is the institution from which your envoys walked away with a dignity which so deeply impressed all who observed those turbulent events; events which, as I suggested earlier, may mark the birth of a new understanding of your special role in China and in the world arena.

The annual debate on the Albanian Resolution had had the unfortunate effect of focusing the world's attention on such extraneous considerations as the relative sizes of the populations and territories which were subject to the direct control of Peking and Taipei; and as year after year passed by in this prolonged debate, too many people around the globe became seduced by Peking's easy pragmatism, and came to feel that the Republic of China was determined to maintain her U.N. membership and her seat on the Security Council not so much because they were hers as of right, but because she sought in this manner to hold on to credentials which on the basis of current realities she was no longer entitled. Thus, in too many areas around the globe, Free China came to be judged through the eyes of Peking, and solely on the basis of power relationships as if in this world power were the only reality or even the important reality.

But those who last October were prepared to write you off, to see you falter and fall when stripped of your U.N. crutches, now see you standing vigorous and tall, on your own feet and in your own right, sustained by that power of the spirit which in human affairs has always been the ultimate reality. From this time forward, it will be impossible for these myopic men to think of you, as so many would like, as a relic of the grand alliance of the Second World War, a government essentially in exile clinging in the U.N. to the trappings of a status long lost. No, from this time forward, the world must see you for what you are, a vibrant, dedicated force holding high the torch of freedom not just for your own brothers on the mainland but for all who lie in the shadows of the greatest of all tyrannies, Communism.

You provide the world, especially the developing world, with one of the most exciting contemporary examples of what a free and courageous people can accomplish in the face of the greatest adversity. In saying this, I am not unmindful of the extraordinary miracles of recovery which have been achieved by Japan and by the war-ravaged countries of Western Europe. The quality of your achievement, however, is of a different order. While these other countries had their industrial bases destroyed, the diversity of the skill and experience of their populations remained largely intact; and they were able to begin the work of reconstruction without the burden of having at the same time to maintain a massive military establishment. You, on the other hand, had to begin all over again with an indigenous population largely inexperienced in the ways of modern agriculture or commerce or production, and at the same time you had to divert much of your finest manpower to the necessary business of your own security. Yet by utilizing the managerial and technical skills provided by so many who had escaped to Taiwan from the Mainland, and by exhibiting the tenacity and self-discipline and industry so typical of your race, you have been able in just a little more than two decades time to transform this island province into one of the economic wonders of the Orient. You have accomplished all this despite the burdensome demands of a garrison state, and you have accomplished it in freedom. You have achieved ever higher standards of material well-being and have opened up to all your people ever greater opportunities for educational and economic advancement not by suppressing freedom but by rejoicing in it; by affording every one of your citizens the broadest opportunity to achieve for himself the best that is in him. What stronger argument for freedom can be found in the world today than the example of your accomplishments? What greater refutation to all the preachings of Marxism and Maoism can be found than the startling contrast between the two Chinas standing side by side, one slave and the other free?

Now that world attention will no longer be distracted by the legalisms of the perennial United Nations debate, the spotlight will be on you for what you are, and what you have achieved in the twenty-two years since your government retreated to this last outpost. The naked fact for all to see is that fifteen million free Chinese on the Island of Taiwan have, in less than a quarter of a century, developed an economy whose foreign trade now equals and in 1972 seems destined to surpass that of the 750,000,000 Mainland Chinese who are condemned to live under Peking's brutal regimentation. What more striking demonstration, for those still tempted to believe that backward economies can advance only through the most authoritarian controls—what more striking demonstrations of the fact that the greatest material progress is achieved by a people who enjoy the blessings of political, religious and economic freedom?

As the years go by and as you continue to expand and consolidate your economic gains, as you continue to bring all your people an ever higher standard of living, as you continue to demonstrate the enormous vitality of your ancient culture, you will be reminding your brothers on the mainland of the life which can still be theirs; and because no repression can hold its grip forever on a proud and energetic people, sooner or later, by your example, you will instill in them the courage to throw off their shackles and to make a reality of their dreams of a better life in harmony with the ancient traditions of the Chinese people.

But I believe that you may be destined to have an influence on world events which will extend far beyond the boundaries of your beloved country. I believe that in the years immediately ahead you may become for the emerging societies of this century that symbol of the human will to freedom, that dazzling example of what free men can achieve, which will kindle and sustain in them the same thirst for liberty which the United States in her day inspired in the Western world with so profound an impact on the future course of human affairs.

In a world where all that is brought to mind by the word "civilization" is threatened by the new barbarians who fly the banners of Marx and Lenin and Mao, by the ideology which seeks to expunge from the human soul all that gives it grandeur—love, compassion, sacrifice, freedom, faith—there is a need as never before for living examples of men and women who have successfully resisted those who would seek to enslave their minds. This is why I believe that long after the events of last October have been forgotten, what you have accomplished here on Taiwan, what you will continue to accomplish through your courage and steadfastness in the years ahead, will sustain others in their will to protect or regain their own liberties against the most concerted attacks by the common enemy.

But we all recognize that survival in the modern world requires more than courage however great, or a love of freedom however fierce. It requires the power to defend against the awesome weapons which have been unveiled by man's technology. It has therefore been the unstated premise of all that I have said thus far that the United States will continue in the future, as it has in the past, to make available the military means required to preserve and protect this outpost of Chinese freedom. It is a premise in whose validity I firmly believe not because our President and our Secretary of State have reiterated again and again that we will not turn our backs on our alliance, but because of my conviction that the American people will not abandon the Republic of China; a conviction which was most recently reinforced by the outrage felt by an overwhelming majority of Americans at your expulsion from the United Nations.

There has been much talk, I know, both in America and abroad about a new impulse to Isolationism in my country; and I can deeply appreciate that much that has happened within the past year must cause you the profoundest concern about the future. There is, without any doubt, a growing restlessness in my country over our role in the world, a questioning as to the soundness of many of our international programs. The United States, however, cannot withdraw into a new isolationism for the simple reason that great nations are not allowed the luxury of retiring from the world. Nor can she indulge in the selective abandonment of our allies whether in Asia or in Europe, without throwing into jeopardy the entire network of global alliances on which our national security ultimately depends. We Americans have not sought all the responsibilities, but we know that we cannot avoid them except at our own peril.

This does not mean that there is no cause for concern over the debate now in progress in my country as to what ought to be the nature and extent of American Commitments abroad. Because there is. But I feel that the danger inherent in that debate is not that it may lead to a collapse of will on the part of the United States; but rather, that it may be misread by the Communist powers and tempt them to the kind of adventurism which could trigger the horror of a third world war. Because if the history of this century has taught us anything, it is that aggressor nations seem inevitably to overestimate the readiness of free men to retreat.

I therefore urge you, our friends, as I would warn our enemies, to understand that the American people have not grown soft. We know that our commitment to your defense is also a commitment to our own. This is why I believe so deeply that you may be as confident in our fidelity as I know your enslaved brothers are in yours as they wait out the long night until you, the custodians of the sacred flame of Chinese freedom and Chinese hope, can once again return it to the Mainland to rekindle the hearts and the souls of all your countrymen.

THE WATERSHED PROTECTION AND FLOOD PREVENTION PROGRAM

Mr. TALMADGE. Mr. President, all too often we hear criticism of the Department of Agriculture's watershed protection and flood prevention program. We are told that the small watershed program of the Department of Agriculture is destroying the ecological balance of our environment. We hear very little of the positive environmental impacts of this program. However, a look at the record shows that not only have these projects improved the economy of the area in which they are located, but they also do a great deal to improve recreational opportunities of the area. In many

cases they have been used to enhance the growth of fish and wildlife.

Recently, the senior Senator from Vermont, Senator AIKEN, introduced for himself and for me a bill which would make several needed changes in the Department of Agriculture's watershed protection and flood prevention program. Among the positive changes that this legislation would make would be the utilization of Federal funds to share the cost of present and future municipal, industrial, and rural community water supply needs.

This legislation, S. 2981, would amend the law authorizing resource conservation and development projects to make additional assistance available in the control of agricultural pollution. Moreover, it would attempt to foster better land use planning by directing the Secretary of Agriculture to monitor soil and water and related resource conditions and to note land-use changes and trends. The Secretary would issue a report at 5-year intervals.

In a recent speech in Atlanta, Ga., Under Secretary of Agriculture J. Phil Campbell provided an excellent description of the positive environmental effects of the Department of Agriculture's watershed protection and flood prevention program. This is an excellent program and I think that it will be made much more effective with the passage of S. 2981.

Mr. President, I ask unanimous consent that Under Secretary Campbell's statement be printed in the RECORD.

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

WIDE-ANGLE VIEW IN ENVIRONMENTAL PLANNING URGED BY CAMPBELL

ATLANTA, GA., January 24.—"In planning for the environment, we should consider all foreseeable changes and their effects upon people and the natural resources," Under Secretary of Agriculture J. Phil Campbell said here today.

Speaking at the 1972 Water Resources Engineering Meeting of the American Society of Civil Engineers, Mr. Campbell said, "We must look past the one-use-only proponent or the super-emotionalist who sees only the adverse effects of change. We need a broader view, an evaluation of the positive results as well. We must consider how land and water management affects fish and wildlife—but even more importantly, we must consider their many effects on human life.

"It is a *positive* environmental effect," he continued, "when planned water management reduces flooding and the human and environmental problems caused by floods and out-of-control water.

"It is a positive effect when siltation of reservoirs and rivers is retarded by protective vegetation, upstream dams, and other means.

"It is a positive result when a town or city gets a dependable water supply that can translate into more jobs for its citizens and more opportunities for young people to stay in their community.

"It is a positive result when farmers and ranchers have a stable water supply for the crops and livestock to feed America.

"And it is an enriching and desirable result when a man-made lake or reservoir provides the opportunity for new parks and wholesome outdoor recreation for thousands of Americans.

"These are some of the planned benefits of the Department of Agriculture's Watershed Protection and Flood Prevention Program."

The Under Secretary pointed out that development plans for watershed programs must take into account a wide range of questions, the pros and cons, the goals, and the right and wrong ways of achieving the goals.

Further, he said, the watershed plan must go beyond water use to the better use and protection of land; the enhancement of fish, wildlife and recreation possibilities where feasible, and the possible economic gains in terms of both rural nonfarm jobs and improvement of farm income.

"In some instances," Mr. Campbell said, "this wide-angle view requires recognition of the fact that a given project may prove harmful to certain forms of wildlife and vegetation—but recognition also that these adverse effects will be mitigated, at least to some extent, by the total improvement of the watershed area.

"It may also mean," he continued, "facing up to the necessity of modifying part of a choked-up stream channel to reduce flooding. Or to clear bottom land and shift crop production from hillsides to the more level acreage where run-off and erosion can be more easily checked. It means understanding and accepting the fact that a loss in one place, if offset by improvements in many other places, can result in a total net gain for the ecology and people of the watershed.

"This is the integrated approach—and it makes sense."

Under Secretary Campbell pointed out that the small watershed program of the Department's Soil Conservation Service is small in name only. Its benefits to the American people, he said, are substantial. It is estimated that since 1954, projects carried out in upstream rural areas have prevented more than $220 million in flood damage to property. The losses prevented each year are now estimated at more than $40 million.

Sediment kept out of streams by watershed projects in the past 30 years would displace a volume of water equivalent to a 10-year supply for all U.S. households said Mr. Campbell.

"In 1971 alone," he continued, "small watershed projects added more than 4,700 additional acres of surface water; 21 multipurpose dams that will provide a million visitor days of recreation and 10 watershed lakes that will provide dependable water supplies for thousands of people in small towns.

"These accomplishments, however, are no more than a good beginning on the total job that must be done. Annual flood and sediment damage in upstream areas still exceeds a billion dollars. Action is needed and feasible in almost 9,000 small watersheds, comprising 726 million acres. Municipal and industrial water supply storage is needed in about 3,000 project areas, improved water quality is needed in about 4,400 watersheds and recreation, fish and wildlife development is needed and feasible in about 6,500 areas."

Under Secretary Campbell cited two examples of how completed watershed projects help their communities.

"The Bull Creek project in Muscogee and Harris counties, Georgia provides annual flood protection benefits estimated at about $300,000 annually in the city of Columbus and the two counties," he said. "The development of 10 lake sites into county parks is expected to bring benefits of about $250,000 a year from recreational use alone."

"The economic benefits of a dependable water supply to an area are also significant. I know this from personal experience in the Little Tallapooosa River watershed in this state. At least six new industries, employing hundreds of workers, have opened plants in Villa Rica, Georgia, since the project started and the water supply was assured. Researchers from the Georgia Institute of Technology say the Villa Rica area is one of the most attractive locations for new industry in the entire State.

"Much the same is true of Carrollton, Georgia. The Little Tallapoosa project has helped reduce flood damages, provide recreation facilities and improve sanitation. The water supply has led to industrial expansion and plans for future development which will provide jobs for several thousand people."

Mr. Campbell pointed out that the environmental legislation of the past few years has affected the work of the Department of Agriculture, as it has all agencies working in the natural resource field.

"Environmental impact statements for ongoing watershed projects—those approved before impact statements became a requirement—are being prepared, as needed, on a case-by-case basis," he explained, adding "We are preparing impact statements on all projects planned subsequent to passage of the legislation.

"Early in 1971, all small watershed projects now in operation which include channel improvement work not yet installed were thoroughly reviewed again by the Soil Conservation Service and placed into one of three categories.

"Category one included those projects which, if completed as planned, would have little or no adverse environmental impact.

"Category two included watershed projects where there might be some adverse effect, and some modifications might be needed and could readily be made to reduce or remove those adverse effects.

"Category three were those proposed watershed projects where there was the possibility of serious adverse effects and where major modifications might be necessary. A very small percentage of projects reviewed fell into this category. Many of these had been planned over a decade ago."

Some guidelines for both the review and the development of new watershed work plans, said Mr. Campbell, were: channel modifications must provide for minimum losses to fish and wildlife and mitigation of unavoidable losses to the maximum extent possible; channels must be stabilized immediately after construction; and the best possible construction techniques must be used. Review guidelines also included a reminder of the long-time USDA policy that channel improvement work should not be used where its primary purpose would be to bring new land into agricultural production.

"Along with other agencies in the resource development field," the Under Secretary said, "we face some working problems in our compliance with the newer environmental guidelines. The fact that many federal, state and local funds are allotted on an annual basis poses one problem. It takes time to prepare complete impact statements on projects planned earlier. Then there is a minimum 90-day period after the draft statement has been submitted, and further delays may occur through challenges as to the adequacy of the statement."

"Further, local people have always been required to provide land easements and rights-of-way, and often to organize districts which can be legally and financially responsible for the installation, operation and maintenance of watershed works of improvement. This means a substantial investment, by them, of time and money. The returns to local people in terms of benefits may now be seriously delayed. In addition, it may weaken their ability to raise money through bonds or other financial arrangements."

Mr. Campbell pointed out that newer watershed projects include all environmental considerations from the start. Impact statements are completed before the projects are submitted for approval.

During the planning period, he said, project sponsors are asked to consider all practical alternatives, including, when applicable, flood-plain zoning and flood insurance. He

added, "We also ask them to carefully consider long-term impacts on the environment, as well as shorter-term benefits. I strongly feel that resource people should work within a time-frame of larger dimensions than 10 or 15 years.

"Of course, we have some critics. A lawsuit is now in progress concerning a North Carolina project. The best general answer to criticism, I feel, lies in a full understanding by all concerned as to what the project is, and is meant to accomplish, along with a continuing effort by sponsors and cooperating agencies to consider the whole spectrum of environmental and 'people' effects in their planning.

"The preamble of the 1969 Environmental Policy Act declares it to be the intent of Congress—and I quote—'to declare a national policy which will encourage productive and enjoyable harmony between man and his environment; to promote efforts which will prevent or eliminate damage to the environment and biosphere and to stimulate the health and welfare of man; to enrich the understanding of the ecological systems and natural resources important to the Nation, and to establish a Council of Environmental Quality.'

"The small watershed program contributes significantly to the 'productive and enjoyable harmony between man and his environment' and to stimulating the 'health and welfare of man.' We are going forward with the program—continuing our careful scrutiny of plans and increasing our communication of information even to confirmed critics. The environmental challenge is of such importance we should all make sustained efforts to understand all viewpoints."

Under Secretary Campbell pointed out that in addition to community watershed work the Department of Agriculture is interested in all other aspects of water management on rural lands. It is deeply involved in cooperative river basin surveys and snow surveys. It works with farmers, foresters and researchers on agriculturally-related water pollution problems; on drainage and irrigation; on recreational use of water, and on water for fish and wildlife.

Watershed management, he added, is a major part of Forest Service programs on the 187 million acres of national forests and grasslands. The Forest Service also works cooperatively with state officials and private citizens and has a large number of research programs. It has, for example, established Barometer Watersheds in 24 strategic locations throughout the country to provide better measurement of the effects of normal resource management activities on water quality and quantity.

"I believe," said Mr. Campbell "that farmers, foresters and ranchers have done more than any other group in society to improve the Nation's natural environment. They have done virtually all of the soil conservation work, have carried out many flood prevention projects and have made the concept of multiple use and sustained yields a reality in our forests.

"In fact, because of the work of farmers, soil conservationists, and foresters, there are more fish for the fishermen, more game for the hunters, and more recreation facilities available than ever existed. There is, in fact, more game than at the beginning of this century—even an oversupply of deer in some places.

"More must be done however. Agricultural conservationists and those of us who help them must continue to work with other groups to solve our national environmental problems. The work must go forward with enthusiasm and conviction. But this does not call for the superemotionalism that buries half of the facts on the environmental situation under a layer of simplistic slogans, misconceptions, unrealistic proposals or prophecies of inevitable doom.

"President Nixon took note of this danger in a recent talk when he said, 'We are committed to cleaning up the air and water. But we are also committed to a strong economy and we are not going to allow the environmental issue to be used, sometimes falsely and sometimes in a demagogic way, basically to destroy the system—the industrial system—that made this the great country that it is."

Under Secretary Campbell told the civil engineers that "In the five days you meet here in Atlanta, more than 50,000 new Americans will be born. Some 4 million other new babies will be born later this same year. As our population grows and people live in greater concentrations, we cannot expect to have enough usable water in the right places for our many needs *without* management, and we certainly cannot expect it with *poor* management. The only alternative is intelligent planning of the Nation's land and water resources by the Nation's citizens."

FUSION, NOT FISSION, THE ANSWER

Mr. PROXMIRE. Mr. President, at a time when our priorities are coming under close attention, I am delighted to see that some attention is at last being drawn to the relative merits of fusion version fission energy generation.

Fission generation is the traditional means of generating nuclear energy. Each plant is a potential polluter and, although remote, a potential bomb. Fusion on the other hand has none of these dangers and could run literally on water. Unfortunately, despite all the potential benefits in fusion little has been done to develop the knowledge needed to make it feasible.

Karl Bostrom, who has had a notable career in business, examined this issue recently in the Milwaukee Journal. I think his article merits attention and thus ask unanimous consent that it be printed in the RECORD.

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

IN MY OPINION—FUSION POWER, NOT NUCLEAR FISSION, IS THE ANSWER TO ENERGY NEEDS

(By Karl Bostrom)

The president, the Atomic Energy Commission and congressional leaders serving the AEC have placed the highest priority on a three to four billion dollar program to develop nuclear "breeder reactors" to supplement our energy needs as coal, oil and gas resources give out. It is a mad priority when compared with research appropriations for the other atomic program—fusion power. Fission through breeder reactors is a man made invention. Fusion is the sun's power source.

Our ancient ancestors were sun worshipers. Over the millennia, men sought a broader vision by substituting direct worship of the sun with abstract myths, giving names to an assortment of gods, and finally to a single God.

Finally, man began to realize that the sun was the creator of all life, including our fossil fuels.

No modern civilization can flourish without fossil fuels, yet, at the rate we are using them, they will be exhausted in less than 500 years. These resources should be saved and used for drugs, chemicals and their products, including plastics, but not for burning.

The United States, with 6% of the population, is using 35% of all the energy produced throughout the world today, mostly with fossil fuels. If the world's population of 3½ billion people were to use energy at the US rate, the available fuels would be used up even faster. Consider then the world's population doubling to seven or eight billion by 2000 A.D., all demanding to use energy at the US rate!

POWER PLANTS WOULD USE FISSION

There has been great hope for the building of nuclear power plants using nuclear fission, a man made development and different from that of the sun's atomic transformation.

The sun, instead of breaking up atoms as with fission, combines electrons, changing hydrogen into helium under temperatures of millions of degrees. This is fusion power, the energy of the universe. If humanity is to survive, we will have to learn to duplicate the sun's fusion power. It is the only way.

The search for fusion power has been underway since 1945. For the first 15 years, research was dominated by those scientists who employ only mathematical theory to solve problems. Only in the last 10 years have the experimenters taken over so that today the prospects for fusion appear very good, but not certain.

FUSION RESEARCH NEEDS MORE MONEY

It is estimated that only a billion dollars have been spent by all countries since 1946 in peaceful fusion research.

This country this year has asked for an appropriation of $30 million for fusion research. Then in an inspired gesture, President Nixon announced that he would urge an additional $2 million be spent. The Russians are spending three times as much. The Soviet scientists share their results with us.

Currently, it is estimated that all the expenditures in fusion research come to no more than $150 million annually. This despite the fact that the problems of population, the underdeveloped nations and our nation's impoverished millions can only be solved by vast amounts of additional energy distributed equitably throughout the world.

EACH FISSION PLANT A POTENTIAL BOMB

We still pursue almost exclusively the "feasible" nuclear fission power developments despite increasing evidence that fission power stations may bring worse calamities on a gradual basis than one all-out nuclear war. Imagine 2,000 nuclear fission plants in the U.S. alone, each one a potential bomb, all spewing deadly wastes by the thousands of tons for burial in old salt mines or the oceans.

Fusion power would have no hazards, negligible pollution and unlimited resources from the oceans and inland seas. Once installed, like water power, fusion power is free, and better still, unlimited.

President Kennedy directed that we land on the moon by 1970. Fifteen to twenty billion dollars has gone into a program not dominated by an overall "scientific feasibility" psychology before the work got underway.

TO WIN, WE MUST DARE TO LOSE

In peacetime such projects, unless pushed by a "space race" psychology, have to be "feasible." In other words, one has to prove that one can solve a problem before money is appropriated for a solution. Failure cannot be tolerated.

When feasibility comes first, it is a way of killing creativity. Great advances are made by men and women who dare to fail.

With fusion power, however, it is equally important to know whether it can or cannot be achieved. If it cannot, then we had better decide quickly how far the world's population has to be cut back and how soon, unless we are willing to give up the advances of 5,000 years and turn the world back to our ancient forebears who humbly acknowledged the Sun as the universal giver of life.

CHILD DEVELOPMENT CENTERS

Mr. STEVENSON. Mr. President, last December 10, President Nixon vetoed the child development bill, S. 2007, a bill which the Senate had passed with 63 Senators, including myself, voting in favor of it. The subsequent effort in the Senate to overturn the President's veto was unsuccessful. As a cosponsor of the original bill, I deplored the President's ill-considered action and voted to override the veto.

The veto and, moreover, the contents of the President's veto message have been contested by many of my colleagues and in newspaper editorials throughout the country.

But one element of the President's veto message, in particular, requires a direct response. This element is his statement that child development centers would be a "long leap into the dark" for both the Government and the American people. With an utter lack of candor, the President threaded his message with the implication that this legislation would be "family weakening." He capitulated to those voices which shrilly denounce child care centers as havens for instruction in communal living. He rejected comprehensive services for physical, educational, and nutritional development in favor of that opinion which resides in fear of change, although that change is the improvement of our children's opportunities to realize their full potential.

One article which effectively and legitimately responded to the President's charge that the provisions of the child development bill represented the "most radical piece of legislation to emerge from the 92d Congress" was an article by Virginia Kerr which was published in the Washington Post on December 26, 1971. The author traced the history of group day care in the United States back to 1838, thus properly eradicating the myth that group child care is a bizarre new phenomenon which owes its birthright to forces in society attempting to drive a wedge through the structure of the American family.

From the group day care centers of Boston in the 1830's, through the Lanham Act of the 1940's, to Headstart of the 1960's, Virginia Kerr developed America's history of group day care. She concluded her article by pointing to the significant fact that the decade of the 1970's began with President Nixon's White House Conference on Children specifying, by a vote of the conferees, that a "nationwide comprehensive program of child care services" must be the chief priority for America's children of the 1970's.

Mr. President, I ask unanimous consent that Virginia Kerr's article be printed in the RECORD.

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

"A LONG LEAP?"—DAY CARE CENTERS OLD U.S. CONCERN

(By Virginia Kerr)

One of the stranger fictions in President Nixon's message Dec. 9 vetoing the comprehensive child development legislation was his suggestion that the program "would be truly a long leap into the dark for the United States government and the American people." In light of this country's experience with group day care, which goes back to 1838 when the first U.S. day nursery opened in Boston, there seems little doubt that the President, for the usual political reasons, has chosen to reinvent the old myth that day care is a "new" animal with a Russian pedigree. For, whatever specific administrative questions one might raise about S. 2007's child care provisions, one cannot accuse the Congress of having taken an unprecedented and leftward turn in contemplating support of day care. It has its own, peculiar—perhaps esoteric—but genuinely American history.

Following a late 19th and early 20th century tradition of private and limited support for day nurseries that cared for, often "Americanized" immigrant children and of popular acceptance of nursery school enrichment programs for the middle classes, full scale federal involvement in the care of America's children began in 1933. Under the Works Progress Administration, nursery schools were set up around the country to create jobs for unemployed nursery teachers and service personnel in programs designed to care for children from unemployed families or underpriviliged homes. By 1937, 40,000 children were enrolled in centers which, according to professionals, provided excellent programs of health and nutritional care and education.

With the U.S. entry into World War II and the corresponding visibility of the woman worker's contribution to the economy, federal support for child care continued under the 1942 Lanham or Community Facilities Act, which covered the "acquisition and equipment of public works made necessary by the defense program." A total of 3,102 child care centers in "war-impacted areas" received Lanham funds through the Federal Work Administration, which usually made direct grants to localities for community-based centers. Forty seven states participated in the program, which served a total of 600,000 children, around 40 per cent of those who needed care. During the war years, the government also numbered among child care's strongest advocates. In one directive to industry, for example, the U.S. War Manpower Commission asked all employers to provide flexible hours, child care services, shifts designed to coordinate with family life, with an added caution to "set up no barriers to employment of women with children."

The Lanham program ended shortly after the war, leaving federal support for day care tied strictly to the welfare system with its prevailing policy of helping children through direct AFDC grants to mothers at home. Mothers who continued to work turned to the proprietary centers or nursery school, made individual arrangements which varied from babysitters, care by a relative or older sibling, or, in extreme cases, the latch-key. Day care quickly became a field for the creative statistician specializing in unmet needs.

Resistance to expanded federal support for day care during the fifties can be traced in part to the notion—as recalled to us by Mr. Nixon last week—that child care is a Soviet idea, therefore un-American, therefore subversive. In the fifties, the fact that American day care predated, the Russian revolution and was part and parcel of World War II patriotism was forgotten or conveniently ignored.

Unfortunately, the need for good child care programs did not go away. In 1959, a survey showed that although five times as many women were working as in 1940 (most for survival, not pin money), day care facilities were available for only 2.4 per cent of their children.

During the sixties, with the rediscovery of early childhood education, frustration with an irrational welfare system, and the beginnings of a national commitment to do something about poverty, there was a serious revival of interest in child care. Head Start and a variety of research and demonstration grants for experimental early childhood programs were signs that the interest might, in fact, develop into a financial commitment to do something for "the first five years of life" of America's children, in the form of programs that would treat child care in a more positive content than that of "welfare" or "workfare."

Consideration of such a program was on the agenda of President Nixon's December 1970 White House Conference on Children (the first was held in 1909). Building on the White House Conference recommendations of the past 4 decades, the conferees voted "a nation-wide comprehensive program of child care services as the top priority item for children in the 1970's.

Now, in 1971, with group child care facilities available for less than 2 per cent of the children of working mothers and single-parent families, day care, so says the President, is still not ready to come of age as an American institution. So it goes.

UTAH ECONOMISTS SPEAK OUT ON ADMINISTRATION'S NEW ECONOMIC POLICY

Mr. MOSS. Mr. President, these past months have formed a watershed in the history of American economic thought.

At no time in memory—certainly not since the great depression of the 1930's—has the Government's handling of the economy captured such universal public attention or sparked such intense national discussion.

This concern has not been without basis. Each day's headlines have announced economic proposals which were "unheard of" 6 noisy months ago. Since August 15, the air waves have been congested with new phrases. The 90-day "freeze," the decision to "float" the dollar, the 10-percent "import surcharge," the "job development" credit, "phase II" and eventually, "devaluation" have all come to us in rapid succession. They have added to—and unfortunately not replaced—other terms with which we have become all too familiar, such as "inflation," "joblessness," "recession," and "layoffs."

Despite its unfamiliarity, what has come to be known as the "New Economic Policy" gained a great deal of early public support simply because it "just had to be better" than the "nonpolicy" it succeeded. A general dissatisfaction with 2½ years of "stand pat" had, in and of itself, produced a mighty reservoir of enthusiasm for practically any new departure, well-conceived or not.

It was in this climate that Congress deliberated over the administration's August 15 proposals. The Federal Government had to take action, in the face of an apparent breakdown in the conventional theories as to how the economy was "supposed" to work.

When President Nixon took office in January of 1969, the economy enjoyed essentially full employment. Twenty-eight months later poor executive management had brought the Nation to the brink of catastrophe. By August 15, 1971, joblessness stood at its highest level since the Eisenhower recession of 1960. Price inflation during the previous year had burnt up savings at its fastest clip in two decades. Internationally, the position of

the dollar had become untenable. The United States faced its greatest payments deficit in history; 1971 loomed as the first time since 1893 that America would export less than it imported. Even to the "truest believers" the Nixon "game plan" had been an almost unbelievable catastrophe.

The bipartisan decision to scrap the old policies therefore did not come hard. The challenge lay in developing new policies, policies which would address, not the realties of the 1930's, nor even of the 1960's, but those of today, which have proven themselves all too unique.

Thus, toward the end of the last session, the Senate considered several parts of the "New Economic Policy" in hopes of fashioning measures which would really get to the heart of our current difficulties. The times required new and hard thinking.

I count myself fortunate to have benefited during these recent months from the expertise of a good number of Utah economists and educators who sent their opinions to me. Their responses to my survey on the "New Economic Policy" were particularly cogent.

I would like, at this time to review some of the comments sent to me by these Utah economists. I believe they demonstrate that much can be gained from exchanges with the academic community.

Perhaps the greatest controversy surrounding the administration's new program involved the tax relief "package" aimed at stimulating the economy and creating more jobs. Many people, including myself, viewed the proposed measures as failing to put the proper emphasis on the consumer, whose reticence to spend and lack of purchasing power were largely responsible for the Nation's economic downturn.

A good number of the Utah economists shared this assessment. They questioned the appropriateness of focusing major tax incentives on businessmen. "Such a policy is unlikely to produce rapid results; moreover, with large overcapacity at present, it is doubtful that industries would want to invest at all."

Prof. George A. Fuller of the University of Utah shared this view. He asked:

> Why provide corporations with added investment funds during a period when existing plant capacity is approximately 25 percent idle. Corporations do not need additional tax-free funds flowing into surplus. They need additional consumer expenditures to secure demand for their products.

Prof. Robert Stocker of Utah State University also doubted the effectiveness of the administration's "trickle down" approach to tax-relief policy—

> One of the problems regarding the investment tax credit and the liberalized depreciation allowances is that money is allowed to stay in the hands of a small segment of the total economy. It is my opinion that we should attempt to achieve full employment by measures that leave additional monies in the hands of a much broader spectrum of our total population.

Prof. J. Whitney Hanks of the University of Utah pointed to the need to stimulate a higher level of consumption through tax relief to individuals. He cited the advantage of relief to lower income taxpayers, affirming that any tax breaks to the poor will result immediately in a higher level of consumption and a boost to overall economic expansion:

> There will be a propensity to spend almost all of the tax savings and this will serve a very useful purpose in our drive toward still better employment opportunities.

B. Michael Pritchett of Brigham Young University went still further:

> Tax-relief is most needed at the lower end of the scale. It would be much preferred to change current exemptions and deductions into credits for tax purposes and then to scrap virtually all income maintenance—welfare—programs in favor of an I.R.S.-administered negative income tax.

The question of automobile excise tax repeal also aroused a good deal of controversy. Professor Hanks emphasized the effects repeal would have on stimulating consumer spending:

> Consumers have been saving an abnormally high percentage of their incomes during the past 2 years—those capable of doing this, of course—and we need to nudge them in the direction of loosening their purse strings in a noninflationary fashion.

Professor Pritchett counters this point, stressing environmental factors as well as considerations of national priorities:

> True, stimulation of the automobile industry would stimulate the economy, but so would stimulation of other industries, infinitely higher on today's list of priorities.

Robert P. Collier of Utah State went still further:

> By no means would I repeal the automobile excise tax, but rather I would increase it substantially.
>
> Obviously this recommendation is not to provide a stimulus to employment, but rather to dampen automobile production and the very adverse effect of automobiles on the environment. Dr. F. S. Gahin of the University of Utah questions the social justice of reducing revenues that could be used for public benefits through a measure which will favor—only—a certain class of auto buyer.

In the survey, I asked each economist to offer suggestions for alternative fiscal measures which might stimulate the creation of jobs more efficiently. Professor Fuller suggested the idea of "a flat reduction of perhaps $50 or $100 in 1972 income tax payments. This would help lower income groups more than proportionally—and expand consumer goods demand to stimulate a sluggish economy. In the final analysis, demand for all types of investment and capital goods is derived from a growing demand for consumer goods.

"Even with the consumer, demand should be directed into goods and services that minimize contributions to pollution, deterioration of the environment, and metropolitan sprawl." He would emphasize "measures that maximize contributions to an improved quality of life, minimize the frightening growth of population, and avoid the parasitical military expenditures which have robbed the civilian sector of our economy since the time of World War II."

Prof. John W. Hardy, of Brigham Young University, suggested that the social security premium increase scheduled to take effect in 1972 be postponed for a year: "It makes little sense to initiate proposals to put money in the hands of consumers and take it back by increasing social security taxes."

Robert Collier would also support a more activist fiscal policy. He would push strongly to establish training programs for returning veterans, better employment services—including a computerized listing of job opportunities—and efforts to increase the skills, productivity, and mobility of American labor, thus helping to attack the supply side of inflation and unemployment.

Regarding the successful implementation of the tax-incentive program, the issue of national confidence was considered crucial. Professor Koller, of Brigham Young University, felt that "the outlook of business is at least as important a determinant of investment as any momentary tax adjustment which may or may not last." Professor Koller questions the effects that phase II price and wage controls might have on consumer and business plans: "I think they are very likely to remain flexible in the face of the Government-created uncertainty, rather than commit themselves to substantial investment programs at this time. I do not expect any great surge in total demand to result from the tax cuts in the context of the rest of the policies undertaken."

Dean Robert E. Rose of Weber State University shared the same opinion of a number of professors regarding the "confidence" factor. "I have never seen such an attitude of 'watch and wait' on the part of the public—both as individuals and as corporate entities. Unless we create a more optimistic attitude, I cannot see where the proposed governmental tax credits and allowances to individual business firms will help to generate full employment."

Many economists responding to the survey saw the 90-day wage price "freeze" as a "last resort" policy that had become necessary. The "freeze was seen as an 'act of desperation' after the administration's earlier 'game plan' had failed to deliver." Its main value consisted of ending the general expectation that prices would go on increasing indefinitely.

Reaction to "phase II" was somewhat more varied. Many questioned whether the controls system could ever hope to be fair or would indeed get to the real inflationary forces in the economy, such as monopolistic controls and other curbs to genuine price competition. One economist went so far as to say that if "phase II" were allowed to continue indefinitely, it would constitute a "step down the road to a corporate state, semi-Fascist type of organization."

Professor Pritchett of Brigham Young pointed out that "most Utah citizens, firms and workers are relatively on the low end of the power list and as 'phase II' drags on will likely find themselves at more and more of a disadvantage as other interest groups in the nation obtain special considerations." University of Utah Professor Allen M. Sievers added:

> It is not so much the mechanism of control as the inherent justice of the system that is in question. Justice should be the central concern of government, but aside from justice

in and of itself, injustice interferes with the moral support any such system must enjoy for success.

Professor Hanks said that:

Phase II does not hold as much promise as would have been the case if a strong position had been taken at the outset to let the public know specifically just where the cost-push inflationary industrial and labor forces have been most prominent.

William R. Lambert of Brigham Young University referred to the high rate of inflation in the health services industry. "In the long run doctors' and dentists' fees seem to be the most out of line—with nationwide price movements—possibly because of limited supply and small squeeze when so much is covered by insurance. I would like to see the profession taken to task and increasing numbers be sent through more efficient schools. Regulation is ineffective; the problem of supply must be solved."

Many economists questioned the desirability of delaying welfare reform as a means of softening the fiscal impact of this new money. Others also considered the decision to cut foreign aid by 10 percent a rather "petty" response to inflation. J. Kent Pinney from Brigham Young said:

I do not approve of a 10% across-the-board reduction in foreign aid; however, I do believe certain foreign aid should be carefully reviewed and that much of our foreign aid be recommitted on a piece meal basis. That is to say, each foreign aid project should be reviewed in terms of its merits, which must be regarded both economically and politically.

The international aspects of the "New Economic Policy" elicited a rather startling consensus. While there was a good deal of trepidation concerning the possible diplomatic ramifications, the 10-percent import surcharge was accepted as a necessary bargaining tool in securing more favorable trade terms. Many noted, however, that it should not be considered a long-term solution and should be removed as soon as concessions were gained from our trading partners. The surcharge should not be seen as heralding a new era of American protectionism. The decision to "float" the dollar was viewed with near-unanimous praise. Prof. Larry Wimmer of Brigham Young University in fact called the decision to end convertibility of the dollar into gold as "the only part of the program that I believe will have a favorable result."

Few aspects of President Nixon's program drew such broad support. Taken together the economist's varied reactions to the new measures demonstrated a good deal of reservation. Few Utah professors were firmly convinced that the administration's "N.E.P." holds the key to a stable national prosperity.

MIKE FROME

Mr. McGEE. Mr. President, a few days ago the Senator from Montana (Mr. METCALF) inserted in the RECORD some very illuminating correspondence between the American Forestry Association, publishers of American Forests magazine, and Mike Frome, who formerly authored a regular column in the magazine.

The disagreement which caused Mr. Frome's departure from the pages of American Forests is unfortunate, for his incisive pen gave the readers a look at a point of view sorely needed in these days.

Tom Bell, the editor of High Country News, an authoritative outdoor and environmental biweekly in Wyoming, took due note of the developments shortly after Mr. Frome's departure from the forestry association's magazine last year.

Mr. President, because it says something about the impact of the interlocking ties between the timber industry, the profession of forestry, and the U.S. Forest Service itself, I ask unanimous consent that Tom Bell's article from the October 15, 1971, issue of High Country News be printed in the RECORD.

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

MIKE FROME "EXPURGATED"

(By Tom Bell)

Readers of American Forests, official magazine of the American Forestry Association, will notice something different about the September, 1971, issue. It no longer carries the byline of Mike Frome.

The sure, incisive pen of one of America's foremost conservation writers has been censored from its pages. The credibility of American Forests to "promote an enlightened public appreciation of natural resources and the part they plan in the social, recreational and economic life of the nation" suffers as a consequence. Mike Frome was an asset which the magazine could ill afford to lose, and which can never be replaced.

As the environmental crisis deepens, Frome is sure to take an eminent place as one of those who correctly called the shots. For a man who started as a travel editor, he has broadened his interests and honed his concerns to become one of the most knowledgeable conservation writers of our times. The depth and clarity of his writings have served to alert the public to many of our most glaring environmental problems.

One of his readers was moved to write him (Forest Forum, American Forests, May, 1971) on several issues he had discussed. The letter writer ended by saying, "And from all your pieces I'm assured that you stand firm for the public as against the special interest concern . . ."

Such firmness was what led to Frome's deletion from American Forests. No politician or bureaucrat was safe from his censure if he felt the public interest was not being served. That included the timber industry, the U.S. Forest Service, and the head man at the Forest Service, Chief Edward P. Cliff.

It was his strong and unequivocal criticism of the latter which probably ended his long tenure with American Forests. The association between Cliff and our American Forests should be evident. Frome did not hesitate in saying on numerous and varied occasions what he and other conservationists have thought of Cliff and his relationship to the timber industry.

It should also be evident from the name of the organization that the American Forestry Association has strong ties to the timber industry. A number of the Board of Directors are representatives of timber companies, and retired or active members of the Forest Service.

President Charles A. Connaughton is Northwest Regional Forester for the U.S. Forest Service. Vice President Lloyd E. Partain is Assistant to the Administrator of the Soil Conservation Service. Both serve in the Department of Agriculture. Connaughton succeeded Paul M. Dunn, a former vice president and now a consultant to the St. Regis Paper Co.

Frome candidly says, "I was shut out by the Forest Service and the timber industry which dominate the AFA."

Uneasiness developed about a year ago when Frome led a rising crescendo of protest over Forest Service policies. It was then that he was asked to submit his copy for editorial censorship. When Frome declined to submit his copy, his column was prefaced by a disclaimer. The disclaimer told the reader, "Mr. Frome's views are his own and do not necessarily reflect the policy of The American Forest Association."

When Frome's pen continued to assiduously dissect Forest Service policies in regard to clear cutting, serving the special interests, and the unresponsiveness to public concern, he had sealed his own fate in the magazine. The die was cast even as such damning reports as those by the Bolle Committee and the Wyoming Study Team came in.

His column was originated—"To express the independent voice of the public" and was not to be subject to editorial whim.

Executive Vice President William E. Towell wrote Frome that it appeared he did not want to adhere to AFA policies. When Frome wrote in reply asking for a clarification of AFA policies, he received no answer.

Frome's column appeared in the pages of American Forest for the last time in August, 1971, issue. There was no mention or notice of its demise. Similarly, no mention is made in the September issue.

Letters from many members of the AFA have already asked what happened to the monthly column. They will receive little consolation from the lame excuses of the AFA hierarchy.

CHILDREN

Mr. MONDALE. Mr. President, on January 31, the New York Times carried an excellent article by two outstanding experts in the field of child development and early childhood education. The article entitled "The President and the Children" by Dr. Urie Bronfenbrenner, of Cornell University, and Dr. Jerome Bruner, of Harvard, is an accurate and distressing account of the vital need for substantive day-care opportunities for the nearly 6 million preschool children whose mothers are working.

Mr. President, for the benefit of my colleagues, I ask unanimous consent that this article be printed in my remarks.

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

THE PRESIDENT AND THE CHILDREN

(By Urie Bronfenbrenner and Jerome Bruner)

Two weeks before Christmas, the President vetoed the Child Development Act of 1971. In doing so, he stated: "Neither the immediate need nor the desirability of a national child development program of this character has been demonstrated." The needs of the nation's children, the President proclaimed, would be adequately met by his own proposed legislation H.R. 1.

As specialists concerned with the care and development of the young, we must take strong issue with the President on both counts. The President asserts that unlike the vetoed legislation his own bill will "bring the family together." But if we examine the provisions of H.R. 1 it becomes clear that it

is far more likely to break the family apart. Thus, the President himself speaks of the bill as "my workfare legislation to enable mothers, particularly those at the lowest income levels, to take full-time jobs." In effect, the bill forces mothers, especially single mothers, to register for full-time work or job training or else be stricken from the welfare rolls.

Such provisions can only increase the pressure on poor and near-poor families to deliver their young into compulsory day care. In point of fact, this is a "put-them-to-work-bill," not a child development bill.

Unlike the legislation vetoed by the President, H.R. 1 does not give the mother freedom of choice. Nor is there adequate assurance of standards for quality child care services. Surely, such a prospect raises the spectre conjured up in Secretary Richardson's ill-considered words of condemnation for the vetoed Child Development Act of 1971, when he speaks of "shoddy, second-rate baby bins in which children were stored away, neglected or abused." H.R. 1, moreover, makes no provision at all for children of the millions of working families who are just above poverty line ($4,000 to $7,000 income for a family of four). Finally, with apparently only $360,000,000 in new money allocated in the first year for child care services in the Administration's bill, the number of additional children who can be served is only about 5 percent of those in actual need.

Given these woefully inadequate and destructive features of the Administration's bill, it is painful to recall the hope-giving words of the President less than two years ago, when he proclaimed "a national commitment to providing all American children an opportunity for healthful and stimulating development during the first five years of life."

At a time when we should already be seeing fruits of this commitment reflected in the lives of the nation's children and their families, we are told that there is "neither immediate need nor the desirability of a national child development program." Such a statement seems to us incomprehensible in the light of the available facts. Here are some of them:

In 1971, 43 percent of the nation's mothers worked outside the home. In 1948 the figure was only 18 percent. One in every three mothers with children under six is working today. In 1948 the figure was one in eight. There were more than 4.5 million mothers with children under six who were in the labor force last year.

In 1971, of all mothers of children under six, 10 percent—1.3 million of them—were single parents bringing up children without a husband. Half of these mothers also held down a job.

Mothers in poor and near-poor families are much more likely to be gainfully employed, partly because so many of them are heads of families. Among families in poverty, 45 percent of all children under six were living in female-headed households; in non-poverty families the figure was only 3.5 percent. In two-parent families where the husband earned $10,000 or over, only 20 percent of the mothers worked; where the husband earned less than $7,000, 35 percent of the mothers worked. These women work because they have to.

There are nearly six million preschool children whose mothers are in the labor force. Of these, one million live in families below the poverty line (e.g. income below $4,000 for a family of four). An additional one million children of working mothers live in near poverty (income between $4,000 and $7,000 for a family of four). All of these children would have to be on welfare if the mother did not work. Finally, there are about 2.5 million children under six whose mothers do not work, but where family income is below the poverty level without counting the many thousands of children in families above the poverty line who are in need of child care services, this makes a total of about 4.5 million children under six whose families need some help if normal family life is to be sustained.

In closing, we can only repeat the first and principal recommendation of the President's own White House Conference on Children a year ago. By an overwhelming vote, the delegates recommended that "the Federal Government fund comprehensive child care programs, which will be family centered, locally controlled, and universally available, with initial priority to those whose needs are greatest. These programs should have sufficient variety to insure that families can select the options most appropriate to their needs. A major educational program should also be provided to inform the public about the elements essential for quality in child care services, about the inadequacies of custodial care, and the importance of child care services as a supplement, not a substitute, for the family as the primary agent for the child's development as a human being."

If the President will not act to meet this need of the nation's children and their parents, the people and their elected representatives must do so.

UKRAINIAN INDEPENDENCE

Mr. HUMPHREY. Mr. President, freedom is an indivisible thing. Where the desire for freedom, individual or national, is threatened, restrained, or curbed, men everywhere suffer a great loss.

Fifty-four years ago, on January 22, 1918, the people of the Ukraine proclaimed their independence, their desire to be free, in Kiev a year later all the Ukrainian territory became an independent sovereign state.

Tragically, this independence, this Ukrainian freedom was shortlived as the Soviet Union, ignoring the desires of the Ukrainian people, stepped in to suppress and continue to suppress every expression of Ukrainian nationalism and culture.

There are more than 45 million Ukrainians whose civil rights—especially freedom of religion and freedom from antireligious propaganda—are under constant and increasing attack. The Ukrainian Orthodox and Catholic Churches in the largest non-Russian nation within the U.S.S.R. have been ruthlessly suppressed. As well, intellectuals and cultural leaders are being hounded at every turn.

On the eve of President Nixon's forthcoming visit to the Soviet Union, I trust he will keep the question of Ukrainian freedom uppermost on his mind. So many of America's most loyal and dedicated citizens have a Ukrainian heritage. We owe them a deep debt of thanks for the strengths which they have added to our Nation. We also share with them great concern for the independence and well-being of the Ukraine.

INTERNATIONAL TEENAGE STUDENT EXCHANGE

Mr. HART. Mr. President, as we are too well aware, we are living in an age of widespread conflict. The mass media bring to our consciousness every day new evidence of struggle between human beings all over the earth.

And so we do well today to pause and celebrate those many quieter efforts through which people of different countries come to know one another, appreciate the values of other cultures, and have an opportunity to develop mutual respect and affection.

Such an effort is youth for understanding. Because this program is headquartered in Ann Arbor, I take paritcular pleasure in calling attention to it. The teenagers who participate in this person-to-person exchange will hopefully bring to tomorrow's world a greater degree of understanding among the peoples of our ever-smaller planet.

TV CAMPAIGNING

Mr. STEVENSON. Mr. President, with the onset of another national political campaign, the American TV viewer will once again be bombarded with thousands upon thousands of political "spots"—short political advertisements which may or may not be informative, may or may not be accurate, but will certainly be carefully structured by media wizards to change or reinforce voter attitudes in predetermined ways. Although S. 382, which was recently enacted into law, brings about a number of long overdue reforms in campaign financing and spending, efforts by myself and others to include restrictions on TV spots in the legislation proved to be unavailing. For that reason, we may see more slick, misleading spots this year than ever before.

Recently I was made aware of several developments which may help to curtail this costly form of video pollution. Mr. Anthony Martin-Trigona. president of the Illinois Consumer Council, has filed a petition before the Federal Communications Commission asking for an amendment to FCC's rules under which all radio and television political commercials would be required to be at least 5 minutes long. Mr. Martin-Trigona also asks that political advertising be guaranteed access to prime time television audiences. The 5-minute restriction has already been implemented by WGN–TV in Chicago and several other progressive broadcasters.

The 5-minute restriction received additional support in an excellent article by Mr. John E. O'Toole, president of Foote, Cone & Belding Communications. I ask unanimous consent that Mr. O'Toole's article, which appeared in the December 27, 1971, issue of Advertising Age, and Mr. Martin-Trigona's petition be printed at this point in the RECORD.

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

NO POLITICAL TV MESSAGES LESS THAN 5 MINUTES, O'TOOLE URGES

(By John E. O'Toole)

Recently I found myself in Washington, D.C. In an earlier and more innocent era, that might be the last place you'd look for an ad man. But in the balmy autumn of 1971, many of us were there at the cordial invitation of the Federal Trade Commission.

Washington is a city from which has been heard, in recent months, a lot of commentary about our business, which might make the most hardened of us reluctant to tell our kids what we do for a living.

And as I was cabbing it back to National Airport, I thought about all the elected officials in that very city who had used television in their campaigns in ways that would never be tolerated for product advertising. I thought of abuses and misuses, which, were they for a product, would never get past a continuity acceptance department. And I got mad. Not only because of the importance of the electoral process, but because I'm tired of the advertising business taking it in the seat of the pants for these excesses.

We have enough people on our backs now without the thinking electorate of the U.S. accusing us of "packaging candidates" and "selling Presidents."

And we can do something about it. All of us in advertising agencies, and particularly people in broadcasting. We can learn from the mistakes of 1970, and make 1972 the year some maturity enters the whole area of political campaigning on television.

And there is some evidence that mistakes were made in '70. A week after the November elections, Foote, Cone & Belding interviewed more than 1,600 people through our Monthly Information Service and the Gallup Organization. We wanted to know if voters shared our concern with the way tv was used. We found three-quarters of the sample favoring restriction or control of political advertising on television. Most were concerned about the inequity of tv time and funds among the candidates. Of those favoring restriction, 23% felt the content wasn't truthful or honorable enough. That percentage was higher here in the West, interestingly enough.

Well, how did we reach this sorry state?

IT STARTED WITH IKE, REEVES

It all began back in 1952, which happened to be the first election in which I was qualified to vote. More importantly, it was the first election in which television advertising was employed.

Gen. Eisenhower, with the help of Robert Montgomery and Rosser Reeves, did a series of spots in which he answered questions asked by voters—usually ending with: "Let's clean up the mess in Washington." From there, for 20 years, the political use of television has, for the most part, gone downhill.

There have been some brilliant exceptions. The Kennedy-Nixon debates, for example—a format so candid and revealing it has been skillfully avoided by Presidential hopefuls ever since.

There has been little subsequent use of debates and longer-length expositions. In the 1968 campaign, 70% of the TV advertising was in "spots."

Meanwhile, television was getting a larger and larger proportion of the campaign media expenditure; $58,000,000 in 1968. And television time got more and more expensive.

As a result, the standard campaign today is a big reach/frequency spot effort of 10, 20, 30 and 60-second commercials: The most expensive form of communication this side of Telstar.

And if you can't afford it, you don't play. Even if you're an embryonic Abe Lincoln.

With that much cash going into media, needless to say, a lot of people got their mitts into the creative work. A lot of people who don't share with most of us a certain respect for the powerful tools of mass communication and for the rationality of the individual.

Professional image-builders began to emerge and take over the creation and productions of the messages. In the public mind, these people were lumped into the pejorative designation, "Madison Ave.," although many of them didn't represent any recognized advertising agency.

But they talked like the worst huckster sterotype. And the statements they made about their craft—statements that would get one forcibly ejected from any reputable ad agency—sounded like this:

"Our job is to glamorize them, and hide their weaknesses."

"It's much more important to know the man than to know his stand on an issue."

"If I had only three weeks for a campaign, I'd pick a pretty boy."

"He was a beautiful, beautiful body, and we were selling sex."

"Voting is an emotional response."

Well, friends, in my opinion that's a sad compendium of cynicism.

The people behind those statements are making some mistakes about product advertising, too. But I won't get into that right now. Their fundamental error, if not sin, is in equating the communications program of a candidate for public office with the advertising of a consumer product.

If you say it's just like advertising packaged goods, the simile breaks down immediately. Most packaged goods are minor purchases. Most depend for their survival on establishing a predisposition to repurchase. The consumer's most effective response to a disparity between advertising claim and reality is never to buy it again.

When you "buy" a political candidate as a result of his advertising, you're stuck with the "purchase" for four years—with results that can be far more devastating than not getting your teeth as white as you'd hoped.

If you draw the comparison with a big-ticket purchase, the analogy crumbles just as quickly. An appliance, an automobile, an insurance policy are not sold by advertising. They are sold by a dealer or an agent. Advertising can only establish, in the mind of the prospect, an appropriateness between his need or lifestyle and the product, then direct him to the personal salesman and the actual product.

NO MONEY-BACK OFFER ON CANDIDATES

Unfortunately, this essential second step is missing if you apply the same techniques to selling a candidate. And the candidate offers you neither a money-back guarantee nor any kind of service warranty.

Furthermore, none of the safeguards imposed upon contemporary television advertising apply to political spots. Even the libel laws are suspended.

The National Assn. of Broadcasters and network continuity acceptance departments wouldn't think of challenging the statements, claims and promises made by a political commercial. Indeed, I wonder if the FTC is going to insist on the same kind of documentation from candidates as it demands from automobile manufacturers in 1972.

So it's not only insulting to the issues and office involved to equate them with claims for a can of soup, it's potentially quite dangerous. But it's been done. Done consistently since 1952. And I'd like to show you some examples.

There have been commercials that didn't mention, much less provide an opinion on, a single issue (Examples: JFK, "It's Up to You"; Nixon, "Nixon's the One"; Taft, "One Man Who Can Win"). There have been commercials that never once showed you the candidate (Buckley, "John Wayne", and Evans, Water ID).

There have been commercials so caught up with image-building you wouldn't know there was a political campaign going on (Agnew, "My Kind of Man"). Some just registered the product name (Mezvinsky, "What's His Name?"). And there were unsubstantiated claims galore (Stokes, "Saturday Night").

Every now and then there's been one that attempts to emulate Candor (Lindsay, "Snow Removal"). But primarily the theme has been disparagement (Johnson, "Hydrogen Bomb"). Disparagement and more disparagement (Smith, "Police Are Pigs," and Humphrey, "Laughing Man").

When communication like that can form an important part of a major political campaign, there's something very wrong. And since the advertising industry is being blamed for it, I think we ought to initiate some remedies.

SATURATION SPOTS DO NOT DO THE JOB

One possibility is for advertising agencies not to accept a political account. This is the simplest solution. It's our solution at FC&B at the moment. But I'm not sure it's the right solution.

I think the talents that reside in an agency could, under the right conditions, be ideal for creating and placing meaningful messages for a candidate. What are those conditions? Well they certainly aren't a high-level, saturation barrage of spots.

The system adopted in England seems very reasonable to me. Under the Independent Television Act, political commercials are forbidden. However, during general elections the British Broadcasting Corp. and ITA allocate a certain number of free broadcasts to each party, the number based generally on the membership of the party.

In the 1970 elections, the Conservative and Labour parties each received five TV broadcasts of ten minutes duration and seven radio broadcasts of either ten or five-minute length. The liberal party was given three TV broadcasts, and four radio.

After a year-long study headed up by Newton Minow, the Twentieth Century Fund recommended something similar for the U.S.—one of the few nations in the world, incidentally, that allow political candidates to purchase tv time. The Fund suggested that, during the last five weeks of a Presidential campaign, all tv and radio stations simultaneously carry six prime time half-hour programs featuring the candidates and attempting to "illuminate campaign issues and give the audience insight into the abilities and personal qualities of the candidates."

That sounds pretty reasonable, too. As an absolute minimum, I think we should have the restrictions on tv expenditures put forth in the bill approved by the Senate on Aug. 5. This bill—which would also rescind the ridiculous equal time proviso—at least for Presidential candidates—made so much sense to both parties that it passed with an 88–2 vote.

But the House has turned it into a partisan political joke composed, as far as one can perceive through the procedural pandemonium, of a multiplicity of different plans.

Equally important is the *kind* of message to be used. Notice the word "message." The idea and terminology of political tv "spots" should be dumped forever.

The 10-second, 30-second, even 60-second lengths are inadequate and inappropriate for presenting a candidate to the voter. These lengths defy a discussion of issues, and encourage the shallowest kind of imagery, the shoddiest kind of logic, and the most reprehensible kind of mud-slinging.

FIVE-MINUTE MINIMUM BLOCKS ABUSES

I'm in total agreement wtih Ward Quaal of WGN Continental Broadcasting, who will not allow a political message of less than five minutes on his stations. If, in an uncharacteristic display of responsibility, the broadcasting industry would follow Mr. Quaal's example, and set a five-minute minimum on political messages, many of the abuses would automatically be eliminated.

I don't think any political image-builder would risk the ennui inherent in five minutes of groovy music and upshots of a grinning candidate.

I don't think they could successfully refrain from giving us a glimpse of their man for five minutes or manage to elude every issue.

And I am at least hopeful that they would see the peril in a full five-minute implication that the other guy is a fascist freak.

But just in case, I would suggest a few

simple guidelines that would not unduly restrict the creative construction of the message. And these guidelines would be a code for political broadcast messages that the candidate himself would assent to in writing before he or his supporters would be sold time on any station:

1. The message should be designed to help the voter know and understand the candidate, his character and his ability to communicate.

2. The message should establish what the issues are which the candidate feels are important.

3. The message should clearly state where the candidate stands on these issues.

That's all. It's very simple. So simple that I'm sure many of the professional image-builders would smile at the naivety of such an ingenuous proposal. They'd probably point out that longer lengths would blow their reach and frequency, and render their tv campaign ineffective.

I have a little too much faith in the intelligence of the American voter, having dealt with him as a consumer for some time, to buy that.

LONGER MESSAGE HITS HARDER: STUDY

And, like a good adman, I also have done some research. There was a study done on political broadcast advertising by the School of Journalism and Mass Communications at the University of Wisconsin. It was done in areas of Wisconsin and Colorado among 512 voters after the 1970 campaigns.

Here's the last paragraph of the introduction: "The results of this study suggest that a moderate number of high-quality, substantively informative advertisements may be more effective than a saturation presentation of superficial image-oriented spots."

And here's the final sentence of the study: "Thus, the most effective advertising stategy would be one that allocates campaign funds away from a high frequency of exposure approach into a more modest number of ads containing substantive informational content that is presented in an interesting and entertaining manner by skilled producers."

"Yeah," reply the image-builders, "but how do you make it interesting and entertaining? Five minutes of a guy talking issues is about as exciting as watching paint dry."

Well, there's only one way to prove that this kind of political message doesn't have to be dull. To make one.

At the time that thought occurred, there were only two announced Presidential candidates—Rep. McCloskey and Sen. McGovern. We placed calls to associates of both candidates. Only Sen. McGovern's group responded, and he agreed to work with us in developing the kind of message I'm talking about under the guidelines I've set forth.

So last month, one of our producers named Burns Patterson and a damn good camera man named Al Taffet went with the McGovern group to New Hampshire.

Out of the footage they shot, every inch of which was concerned with Sen. McGovern's view of the problems and his proposed solutions, comes this model for the five-minute political message. At a cost, I might add, of about one-tenth of some of those orgies of imagery I cited earlier.

FOR CANDIDATES: TV MESSAGE AT COST

I leave it to [admen] to judge whether that kind of treatment is too dull or too cerebral for the American voter. It's serious, I'll admit. Not a prat-fall or gagline in it. But somehow I continue to regard that job on Pennsylvania Ave. as a rather serious matter.

Ever mindful of the equal time provision, we're offering to do the same kind of message, at cost, for any announced Presidential candidate from either major party.

So that's my platform, fellow Americans. I'm urging the House to stop weaving loopholes into the bill to restrict candidates' tv expenditures.

I'm urging the broadcast industry to set a minimum length of five minutes on all political messages. And to insist that the content concern itself with the candidate, his view of the issues and his proposed solutions.

And I'm urging all of us in the advertising business not to be beguiled into making commercials that confuse a candidate and an office with a deodorant and an armpit.

If these minimum standards of responsibility aren't observed—if we have an encore of those abuses that characterized television campaigning in '70—those fragile stands of public confidence that we're trying so hard to maintain for advertising could be eroded entirely.

And November, 1972, is less than 12 months away.

[BEFORE THE FEDERAL COMMUNICATIONS COMMISSION, WASHINGTON, D.C.]

PETITION FOR RULEMAKING

Anthony R. Martin-Trigona, Petitioner, in the matter of amending the rules of the Commission to prohibit broadcast commercial announcements on behalf of political candidates and parties unless such announcements are at least four minutes and thirty seconds in length.

Petitioner respectfully requests and moves the Commission, on the basis of the showing made herein and on the basis of materials of which the Commission can take judicial notice, to amend the rules of the Commission to prohibit broadcast licensees from carrying political announcements on behalf of political candidates and parties unless said announcements are at least four minutes and thirty seconds in length, and in support thereof states to the Commission as follows:

THE PARTIES

Petitioner Anthony R. Martin-Trigona is a citizen of the United States residing in Urbana, Illinois (mailing address: Box 2058 Station A, Champaign, Illinois). Petitioner is well known to the Commission as a consumer advocate and gadfly sponsor of the public interest at the Commission.

Petitioner asks that the class of respondent parties in interest be and include all commercial broadcast licensees in the United States who have ever or ever plan to broadcast commercial announcements on behalf of political candidates and political parties.

There is no question but that the petitioner, as an interested citizen of the United States, has the standing to present and prosecute this petition for rulemaking which brings before the Commission a matter of utmost importance to each and every citizen of the United States.

THE ISSUES

Campaigns for public office and the commercial trappings which buoy them have become a continuing scandal in American life. Candidates are merchandised like boxes of soap, voters are misled on the issues, and the media have become conduits for useless, irrelevant and often dangerously inaccurate information and innuendoes. Indeed, despite the many negative implications some people assign to advertising and broadcasting in general, it appears that political commercials have become a *sui generis* form of scurrilous communication. As John E. O'Toole observed in a recent speech, ". . . I thought about all the elected officials . . . who had used television in their campaigns in ways that would never be tolerated for product advertising. I thought of the abuses and misuses, which, were they for a product, would never get past a continuity acceptance department. . . ." Petitioner requests that the statement by Mr. O'Toole, printed beginning on page 17 of *Advertising Age*, December 27, 1971, be incorporated by reference *in toto* in this petition.

Petitioner wants to make it abundantly clear that he is not opposed to the commercial broadcast system in the United States, and indeed, in theory is strongly in favor of such a system. In addition, petitioner is not in favor of and does not advocate censorship of any form, nor is petitioner in favor of limiting the use of political advertising *per se* (except as may be legislated by the Congress). This petition is directed at the narrow issue of how long political commercials should be and the factors which influence, affect and control the public interest with respect to the length of political commercials.

THE PUBLIC INTEREST

I is beyond dispute that the public, and particularly the viewing and voting public, has an overwhelming compelling interest in receiving an accurate stream of information from its broadcast channels. Thus, at the threshold, it is clear (a) the public interest considerations are involved in political commercials; (b) the Commission as the statutory and constitutional representative of the public interest and people of the United States has a mandate, indeed a non-delegable duty, to protect the public interest, to safeguard the integrity of the broadcasting system and to establish reasonable standards and conditions of service to insure that accurate, meaningful information is transmitted over the broadcasting system.

THE COMMISSION'S POWER

The Commission clearly has the power to act in this instance and to grant affirmative relief to the petitioner. Both the public interest considerations involved and the regulatory mandate of the Commission give the agency the means and power with which to take action concerning commercial announcements for political candidates and parties.

The Commission cannot "censor" a candidate or party, but censorship is not involved in any form. None would be censored as to the content of the communication under this petition; the only restrictions involved would concern the length of the announcements.

It is apparent, moreover, that restrictions on the length of political announcements would not create any discrimination between "rich" and "poor" candidates for the same or other offices since the rates quoted by many stations for five minute programs are roughly equivalent to the rates the same stations charge for sixty second spot announcements. Although the rates are not the same, it is clear that a "poor" candidate would not be disadvantaged by a "five minute limit" on political commercials. Since it also appears likely that some dollar limits will be imposed on political advertising, the "rich" man and "poor" man would be in roughly the same position as to their relative and effective access to the communications media.

ACCESS

The Commission has the duty and power to also insure that any limitations placed on political programming will also carry with them effective "access" remedies, and that political candidates who wish to purchase broadcasting time will be able to do so at times when it is convenient for them and at times when they will have an opportunity to communicate with "prime time" audiences. Thus, the Commission should act to insure that when the limits are imposed, adequate amounts of "five minute program time" will be made available by all stations at all times and that no restrictions will be placed on access to stations and particularly no restrictions on access to prime time audiences.

SUGGESTED TEXT

The petitioner suggests the following text for the rule which petitioner seeks:

A. No commercial broadcast licensee shall carry any sponsored announcement on behalf of any candidate for public office, political party or political issue, unless said commercial announcement shall be at least four minutes and thirty seconds in length, or five minutes with opening and closing disclaimers and station credits.

B. Any candidate shall have the right to purchase time over any station over which he proposes to broadcast his message provided he shall give the station seven (7) days advance notice of the time and date which he proposes to use.

C. Licensees must grant adequate access to all audience periods and are specifically directed to insure that all prime time audience periods are open to all candidates and that political announcements receive priority over other regular commercial programming.

PRAYER FOR RELIEF

There is an urgent need for expedited action by the Commission because 1972 may prove to be the costliest and most confusing election year in the history of broadcast advertising for political candidates. The petitioner urges the Commission to take immediate action on the petition, to present the same for action at an early meeting of the full Commission, publish the petition in the Federal Register, furnish a copy to all broadcast licensees, and in all ways possible to expedite action on the petition. In the event the petition or any part thereof fails to comply with any rule of the Commision, the petitioner asks that the Commission provide immediate notification to the petitioner so he can amend the petition and cure any defect.

Petitioner feels the Commission should have an initial thirty day period to take initial action on the petition. It would appear that the emergency circumstances surrounding the petition and the need for expedited action mandate prompt action and that any delay by the Commission beyond thirty days would create critical and substantial prejudice to the public interest and require further action by the petitioner to secure or enforce a ruling on this compelling matter of public policy.

Wherefore, the petitioner respectfully moves the Commission to set the proposed amended rule for immediate action and after required proceedings, to adopt the rule

Respectfully submitted,

ANTHONY R. MARTIN-TRIGONA.

SALUTE TO YOUTH FOR UNDERSTANDING

Mr. PROXMIRE. Mr. President, for the past 21 years an organization called Youth for Understanding has been conducting a student exchange program, sending American students to selected countries abroad and bringing foreign students here for study. At the present time about 3,100 foreign students between the ages of 16 and 18 are attending local American high schools and living with American families. In return more than 2,500 American high school students will go overseas this year. Over 30,000 students have participated in the program since its beginning.

Youth for Understanding was started in 1951 by the Detroit, Mich., area Rotary Club to bring 75 German teenagers to the United States. It soon received support from the Ann Arbor Council of Churches. The purpose of YFU, according to its bylaws, is to promote international understanding and to acquaint teenage students with the family and community life of another country. For the 21 years of their existence they have been doing an admirable job. It is an honor for me to commend them on their fine work.

NEW YORK CITY BAR ASSOCIATION OPPOSES EQUAL RIGHTS FOR WOMEN AMENDMENT

Mr. ERVIN. Mr. President, one significant feature of the dialog on the equal rights amendment has been the number of outstanding legal scholars that have opposed the amendment. The New York City Bar Association is no exception. The association, which is composed of some of the finest legal minds in the Nation, did an exhaustive study on the amendment and concluded in a report to its members that the amendment should not be approved.

In its scholarly report, the association details the complications that could arise from the passage of the equal rights amendment and the recent developments in the law which have made its passage unnecessary, and I hope every Senator will take the time to read this valuable addition to the debate on the equal rights amendment.

In the report, the association states that:

Our opposition to the proposed amendments arises not from any disagreement with the proposition that women should be free from discrimination, but from the means which have been proposed.

I certainly agree with this statement and I firmly believe that most Americans disagree only with the means proposed by the equal rights amendment advocates. As a better path, the New York City Bar Association feels that:

A markedly preferable procedure for resolving the issues of discrimination by sex is to rely on careful Federal legislation, drawn as far as possible to deal with specific subject matter, and a continuing pattern of judicial decision under the Equal Protection Clause of the Fourteenth Amendment. Constitutional amendment is probably unnecessary and distinctly undesirable.

Since the New York City Bar Association's report, the U.S. Supreme Court has acted to confirm their prediction of the Court's action under the 14th amendment in the Reed against Reed case. To my mind, the Reed case obviously is a tipoff that the Court will declare unconstitutional any law that unreasonably differentiates between men and women, and I cannot understand why the effort expended in behalf of the equal rights amendment is not directed at the 14th amendment with court cases. In the final analysis, court cases are going to have to be brought even if the equal rights amendment is passed.

Mr. President, I ask unanimous consent that the report by the New York City Bar Association be printed at this point in the RECORD.

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

[Report of the Association of the Bar of the City of New York, Committee on Federal Legislation]

AMENDING THE CONSTITUTION TO PROHIBIT STATE DISCRIMINATION BASED ON SEX

The burgeoning issue of women's rights has recently become the subject of national attention through the revival of a long pending proposal for constitutional amendment. The House, without hearings or extensive debate, has now passed a proposed constitutional amendment which reads:

"Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex. Congress and the several states shall have power, within their respective jurisdictions, to enforce this article by appropriate legislation."

In the Senate, this Amendment initially had over 40 sponsors. As the matter neared a vote, however, it became apparent that many of the original proponents of the amendment were having serious second thoughts. On the day before the recess, the Senate, by rider, added to the Equal Rights Amendment a provision specifically permitting draft exemptions to continue to be accorded to women and also added the so-called "Dirksen Prayer Amendment" which would overturn the Supreme Court's decision prohibiting prayers in school. This latter provision, having no relevance to the Equal Rights Amendment, would seem to be unacceptable to the House and the passage of this rider appears to be the death knell for the House-passed version of the Equal Rights Amendment.

When the Senate reconvenes on November 16, 1970 the pending business will be a new version of the Equal Rights Amendment. The new proposal was introduced by Senator Birch Bayh just prior to the recess, in what has been described as an "effort to revive the nearly dead Equal Rights Amendment." [1] The Bayh proposal (which we will refer to as the "Equal Protection" Amendment) reads as follows:

"Neither the United States nor any state shall, on account of sex, deny to any person within its jurisdiction the equal protection of the laws."

We have considered both the Equal Rights Amendment in its original version as it passed the House and the Equal Protection Amendment; we urge the Congress not to adopt either amendment. The problems to which the proposed amendments direct themselves are substantially better dealt with by a broad statutory declaration of principle, coupled with specific, carefully drafted legislation directed at specific types of discrimination, and developed by judicial decision. Constitutional amendments afford an unsatisfactory remedy; at the same time, the alteration of the Constitution for this purpose threatens the integrity of the Fourteenth Amendment in other areas.

We have also examined and summarize in the Appendix attached to this report the manner in which the courts have been dealing with alleged sex discrimination, attempting to discover whether a shift in judicial attitude has taken place.

Considering the nature of the existing discriminations and the judicial treatment being accorded to them, we have concluded that:

A. Those discriminations which would be clearly invalidated by both of the proposed amendments could be stricken under the equal protection clause of the Fourteenth Amendment without the need for further constitutional amendment, particularly if the development of the law in this area were encouraged by a statute embodying a Congressional declaration of principle.

Congress has already taken some action with respect to discrimination in employment and recent decisions show that such

Footnotes at end of article.

legislation has been having a beneficial effect.[2]

B. Some statutes distinguishing on the basis of sex are considered by some to be genuine benefits or privileges accorded to women, yet thought by others to be discrimination masquerading as protection. Here, the impact of either amendment seems at best to be ambiguous. Conflicting statements made by proponents of the Equal Rights Amendment as to its intended impact lead one to conclude that no one can confidently predict what the results of that amendment would be on such statutes. Although we find the equal protection language to be superior to the language of the Equal Rights Amendment in this respect, it too raises more questions than it answers [3]—questions which we believe can be more satisfactorily resolved by statute than by a constitutional amendment.

C. Neither amendment would reach the most serious and widespread discrimination against women—that discrimination which occurs in private employment. There is no question but that discrimination against women in initial employment, in wage scales and in promotion policies exists on an enormous scale. None of these abuses, however, would be touched by the amendments, which reach only non-private discrimination.

I. THE NATURE OF THE PROBLEM AND JUDICIAL TREATMENT TO DATE

The areas in which discrimination by law based on sex is said to exist include at least the following: (1) labor laws, including minimum wages, maximum hours of work, permissible times of work, working conditions and permissible kinds of work (including statutes prohibiting women from engaging in particular gainful occupations, or prohibiting women from performing certain services, such as lifting more than a specified weight); (2) statutes or ordinances denying women equal access to places of public accommodation or amusement; (3) laws exempting women from the responsibility of jury service; (4) statutes providing for a different time and/or place of imprisonment for persons of different sexes sentenced to jail for the same offense; (5) discrimination in admission to various public educational institutions; (6) laws declaring different ages of majority for the purpose of entering into a contract or making a will, different ages of consent to marriage, different capacity to contract during coverture; (7) laws providing different rights to support or alimony or different rights to an intestate or elective share of the estate of a deceased spouse.[4]

The Appendix, which summarizes judicial decisions on the constitutionality of such laws, demonstrates, we believe, that the proponents of legislation in this area are quite correct in their contention that courts in general—and the United States Supreme Court in particular—have been slow to recognize that any "invidious discrimination may be involved in statutes which discriminate between the sexes. It is still correct to state, as one of the leading articles in this area did in 1965, that ". . . [T]he Supreme Court has in no case found a law distinguishing on the basis of sex to be a violation of the Fourteenth Amendment . . ." [5] Nevertheless, it is also true that laws which discriminate between the sexes are more and more coming under attack, and that these attacks are beginning—in both state and federal courts—to meet with success.

It appears that the majority of courts presented with the issue have considered the validity of sex distinctions to depend upon "reasonableness" or "rationality." As the decisions demonstrate, such a "reasonable" basis has not been difficult to discover in most cases. It has been found in the need to protect public health and safety, the need to protect public morals (and those of women in particular), the policy of protecting the family as an institution, and, in general, the protection of females viewed as a class in need of such protection. There are opinions which apparently assume that sex is *per se* a rational basis for discrimination, with no further burden of justification.

Professor Paul Freund of Harvard Law School testified at hearings on the Equal Rights Amendment: ". . . a few significant decisions of the Supreme Court in well chosen cases under the Fourteenth Amendment would have a highly salutary effect." [6] There are increasing signs that such a trend in judicial thinking is under way. The increasing reluctance to find a rational basis upon which to uphold sex discrimination of various kinds stems, it would seem, primarily from a growing realization on the part of male judges and lawyers that paternalistic conclusions about the need of women for "protection" require close scrutiny to make sure that they are not simply the reflection of unwarranted assumptions of male superiority, similar to the assumptions of white superiority which have so persistently hampered efforts to establish racial equality before the law. Judges are apparently beginning with some frequency to view sex-discriminatory laws as they have for some time viewed racially discriminatory laws. A statute which restricts in some substantial way the liberty of all members of a group, as individuals, because of some assumptions (usually, although not always, unverifiable ones) about the average characteristics of that group bears a heavy burden of justification if that group is one to which individuals belong not by choice but by birth.

The argument thus can be made—and to us appears compelling—that all members of one sex, *as individuals*, should no more be penalized by the law for the characteristics of their sex as a group than should all members of one race, as individuals, be so affected. Despite this, it does not necessarily follow that every law which distinguishes between the sexes should for that reason alone be automatically invalid. Even proponents of the "Equal Rights" Amendment appear to concede that, given the present state of American culture, certain public differentiations between the sexes, such as separate public restrooms, should be permissible. However trivial this point may seem, it is nevertheless indicative of the fact that a distinction based on sex is not, *per se*, quite so presumptively invidious as a distinction based on race (it being obvious that any state action establishing racially segregated restrooms would be entirely impermissible). This is perhaps because such sexual segregation is not an indicium of pejorative inequality in the eyes of either sex, as opposed to racially segregated restrooms, which would quite properly be viewed as evidencing not merely a discrimination, but also an attributed inferiority on the part of one of the races. Thus, sex-distinguishing legislation, even if subject to a more severe judicial scrutiny, should in at least a few cases be able to survive where similar racially-distinguishing legislation could not. Similar distinctions might arguably be sustained if based on such biological differences as child-bearing or physical structure, within the context of our culture.

II. DISCUSSION OF THE DESIRABILITY OF THE PROPOSED CONSTITUTIONAL AMENDMENTS

A. The equal rights amendment versus the equal protection amendment

Of the two constitutional amendments under consideration here, the House-passed version, or Equal Rights Amendment, should be eliminated at the outset of this discussion as inferior to the "Equal Protection" Amendment. This is in part because "equal rights" suffers from vagueness of definition. The new concept of "equal rights" may, of course, be given substance by a holding that it is coterminous with the more familiar "equal protection of the laws," but in that event it is at best superfluous and at worst confusing. If "equal rights" goes beyond "equal protection of the laws," that is, to a doctrine approaching *per se* invalidity for any law that draws distinctions based on sex, it is also undesirable as being too inflexible, as the foregoing discussion would seem to indicate. It should also be rejected for several other reasons of a technical nature.[7]

B. Evaluation of the equal protection amendment

The Equal Protection Amendment, though better conceptually and in other technical respects, should also be rejected for at least three reasons: (1) the passage of such an amendment would not achieve anything which could not be achieved by Act of Congress, for the States, pursuant to Section 5 of the Fourteenth Amendment, and for the Federal Government, within its powers to enact Federal law; (2) it would fail to direct Congressional attention specifically to the ways in which various types of existing distinctions based on sex should be resolved; and (3) it might have an unfortunate effect on future development of the scope of the Fourteenth Amendment.

1. Availability of Statutory and Judicial Alternatives To Enforce the Equal Protection Clause

We believe that the Equal Protection Clause of the Fourteenth Amendment does prohibit any legislation which makes an unreasonable sex-discrimination, and many courts have so held. It is true that the Supreme Court has never invalidated a law on these grounds; on the other hand, it has on more than one occasion considered whether a given law which does so discriminate has violated that clause, and has never, to our knowledge, said that sex-discrimination cannot give rise to a violation of the Equal Protection Clause. The latest decisions of the Court in this area have been divided ones.[8] The Court may well be influenced in future decisions by the ferment of thought and discovery in this area, so that laws and practices previously deemed innocuous may be seen as pernicious. If it is considered desirable that this process be aided by Congressional action, a statute enacted under § 5 of the Fourteenth Amendment would seem to be sufficient for such a purpose, without the necessity to rewrite the Constitution.[9] A broad and forceful statute, moreover, could well serve a needed symbolic function to express the will of Congress on these issues.

2. The Greater Specificity of a Statute

One of the principal arguments of the opponents of the "Equal Rights" Amendment has been that it would have vast and incalculable effect on such areas as local laws of support, alimony, child custody, labor regulations, etc.—that it would create uncertainty and thereby breed litigation. To the extent that a rigorous application of the Fourteenth Amendment to sex-distinctions in the law becomes widespread, however, similar uncertainty and increase in litigation is likely to follow. One of the virtues of a simple Act of Congress is that it can properly be specific about the precise ways in which a variety of different problems are to be resolved. Such a statute could adequately fill the need for a declaration of national policy in this area, while at the same time avoiding much of the uncertainty that would result from such a declaration of policy unaccompanied by any instructions as to how it should be implemented.[10]

Related to this point, we note that one argument for action by Constitutional amendment is its permanence—once ratified, such action is nearly impossible to reverse. While we recognize the force of this argument, we believe that incorporation of protection against sex-discrimination into the fabric of the Fourteenth Amendment

Footnote at end of table.

would soon become equally difficult to reverse. (In light of the possible difficulties attendant on ratification of an amendment, it may also be considerably easier to achieve.) We further note that the specific rules for resolving existing sex differentiation initially formulated in a comprehensive statute might, the light of experience, appear to require some modification or supplementation; were they in an amendment rather than a statute, this might be a practical impossibility.

3. The Inappropriateness of Constitutional Amendment Here

It is perhaps fundamental that a Constitution should embody provisions of general application. The Fourteenth Amendment, particularly if supported by appropriate legislation, would seem to be such a generalized provision, which has applicability to the problems of discrimination by sex. An amendment directed to this one problem would seem to be of insufficient generality to warrant inclusion in the Constitution alongside the Fourteenth Amendment.

In addition, at least in some courts, the adoption of such a specific amendment could possibly be used as a means to limit the application of the Fourteenth Amendment in other areas.[11] However remote this prospect may be, there seems to be little justification to create the prospect of its occurrence.

CONCLUSION

Our opposition to the proposed amendments arises not from any disagreement with the proposition that women should be free from discrimination, but from the means which have been proposed. We have concluded that a markedly preferable procedure for resolving the issues of discrimination by sex is to rely on careful Federal legislation, drawn as far as possible to deal with specific subject matter, and a continuing pattern of judicial decision under the Equal Protection Clause of the Fourteenth Amendment. Constitutional amendment is probably unnecessary and distinctly undesirable. For these reasons, the proposed amendments should not be approved by the Congress.

November 10, 1970

THE COMMITTEE ON FEDERAL LEGISLATION

Sheldon H. Elsen, *Chairman*	R. Kent Greenawalt (Prof.)
Mark H. Alcott	Arthur Handler
Michael F. Armstrong	Conrad K. Harper*
Donald J. Cohn	Thomas V. Heyman
Nanette Dembitz (Hon.)	Charles L. Knapp (Prof.)
Ambrose Doskow	David M. Levitan
Michael S. Fawer	James H. Lundquist
John D. Feerick	William B. Pennell
Peter M. Fishbein	Martin F. Richman
Mahlon Frankhauser	Leonard B. Sand
Robert L. Friedman	Beatrice Shainswit
Robert J. Geniesse	Irving Younger (Hon.)
Richard A. Givens	

*Mr. Harper dissents, in the belief that a Constitutional amendment should be enacted.

FOOTNOTES

[1] New York Times, October 15, 1970, p. 31.

[2] See discussion of cases under the Civil Rights Act of 1964, Appendix, *infra*.

[3] Upon introduction of the Bayh proposal, Senator Ervin, who is opposed to the Equal Rights Amendment, expressed his gratitude that Senator Bayh recognized that there were legitimate interests of women which "need protecting". Senator Bayh, however, said that he did not think that there was any substantial difference between his language and that of the Equal Rights Amendment. New York Times, October 15, 1970, p. 31.

[4] Many of these laws are discussed in the opinions cited in the Appendix to this Report. In addition, see the citations to the Hearings before the Subcommittee on Constitutional Amendments of the Judiciary Committee on S.J. Res. 61 (May 5, 6, 7, 1970) (cited in the Appendix as "Hearings") and see also Hearings at pp. 725 (age of legal majority) and 728 (age of consent to marriage). On the general subject of legal discrimination based on sex, see Kanowitz, *Women and the Law* (1969).

[5] Murray & Eastwood, Jane Crow and The Law: Sex Discrimination and Title VII, 34 Geo. Wash. L. Rev. 232, 237 (1965).

[6] Hearings before the Senate Judiciary Committee, September 9, 1970.

[7] The Equal Protection Amendment is preferable to the Equal Rights Amendment in the following other respects:

(i) It contains the usual and desirable provision requiring ratification by the states within 7 years, a provision omitted from the Equal Rights Amendment;

(ii) It provides for a two-year period after adoption before the amendment would be effective, as contrasted to the one-year provision in the Equal Rights Amendment. The longer period of time is desirable, in view of the many changes in state law which may be deemed necessary in the light of the amendment;

(iii) It eliminates the jurisdictional problems and apparent limitation on federal action created by language of the Equal Rights Amendment to the effect that "Congress and the several states shall have power *within their respective jurisdictions*, to enforce this article by appropriate legislation." [emphasis added]

This language might be read to inhibit federal action in a manner probably not intended by the proponents of the measure.

[8] *Goesaert* v. *Cleary*, 335 U.S. 464 (1948) (three Justices dissenting); *Hoyt* v. *Florida*, 368 U.S. 57 (1961) (three Justices concurring in part); see also *U.S.* v. *Yazell*, 382 U.S. 341 (1966) (three Justices dissenting).

[9] Congress has power to act in implementation of Article 14, Section 5, in the area of women's rights. Such action by Congress would be even more clearly justified and appropriate than the recent action taken with respect to lowering of the voting age, elimination of residence requirements and other matters contained in the amendments of the Voting Rights Act of 1965. See our reports on the Extension of the Voting Rights Act and the Administration's Alternative, Volume 9, Bulletin No. 1, July 1, 1970, page 50, and Reports of Committees of the Association of the Bar concerned with Federal Legislation, on Statutory Reduction of the Voting Age, *ibid.*, at page 64.

[10] The statute could contain a preamble similar to that found in the amendments to the Voting Rights Act of 1965 declaring certain presently existing practices which discriminate against women to be in violation of the Equal Protection provision of the 14th Amendment. The statute could then deal specifically with those areas in which the impact of the general principle of equal protection gives rise to ambiguities, i.e., the circumstances in which argument exists as to whether distinctions in the law based on sex are "protections" or "discriminations." Specifically focusing on these problems, Congress could prescribe the precise consequences which it intends.

[11] See discussion of *Minor* v. *Happersett*, *Appendix, p. i.*

APPENDIX

CONSTITUTIONALITY OF VARIOUS STATE LAWS WHICH DISCRIMINATE ON THE BASIS OF SEX

Although it does not pretend to be exhaustive, the following is an attempt to summarize the principal cases which have questioned the constitutionality of legislation which makes distinctions based on sex. We have particularly attempted to discover any cases in recent years which represent a shift in judicial attitude toward such laws.

I. *Suffrage.* The Fourteenth Amendment was proposed by Congress in 1866, the Fifteenth in 1870. In *Minor* v. *Happersett*, 88 U.S. 162 (1874), the United States Supreme Court was asked to hold that a Missouri law confining the state's elective franchise to males was invalid under the Fourteenth Amendment. The argument was based on the "privileges and immunities of citizenship" clause and on "equal protection"; the Court in upholding the statute discussed primarily the former. Conceding that women were both "persons" and "citizens" within the meaning of the Fourteenth Amendment, the Court held that suffrage was not one of the "privileges" referred to. The Court relied on the existence of the Fifteenth Amendment as demonstrating Congress' belief that suffrage was not covered by the Fourteenth. (This issue was of course rendered moot by the Nineteenth Amendment.)

II. *Working Hours.* Statutes regulating the maximum hours per day a woman may be employed to work, or the time of day when she may work, have been common for many years. See generally, Oldham, Sex Discrimination and State Protection Laws, 44 *Denver L.J.* 344, 354–57 (1967) (hereinafter cited as Oldham). A summary of such laws as of 1969 may be found in Hearings before the Subcommittee on Constitutional Amendments of the Judiciary Committee on S.J. Res. 61 (May 5, 6 and 7, 1970) (hereinafter cited as Hearings), at pp. 737–42. An Oregon statute of this type was approved by the Supreme Court in 1908, in *Muller* v. *Oregon*, 208 U.S. 412. The Court had struck down a N.Y. law fixing maximum hours for both men and women only three years before, in *Lochner* v. *New York*, 198 U.S. 45 (1905), so the Court (supported by a Brandeis brief) was at some pains to make it clear that the law in question was valid because of the state's particular interest in protecting the health of women workers. A series of Supreme Court cases in the following years reached similar results: *Riley* v. *Commonwealth*, 232 U.S. 671 (1914); *Hawley* v. *Walker*, 232 U.S. 718 (1914); *Miller* v. *Wilson*, 236 U.S. 373 (1915); *Bosley* v. *McLaughlin*, 236 U.S. 385 (1915); *Radice* v. *New York*, 264 U.S. 292 (1924); see also, *State* v. *Dominion Hotel, Inc.*, 17 Ariz. 267, 151 Pac. 958 (1915).

With the passage of the Civil Rights Act of 1964, sex discrimination in covered employment was prohibited, and a number of cases were thereafter brought in which it was claimed that refusal of an employer to hire a woman otherwise qualified because she could not under state law work the hours required by the job would constitute a violation of the Act (such a qualification imposed upon women being claimed not to constitute a "bona fide occupational qualification"). In *Mengelkoch* v. *Industrial Welfare Comm'n*, 284 F. Supp. 950, 956 (C.D. Calif. 1968), plaintiff sought to have the state's maximum-hours law enjoined as being in violation of the Constitution or the Civil Rights Act. The three-judge panel, in an opinion by Judge Stephens, held that the Constitutional issue was not "substantial" (citing *Muller*), after which Judge Stephens, now sitting alone, held the Constitutional issue to be a "settled" one, and abstained on the statutory claim. In 393 U.S. 83, *pet. for reh. denied*, 393 U.S. 933 (1968), the Court dismissed an appeal from both decisions, for want of jurisdiction. A similar suit was brought in *Ward* v. *Luttrell*, 292 F. Supp. 162 (E.D. La. 1968), but it was again held that until the Supreme Court should overrule *Muller* and its similar decisions, the Constitutional issue was not "substantial."

In *Rosenfeld* v. *Southern Pac. Co.*, 293 F. Supp. 1219 (C.D. Calif. 1968), however, a different result was reached. Defendant had refused to hire plaintiff as an "agent-telegrapher," a job for which she was otherwise qualified, on the ground that the state's maximum-hour law (and weight-lifting law,

see *infra*) forbade it. The District Court responded by holding the state statute to be invalid, under the Supremacy clause, as in violation of the standards set by the Civil Rights Act for non-discriminatory employment practices.

III. *Weight-Lifting.* A number of states have laws limiting the amount of weight which a woman may be permitted to lift or carry on the job. See Hearings, 748. As noted above, such a statute in California has been held invalid under the Civil Rights Act of 1964. *Rosenfeld* v. *Southern Pac. Co., supra.* Accord., *Utility Workers Union Local 246* v. *Southern Calif. Edison Co.*, 61 Lab. Cas. par. 9369 (C.D. Calif. 1969). A number of other cases have held such standards where imposed by employers without the compulsion of state law to constitute violations of the Act. In *Weeks* v. *Southern Bell. Tel. & Tel. Co.*, 408 F.2d 228 (5th Cir. 1969), Georgia had previously had such a statute, since replaced by a non-discriminatory one. The Circuit Court, reversing the District Court below, held that the employer had failed to sustain the burden of demonstrating that it had a "factual basis for believing that all or substantially all women would be unable to perform safely and efficiently the duties of the job involved." *Id.* at 235. In *Bowe* v. *Colgate-Palmolive Co.*, 416 F.2d 711 (7th Cir. 1969), another reversal, it was similarly held with respect to an employer which, although not bound by any such statute in Indiana, claimed to have been following similar restrictions imposed on its operations in other states; the court noted the *Rosenfeld* holding "with approval."

It should be stressed, of course, that these opinions are all applications of the Civil Rights Act, not Constitutional holdings. This was emphasized by the court in *Richards* v. *Griffith Rubber Mills*, 300 F. Supp. 338 (D. Ore. 1969), a similar holding. The test applied in *Weeks, supra*, requiring the employer to show that "all or substantially all women" could not perform the job in question, was applied with similar result in *Cheatwood* v. *Southern Bell Tel. & Tel. Co.*, 303 F. Supp. 754 (M.D. Ala. 1969). In holding that there must be more than just a "rational" basis for the restriction, these opinions perhaps foreshadow the kind of "equal protection" test which can be applied to sex-discrimination statutes of all kinds by a court which considers the sexual classification as an inherently "suspect" one.

IV. *Minimum Wages.* A substantial majority of states have minimum wage laws; a minority of these statutes apply only to women (or to women and minors). See Hearings, 730–36. A statute of the latter type was upheld in *West Coast Hotel Co.* v. *Parrish*, 300 U.S. 379 (1937), overruling *Adkins* v. *Children's Hosp.*, 261 U.S. 525 (1923). Unlike *Muller, supra*, the holding was not limited to a statute applying to women only; the Court made it clear that its approval was for state minimum wage laws in general. Having done so, the Court then upheld the law in question as not being an arbitrary discrimination: "This Court has frequently held that the legislative authority, acting within its proper field, is not bound to extend its regulation to all cases which it might possibly reach." *Id.* at 400.

V. *Occupational Restrictions.* About half the states have statutes prohibiting women from employment in one or more types of work; the most common are mining and the serving of alcoholic beverages. See Hearings, 746–7; see generally *Oldham*, 357–60. A precedent for occupational restriction in general is *Bradwell* v. *State*, 83 U.S. 130 (1872), approving an Illinois law restricting admission to law practice to males only. Citing the *Slaughter-House Cases*, 83 U.S. 36 (1872) to the effect that the Fourteenth Amendment's Equal Protection Clause was designed primarily for the protection of the Negro race, the Court held that the practice of law is not a "privilege" of citizenship, and its regulation is within the state's reserved police power. (Justice Bradley's concurring opinion, joined in by two other justices, is notable for its "male supremacy" language.) In accord is *In re Lockwood*, 154 U.S. 116 (1894) (similar case from Virginia); see also *Quong Wing* v. *Kirkendall*, 223 U.S. 59 (1911) (laundry-tax statute attacked partly on ground that it discriminates between sexes; the Court notes that states discriminate between the sexes in a number of ways, including property rights and inheritance rights, age of majority, etc.).

A series of state decisions has upheld the state's power to prohibit or restrict the employment of women in the liquor trade, especially in bars. These include: *Blair* v. *Kilpatrick*, 41 Ind. 315 (1872) (statute limiting grant of liquor licenses to males only); *Bergman* v. *Cleveland*, 39 Ohio St. 651 (1884) (law forbidding employment, in bar, of women other than licensee's wife); *State* v. *Considine*, 16 Wash. 358, 47 Pac. 775 (1897); *Mayor and Council of Hoboken* v. *Goodman*, 68 N.J.L. 217, 51 Atl. 1092 (1912) (ordinance forbidding employment of women other than licensee's wife as bartender or barmaid, also prohibiting licensee from allowing women to congregate in bar for the purpose of enticing customers); and *Fitzpatrick* v. *Liquor Control Comm'n*, 316 Mich. 83, 25 N.W. 2d 118 (1946) (statute forbidding employment as bartender of any female other than the wife or daughter of a *male* licensee.).

Apparently the first case invalidating such a law is *Brown* v. *Foley*, 158 Fla. 734, 29 So. 2d 870 (1947), in which a Miami ordinance forbidding employment of women as bartenders was struck down as being, simply, unreasonable. In 1948, however, the issue came before the Supreme Court. A three-judge District Court in Michigan had refused to enjoin the operation of the Michigan statute upheld in *Fitzpatrick, supra*, in *Goesaert* v. *Cleary*, 74 F. Supp. 735 (E.D. Mich. 1947) (one judge dissenting on the ground that the statute arbitrarily discriminated between male and female *licensees*, permitting only the former to employ their female children as bartenders). In *Goesaert* v. *Cleary*, 335 U.S. 464 (1948), Justice Frankfurter, speaking for himself and five other Justices, upheld the statute as making a not "irrational" distinction. "The Constitution," Frankfurter suggested, "does not require legislatures to reflect sociological insight, or shifting social standards, any more than it requires them to keep abreast of the *latest* scientific standards." *Id.* at 466. The three dissenting Justices followed the reasoning of the dissenting opinion below, that at least as to female licensees, the statute was an unreasonable one.

As might be expected, the cases since *Goesaert* have tended to approve similar statutes; see, eg., *State* v. *Burke*, 79 Ida. 205, 312 P.2d 806 (1957); *Hargens* v. *Alcoholic Beverage Control Bd.*, 263 Cal. App. 2d 601, 69 Cal. Rptr. 868 (1968); cf. *Coon v. Tingle*, 277 F. Supp. 304 (N.D. Ga. 1967). See also *Vintage Society Wholesalers Corp.* v. *State Liquor Authority*, 311 N.Y.S. 2d 735 (Sup. Ct. 1970).

As noted above, the Civil Rights Act of 1964 has been relied on to attack discriminatory employment rules found in state legislation. In two cases, Federal courts have considered the impact of that Act on the "barmaid" type of law: In *Krauss* v. *Sacramento Inn*, 38 U.S. L. Week 2699 (U.S. D.C. E.D. Calif. June 15, 1970), the California statute was held to be valid despite the Act, relying on the *Goesaert* decision and the Twenty-First Amendment. In *McCrimmon* v. *Daley*, 418 F.2d 366 (7th Cir. 1969), however, the court held that the District Court had erred in dismissing plaintiffs' action to enjoin a Chicago ordinance as presenting no "substantial" federal question. The Circuit Court held that the complaint raised two substantial federal questions—a constitutional issue (not precluded by Goesaert because of a slight difference between the ordinance and the statute there tested), and a Supremacy question, under the Civil Rights Act. See also *Longacre* v. *State*, 488 P.2d 832 (Wyo. 1968), where the state had adopted a statute forbidding sex-discrimination in employment (along with race discrimination, etc.) after the "barmaid" statute was adopted. Although it could probably have harmonized the two, the court chose rather to hold that the later statute impliedly repealed the earlier, adding that were the legislature specifically to exempt bartending from the provisions of the Fair Employment Act, the constitutional question would remain.

Another occupational restriction occasionally challenged is the prohibition against women engaging in professional wrestling. In *Hesseltine* v. *State Athletic Bd.*, 6 Ill. 2d 129, 126 N.E. 2d 631 (1955), defendant was held not to be authorized by its enabling statute to restrict issuing of licenses to males; in so holding, the Court noted that it was not deciding the "serious" and "important" constitutional question that would be presented if the legislature had so acted. Two other opinions have upheld similar exclusion, however: *State* v. *Hunter*, 208 Ore. 282, 300 P.2d 455 (1956); and *Calzadilla* v. *Dooley*, 29 App. Div. 2d 152, 286 N.Y.S. 2d 510 (4th Dep't 1968). The Oregon opinion is particularly notable for the obvious approval with which the judge views a "predominantly masculine" legislature acting to preserve "manly arts and privileges' against "feminine encroachment." (208 Ore. at 287–88).

One other decision should be noted here: In *Shpritzer* v. *Lang*, 17 App. Div. 2d 285, 234 N.Y.S. 2d 285 (1st Dep't 1962), it was held that a policewoman was entitled under the relevant statute to take the examination for promotion to sergeant, the court expressing a view that to hold otherwise would result in the statute's constituting an unconstitutional deprivation of equal protection. The Court of Appeals, in affirming, 13 N.Y. 2d 744, 191 N.E. 2d 919 (1963), expressly did not reach the constitutional issue.

VI. *Public Accommodations.* Laws prohibiting females acting as bartenders may perhaps be open to attack as really designed to protect male bartenders from competition, rather than as merely expressing a desire to protect public morals. (See Kanowitz, *Women and the Law* 33–34 (1969). Less open to a change of "special interest" are statutes restricting the service of liquor to women in bars. Such statutes have been upheld in *Adams* v. *Cronin*, 29 Colo. 488 (1902); *Commonwealth* v. *Price*, 123 Ky. 1963, 94 S.W. 32 (1906); *People* v. *Case*, 153 Mich. 98, 116 N.W. 558 (1908); and *Laughlin* v. *Tillamook County*, 75 Ore. 506, 147 Pac. 547 (1915). (Before the *Price* case was decided, an earlier Kentucky ordinance had forbidden a woman to go into, or even to "stand around" within fifty feet of, any place where liquor was sold; this was held invalid as being an "unreasonable" and "unnecessary invasion of personal liberty," in *Gastenau* v. *Commonwealth*, 108 Ky. 473, 56 S.W. 705 (1900).) In what appears to be the only recent case of this type, however, a different result was reached. In *Gallagher* v. *City of Bayonne*, 106 *N.J. Super.* 401, 256 A.2d 61, *aff'd per curiam*, 55 N.J. 159, 259 A.2d 912 (1969), a city ordinance prohibiting a tavern owner from permitting women to stand at a public bar or to be served unless seated was declared invalid as an unreasonable exercise of the police power. Relying on an earlier decision invalidating the suspension or revocation of the license of a bar where homosexuals gather, the court held that no rational basis had been shown for the statute sufficient to justify its discriminatory treatment.

The Civil Rights Act of 1964 prohibited both sex and race discrimination in covered employment, but failed to specify a prohibition of sex discrimination in its public ac-

commodations provisions. In *DeCrow v. Hotel Syracuse Corp.*, 288 F. Supp. 530 (N.D.N.Y., 1968), plaintiffs' complaint alleging refusal of hotel bar to serve an unescorted woman was dismissed for failure to state a cause of action. The court stated that there was no State action. Thus the Fourteenth Amendment could not apply; the Civil Rights Act of 1964 prohibits sex discrimination in private employment, said the court, but not in public accommodations. In *DeCrow v. Hotel Syracuse Corp.*, 59 Misc. 2d 383, 298 N.Y.S. 2d 859 (S. Ct. Onondaga Co. 1969), plaintiffs tried again, this time claiming under the N.Y. Civil Rights Law. This action was also dismissed, on the ground that some of the statutory provisions invoked apply by their terms only to discrimination on the grounds of "race, creed, color or national origin," and that another cited section did not apply because the plaintiffs had not been refused service completely—they would have been served at a table, it was only *bar* service that was denied. In contrast to these decisions is *Seidenberg* v. *McSorley's Old Ale House*, 398 F. Supp. 1253 (S.D.N.Y. 1969), an action similar to the first *DeCrow* case (except that a complete refusal to serve was alleged). District Judge Tenney, refused to dismiss the complaint, holding that the extreme state regulation of the liquor trade raised at least a possibility of State action in this area (although the court was careful to point out that it was not holding that every person who held a state license to do anything was therefore *per se* engaged in "State action").

VII. *Public Education.* Proponents of sexual equality have charged that public educational institutions frequently discriminate against women in their admissions procedures; also there are a number of public colleges (mainly military schools of various sorts) which admit only one sex. Hearings, 574–75. Two recent Texas cases have upheld the exclusion of women from Texas A & M: *Heaton* v. *Bristol*, 317 S.W. 2d 86 (Tex. Civ. App.) *cert. denied*, 359 U.S. 230 (1958); *Allred* v. *Heaton*, 336 S.W. 2d 251 (Tex. Civ. App.) *cert. denied*, 364 U.S. 517 (1960). These cases appear to hold that the state educational system in general makes ample provision for women, making this particular discrimination permissible even if it were otherwise objectionable (which is not conceded). In the latter Texas opinion the court says, somewhat plaintively, "Surely the Supreme Court of the United States will not attempt to interfere with the public policy of the sovereign states of this nation in the management and control of their respective educational systems so long as such systems do not discriminate against color or race." (366 S.W. 2d at 261). In *Kirstein* v. *Rectors of Univ. of Va.*, 309 F. Supp. 184 (E.D. Va. 1970), however, a federal court agreed with the plaintiffs' contention that the state may not under the Fourteenth Amendment properly deny to women the educational opportunities afforded at the University of Virginia's Charlottesville campus, where such opportunities are not afforded to women elsewhere in the state (thus expressly avoiding the issue of "separate but equal" as a permissible standard).

VIII. *Jury Service.* There now appears to be no state in which women as a class are absolutely excluded from jury service. See Hearings, 726–27 (collecting and classifying laws relating to jury service for women, and exemptions therefrom). Such a statute has never been ruled upon by the Supreme Court, but there are dicta to the effect that such exclusion would be proper. *Strauder* v. *West Virginia*, 100 U.S. 303, 310 (1879) (holding exclusion of Negroes from jury service to be impermissible, but suggesting that various other kinds of distinctions—including exclusion of women—would be valid); *Fay* v. *New York*, 332 U.S. 261, 290 (1947) (very strongly worded dictum to the effect that women may be excluded from all juries, even to the extent of suggesting that the rights of women as a class are protected only by the *Nineteenth* Amendment); see also *Commonwealth* v. *Welosky*, 276 Mass. 398, 177 N.E. 656 (1931), *cert. denied*, 284 U.S. 684 (1932) (holding that the change in Massachusetts' suffrage laws effected by the Nineteenth Amendment does not automatically make women eligible jurors). In 1961, the Court did rule on a Florida statute which permitted women to avoid jury service by failing to declare their willingness to serve, although it did not *exclude* them. In *Hoyt* v. *Florida*, 368 U.S. 57 (1961), the Court, noting that exemption of women from jury service was widespread, ruled that it was not unconstitutional to do so; the Court did expressly avoid stating an opinion as to whether absolute exclusion was permissible. Seizing upon this reservation, a Federal District Court in 1966 invalidated Alabama's statute excluding women from jury service, in *White* v. *Crook*, 251 F.Supp. 401 (M.D. Ala. 1966). The court met the argument that the Fourteenth Amendment was not originally intended to reach sex discrimination by branding it as a "misconception of the Constitution and this Court's obligation in interpreting it"; the Constitution must be applied, stated the court, as a "living document" for "contemporary society." (*Id.* at 409). In Mississippi, which until 1968 had a similar statute, the State Courts held otherwise, *State* v. *Hall*, 187 So. 2d 861 (Miss. 1966) *appeal dismissed*, 385 U.S. 98 (1966). In *Bass* v. *State*, 381 F.2d 692 (5th Cir. 1967), the court assumed (for the purpose of discussion, and seemingly with substantial doubt on the issue) that it would follow *White* v. *Crook*, but still refused to permit removal of petitioner's case from the Mississippi State court, on the ground that the Federal statute in question applied only to cases where *racial* discrimination was involved. To the same effect as *Bass* is *Sinclair* v. *Louisiana*, 384 F.2d 310 (5th Cir. 1967), where it was claimed that Louisiana had followed a practice of systematic exclusion of women from juries.

IX. *Criminal Law—Sentencing.* Two early Kansas raised issues in this area. In *In re Dunkerton*, 104 Kan. 179 Pac. 347 (1919), the court upheld, as constitutional, a state law providing for the sentencing of women convicted of crime to an "industrial farm." In dictum, the court stated: "The legislature may very properly determine that women convicted of crime shall be less severely punished than men convicted of the same crime. The number of women that commit crimes is much smaller than the number of men committing similar crimes . . ." (104 Kan. at 484). At issue in *State* v. *Heitman*, 105 Kan. 139, 181 Pac. 631 (1919), was a statute providing that for a given offense a man was to be sentenced to prison for a definite term (in this case to be fixed at not more than six months or less than thirty days), while for a similar offense a woman should be sentenced to an *indefinite* term, to be confined no longer than the maximum fixed by law (i.e. in this case, six months). Female plaintiff claimed her sentence to be a violation of Equal Protection, but the statute was upheld, in an opinion devoted mainly to praise of modern penology; little was said about the sentence, except to describe the indeterminate sentence as the most progressive development in this field. Two decisions in other states reached the same result where statutes of this type were questioned: *In re Brady*, 116 Ohio St. 512, 157 N.E. 69 (1927) (the court equating sex-discrimination with age-discrimination where time and place of confinement are concerned); and *In re Gosselin*, 141 Me. 412, 44 A.2d 882 (1945).

Statutes of the same general type as that in the *Heitman* case have recently been held invalid in two other states, however, on the ground that they violate the Equal Protection Clause. The leading case in Connecticut is *U.S. ex rel. Robinson* v. *York*, 281 F. Supp. 8 (D. Conn. 1968), Granting a petition for writ of habeas corpus, the district court ruled that no valid legislative purpose was served by a law which in effect provided that women as a class must serve longer sentences than those permitted to be given to men. Paying deference to the Supreme Court decisions which have permitted sex discrimination of various types, the court nevertheless held that the statute must be subjected to strict scrutiny, remarking," . . . it is difficult to find any reason why adult women, as one of the specific groups that compose humanity, should have a lesser measure of protection than a racial group." (281 F. Supp. at 14). Accord, *U.S. ex. rel. Sumrell* v. *York*, 288 F. Supp. 955 (D. Conn. 1968), and *Liberti* v. *York*, 28 Conn. Sup. 9, 246 A.2d 106 (1968). In Pennsylvania, the same principle was applied (reversing a Superior Court decision) in *Commonwealth* v. *Daniel*, 430 Pa. 642, 243 A.2d 400 (1968).

The principle of the *Robinson* and *Daniel cases* has been extended in Pennsylvania to another area as well. In *Commonwealth* v. *Stauffer*, 214 Pa. Super. 113, 251 A.2d 718 (1969), plaintiff had been sentenced to serve her three-year term for involuntary manslaughter in Muncy, a state correctional institution. She claimed that the sentence was improper because a man sentenced to prison for the same offense would be imprisoned in the county jail, while she was being sent to what is in effect a state penitentiary. The court agreed, invoking the Fourteenth Amendment, and interpreting the *Daniel* decision as holding that women are in general entitled to equality with men in this area.

X. *Tort Actions.* The majority rule that a woman has no cause of action for loss of consortium in the case of injury to her husband, although the husband has one in the reverse situation, has been held by two Federal courts to be a denial of Equal Protection. *Owen* v. *Illinois Baking Corp.*, 260 F. Supp. 820 (D. Mich. 1966) (Michigan rule) and *Karczewski* v. *B. & O. RR. Co.*, 274 Supp. 169 (N.D. Ill. 1967) (Indiana rule). The latter has apparently been overruled, however, by the contrary holding in *Miskunas* v. *Union Carbide Corp.*, 399 F.2d 847 (7th Cir. 1968), *cert. denied* (three Justices dissenting), 393 U.S. 1066 (1969). The *Miskunas* opinion was relied on in *Duley* v. *Caterpillar Tractor Co.*, 44 Ill. 2d 15, 253 N.E. 2d 373 (1969), upholding against constitutional challenge a statute providing no Workmen's Compensation recovery (and no Wrongful Death Action either, in a case governed by the Workmen's Compensation law) for the *widower* unless he was completely dependent on his wife for his support, even though a widow is subject to no such requirement.

XI. *Miscellaneous. In re Estate of Legatos*, 1 Cal. App. 3d 657, 81 Cal. Rptr. 910 (1969) (statutory provision imposing state inheritance tax on property devised under certain conditions to a wife by the husband, where no corresponding tax is imposed on property so devised to the husband by the wife, held a violation of Equal Protection); *Reed* v. *Reed*, 93 Idaho 511, 465 P.2d 635 (1970) (state statute providing that the court is to prefer male over female when persons otherwise equally entitled to a selection apply to be named as administrator of a decedent's estate; held valid because it provides a means of avoiding the necessity for a hearing in such cases, and because it represents a reasonable judgment by the legislature that men in general are better equipped to serve as administrators than women are); *State* v. *Bearcub*, 465 P.2d 252 (Ore. 1970) (state statute prohibiting the sharing by a male over 18 of the subsistence or lodging of any female householder on welfare held not unconstitutional, despite the fact that it does not prohibit similar activity by a woman, the court remarking that "the Creator took care of classifying men and women differently,

and if the legislature accepts these differences in a matter like this, we are not prepared to say that the classifications thus made were without good reason").

CONFERENCE OF AFRICAN-AMERICAN DELEGATES

Mr. HUMPHREY. Mr. President, early this month a group of distinguished American and African elected officials gathered in Lusaka, Zambia, to discuss relations between African states and the United States. They had quite an agenda before them since the sad truth is that these relations are in desperate need of repair. The United States has for too long relegated the African continent to a low priority and never has this fact been more true than at the present moment. Our concern for the deteriorating racial situation in southern Africa somehow does not seem to fit into President Nixon's larger game plan; hence, the new Azores agreement with Portugal or the failure of the President to revoke the renewal of the sugar quota for South Africa.

The Nixon doctrine of self-reliance apparently means that we should fortify Portugal, as a member of NATO, through military assistance programs and be forgetful of the fact that Portugal uses this assistance in her efforts to squelch independence movements and assertions of political justice in the territories of Angola, Mozambique, and Guinea, Bissau.

In South Africa the Nixon doctrine has meant abnegation of an active role in promoting policies to assist in the achievement of basic human rights, particularly in the area of American investments.

In Rhodesia, American policy is like elsewhere in Africa—nondescript. The President failed to work actively for maintaining full economic sanctions against Rhodesia in compliance with the comprehensive and mandatory sanctions established by the United Nations in May 1968. Our Government has remained silent as the grave racial unrest and injustice in Rhodesia becomes more and more apparent.

The record is alarming, and the likelihood that the administration has any intention of reversing this trend is less than assuring. We must place our hopes with outside pressures and initiatives like the Lusaka Conference.

Out of my concern for recent developments in American policies toward Africa and my support of the Lusaka Conference, I sent a telegram to His Excellency Kenneth D. Kaunda, President of the Republic of Zambia. President Kaunda hosted the conference and has been a leader in the assertion of racial justice in southern Africa, as enunciated in the Lusaka Manifesto of 1969. Mr. President, I ask unanimous consent that my cable to President Kaunda and his kind reply be printed at this point in the RECORD.

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

ZAMBIA, AFRICA.

His Excellency KENNETH D. KAUNDA, *President of the Republic of Zambia.*

DEAR MR. KAUNDA: My congratulations and best wishes to you, your distinguished guests from the United States and other members of this first meeting of African American representatives. This conference provides an urgently needed opportunity for frank discussion of relations between African states and the United States. Your leadership is appreciated, Mr. President. You have spoken so articulately and reasonably to the world about racial equality and self-determination.

Most Americans, who, like myself, are devoted to many of the ideals enunciated in the Lusaka Manifesto, strongly disapprove of many aspects of current American policies affecting Africa. I deplore, for example:

1. Withdrawal of U.S. representation from the United Nations Committee on Colonialism.
2. Relaxation of the arms embargo on South Africa.
3. Erosion of our commonality of interests in United Nations votes on key African-endorsed issues.
4. Renewal of the sugar quota.
5. Acceptance of the chrome amendment.
6. The recent Azores agreement with Portugal.

Hopefully, this conference will address these and other problems in African-American relations.

I will be highly interested in your recommendations, and I intend to do all I can to correct these policies.

HUBERT H. HUMPHREY.

STATE HOUSE,
THE REPUBLIC OF ZAMBIA,
Lusaka, January 25, 1972.

Hon. HUBERT H. HUMPHREY,
U.S. Senate, Washington, D.C.

DEAR MR. HUMPHREY: I write to thank you very sincerely for your message cabled to me on the occasion of the convening of the Conference of African and American Representatives held in Lusaka, in January, 1972.

I was touched by your kind sentiments of tribute to me on my stand on the twin questions of racial equality and self-determination.

We in Zambia have always deplored the inadequacy of U.S. policies towards African issues in general and the unfolding crisis in Southern Africa in particular. We therefore welcomed the opportunity to host a Conference whose objective it is to promote understanding and mutual confidence between Americans and Africans against the background of the major issues which are bound to shape the relations between the two continents.

On the other hand, we do not for one moment, have any illusions as to the limitations which recommendations passed by such conferences and similar bodies may have on the orientation of U.S. policies towards Africa. We remain consoled however, by the thought that in people like you who are not only leaders of the U.S. but also outstanding and influential world statesmen, we have friends from whom we can draw support and encouragement.

I thank you once again for your thoughtful and considerate message.

Yours sincerely,
[signed] KENNETH D. KAUNDA,
President of the Republic of Zambia.

Mr. HUMPHREY. This conference met in the spirit of the Lusaka Manifesto, a spirit which has been noticeably absent in our own Government's policies but one which I would like to see reinstated:

We believe that all the peoples who have made their homes in the countries of southern Africa are Africans, regardless of the colour of their skins; and we would oppose a racialist majority government which adopted a philosophy of deliberate and permanent discrimination between citizens on grounds of racial origin. We are not talking racialism when we reject the colonialism and apartheid policies now operating in those areas; we are demanding an opportunity for all the people of these states, working together as equal individual citizens, to work out for themselves the institutions and the system of government under which they will, by general consent, live together and work together to build a harmonious society.

SUPPORT FOR VOTER REGISTRATION BILL

Mr. McGEE. Mr. President, the other day I received a letter from Mr. Hyman Bookbinder, the Washington representative of the American Jewish Committee. His letter indicated the committee's support for the voter registration bill, S. 2574.

Enclosed with the letter was a copy of a program proposal by the American Jewish Committee to President Nixon for his Bicentennial Commission. The proposal asks President Nixon to make one of the central goals of the Bicentennial Commission greater participation in our democratic process. They entitled the proposal "100 Million Voters by '76." Obviously, the goal of the bicentennial proposal and S. 2574, the voter registration bill, are the same, namely to increase our country's democratic participation.

The desire to have 100 million Americans participate in the selection of their Government is in no way an unreasonable desire. One hundred million voters would mean a turnout of 83 percent of the voting age population. This degree of participation would merely put us abreast with most of the other democracies of the world. Even with this 20-percent increase in our voter participation we would still be lagging behind the 89-percent voter turnout in Sweden and Denmark, the 86-percent turnout of New Zealand and Germany, and many other nations. Such an increase would at least remove us from the position of last place among the world's democracies as regards democratic participation.

The program proposal of the American Jewish Committee goes into detail explaining the rationale for their conclusion. The points that it makes are a serious commentary on our Nation's democracy and are well worth reading.

If there is no objection, I ask that the program proposal for the Bicentennial Commission entitled "100 Million Voters by '76" be printed in the RECORD.

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

A PROGRAM PROPOSAL FOR THE BICENTENNIAL COMMISSION: 100 MILLION VOTERS BY 1972

The American Jewish Committee agrees with President Nixon that the 200th anniversary of the birth of our nation should be taken as an opportunity to make a dedicated effort to fulfill those national aspirations yet unattained. Recognizing the importance of the electoral process as the cornerstone of American democracy, we urge that one central goal of the Bicentennial be greater participation in the political process, with special emphasis on the fullest possible exercise of the right to vote.

The AJC urges the Bicentennial Commission to initiate at once a program involving both public and private efforts to best realize the objective of full electoral participation. *As a symbol of this goal, we propose that we seek to involve at least 100 million voters in the Presidential election of 1976.*

In 1968, seventy-three million citizens voted their choice for President and Vice President, but there were an additional 47

million Americans old enough to vote who did not vote. This voting participation rate of 61 percent is substantially below that of most democratic nations.

We seek to increase the number of American voters, but we must seek more than an increase in numbers. There must be also an increased involvement in every phase of the political process if we desire an increased confidence in our political system.

One of the great guiding themes of our democracy is that government "derives its just powers from the consent of the governed." There is no greater single manifestation of that consent than the vote. Yet, the tragic fact is that in the 1968 Presidential election only 3 out of 5 eligible Americans registered their consent, or lack thereof, to the programs enunciated by candidates for the highest office in the land. More than one-half of the nonvoters in the 1968 Presidential election, moreover, reported that they were simply not interested in voting. At a time when the decisions of our government vitally affect all our people, the sense of alienation, disaffection or apathy that such non-participation conveys is a tragic commentary on our times. Quite simply, people who vote feel that they have a stake in and a sense of connection to the government. People who don't vote are saying that they as individuals do not count or, what is worse, that the democratic institutions do not count. Much greater efforts must be made, therefore, to persuade these nonparticipants that an individual's vote does count, and, at the same time, that it can be made more effective and meaningful.

The national participation rate of 61 percent is bad enough; the rate for state and local, including Congressional, elections is even worse. In most local elections less than half of the potential votes is cast. Every town, county, and city must be brought into this national effort to increase and deepen water participation.

Not all of the voting gap is due to indifference, of course. Obstacles to voting, whether due to racial discrimination, residency requirements, or other factors, must finally be completely eliminated.

The 100 million goal

As a dramatic symbol of our concerns, and as an ambitious yet realistic undertaking, we recommend that at least 100,000,000 voters in the elections of 1976 be declared as a Bicentennial goal. The goal is clearly attainable:

If the present participation rate of 61 percent continues until 1976, about 8 or 9 million additional voters would participate that year as a result of population growth alone; if the 18-year-old vote is operative that year (a goal which AJC enthusiastically supports), this would add about another 5 or 6 million voters.

These two developments alone would increase the total vote to about 87 or 88 million.

Increasing the participation rate to about 70 percent from the present 61 percent would add another 13 or 14 million voters in 1976—thus reaching the 100 million goal. As the following will indicate, this should be possible if a concerted drive is conducted over the next six years.

Of the 47 million Americans who failed to vote in 1968:

About 8 million were actually registered but failed to vote;

About 8 million more were unable to register under state eligibility requirements, of whom 5 million were eliminated because of state residency rules;

About 31 million either did not even try to register to vote or were prevented from so doing, for one reason or another.

If 11 million of these 47 million had voted in 1968, the participation rate that year would have been 70%. Surely, this should have been possible.

RECOMMENDATIONS

We recommend that a broad array of programs, involving all the major groups in American society—government at every level, the educational system, the political parties, business, labor, the wide range of civic and social organizations, the media—be developed to:

1. Increase the number of people involved in the electoral process;

2. Encourage participation by a greater number of people in the larger political process, i.e., party primaries, caucuses and conventions; campaigning; voter-registration drives.

3. Enhance the quality of voter participation through a program of education in the essential processes of democracy and the great documents on which they are founded.

Closing the minority voting gap

Due primarily to the 1965 Voting Rights Act—but due also to greater voter consciousness and confidence in the electoral process—the Sixties saw an increase of over 1½ million Negro voters in the South. The significance of this trend is clearly evident in the fact that the number of black elected officials in the 11 Southern states rose from 70 in 1965 to more than 500 in 1968. In turn, this pattern has further increased interest in the electoral process and even higher registrations can be expected in the years ahead.

But the voting participation rate for Negroes, for Puerto Ricans, for Indians, for Spanish-speaking Americans remains substantially below that of the general populace. Renewal of the Voting Rights Act for another five years (and with the addition of a national ban on literacy tests) should provide the basis for continued gains in minority voting patterns. But rigorous enforcement by the Federal government must be pursued if the full effect of the law is to be realized.

Federal law alone, however, will not produce the level of black and other minority voting needed to close the gap. Every ruse to disenfranchise the minority citizen (de jure or de facto) must be eliminated: redistricting, use of at-large elections, obstacles to becoming candidates or delegates, rigged nominating and related procedures, lack of adequate polling facilities—to say nothing of continued use of harassment and intimidation to discourage registration or voting.

Youth—A special challenge

The American Jewish Committee is pleased to note that the likelihood of lowering the voting age to 18 has been greatly increased as a result of the Senate's action in adding this provision to the Voting Rights Act. If the House should refuse to go along—and it is our hope that it will go along—then the Congress should proceed immediately to initiate the Constitutional amendment process toward the same end.

Whatever else might be said about today's youth, it is more informed and more involved in the major issues of our times than any preceding generation. But it is not sufficiently involved politically. It therefore too often looks for and adopts extra-political and extra-legal ways to correct the social ills which it perceives. The very preservation of our democratic way of life may depend on the success we have in bringing our young people into the political process—not only in that final act of voting, but in the full range of political action.

While we work toward a lowering of the voting age, it is important to cite the fact that the youngest group of those now eligible to vote actually have the lowest participation rate. In 1968, the 21–24 age group had only half the participation rate as those in their middle-age. This regrettable fact, instead of being used as an argument against lowering the voting age, reminds us rather that making the vote possible is only one-half the job facing us; we must make the vote seem relevant and significant.

Residency obstacles

In the 1968 Presidential election, about 5 million otherwise eligible voters were barred from voting because of state residency requirements. In this mobile society of ours, over 20 percent of all Americans move every year. It is therefore only right that new state residents be allowed to vote in a Presidential election, regardless of the length of time they have resided in the new state.

Similarly, in state and local elections there should be the least possible restrictions on the right to vote because of residency.

Facilitating voter participation

More important even than elimination of literacy tests is the elimination of illiteracy itself if full and meaningful participation is to be achieved. While there are of course other vital reasons for the total eradication of illiteracy in America—and this might well be a major Bicentennial program itself—greater political sophistication and discrimination requires the ability to read, to understand, to communicate.

Both government and the private sector should develop improved programs to foster better understanding of the rights and duties of citizenship and the significance of voting. Better use should be made of programs of adult education, literacy and community action which are administered, at the Federal level, by HEW, the Departments of Labor and Agriculture, and the Office of Economic Opportunity. At the State and local levels, there are innumerable activities that could appropriately add or extend citizenship education. There is almost no limit to what more could be done by the hundreds of national private organizations—religious, women's, veterans', student and youth, fraternal, etc.

The proposal for a National Election Holiday should be given careful consideration and, if found feasible, enacted in time for the election of 1976. Further study should be encouraged on most appropriate hours for registration and/or voting, location of voting facilities, greater use of absentee ballots, and every other aspect of the electoral process which could affect the level of participation. Both the business and the labor communities should examine what more they could do to increase participation.

Challenge to State and local governments

The Bicentennial Commission should urge every state and local jurisdiction to become part of this program. If the 100,000,000 goal is to succeed, every county in the nation should set a goal for itself—not only one for 1976, but interim goals for every year till then. Governors should charge each state Bicentennial Commission with particular responsibility for this program. As indicated above, political participation rates in many states and localities is shockingly low.

And to educational institutions

The role of education in expanding and improving the electoral process is self-evident. From the grade schools through graduate work, there is an urgent need for improved curricula, for better materials, for easier access to people and information. Efforts should be made to involve the students actively in some aspect of the political process, as well as in the classroom.

The political parties have major responsibility

After all is said and done, of course, the prime responsibility in a free society must be that of the political instrument itself. Government can and should eliminate barriers. But it cannot force participation. We do not seek to achieve the 99% participation rates of totalitarian regimes—at the cost of our freedom. The parties in a democratic

society, moreover, must not be authoritarian or totalitarian themselves.

Each of our parties should be encouraged, during this Bicentennial period, to make an active effort to encourage young people, new voters, Blacks and other minorities, and all other groups that have hitherto remained pretty much outside of the political process, to participate in party activities, from the precinct level to the national committee level.

If each poential voter is to take that crucial step of voting on Election Day, he must not be permitted to feel that the final choices available to him were decreed by a handful of individuals, that his views and preferences had not been solicited, that the real issues of the day had not been truly involved in the selection of candidates.

Each party must examine its entire structure and its operations—to make sure that they are fully responsive to the needs and the desires of the citizens who support that party.

CONCLUSION

As the nation's oldest human relations agency, the American Jewish Committee is deeply committed to the democratic system. We are disturbed by evidences of alarming numbers of people who have abandoned faith in the ability of that system to provide justice and progress and security. Their disaffection, their alienation, their apathy is too frequently reflected in their failure to participate in the political process, especially in exercising their right to vote.

We urge the Bicentennial Commission to set as one of the goals in its general plan "to fulfill those national aspirations yet unattained" the fullest possible participation by all Americans in the political process which our Founding Fathers so carefully designed, including the power to effect changes in that process itself.

As a symbol of that greater participation, we have proposed the goal of 100,000,000 voters in the Presidential elections of 1976. With such increase in numbers, moreover, we hope that at every step in the political process there will be greater and deeper involvement by more Americans. These goals will be achieved only if government at all levels, our private institutions, the media, and our educational institutions all play an active role. We are confident that, in such an effort, all of these institutions will indeed do their part. They should be challenged to do so.

THE YOUTH FOR UNDERSTANDING PROGRAM

Mr. BIBLE. Mr. President, it is a privilege to join in today's recognition of the Youth for Understanding program. This international student exchange program bringing youngsters here from foreign countries and giving American students a similiar opportunity to live and study abroad is an effective and successful activity, judging reports from my own state of Nevada.

In Reno, Mr. and Mrs. Clint Howard inaugurated the program in Nevada when they accepted a Brazilian student into their home for 6 months last year. They have become so enthusiastic about the program that the wife, Beverely, has accepted the post of area representative.

Mrs. Howard tells me another YFU student from Switzerland is now living in Reno for 1 full year's study at Reno High School. And she has been busy lining up more. By the second school semester she expects to have South American students attending every high school in Reno and in the nearby communities of Fallon, Stateline, and Minden.

In addition, a Reno girl who is graduating from high school in June has been accepted in the Thirteenth Year Study Abroad program.

My commendation to the Howards and other fine Nevadans who are making this program work so well.

The Youth for Understanding program gained public attention last summer when the Reno Evening Gazette interviewed the young Brazilian who stayed with the Howards. To illustrate the goodwill this program is creating I ask unanimous consent that the news story be printed in the RECORD.

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

[From Reno Evening Gazette, July 19, 1971]

TO A BOY FROM BRAZIL, RENO'S SOME CITY!

EDITOR'S NOTE.—Following is a team reporting effort by Teen-age Opportunity Program students Cheryl Martinelli, Steve Martarano and Wayne Melton, all 15, who are spending the summer at the Reno Evening Gazette learning about journalism. All three conducted a press conference with exchange student Alberto Rodrigues. The final story was written by Miss Martinelli.)

What does a foreigner think of the "Biggest Little City in the World?"

To a Brazilian boy, Reno is an exciting and beautiful world in itself.

Alberto Rodrigues, a 16-year-old foreign exchange student, has come to Reno from Florianopolis, Santa Catarina in Brazil on the Youth For Understanding Program. He came here Feb. 7 and will be leaving July 13.

He has been living with the family of Mr. and Mrs. Clint Howard at 1495 Alturas St.

"There is no way I can tell you how nice these people have been to me. It's been unbelievable," he said of his hosts.

Howard said of Rodrigues, "We have certainly enjoyed having him. Alberto has a very even disposition and he was able to adjust to our ways. My three sons got along very well with Alberto. They pretty much went their own ways and never had any fights.

"We have fun comparing things in America to things in Brazil," Howard said.

STUDENTS HELPFUL

A junior at Reno High School this past semester, said he found the students very nice and helpful. But he said there are a lot of differences between Reno schools and Brazilian schools.

"When I first came here, I thought everyone would be asking me if I needed help in my school work, but I find American students are more independent in their studies and work primarily on their own," he said.

"I prefer my school where you get more help and learn more because everyone works together. When we study we have partners."

The subjects he studied in Reno were art, Spanish, algebra, history, chemistry, English, and physical education.

"At our school, we have 13 subjects, 11 of which we have to take. We also have a rotating schedule so we don't have the same classes everyday," he continued.

The only thing he finds wrong with Reno is the drug problem and racial discrimination, he said.

"We don't have much of either in Brazil," he said.

Rodrigues plans to go to college because, as he says, "You can't get anywhere in Brazil without going to college."

He is like any average American teen-ager, has the same likes and dislikes, and generally does about the same things.

He enjoys today's rock music and his favorite rock group is Creedence Clearwater Revival. He is fascinated by today's fashions.

His favorite food is lasagna, but he likes most American food.

He went to Disneyland and said he had the "time of his life.

"I don't see how anyone who goes there can not have fun. It's a place everyone should go see sometime in his life."

RECEIVES VISITOR

A friend of his from Brazil who is an exchange student in California came to visit and went to Disneyland with him.

He says Brazil has almost the same sports as this country does. He loves to play baseball, basketball, speedaway which is similar to soccer, and table tennis.

"I am modest, but I'm pretty good at them," he said.

When asked what he does in his spare time he said, "I like to ride my bike around Virginia Lake."

Rodrigues enjoys parties because in Brazil, they start at 11 p.m. and end at 3 a.m. He says American parties aren't as much fun because they start at 7 p.m. and end at 11 p.m.

In Brazil there is no limit to the drinking age.

He also finds the American style of dating to his dislike. He prefers going out at night with a large group of people to a special night club they have in Brazil for persons of their age.

PLAYS FIELD

"That way you can have 15 girls to talk and dance with if you want, instead of one girl for the whole night," he said.

He also likes the snow around Reno. In Brazil, it only rains.

He enjoyed his trip to Virginia City, but thought the town was a little mixed up because of the real old buildings with modern slot machines inside.

"I wish I was 21 so that I could play the slot machines. Even though I would just throw my money away, I think it would be fun."

During his stay, he has visited San Francisco, Los Angeles, Detroit, Carson City, and many historical places of interest in Nevada. When he leaves he will go through Chicago and New York.

When asked about the exchange program, he said. "If you ever have the opportunity to go to another country on this program, don't miss it. It's the chance of a lifetime and probably the best thing that will ever happen to you.

"You meet so many new people, see so many new places, and learn so many new things that it's just unbelievable."

He said that he can hardly wait to get back home to Brazil, but hopes to someday return to the United States.

THE EXISTENCE OF THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, on January 12, 1951, 21 years ago, the International Convention on the Prevention and Punishment of the Crime of Genocide went into effect. At present there are 75 nations party to the Genocide Convention, including almost all of our NATO and SEATO allies. Americans who have traveled abroad to Western Europe, Canada, or Mexico have been in countries where the Genocide Convention was in full force.

There is no need to engage in speculation about the possible effects of the Genocide Convention on the United States. Instead we can look at the countries that have ratified the convention and see how it has actually affected them. Many are democracies; some have

federal forms of government. Their experience with the convention should give us the basis for making a realistic assessment of the impact of the convention on the United States.

Has any citizen of any of these 75 nations been tried by an international court on charges of genocide? No. Has any citizen of these countries ever been extradited to a communist country to stand trial for Genocide? No. Has this convention abridged the freedoms of speech and assembly of the citizens of these countries? No. Has this convention disrupted the federal structure of those federated nations which have ratified it? No. Nor will the Genocide Convention do any of these in the United States either.

American ratification of the Genocide Convention will put the United States formally on record as opposed to the crime of mass murder. It is not enough to say that we are opposed to genocide. We should do something about it. Ratification of this treaty is a good, constructive action we can take. Mr. President, I urge the Senate to ratify the Genocide Convention without delay.

ADVICE TO CONSUMERS ON LAUNDRY DETERGENTS

Mr. HART. Mr. President, last fall the Subcommittee on the Environment held 4 days of hearings on detergents as a part of our consideration of toxic substances legislation now before the Congress. The distinguished Senator from Virginia (Mr. SPONG) who chaired the hearings, has since sifted the evidence compiled at the hearings and prepared a report to the full Committee on Commerce. His report is a clear summary of the safety and environmental issues involved. It attempts, in layman's language, to advise the consumer which laundry product to use and the reasons for so doing.

Because of the widespread interest in this subject and the confusion surrounding it, I ask that an excerpt from Senator SPONG's report "Advice to Consumers on Laundry Detergents," be printed in the RECORD. We have all, I am sure, been asked by our constituents about the detergent-water pollution controversy. Senator SPONG's report gives solid documented facts on which to base some answers.

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

ADVICE TO CONSUMERS ON LAUNDRY DETERGENTS—A REPORT TO THE SENATE COMMITTEE ON COMMERCE

(Prepared by Senator WILLIAM B. SPONG, Jr.[1])

ENVIRONMENTAL EFFECTS OF CURRENTLY MARKETED PRODUCTS[2]

Phosphate detergents contribute to eutrophication (the process by which lakes age by becoming choked with vegetation and filled with sediment) in some bodies of water. Accelerated eutrophication can create large masses of floating algae which give off foul odors when they decay. There are differences of opinion as to just how much damage the phosphates from detergents contribute and to just how many bodies of water; but until these differences are resolved, it seems sensible to err on the side of caution in the use of any detergents containing phosphate.

In waters in which phosphorus is the "limiting nutrient" (that element which controls the rate of growth of algae and other aquatic vegetation), the use of phosphate detergents will contribute to eutrophication in the immediate future, even when it is planned eventually to use the best available phosphate control technology in sewage treatment plants. Consumers should therefore avoid the use of phosphate detergents whenever possible in those areas until such treatment facilities are installed. When, because of one of the considerations referred to below, it is not possible to avoid the use of the phospate detergents in certain situations, the consumer should read the labels *carefully* and (1) select that phosphate detergent with the lowest phosphate content which works and (2) use the least amount possible to get a satisfactory wash—which is often far less than the amount recommended on the box.

While the use of phosphate detergents is clearly most worrisome where phosphorus is "limiting", it would be advisable to reduce the use of phosphates in *all* eutrophied areas. Even where it is determined that another nutrient is the critical element, a decrease in phosphate use could serve to reduce the eutrophication problem.[3]

In fact, phosphate detergents could be damaging even where no eutrophication problem is evident. Since many of our receiving waters are potentially eutrophiable, the presence of phosphate in a detergent should generally be regarded as a "minus" from the standpoint of environmental protection.[4]

The use of soap can create environmental problems, but these are generally less worrisome than those associated with phosphates. The problems arise from the demand for oxygen which soap exerts on receiving waters. Because of soap's high "BOD" (biological oxygen demand)[5] excessive soap wastes may rob fish of needed oxygen. To minimize these wastes, consumers should use only so much of the product as is necessary to get the job done. This is generally good advice no matter which laundry product is used.

Whether or not the use of soap will cause environmental problems in any particular area will depend on the quality of the receiving waters and the caliber of treatment facilities. Waters vary significantly in their oxygen content; facilities vary significantly in their capacity to remove BOD loads. It therefore is very difficult to generalize as to when the use of soap will create environmental harm. Consumers interested in avoiding such harm would be well advised to contact their state or local pollution control authorities[6] to determine the particular risks involved.

There is one generalization, however, which in my view is justified. Subject to a single major exception, it appears that a shift from phosphate detergents to soap in both eutrophied and non-eutrophied areas normally will benefit the environment.[7] That exception is the case where (1) the additional use of soap will aggravate a known BOD problem and (2) eutrophication is neither present nor imminent. (Local pollution authorities will generally be aware of when this situation does or does not exist). This general conclusion rests on several basic considerations: (1) that soap does not contribute to eutrophication; (2) that the extent of the damage from eutrophication is potentially greater than that resulting from an excess of BOD;[8] and (3) that the BOD resulting from the use of soap may not be significantly greater than the BOD associated with detergent use.[9]

The environmental effects of currently-marketed non-phosphate detergents, most of which are carbonate based, are unknown at this time. Very little environmental testing has been conducted. Thus far no major problems have emerged. Non-phosphates contribute a BOD load which may not be significantly less than that of soap.[10]

GENERAL SAFETY OF PRODUCTS

To determine the safety of a detergent, the consumer should read the cautionary label on the box. This can be relied on as a general rule.[11]

The label suggests essentially three categories of safety among laundry products. The safest are those which require no warning label at all. Here the risks involved are no greater than minor irritation to the eyes. Examples[12] of products falling within this category are the major currently marketed soaps (e.g., Ivory, Lux, Duz, Giant Soap, Fels) and many of the major phosphate detergents (e.g., Tide, Cheer, Breeze, Drive, Cold Power). These are the preferred products from the standpoint of safety.

The second category consists of products with "caution" (rather than "warning" or "danger") labels. While most of these can result in minor irritation if used incorrectly, they can still be considered "safe" since the risk of serious illness or permanent injury to the healthy child who eats the detergent or rubs it in his eyes is negligible.[13] Since the risk is not non-existent,[14] however, these products must be considered inferior to those in category one from the standpoint of safety. They should definitely be avoided whenever a child in weakened condition or precarious health could come in contact with them.[15] Examples include the remaining major phosphate detergents (e.g., Fab, Liquid Cold Water All, Liquid Wisk) and many of the non-phosphates (e.g., Sears, Montgomery Ward's Lo-Suds. Amway SA-8, T-Rif, Spring Clean).

The third category, products requiring "warning" or "danger" labels, is more harmful than either of the first two and ought not to be used unless there are no small children around or the detergent is always kept out of their reach. Even in the case of these detergents, the hazard to adults is minimal, because harm results only from flagrant misuse.[16]

In sum, currently marked soap is safe;[17] phosphate detergents are generally safe although the degree of hazard varies among the products; non-phosphates are generally more hazardous, and again there is considerable variation. Whatever is used, the label should be read and the cautionary instructions strictly followed.

EFFECTIVENESS

(a) *General.*—The evidence here is unsatisfactory. From the best available, it appears that phosphate detergents are effective in both hard and soft water. The evidence regarding the effectiveness of non-phosphate detergents is conflicting. Soap is effective in hot soft water.[18] It may also be effective in hot hard water,[19] but additional evidence on this point is needed. Water, of course, is not just hard or soft—there is a wide spectrum. To the extent that any problems exist with the effectiveness of non-phosphate detergents and soap (for example, the "graying" of clothing), they are likely to vary directly with the hardness of the water. A mechanical water softener, although initially expensive to install, will improve the performance of some laundry products, will avoid problems of the build-up of deposits which may be experienced in hard water with soap and non-phosphate detergents, and will allow the use of lesser amounts of the cleaning agent. Information on the effects of the various laundry products on the durability of fabrics, particularly the newer synthetics, is insufficient to make general recommendations

(b) *Effect on Washing Machines.*—Phosphate detergents apparently have no ill effects on washing machines either through corrosion or build-up. Soap is not corrosive, and it does not create any build up problems in the machine where the water is soft.[20] In hard water, however, there may be build-up problems. The build-up does not appear to damage the actual machine parts, but it may

Footnotes at end of article.

break away from the washing machine and redeposit on clothing, contributing to "graying." [21] If a significant build-up from the use of soap does occur, an occasional non-precipitating water softener rinse run through the empty machine to remove the accumulated deposit has been suggested,[22] but this should be used judiciously because of the very high phosphate content of Calgon and other water softeners of this sort. The evidence on non-phosphate detergents is conflicting. It has been alleged that they corrode aluminum machine parts, but this is debatable.[23] It appears that in soft water no build-up occurs; but when the water is very hard, there may be a problem.[24] In such cases a non precipitating water softener rinsed through the empty machine may remove the deposits.[25]

FIRE-RETARDANT FABICS

In general, current flameproofing treatments for children's sleep-wear are not affected if washed with a phosphate detergent. The use of soap and non-phosphate detergents [26] does appear to reduce flame-retardant qualities, and these products should not be used on flame-retardant fabrics unless the washing instructions with the garment say that they will not affect the finish.

One synthetic fabric (Nomex) is now on the market which appears to resist fire after washing under almost all conditions of water hardness using non-phosphate or phosphate detergents.[27] The effect of soap on the flame-retardant characteristics of this fabric has been investigated only in relatively soft water. There was no reduction in flame retardancy in soft water, but until the fabric has been tested with soap in hard water, the consumer would be wise to use a detergent on it. The current availability and cost of the fabric prohibit its widespread use.

Since flame-resistant clothing constitutes only a fraction of the average household's laundry, it would be sensible in many cases to use soap or a non-phosphate detergent for the majority of the wash, reserving the flame-retardant clothing for a separate wash and using phosphate detergent only for those garments.

ADVICE

Based on this summary of facts, some general advice can be given to consumers regarding which of the currently marketed laundry products to use in different situations. In the chart following, choices are ranked in order of preference in terms of environmental impact and safety in both eutrophied and non-entrophied areas. As can be seen the general thesis is that—subject to the exceptions referred to—soap is the preferred product in terms of safety and environmental considerations. As has been discussed, it is a safer product than all of the major currently-marketed non-phosphates. While it is no safer than many of the phosphate products, it is, with the exceptions noted, superior environmentally.

The chart makes no representations with regard to effectiveness, since the evidence here is admittedly inadequate. Whenever the consumer finds the preferred product unsatisfactory in this regard or excessively costly (as might be the case if a mechanical water softener is needed) then the next choice might be tried.

The "extent of eutrophication" or "the amount of extra BOD" obviously are matters which are beyond the ken of the average consumer. State and local pollution control officers,[28] however, will generally be able to provide the needed information and advice on these questions. These offices can be relied on to give more detailed accounts of specific environmental situations which the chart, for simplicity's sake, depicts in black and white terms. They are thus equipped to offer more finely-honed recommendations than those provided by the chart.

FOOTNOTES

[1] The Subcommittee on the Environment of the Senate Commerce Committee held four days of hearings on detergents in October and November, 1971, which I was privileged to chair. Large issues were raised in those hearings as to the direction in which the nation should move to prevent environmental and health damage from detergent use. Whereas many differences of opinion surfaced on these questions, all were agreed that the nation's housewives are presently confusd as to which laundry product least threatens health and the environment. This report to the full Committee on Commerce is an effort to provide some guidance on this matter. Recognizing that the solution to the detergent problem may lie in future legislative initiatives, in increased research, in additional facilities for waste treatment or in other advances, the report takes the existing situation with its deficiencies and attempts to advise consumers as to what to do about it now.

[2] When products are referred to, it is assumed that they are formulated as they were at the time the report was written. If formulations change significantly, the references to the products in question may be rendered obsolete.

[3] Although phosphorus is not in these cases the limiting nutrient, it may sometimes be possible to reduce it sufficiently to make it the limiting nutrient. That element which is limiting is that one which is in the least supply relative to the amount needed for the growth of algae. For example, nitrogen may be the element controlling eutrophication in one area, but if phosphorus is reduced sufficiently, it may then become limiting. Once this point is reached, any further reduction can serve to reduce the eutrophication problem.

[4] Bartsch, Dr. A. F., Director, National Environmental Research Center, Environmental Protection Agency, Corvallis, Oregon. Letter to Senator Spong, December 23, 1971.

Commoner, Dr. Barry, Washington University, St. Louis, Missouri. Telegram to Len Bickwit, December 22, 1971.

[5] Bunch, Dr. Bobert L., Chief, Biological Treatment Research Program, Environmental Protection Agency, National Environmental Research Center, Cincinnati, Ohio. Memorandum, "Soap and Waste Treatment," December 10, 1971. Dr. Bunch calculates the potential increase in BOD from the use of soap rather than detergents in waters of average hardness.

[6] For the best available information, consumers should contact the state agency with primary responsibility for water pollution control. (See list in Appendix A) These agencies will have all necessary information on the quality of the receiving waters and most probably also will know the caliber of the local waste treatment facilities in question. If they are not familiar with these facilities, they will be able to advise on where this information is available. To simplify matters, it is hoped that state and local authorities will publicly announce information of this sort so that individuals will not need to inquire.

[7] Bartsch, Dr. A. F., Director, National Environmental Research Center, Environmental Protection Agency, Corvallis, Oregon. Letter to Senator Spong, December 23, 1971.

Jaworski, Dr. Norbert, Director, Grosse Ile Laboratory, Environmental Protection Agency, Office of Research and Monitoring, Gross Ile, Michigan. Telegram to Senator Spong, December 27, 1971.

Commoner, Dr. Barry, Washington University, St. Louis, Missouri. Telegram to Len Bickwit, December 22, 1971.

Dr. Commoner states that a shift to soap would be of benefit in both eutrophied and non-eutrophied areas. Dr. Bartsch reaches the same conclusion with regard to lakes. Dr. Jaworski's view is that a shift in eutrophied areas would be beneficial; he takes no position on the advisability of a shift in non-eutrophied areas.

[8] Jaworski, Dr. Norbert, Director, Grosse Ile Laboratory, Environmental Protection Agency, Office of Research and Monitoring, Grosse Ile, Michigan. Telegram to Senator Spong, December 27, 1971.

Katz, Dr. Max, Research Professor, College of Fisheries, University of Washington, Seattle, Washington. Letter to Lee R. Tyner, December 21, 1971.

In his letter Dr. Jaworski states that while oxygen depletion and resulting fish kills and odor problems can be caused either by eutrophication or by the excessive BOD of organic wastes, only eutrophication produces large unsightly masses of floating algae. Dr. Katz notes that the organic matter from soap breaks down to carbon dioxide and water, after which it will no longer have an effect on the system. Phosphates can perpetuate a eutrophication problem by triggering recurring cycles of algae growth, since when algae decays, the phosphorus is released and made available for a new crop of algae.

[9] Commoner, Dr. Barry, Washington University, St. Louis, Missouri. Telegram to Len Bickwit, December 22, 1971. Dr. Commoner states that in most cases primary sewage treatment will remove that portion of the soap which has reacted with the hardness ions in the water to form curd. What is left will be the dissolved soap, which is assumed to be approximately equal in amount to the LAS surfactant in detergent (see reference 5). He estimates that the BOD from detergents and that part of the soap which has passed through primary treatment would differ by roughly 10%, and that there is thus little reason to expect an appreciable change in effective BOD if detergents were replaced by soap.

It could be argued, however, that there are occasions when more of the organic material will pass through the treatment plant. Not all sewage treatment plants provide primary treatment. Moreover, skimming the soap curd from the surface may not be 100% effective. In soft water areas excessive soap may be used by the consumers and not removed by primary treatment because of a shortage of hardness ions to form soap curd.

[10] Since the surfactants used in phosphate and non-phosphate detergents are similar, the arguments in footnote 9 apply.

[11] Jensen, M. W., Director, Bureau of Product Safety, Food and Drug Administration. Letter to Senator Spong, December 8, 1971.

[12] It should be emphasized that in this and the following paragraph, the examples are just that: there has been no attempt to make the lists exhaustive.

[13] Jensen, M. W., Director, Bureau of Product Safety, Food and Drug Administration. Letter to Senator Spong, December 22, 1971.

[14] Jensen, M. W., Director, Bureau of Product Safety, Food and Drug Administration. Letter to Senator Spong, December 22, 1971.

[15] Jensen, M. W., Director Bureau of Product Safety, Food and Drug Administration, Letter to Senator Spong, December 22, 1971.

[16] Jensen, M. W., Director, Bureau of Product Safety, Food and Drug Administration. Letter to Senator Spong, December 8, 1971.

[17] Steinfeld, Dr. Jesse, Surgeon General, Department of Health, Education and Welfare. Statement before the Subcommittee on the Environment, October 1, 1971.

[18] Fiedelman, Howard W., "The Role of Soft Water in Laundering: Report of a Study Involving Soil Removal. Dollar Savings and Fabric Life." *Commercial Water/ Wastewater Catalog*, September 1970.

Klumb, George H., "Soap and Soft Water

Called Answer to Pollution Caused by Detergents," Culligan Press Release.

[19] Fury, Margaret S., Verda I. McLendon and Mary E. Aler. "An Evaluation of Soaps and Synthetic Detergents," *American Dyestuff Reporter*, November 15, 1948.

McClain, Charles P., Purex Corporation, Ltd. Letter to Marvin Burdwise, Giant Food, Inc., December 6, 1971.

[20] Fuller, Max E., "Some Suggested Solutions to Pollution," *Proceedings Fifth International Water Quality Symposium—August* 19–20, 1971.

[21] Phillips, Herbert, Technical Director, Association of Home Appliance Manufacturers, Chicago, Illinois, Letter to Mrs. C. J. Glaister, December 17, 1971.

[22] Phillips, Herbet, Technical Director, Association of Home Appliance Manufacturers, Chicago, Illinois. Letter to Mrs. C. J. Glaister, December 17, 1971.

[23] Bloom, Lee, Lever Brothers Company. Letter to Senator Spong, November 23, 1971.

Koschak, Joseph, General Manager, DeSoto, Inc. Testimony before the Subcommittee on the Environment, October 15, 1971.

Mr. Koschak, cites studies showing no more corrosion from the Sears non-phosphate detergent than from a phosphate detergent. Mr. Bloom refers to the recommendation of the Speed Queen washing machine makers against the use of precipitating water softeners, such as sodium carbonate, a major ingredient of many non-phosphate detergents.

[24] Whirlpool Corporation pamphlet, "Ecology, Your New Washer and You."

[25] O'Connell, Dorothy, Consumer Service Representative, Calgon Corp. Letter to Lee Tyner, December 22, 1971.

[26] Smith, Dr. Leonard, Manager, Textiles Flammability Research, Cotton, Incorporated, Raleigh, North Carolina. Letter to Lee Tyner, December 6, 1971.

Koschak, Joseph, General Manager, DeSoto, Inc. Testimony before the Subcommittee on the Environment, October 15, 1971.

Rogers, William D. Arnold and Porter. Letters to Michael B. Brownlee, November 8, 1971 and November 20, 1971.

Dr. Smith cites work on the loss of flame retardancy in fabrics washed with nonphosphate detergents and with soap. Mr. Rogers submitted samples of flame retardant fabrics which failed flammability tests after being washed in soap and in carbonate detergents. Mr. Koschak discussed the loss in fire retardancy of fabrics washed with the Sears nonphosphate detergent.

[27] Kranz, James P., Jr., E.I. duPont de Nemours Company, Wilmington, Delaware. Letter to Michael Brownlee, December 1, 1971.

[28] See footnote 6.

RECOMMENDATIONS FOR LAUNDRY PRODUCTS
(IN ORDER OF PREFERENCE)

EUTROPHIED AREAS

(1) soap [1, 4]
(2) "safe" non-phosphate detergent [2, 4]
(3) "safe" phosphate detergent [2]

NON-EUTROPHIED AREAS

(1) soap [1, 4]
(2) "safe" phosphate or non-phosphate detergent [2, 3, 4]

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[1] If the extra BOD (biological oxygen demand) from soap will degrade the receiving water excessively, another product should be considered.

[2] "Safe" means without a cautionary label (best) or with just a "caution" (OK unless children in precarious health may be exposed). No "warning" or "danger". If small children never have access to the laundry detergent, a more dangerous product can be used.

[3] The choice between a phosphate or non-phosphate detergent in this case is essentially a balancing between the small but sometimes distinct risks of environmental and health damage from the various products. No general preference.

[4] If you have flame retardant clothing, use a phosphate detergent on it, unless washing instructions accompanying the garments indicate another product can be used.

APPENDIX A

STATE WATER QUALITY ADMINISTRATORS

Alabama: Arthur N. Beck, technical secretary, Water Improvement Commission, State Office Building, Montgomery, Ala. 36104; 205–269–7632.

Alaska: James A. Anderegg, assistant to commissioner, Department of Environmental Conservation, Pouch O, Juneau, Alaska 99801; 907–586–5371.

Arizona: Edmund C. Garthe, assistant commissioner, Environmental Health Services, Department of Health, 1624 West Adams Street, Phoenix, Ariz. 85007; 602–271–5457.

Arkansas: S. L. Davies, director, Arkansas Pollution Control Commission, 1100 Harrington Avenue, Little Rock, Ark. 72202; 501–371–1701.

California: Jerome B. Gilbert, executive secretary, State Water Resources Control Board, 1416 Ninth Street, Room 1140, Sacramento, Calif. 95814; 916–445–3085.

Colorado: Frank J. Rozich, director, Water Pollution Control Division, Colorado Department of Public Health, 4210 East 11th Avenue, Denver, Colo. 80220; 303–388–6111 X231.

Connecticut: John J. Curry, director, State Water Resources Commission, State Office Building, Room 225, Hartford, Conn. 06155; 203–566–2793.

Delaware: John C. Bryson, executive director, Division of Environmental Control, Department of Natural Resources and Environment Control, Post Office Box 916, Dover, Del. 19901; 302–734–5711 X470 or 471.

District of Columbia: Malcolm Hope, Associate Director for Environmental Health, Health Services Administration, Department of Human Resources, 1875 Connecticut Avenue NW., Washington, D.C. 20009; 202–629–3105.

Florida: Vincent D. Patton, executive director, Department of Air and Water Pollution Control, Tallahassee Bank Building, Suite 300, Tallahassee, Fla. 32301; 904–224–9151.

Georgia: R. S. Howard, Jr., executive secretary, State Water Quality Control Board, 47 Trinity Avenue SW., Room 609, Atlanta, Ga. 30334; 404–688–4033.

Guam: O. V. Natarajan, Ph.D., Administrator, Water Pollution Control Commission, Public Health and Social Services, Government of Guam, Post Office Box 2999, Agana, Guam 96910; 425–143.

Hawaii: Shinji Soneda, Executive Officer, Environmental Health Division, Hawaii Department of Health, Post Office Box 3378, Honolulu, HI, 96801; 808–548–2811.

Idaho: Vaughn Anderson, Director, Environmental Improvement Division, Idaho Department of Health, State House, Boise, Idaho 83707; 208–384–2390.

Illinois: William L. Blaser, Director, Illinois Environmental Protection Agency, 2200 Churchill Road, Springfield, Ill. 62706; 217–525–3397.

Indiana: Perry Miller, Technical Secretary, Stream Pollution Control Board, 1330 West Michigan Street, Indianapolis, Ind. 46206; 317–633–4420.

Iowa: R. J. Schliekelman, Director, Water Pollution Control Division, Iowa State Department of Health, Des Moines, Iowa 50319; 515–281–5345.

Kansas: Meleville W. Gray, Chief Engineer and Director, Division of Environmental Health, Kansas State Department of Health, Topeka, Kan. 66612; 913–296–3821.

Kentucky: Ralph C. Pickard, Executive Director, Kentucky Water Pollution Control Commission, 275 East Maine Street, Frankfort, Ky. 40601; 502–564–3972.

Louisiana: Robert A. Lafleur, Executive Secretary, Louisiana Stream Control Commission, Post Office Drawer FC, University Station, Baton Rouge, La. 70803; 504–389–5309.

Maine: William R. Adams, Director, Environmental Improvement Commission, State House, Augusta, Me. 04330; 207–289–2591.

Maryland: Howard E. Chaney, Acting Director, Environmental Health Services, State Department of Health and Mental Hygiene, 2305 North Charles Street, Baltimore, Md. 21218; 301–383–2940.

Massachusetts: Thomas C. McMahon, Director, Division of Water Pollution Control, Department of Natural Resources, Leverett Saltonstall Building, Government Center, Boston, Mass. 02202; 617–727–3855.

Michigan: Ralph W. Purdy, Executive Secretary, Michigan Water Resources Commission, Stevens T. Mason Building Station A, Lansing, Mich. 48926; 517–373–3560.

Minnesota: Grant J. Merritt, Executive Director, Minnesota Pollution Control Agency, 717 Delaware Street, S.E., Minneapolis, Minn. 55440; 612–378–1320.

Mississippi: Glen Good, Jr., Executive Secretary, Mississippi Air and Water Pollution Control Commission, Post Office Box 827, Jackson, Miss. 39205; 601–354–6783.

Missouri: Jack K. Smith, Executive Secretary, Missouri Water Pollution Board, Post Office Box 154, Jefferson City, Mo. 65101; 314–635–9117.

Montana: Claiborne W. Brinck, Secretary, Montana Water Pollution Control Council, Division of Environmental Sanitation, Montana Department of Health, Helena, Mont. 59601; 406–449–2406.

Nebraska: T. A. Filipi, Executive Secretary, Nebraska Water Pollution Control Council, State Department of Health, State House Station, Box 94757, Lincoln, Neb. 68509; 402–473–1484.

Nevada: John H. Carr, MD. State Health Officer, Department of Health, Welfare, and Rehabilitation, 201 S. Fall Street, Nye Building, Carson City, Nev. 89701; 702–882–7458.

New Hampshire: William A. Healy, Executive Secretary, Water Supply and Pollution Control Commission, 105 Loudon Road, Prescott Park, Concord, N.H. 03301; 603–271–3502.

New Jersey: Richard J. Sullivan, Commissioner, Department of Environmental Protection, Post Office Box 1390, Trenton, N.J. 08625; 609–292–5383.

New Mexico: Larry Gordon, Director, Environmental Improvement Agency, Post Office Box 2348, Santa Fe, N. Mex. 87501: 505–827–2371.

New York: Henry L. Diamond, Commissioner, Department of Environmental Conservation, Albany, N.Y. 12201; 518–457–3446.

North Carolina: Earle C. Hubbard, Assistant Director, Department of Water and Air Resources, Post Office Box 9392, Raleigh, N.C. 27603; 919–829–3006.

North Dakota: W. Van Heuvelen, Chief, Environmental Health and Engineering Service, North Dakota State Department of Health, Bismarck, ND 58501; 701–224–2371.

Ohio: Doctor Gardner, Acting Chairman, Water Pollution Control Board, State Department of Health, Post Office Box 118, Columbus, Ohio 43216; 614–469–4364.

Oklahoma: Lloyd E. Pummill, Department of Commerce for Environmental Services, State Department of Health, 3400 North Eastern, Oklahoma City, OK 73105; 405–787–6561.

Oregon: Kenneth H. Spies, Director, Department of Environmental Quality, Post Office Box 231, Portland, OR 97201; 503–229–5696.

Pennsylvania: Walter A. Lyon, Director, Bureau of Sanitary Engineering, Department of Environmental Resources, Post Office Box 2351, Harrisburg, PA 17120; 717–787–2666.

Puerto Rico: Cruz A. Matos, Executive Director, Environmental Quality Board, c/o Department of Public Works, Post Office Box 8218, San Juan, PR 00910; 809–767–2014.

Rhode Island: Doctor Joseph E. Cannon, Director of Health, Rhode Island Department of Health, 335 State Office Building, Providence, RI 02903; 401–521–7100, X 100.

South Carolina: H. J. Webb, Executive Director, South Carolina Pollution Control Authority, 1321 Lady Street, Owen Building, Columbia, SC 29201; 803–758–2915.

South Dakota: Charles E. Carl, Director, Division of Sanitary Engineering, South Dakota State Department of Health, Pierre, SD 57501; 605–224–3351.

Tennessee: S. Leary Jones, Director, Tennessee Stream Pollution Control Board, Cordell Hull Building, Room 621, 6th Avenue North, Nashville, TN 37219; 615–741–2275.

Texas: Hugh C. Yantis, Jr., Executive Director, Texas Water Quality Board, 1108 Lavaca Street, Austin, Texas 78701; 512–475–2651.

Utah: Calvin K. Sudweeks, Executive Secretary, Utah Water Pollution Committee, Department of Social Services, 44 Medical Drive, Salt Lake City, UT 84113; 801–328–6121.

Vermont: A. William Albert, Director, Water Supply and Pollution Control Agency of Environmental Conservation, 5 Court Street, Montpelier, VT 05602; 802–223–2311, X 237.

Virginia: A. H. Paessler, Executive Secretary, State Water Control Board, Post Office Box 11143, Richmond, VA 23230; 703–770–2241.

Virgin Islands: Dr. Eric L. O'Neal, Commissioner of Health, Virgin Islands Department of Health, Charlotte Amalie, St. Thomas, VI 00802; 809–774–1321.

Washington: James Behlke, Executive Assistant Director, Washington Department of Ecology, Post Office Box 829, Olympia, WA 98501; 206–753–2817.

West Virginia: Edgar Henry, Chief, Division of Water Resources, Department of Natural Resources, 1201 Greenbrier Street, Charleston, WV 25311; 304–348–2107.

Wisconsin: Thomas Frangos, Administrator, Division of Environmental Protection, Wisconsin Department of Natural Resources, Post Office Box 450, Madison, WI 53701; 608–226–2747.

Wyoming: Arthur E. Williamson, Director, Sanitary Engineering Services, Wyoming Department of Health and Social Services, Division of Health and Medical Services, State Office Building, Cheyenne, WY 82001; 307–777–7513.

CARL HAYDEN

Mr. FANNIN. Mr. President, the funeral of former Senator Carl Hayden brought together a great number of people from all walks of life. Ben Cole, the chief of the Arizona Republic's Washington Bureau, wrote an eloquent account of this, and I ask unanimous consent that this article be printed in the RECORD.

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

[From the Arizona Republic, Jan. 30, 1972]

BY THE HUNDREDS, THEY SAID "FAREWELL"

(By Ben Cole)

They came by the hundreds to say a last farewell to Carl Hayden—and each one bore with him a cherished memory of the famous senator from Arizona.

There were leaders whose names are known around the world. And there were men and women from the quiet, humble stations of life.

For one hour they shared a reverent tribute to a life that was nobly lived.

Former President Lyndon B. Johnson swept up to Grady Gammage Auditorium on the Arizona State University campus in a white limousine led by red-lighted motorcycles.

Others came on foot or by private car or in buses. There were white-haired men, beautifully coiffeured women, students in sweat shirts, persons with dark skin and light.

And for every one of them Sen. Carl Hayden was somebody special—somebody with whom some trouble, joy or lofty goal was shared.

A planeload of men and women arrived from Washington—members of the United States Senate, secretaries, clerks, technicians, political functionaries. And each of them had shared a part of Carl Hayden's long service in the Congress of the United States.

Paul Eaton, for many years Hayden's brusk, abrupt and efficient administrative assistant, arrived with his wife, Mona. Quietly on the edge of the crowd was Roy L. Elson, the senator's last administrative assistant, and his wife Minor.

Mrs. Doralynn Lyons, for many years one of Hayden's secretaries and now a member of Vice President Agnew's staff, helped arrange the special plane from Washington.

Sen. Paul J. Fannin, R-Ariz., attended with Mrs. Fannin. He had personally notified every member of the Senate who might wish to be present for the funeral service. With the Fannins came Sen. and Mrs. Milton Young, R-N.D. Sen. Young, a senior member of the Senate, was a longtime friend and frequent Senate ally of the famous Arizonian.

From Washington came Sen. Frank Moss, D-Utah, and Sen. Howard Cannon, D-Nev., to say farewell to the colleague with whom they had worked many years on problems common to the dry Southwest.

And there was silver-haired Judge Homer Ferguson of the United States Court of Military Appeals, formerly a senator from Michigan. In the days when Hayden already had become powerfully senior, young Sen. Ferguson was earning a reputation as a sleuth in the Truman Committee investigating the preparedness for World War I.

Among those who came from the U.S. capital were Mr. and Mrs. Joseph Gonzales.

Gonzales, from Tuscon, discarded his ambition to be a foreign diplomat in order to work on the Senate Appropriations Committee for Carl Hayden.

And there was Tom Scott, taciturn like the senator under whom he became the respected chief clerk of the Appropriations Committee and a man who intimately knows every decimal point in the federal budget.

Mr. and Mrs. Manuel Velasquez were there—now solidly established in northern Virginia where Valesquez has a thriving law practice. He worked under Sen. Hayden's patronage as a Capitol policeman while he studied law at Georgetown University as a young war veteran from Phoenix.

Although he was a democrat through and through, Sen. Hayden had friends in both political parties as was shown by the presence well as that of Herbert L. Ely, chairman of the Arizona Republican State Committee, as well as that of Herbert L. Ely, chairman of the Arizona Democratic State Committee.

Walking slowly to the auditorium came Mrs. Gwen Gilbert of 810 E. Jefferson. She had worked as a domestic for Sen. and Mrs. Hayden before they moved to Washington years ago. With Mrs. Gilbert, walking with the help of a cane, was Mrs. Irene Rosser, 519 E. Jefferson, who had worked many years for long-time friends of the Haydens.

Then swooping down on the ASU campus in a helicopter came Sen. Barry Goldwater, R-Arizona, who succeeded to the Senate seat surrendered in 1969 by his lifelong friend, Sen. Hayden. The deep affection he felt for the departed statesman revealed itself when a sob cut off the end of his eulogy.

President Nixon was represented by Deputy Atty. Gen. Richard G. Kleindienst, who arrived from Washington with the official party and was escorted to the service by Gov. and Mrs. Williams.

Among the close personal friends of Sen. Hayden who were present were Eugene C. Pulliam, publisher of The Arizona Republic and The Phoenix Gazette, and his wife, Mrs. Nina Pullam.

Mr. and Mrs. Tom Chauncy of KOOL, also longtime friends of the late senator, were present for the rites.

Rep. Morris K. Udall, D-Ariz., a youthful symbol of Arizona's pioneer tradition and his wife were there. His family was represented also by former Arizona Supreme Court Justice Jesse A. Udall, an uncle of the lawmaker.

Rep. John J. Rhodes, R-Ariz., dean of the Arizona congressional delegation, was present. He has taken up the task left by Hayden of pushing Congress for money to complete the Central Arizona Project. Also attending was Rep. Sam Steiger, R-Ariz., the state's junior congressman.

Judges of the federal courts of Arizona, leaders of the state legislature, Secretary of State Wesley Bolin and Atty. Gen. Gary Nelson came as friends as well as representatives of Arizona officialdom.

In the auditorium also were Mr. and Mrs. Larry Judge, of Washington, Mrs. Edna Judge was long Sen. Hayden's personal secretary and marked each one of his birthdays by baking a cake. Another of those who came to say goodby were Ephram Harris, white-haired and stately. He was a driver for the powerful president pro tempore of the Senate. Another of Sen. Hayden's drivers, John Wardlaw, attended the rites.

Justice Lorna Lockwood of the Arizona Supreme Court—once recommended by Hayden to be a member of the U.S. Supreme Court—attended with her sister and brother-in-law, Mr. and Mrs. Z. Simpson Cox, of Phoenix.

Ernest McFarland, former senator, governor and chief justice of the Arizona Supreme Court, paid last respects to his old colleague on behalf of himself and of Stanford University, the senator's alma mater. Twice he and Hayden had pushed the vital Central Arizona Project bill through the Senate together only to see it defeated in the House.

After farewells were said, McFarland stood beneath a date palm tree in the garden of Larry Hayden's home at Tempe and swapped reminiscences with former President Johnson.

Also among official guests was tall, solemn former Gov. Sam Goddard of Arizona, the most recent of Sen. Hayden's party to occupy the governor's office in the State Capitol.

And there were hundreds and hundreds more—men with prominent names and persons from the obscure places, quietly listening as the funeral eulogies sought to bespeak their affection for Arizona's grand old man—"Mr. Integrity," was the name President Johnson gave him.

Yes, and there were some there who were unseen—spirits, no doubt, called back from another age to listen approvingly to the tributes paid an old colleague.

These would be the late Sen. Richard B. Russell of Georgia, Speaker Sam Rayburn of Texas, Champ Clark of Missouri, crusty old Sen. Kenneth McKellar of Tennessee, stately Sen. Walter George of Georgia, scholarly Sen. Robert A. Taft of Ohio and brilliant Sen. Eugene Millikin of Colorado.

Sen. Hayden remained long after they had gone, the enduring symbol of a golden age. And now he has joined them.

STUDENT EXCHANGES

Mr. FULBRIGHT. Mr. President, six high school students from Bolivia are currently in Arkansas as participants in

the International Youth for Understanding program, which arranges high school student exchanges between the United States and other countries.

I am pleased that these students will be spending 6 months in Arkansas, and I hope they will have an enriching experience. I am always happy to see exchanges of this nature, and I have encouraged and supported opportunities for young people from this country and others to get to know other peoples and other cultures. I continue to believe in the value of this kind of program, and in this respect I commend the Youth for Understanding student exchange.

Mr. President, I ask unanimous consent that an article from the Arkansas Gazette of January 18 concerning the Bolivian students in Arkansas be printed in the RECORD.

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

FOUR BOLIVIANS BEGIN STAY IN ARKANSAS

Four Bolivian high school students arrived Monday at Little Rock to start a six-month stay as guests of Arkansas families.

They are participants in the International Youth for Understanding program, which schedules student exchanges between the United States and other countries. The students were met at Adams Field by the families they will be staying with. They will attend school and live as members of the host families.

Two other Bolivian students will arrive later this month to live with Paragould families.

The students who arrived Monday, and their host families are:

Vernoica Estenssoro, who will stay with Dr. and Mrs. John Kagy of 8609 West Markham Street; Bertha Gosalvez, who will stay with Mr. and Mrs. Jim Dooley of 37 Valley Club Circle; Carlos Pereira, who will stay with Mr. and Mrs. Don Clough of 3500 Loch Lane, North Little Rock, and Ricardo Calla, who will stay with Mr. and Mrs. John Johnson of Forrest City.

Arrangements for the students were made by Mr. and Mrs. Steve Stephens, co-chairmen of the Youth for Understanding program in Arkansas.

THE TOCKS ISLAND PROJECT

Mr. CASE. Mr. President, recently I made public the text of a letter that I wrote to Russell E. Train, Chairman of the President's Council on Environmental Quality, with regard to the proposed Tocks Island Dam and Reservoir project.

I ask unanimous consent that this letter, along with the text of letters from two Federal agencies relative to the project, be printed in the RECORD.

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

JANUARY 14, 1972.

Hon. RUSSELL E. TRAIN,
Chairman, Council on Environmental Quality, Washington, D.C.

DEAR MR. TRAIN: Following our recent conversation, I should like to summarize my own position and my understanding of the position of the Environmental Quality Council and the Environmental Protection Agency in regard to the proposed Tocks Island Dam and Reservoir project.

I do not oppose the project as such, and I understand that the Council and the Agency do not oppose it either. But the Council and the Agency and I are opposed to the project unless serious environmental questions which have been raised in regard to it are satisfactorily resolved.

In the Agency's December 17th letter to the Army Corps of Engineers, the Agency points out that full provision must be made for protection of the environment of the area before any construction is begun. This is especially important since there have been reports that the Corps of Engineers would like to move ahead with the advertising for bids as soon as possible.

Among the environmental dangers perhaps the most serious is that, if the waters are impounded in a reservoir, as presently planned, "eutrophic conditions would develop rather rapidly." The oxygen would be virtually exhausted and the reservoir would be dead. Relevant here is the fact brought out by the Agency that pressures from developmental and recreational activities "could accelerate eutrophication."

Eutrophication of the reservoir would rule out its use for recreational purposes. Fish would not live in its and its stench would be intolerable.

To some degree, perhaps seriously, the quality of the water would be impaired. Moreover, releasing water from the reservoir could cause eutrophication problems downstream, including fish kill, as these waters would lack sufficient oxygen for fish survival.

It is my understanding that it is the position of the Council and the Agency, with which I fully agree, that the protection of the environment requires:

1. the development of a specific program, with all essential technology, to correct the conditions which otherwise will lead to eutrophication of the water when it is impounded;

2. that legally binding and practically enforceable commitments be undertaken for actually carrying out each of the steps necessary to prevent eutrophication; in this connection, the Agency and the Corps of Engineers point out that "cooperation will be necessary between local, state, inter-state, and Federal governing bodies and their agencies."

3. the assured availability of adequate financial resources to meet the enormous cost of construction and operation of the necessary anti-eutrophication facilities.

As the Agency said in its letter, "Without such firm commitments, the environmental impact of this project may well be a liability rather than the planned asset for this region."

The Council and the Agency are agreed that the steps necessary for the protection of the environment of the area, as outlined above, should be taken before construction begins. I agree. And the Council and the Agency have, and will continue to have, my complete support in this position.

Would you please advise me whether my understanding of the positions of the Council and the Agency, as I have outlined them, is correct.

Sincerely,

CLIFFORD P. CASE,
U.S. Senator.

ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C.

Brig. Gen. KENNETH B. COOPER,
Deputy Director of Civil Works, Office of the Chief of Engineers, Department of the Army, Washington, D.C.

DEAR GENERAL COOPER: The Environmental Protection Agency has reviewed the documents submitted to us by your office on October 1, 1971, for the Tocks Island Lake Project. These documents were as follows:

"Tocks Island Lake, Environmental Impact Statement"

"Tocks Island Lake: A Comprehensive Evaluation of Environmental Quality"

"An Appraisal of the Potential for Cultural Eutrophication of Tocks Island Lake"

The purpose of this letter is to provide EPA's comments on the documents, particularly as they relate to water quality. We have also had the opportunity to study the October 20, 1971, letter from Chairman Russell E. Train to Secretary Robert F. Froehlke concerning the Tocks Island Lake project. We apologize for the delay in responding to your letter.

Our comments on the draft environmental impact statement, submitted to the Corps of Engineers on September 10, 1971, focused on water quality in the proposed reservoir and particularly on the risk of eutrophication. Our concern stemmed from the importance of the recreational aspects of this project and the need for water of sufficient quality to support this recreational activity. At the present time, there seems to be little land use planning in this area; land speculation and rapid development around this proposed project are progressing without proper sewage treatment facilities. EPA expressed concern that the water quality of the reservoir, without well designed liquid and solid waste disposal plans, would be degraded and the reservoir's suitability for recreation and fishing would be substantially reduced. We suggested that the final environmental impact statement should include the current status of planning to deal with waste treatment problems and the extent to which the timetable for implementation of waste management plans would coincide with the completion schedule for the reservoir.

A regional sewage treatment plan is mentioned in the final environmental impact statement (page 3–18) as a means of handling waste from the communities in watersheds tributary to the lake, as well as large areas draining into the Delaware River below the proposed dam. The final statement (page 3–19) indicates, however, that there is some possibility that the plan may not materialize, and the statement does not include information on the extent to which the timetable for implementation of such a plan will coincide with the schedule for completion of the reservoir. The final statement indicates that the implementation timetable is under the control of the Delaware River Basin Commission.

Our comments on the draft impact statement requested an opportunity to review the Corps' sponsored eutrophication study. The review of this study by our National Eutrophication Research Program Office clarifies our position concerning the need for waste treatment facilities to preserve water quality in the reservoir. From the data available, nutrient concentrations in the river are already high, apparently due to liquid waste discharges from municipalities and from poultry farm wastes (1.2 million pounds of phosphorus per year). On the basis of those data, it appears that if the Delaware River were impounded as planned, eutrophic conditions would develop rather rapidly. The reservoir would be relatively shallow, and this would further enhance its susceptibility to eutrophication problems. The Cannonsville Reservoir, upstream from the proposed dam, already experiences massive growths of blue-green algae which give additional credence to the potential euthrophication problems at Tocks Island Lake. In addition, the pressures from developmental and recreational activities after completion of the reservoir, both in the reservoir area itself and in adjacent areas, could accelerate eutrophication.

Nutrient input to the river above the dam could be reduced by providing advanced waste treatment to all wastewater and farm effluents. This should be done, however, prior to impoundment. Once accelerated eutrophication has begun, it becomes more difficult to reverse the process. In shallow areas, there would be a natural recycling of the nutrients within the reservoir. In the deeper areas, the reservoir probably would stratify, and the hypolimnion would serve as a nutrient sink,

Release of hypolimnetic water could very well cause eutrophication problems downstream. Also, hypolimnetic water is often low in dissolved oxygen, and large releases may result in a fish kill.

EPA's conclusion is that a eutrophication hazard exists for the proposed Tocks Island Lake under existing waste treatment conditions in the Upper Delaware Basin. We should point out that the eutrophication problem is a result of the impoundment. Therefore, we concur with the recommendations relating to the control of eutrophication expressed in the October 20 letter from Chairman Train to Secretary Froehlke. The recommendations called for a study of the possibility and cost of controlling cultural eutrophication in the proposed Tocks Island Lake through the development of a waste treatment plan to achieve a high level of phosphorus removal for the relevant portion of the Delaware River Basin and through the development of a plan for restricting the inflow of nutrients from non-point sources. The recommendations further called for a recalculation of the benefit-cost ratio to reflect the loss of estimated benefits if eutrophication and drawdown are not controlled, as well as the cost of controlling eutrophication through building of water treatment facilities. Finally, the recommendations requested a realistic plan of implementation considering time schedules, availability of funds, and technological capabilities.

We understand that the development and implementation of a water quality program for the region is primarily the responsibility of the Delaware River Basin Commission and the affected states. However, the Environmental Protection Agency believes that such a plan is essential in protecting the Federal investment in the Tocks Island Project, and the Corps of Engineers must also assume a major share of the responsibility. We must underscore the need for such a water quality program with definite goals, implementation schedules, and committed funds before construction is undertaken. Without such firm commitments, the environmental impact of this project may well be a liability rather than the planned asset for this region.

We appreciate the opportunity to review the eutrophication study and the other documents relating to the Tocks Island Lake Project. Please contact us if we can be of any further assistance.

Sincerely,

ROBERT W. FRI,
Deputy Administrator.

COUNCIL ON
ENVIRONMENTAL QUALITY,
Washington, D.C., October 21, 1971.

Hon. ROBERT F. FROEHLKE,
Secretary of the Army,
Washington, D.C.

DEAR MR. SECRETARY: The Tocks Island Dam Project proposal has been discussed a number of times by the Council on Environmental Quality and the Corps of Engineers. A basic understanding was reached by then-Under Secretary of the Army Thaddeus R. Beal and myself regarding the procedures for handling environmental considerations relating to the project. In my letter to Mr. Beal on June 18, 1971 and his reply of July 2, 1971, accord was reached whereby a multidisciplinary overview environmental impact analysis would be drafted encompassing not only the dam project itself but also the National Park Service proposal for a Delaware Water Gap National Recreational Area and the Delaware River Basin Commission submission relating to the Kittatinny Mountain Pumped-Storage Project. In addition, we agreed to two further points. First, if after review of the overview analysis, the Council on Environmental Quality found any major points that needed further study, the Corps of Engineers would agree to such a study. Secondly, construction would not begin upon the Tocks Island Dam until such further study of a major problem was completed and evaluated.

Having now reviewed the overview analysis entitled *"Tocks Island Lake Development: A Comprehensive Evaluation of Environmental Quality"* and the consultants report on eutrophication, *"An Appraisal of the Potential for Cultural Eutrophication of Tocks Island Lake"* we feel that two significant environmental issues are not clarified and need to be given further analysis before final decision on the project.

The first issue relates to eutrophication of the Tocks Island Lake. I brought out a concern of possible eutrophication of the Lake in my letter to Mr. Robert Jordan on April 7, 1971. The issue has also been brought forth by several conservation groups and most recently by the Environmental Protection Agency in a letter of September 10, 1971 to Brigadier General Kenneth B. Cooper, Deputy Director of Civil Works commenting on the final environmental impact statement for the Tocks Island Dam:

"Our principal concern is the still unresolved issue of water quality in the reservoir, particularly the risk of rapid eutrophication. . . . The possibility of substantial eutrophication of Tocks Island Lake cannot be ruled out without additional data and analysis. We do not believe construction of the project should proceed until this question has been settled."

The eutrophication problem stems from nutrient enrichment of waters with the usual result of excessive algae and aquatic plant growth. Side effects of this process may create a deterioration of water quality, fisheries habitat, and recreational potential through clogging of the Lake surface with plant growth, objectionable odors, and altered chemical composition of the water. Eutrophication is apparently a serious possibility at Tocks Island Lake and is confirmed by the Corps of Engineers' consultants study (Jack McCormick and Associates; page 107):

"The conclusion of this report is that accelerated cultural eutrophication is likely to occur after creation of the Proposed Tocks Island Lake."

The McCormick Report further indicates that physical characteristics of the Lake may do little to help diminish the eutrophication potential. Experience at two existing reservoirs in the Delaware River Basin, according to the McCormick Report, indicates that both have algal blooms in summer and one, the Cannonsville Reservoir, ". . . demonstrates the ability of an impoundment to serve as a trap, potentially as a sink, for phosphorous." The Report further suggests advanced waste treatment as one means of possible rectification of the potential problem, but the necessary administrative procedures and technical developments are not addressed.

In order to satisfy the question of whether and at what cost this eutrophication hazard can be controlled and in accord with my agreement with Mr. Beal, I am asking the Department of the Army to address itself to the 12 recommendations contained in their consultant report (pages 108–113) and more specifically to undertake a study to provide the following:

1. A waste treatment plan for the relevant portion of the Delaware River Basin to incorporate the technical developments necessary to achieve the high level (98%) of phosphorous removal to prevent eutrophication of the Tocks Island Lake. Included should be a detailed statement of estimated expenses and loss of proposed benefits if eutrophication was not controlled. Sources of funds should be identified.

2. A plan for restricting inflow of nutrients from non-point sources such as animal wastes. (The consultant's report (page 48) indicated "Nutrient laden runoff during spring storms will contribute a large nutrient load to Tocks Island Lake.") Again, it will be imperative to assess the expected cost of control and the probable loss of benefits if eutrophication control is not forthcoming.

3. A recalculation of the benefit/cost ratio to reflect:

a. loss of benefits as now estimated if eutrophication and reservoir drawdown (discussed at a later point in this letter) are not controlled. Such an analysis should include the estimated impact of the various levels of waste treatment and drawdown on benefits occurring to recreational development, quality of water supply, fish and wildlife, stream flow regulation, and other uses. The analysis should further examine possible differences in the recreational use of the Delaware Water Gap National Recreation Area and quantitatively assess the qualitative decline in the quality of the recreation experience; and

b. the added costs necessary to eliminate the eutrophication potential. This should include an analysis of costs of providing 90, 95, and 98% waste treatment, plus the costs of controlling land runoff effects. There should be an analysis of the benefits achieved by such treatment.

4. A realistic plan of implementation considering time schedules, availability of funds, and technological capabilities. Necessary assurances need to be obtained from the financing sources to assure that implementation of the plan will be forthcoming within a reasonable time period. Commitments from the designated funding sources should be documented.

The second unresolved environmental issue relates to the drawdown of the reservoir both annually and during the recreation season. The final environmental impact statement on the Tocks Island Dam and the overview analysis have discussed the question of drawdown, but it is apparent that there are unresolved questions. The drawdown caused by a severe drought will drain the conservation pool, greatly curtailing recreational use of the Tocks Island Lake. It is not clear to what extent lesser drawdowns would occur, also creating detrimental impacts on recreation, water supply, the fisheries resource, pumping for the pumped-storage project, and the downstream water quality. We believe it is necessary that the Department of the Army initiate a study to address the drawdown problem in a more comprehensive manner. Specific points to be covered should include:

1. Land exposure (area and location) to be occasioned during drought years of varying frequency. The analysis should center on intervals of one foot change in elevation of the pool level and should indicate the expected drawdown by month for droughts of five-year, ten-year, 15-year, 20-year, 25-year, 50-year, 75-year, and 100-year frequency.

2. Impact of each interval on recreation, water supply, water quality, the pumped-storage plant, and the fisheries resource. The loss of these benefits as the reservoir is drawn down should be calculated and included in the recalculated benefit/cost ratio. Of particular interest will be the geographical location of planned recreation facilities and how they can be adapted as drawdown occurs. Consideration of the aesthetics of drawdown should be included.

3. The determining factors creating the drawdown, i.e., use for water supply both inside and outside of the Delaware River Basin, use for low-flow augmentation, use for the pumped-storage plant, and any other expected use.

A discussion of the various drought frequencies and integration with environmental impacts will bring the drawdown problem into proper perspective.

In accord with the agreement between Mr. Beal and myself, we believe it is essential that the Corps of Engineers not adver-

tise for bids or in any way initiate construction of the Tocks Island Dam until an Executive Office decision has been made relating to the eutrophication and drawdown problems.

As a related point, I believe both the overview environmental analysis and the consultants report on euthrophication should be made available for review and comment by relevant agencies and the public at this time. I would suggest a 30-day review period will be adequate to receive comments.

I believe that a joint public statement by the Corps of Engineers and the Council on Environmental Quality regarding these arrangements would be highly desirable.

Please feel free to contact me if you wish to discuss the Tocks Island situation further.

Sincerely,

RUSSELL E. TRAIN, *Chairman.*

HEARINGS ON THE COMPREHENSIVE INDIAN EDUCATION ACT OF 1972

Mr. FANNIN. Mr. President, on February 9 the Senate Interior and Insular Affairs Committee will begin 3 days of hearings in consideration of S. 2724, the Comprehensive Indian Education Act of 1972. This legislation is vital to our Indian citizens and could mark an important step toward realizing Indian determination in the field of education.

President Nixon, in his July 1970, statement spoke eloquently of Indian self-determination; and in advance of the hearings on Indian education, it would be well for us to review the President's commitment to self-determination, not only in education, but in the whole range of Indian affairs.

Mr. President, I ask unanimous consent to have printed in the RECORD the President's message on Indian affairs.

I also ask permission to print the President's statement regarding Indian self-determination which was contained in his state of the Union message on January 20, 1972.

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

PRESIDENT'S MESSAGE ON INDIAN AFFAIRS

The first Americans—the Indians—are the most deprived and most isolated minority group in our nation. On virtually every scale of measurement—employment, income, education, health—the condition of the Indian people ranks at the bottom.

This condition is the heritage of centuries of injustice. From the time of their first contact with European settlers, the American Indians have been oppressed and brutalized, deprived of their ancestral lands and denied the opportunity to control their own destiny. Even the Federal programs which are intended to meet their needs have frequently proven to be ineffective and demeaning.

But the story of the Indian in America is something more than the record of the white man's frequent aggression, broken agreements, intermittent remorse and prolonged failure. It is a record also of endurance, of survival, of adaption and creativity in the face of overwhelming obstacles. It is a record of enormous contributions to this country—to its art and culture, to its strength and spirit, to its sense of history and its sense of purpose.

It is long past time that the Indian policies of the Federal government began to recognize and build upon the capacities and insights of the Indian people. Both as a matter of justice and as a matter of enlightened social policy, we must begin to act on the basis of what the Indians themselves have long been telling us. The time has come to break decisively with the past and to create the conditions for a new era in which the Indian future is determined by Indian acts and Indian decisions.

SELF-DETERMINATION WITHOUT TERMINATION

The first and most basic question that must be answered with respect to Indian policy concerns the historic and legal relationship between the Federal government and Indian communities. In the past, this relationship has oscillated between two equally harsh and unacceptable extremes.

On the one hand, it has—at various times during previous Administrations—be the stated policy objective of both the Executive and Legislative branches of the Federal government eventually to terminate the trusteeship between the Federal government and the Indian people. As recently as August of 1953, in House Concurrent Resolution 108, the Congress declared that termination was the long-range goal of its Indian policies. This would mean that Indian tribes would eventually lose any special standing they had under Federal law: the tax exempt status of their lands would be discontinued; Federal responsibility for their economic and social well-being would be repudiated; and the tribes themselves would be effectively dismantled. Tribal property would be divided among individual members who would then be assimilated into the society at large.

This policy of forced termination is wrong, in my judgment, for a number of reasons. First, the premises on which it rests are wrong. Termination implies that the Federal government has taken on a trusteeship responsibility for Indian communities as an act of generosity toward a disadvantaged people and that it can therefore discontinue this responsibility on a unilateral basis whenever it sees fit. But the unique status of Indian tribes does not rest on any premise such as this. The special relationship between Indians and the Federal government is the result instead of solemn obligations which have been entered into by the United States Government. Down through the years, through written treaties and through formal and informal agreements, our government has made specific commitments to the Indian people. For their part, the Indians have often surrendered claims to vast tracts of land and have accepted life on government reservations. In exchange, the government has agreed to provide community services such as health, education and public safety, services which would presumably allow Indian communities to enjoy a standard of living comparable to that of other Americans.

This goal, of course, has never been achieved. But the special relationship between the Indian tribes and the Federal government which arises from these agreements continues to carry immense moral and legal force. To terminate this relationship would be no more appropriate than to terminate the citizenship rights of any other American.

The second reason for rejecting forced termination is that the practical results have been clearly harmful in the few instances in which termination actually has been tried. The removal of Federal trusteeship responsibility has produced considerable disorientation among the affected Indians and has left them unable to relate to a myriad of Federal, State and local assistance efforts. Their economic and social condition has often been worse after termination than it was before.

The third argument I would make against forced termination concerns the effect it has had upon the overwhelming majority of tribes which still enjoy a special relationship with the Federal government. The very threat that this relationship may someday be ended has created a great deal of apprehension among Indian groups and this apprehension, in turn, had had a blighting effect on tribal progress. Any step that might result in greater social, economic or political autonomy is regarded with suspicion by many Indians who fear that it will only bring them closer to the day when the Federal government will disavow its responsibility and cut them adrift.

In short, the fear of one extreme policy, forced termination, has often worked to produce the opposite extreme: excessive dependence on the Federal government. In many cases this dependence is so great that the Indian community is almost entirely run by outsiders who are responsible and responsive to Federal officials in Washington, D.C., rather than to the communities they are supposed to be serving. This is the second of the two harsh approaches which have long plagued our Indian policies. Of the Department of the Interior's programs directly serving Indians, for example, only 1.5 percent are presently under Indian control. Only 2.4 percent of HEW's Indian health programs are run by Indians. The result is a burgeoning Federal bureaucracy, programs which are far less effective than they ought to be, and an erosion of Indian initiative and morale.

I believe that both of these policy extremes are wrong. Federal termination errs in one direction, Federal paternalism errs in the other. Only by clearly rejecting both of these extremes can we achieve a policy which truly serves the best interests of the Indian people. Self-determination among the Indian people can and must be encouraged without the threat of eventual termination. In my view, in fact, that is the only way that self-determination can effectively be fostered.

This, then, must be the goal of any new national policy toward the Indian people: to strengthen the Indian's sense of autonomy without threatening his sense of community. We must assure the Indian that he can assume control of his own life without being separated involuntarily from the tribal group. And we must make it clear that Indians can become independent of Federal control without being cut off from Federal concern and Federal support. My specific recommendations to the Congress are designed to carry out this policy.

1. Rejecting termination

Because termination is morally and legally unacceptable, because it produces bad practical results, and because the mere threat of termination tends to discourage greater self-sufficiency among Indian groups, I am asking the Congress to pass a new Concurrent Resolution which would expressly renounce, repudiate and repeal the termination policy as expressed in House Concurrent Resolution 108 of the 83rd Congress. This resolution would explicitly affirm the integrity and right to continued existence of all Indian tribes and Alaska native governments, recognizing that cultural pluralism is a source of national strength. It would assure these groups that the United States Government would continue to carry out its treaty and trusteeship obligations to them as long as the groups themselves believed that such a policy was necessary or desirable. It would guarantee that whenever Indian groups decided to assume control or responsibility for government service programs, they could do so and still receive adequate Federal financial support. In short, such a resolution would reaffirm for the Legislative branch—as I hereby affirm for the Executive branch—that the historic relationship between the Federal government and the Indian communities cannot be abridged without the consent of the Indians.

2. The right to control and operate Federal programs

Even as we reject the goal of forced termination, so must we reject the suffocating pattern of paternalism. But how can we best do this? In the past, we have often assumed that because the government is

obliged to provide certain services for Indians, it therefore must administer those same services. And to get rid of Federal administration, by the same token, often meant getting rid of the whole Federal program. But there is no necessary reason for this assumption. Federal support programs for non-Indian communities—hospitals and schools are two ready examples—are ordinarily administered by local authorities. There is no reason why Indian communities should be deprived of the privilege of self-determination merely because they receive monetary support from the Federal government. Nor should they lose Federal money because they reject Federal control.

For years we have talked about encouraging Indians to exercise greater self-determination, but our progress has never been commensurate with our promises. Part of the reason for this situation has been the threat of termination. But another reason is the fact that when a decision is made as to whether a Federal program will be turned over to Indian administration, it is the Federal authorities and not the Indian people who finally make that decision.

This situation should be reversed. In my judgment, it should be up to the Indian tribe to determine whether it is willing and able to assume administrative responsibility for a service program which is presently administered by a Federal agency. To this end, I am proposing legislation which would empower a tribe or a group of tribes or any other Indian community to take over the control or operation of Federally-funded and administered programs in the Department of the Interior and the Department of Health, Education and Welfare whenever the tribal council or comparable community governing group voted to do so.

Under this legislation, it would not be necessary for the Federal agency administering the program to approve the transfer of responsibility. It is my hope and expectation that most such transfers of power would still take place consensually as a result of negotiations between the local community and the Federal government. But in those cases in which an impasse arises between the two parties, the final determination should rest with the Indian community.

Under the proposed legislation, Indian control of Indian programs would always be a wholly voluntary matter. It would be possible for an Indian group to select that program or that specified portion of a program that it wants to run without assuming responsibility for other components. The "right of retrocession" would also be guaranteed; this means that if the local community elected to administer a program and then later decided to give it back to the Federal government, it would always be able to do so.

Appropirate technical assistance to help local organizations successfully operate these programs would be provided by the Federal government. No tribe would risk economic disadvantage from managing its own programs; under the proposed legislation, locally-administered programs would be funded on equal terms with similar services still administered by Federal authorities. The legislation I propose would include appropriate protections against any action which endangered the rights, the health, the safety or the welfare of individuals. It would also contain accountability procedures to guard against gross negligence or mismanagement of Federal funds.

This legislation would apply only to services which go directly from the Federal government to the Indian community; those services which are channeled through State or local governments could still be turned over to Indian control by mutual consent. To run the activities for which they have assumed control, the Indian groups could employ local people or outside experts. If they chose to hire Federal employees who had formerly administered these projects, those employees would still enjoy the privileges of Federal employee benefit programs—under special legislation which will also be submitted to the Congress.

Legislation which guarantees the right of Indians to contract for the control or operation of Federal programs would directly channel more money into Indian communities, since Indians themselves would be administering programs and drawing salaries which now often go to non-Indian administrators. The potential for Indian control is significant, for we are talking about programs which annually spend over $400 million in Federal funds. A policy which encourages Indian administration of these programs will help build greater pride and resourcefulness within the Indian community. At the same time, programs which are managed and operated by Indians are likely to be more effective in meeting Indian needs.

I speak with added confidence about these anticipated results because of the favorable experience of programs which have already been turned over to Indian control. Under the auspices of the Office of Economic Opportunity, Indian communities now run more than 60 community action agencies which are located on Federal reservations. OEO is planning to spend some $57 million in Fiscal Year 1971 through Indian-controlled grantees. For over four years, many OEO-funded programs have operated under the control of local Indian organizations and the results have been most heartening.

Two Indian tribes—the Salt River Tribe and the Zuni Tribe—have recently extended this principle of local control to virtually all of the programs which the Bureau of Indian Affairs has traditionally administered for them. Many Federal officials, including the Agency Superintendent, have been replaced by elected tribal officers or tribal employees. The time has now come to build on these experiences and to extend local Indian control—at a rate and to the degree that the Indians themselves establish.

3. Restoring the sacred lands near Blue Lake

No government policy toward Indians can be fully effective unless there is a relationship of trust and confidence between the Federal government and the Indian people. Such a relationship cannot be completed overnight; it is inevitably the product of a long series of words and actions. But we can contribute significantly to such a relationship by responding to just grievances which are especially important to the Indian people.

One such grievance concerns the sacred Indian lands at and near Blue Lake in New Mexico. From the fourteenth century, the Taos Pueblo Indians used these areas for religious and tribal purposes. In 1906, however, the United States Government appropriated these lands for the creation of a national forest. According to a recent determination of the Indian Claims Commission, the government "took said lands from petitioner without compensation."

For 64 years, the Taos Pueblo has been trying to regain possession of this sacred lake and watershed area in order to preserve it in its natural condition and limit its non-Indian use. The Taos Indians consider such action essential to the protection and expression of their religious faith.

The restoration of the Blue Lake lands to the Taos Pueblo Indians is an issue of unique and critical importance to Indians throughout the country. I therefore take this opportunity wholeheartedly to endorse legislation which would restore 48,000 acres of sacred land to the Taos Pueblo people, with the statutory promise that they would be able to use these lands for traditional purposes and that except for such uses the lands would remain forever wild.

With the addition of some perfecting amendments, legislation now pending in the Congress would properly achieve this goal. That legislation (H.R. 471) should promptly be amended and enacted. Such action would stand as an important symbol of this government's responsiveness to the just grievances of the American Indians.

4. Indian education

One of the saddest aspects of Indian life in the United States is the low quality of Indian education. Drop-out rates for Indians are twice the national average and the average educational level for all Indians under Federal supervision is less than six school years. Again, at least a part of the problem stems from the fact that the Federal government is trying to do for Indians what many Indians could do better for themselves.

The Federal government now has responsibility for some 221,000 Indian children of school age. While over 50,000 of these children attend schools which are operated directly by the Bureau of Indian Affairs, only 750 Indian children are enrolled in schools where the responsibility for education has been contracted by the BIA to Indian school boards. Fortunately, this condition is beginning to change. The Ramah Navajo Community of New Mexico and the Rough Rock and Black Water Schools in Arizona are notable examples of schools which have recently been brought under local Indian control. Several other communities are now negotiating for similar arrangements.

Consistent with our policy that the Indian community should have the right to take over the control and operation of federally funded programs, we believe every Indian community wishing to do so should be able to control its own Indian schools. This control would be exercised by school boards selected by Indians and functioning much like other school boards throughout the nation. To assure that this goal is achieved, I am asking the Vice President, acting in his role as Chairman of the National Council on Indian Opportunity, to establish a Special Education Subcommittee of that Council. The members of that Subcommittee should be Indian educators who are selected by the Council's Indian members. The Subcommittee will provide technical assistance to Indian communities wishing to establish school boards, will conduct a nationwide review of the educational status of all Indian school children in whatever schools they may be attending, and will evaluate and report annually on the status of Indian education, including the extent of local control. This Subcommittee will act as a transitional mechanism; its objective should not be self-perpetuation but the actual transfer of Indian education to Indian communities.

We must also take specific action to benefit Indian children in public schools. Some 141,000 Indian children presently attend general public schools near their homes. Fifty-two thousand of these are absorbed by local school districts without special Federal aid. But 89,000 Indian children attend public schools in such high concentrations that the State or local school districts involved are eligible for special Federal assistance under the Johnson-O'Malley Act. In Fiscal Year 1971, the Johnson-O'Malley program will be funded at a level of some $20 million.

This Johnson-O'Malley money is designed to help Indian students, but since funds go directly to the school districts, the Indians have little if any influence over the way in which the money is spent. I therefore propose that the Congress amend the Johnson-O'Malley Act so as to authorize the Secretary of the Interior to channel funds under this act directly to Indian tribes and communities. Such a provision would give Indians the ability to help shape the schools which their children attend and, in some instances, to set up new school systems of their own. At the same time, I am directing the Secretary of the Interior to make every effort to ensure that Johnson-O'Malley funds which are presently directed to public school districts are

actually spent to improve the education of Indian children in these districts.

5. Economic development legislation

Economic deprivation is among the most serious of Indian problems. Unemployment among Indians is ten times the national average; the unemployment rate runs as high at 80 percent on some of the poorest reservations. Eighty percent of reservation Indians have an income which falls below the poverty line; the average annual income for such families is only $1,500. As I said in September of 1968, it is critically important that the Federal government support and encourage efforts which help Indians develop their own economic infrastructure. To that end, I am proposing the "Indian Financing Act of 1970."

This act would do two things:

1. It would broaden the existing Revolving Loan Fund, which loans money for Indian economic development projects. I am asking that the authorization for this fund be increased from approximately $25 million to $75 million.

2. It would provide additional incentives in the form of loan guarantees, loan insurance and interest subsidies to encourage *private* lenders to loan more money for Indian economic projects. An aggregate amount of $200 million would be authorized for loan guarantee and loan insurance purposes.

I also urge that legislation be enacted which would permit any tribe which chooses to do so to enter into leases of its land for up to 99 years. Indian people now own over 50 million acres of land that is held in trust by the Federal government. In order to compete in attracting investment capital for commercial, industrial and recreational development of these lands, it is essential that the tribes be able to offer long-term leases. Long-term leasing is preferable to selling such property since it enables tribes to preserve the trust ownership of their reservation homelands. But existing law limits the length of time for which many tribes can enter into such leases. Moreover, when long-term leasing is allowed, it has been granted by Congress on a case-by-case basis, a policy which again reflects a deep-rooted pattern of paternalism. The twenty reservations which have already been given authority for long-term leasing have realized important benefits from that privilege and this opportunity should now be extended to all Indian tribes.

Economic planning is another area where our efforts can be significantly improved. The comprehensive economic development plans that have been created by both the Pima-Maricopa and the Zuni Tribes provide outstanding examples of interagency cooperation in fostering Indian economic growth. The Zuni Plan, for example, extends for at least five years and involves a total of $55 million from the Departments of Interior, Housing and Urban Development, and Health, Education and Welfare and from the Office of Economic Opportunity and the Economic Development Administration. I am directing the Secretary of the Interior to play an active role in coordinating additional projects of this kind.

6. More money for Indian health

Despite significant improvements in the past decade and a half, the health of Indian people still lags 20 to 25 years behind that of the general population. The average age at death among Indians is 44 years, about one-third less than the national average. Infant mortality is nearly 50% higher for Indians and Alaska natives than for the population at large; the tuberculosis rate is eight times as high and the suicide rate is twice that of the general population. Many infectious diseases such as trachoma and dysentery that have all but disappeared among other Americans continue to afflict the Indian people.

This Administration is determined that the health status of the first Americans will be improved. In order to initiate expanded efforts in this area, I will request the allocation of an additional $10 million for Indian health programs for the current fiscal year. This strengthened Federal effort will enable us to address ourselves more effectively to those health problems which are particularly important to the Indian community. We understand, for example, that areas of greatest concern to Indians include the prevention and control of alcoholism, the promotion of mental health and the control of middle-ear disease. We hope that the ravages of middle-ear disease—a particularly acute disease among Indians—can be brought under control within five years.

These and other Indian health programs will be most effective if more Indians are involved in running them. Yet—almost unbelievably—we are presently able to identify in this country only 30 physicians and fewer than 400 nurses of Indian descent. To meet this situation, we will expand our efforts to train Indians for health careers.

7. Helping urban Indians

Our new census will probably show that a larger proportion of America's Indians are living off the reservation than ever before in our history. Some authorities even estimate that more Indians are living in cities and towns than are remaining in the reservation. Of those American Indians who are now dwelling in urban areas, approximately three-fourths are living in poverty.

The Bureau of Indian Affairs is organized to serve the 462,000 reservation Indians. The BIA's responsibility does not extend to Indians who have left the reservation, but this point is not always clearly understood. As a result of this misconception, Indians living in urban areas have often lost out on the opportunity to participate in other programs designed for disadvantaged groups. As a first step toward helping the urban Indians, I am instructing appropriate officials to do all they can to ensure that this misunderstanding is corrected.

But misunderstandings are not the most important problem confronting urban Indians. The biggest barrier faced by those Federal, State and local programs which are trying to serve urban Indians is the difficulty of locating and identifying them. Lost in the anonymity of the city, often cut off from family and friends, many urban Indians are slow to establish new community ties. Many drift from neighborhood to neighborhood; many shuttle back and forth between reservations and urban areas. Language and cultural differences compound these problems. As a result, Federal, State and local programs which are designed to help such persons often miss this most deprived and least understood segment of the urban poverty population.

This Administration is already taking steps which will help remedy this situation. In a joint effort, the Office of Economic Opportunity and the Department of Health, Education and Welfare will expand support to a total of seven urban Indian centers in major cities which will act as links between existing Federal, State and local service programs and the urban Indians. The Departments of Labor, Housing and Urban Development and Commerce have pledged to cooperate with such experimental urban centers and the Bureau of Indian Affairs has expressed its willingness to contract with these centers for the performance of relocation services which assist reservation Indians in their transition to urban employment.

These efforts represent an important beginning in recognizing and alleviating the severe problems faced by urban Indians. We hope to learn a great deal from these projects and to expand our efforts as rapidly as possible. I am directing the Office of Economic Opportunity to lead these efforts.

8. Indian trust counsel authority

The United States Government acts as a legal trustee for the land and water rights of American Indians. These rights are often of critical economic importance to the Indian people; frequently they are also the subject of extensive legal dispute. In many of these legal confrontations, the Federal government is faced with an inherent conflict of interest. The Secretary of the Interior and the Attorney General must at the same time advance both the national interest in the use of land and water rights and the private interests of Indians in land which the government holds as trustee.

Every trustee has a legal obligation to advance the interests of the beneficiaries of the trust without reservation and with the highest degree of diligence and skill. Under present conditions, it is often difficult for the Department of the Interior and the Department of Justice to fulfill this obligation. No self respecting law firm would ever allow itself to represent two opposing clients in one dispute; yet the Federal government has frequently found itself in precisely that position. There is considerable evidence that the Indians are the losers when such situations arise. More than that, the credibility of the Federal government is damaged whenever it appears that such a conflict of interest exists.

In order to correct this situation, I am calling on the Congress to establish an Indian Trust Counsel Authority to assure independent legal representation for the Indians' natural resource rights. This Authority would be governed by a three-man board of directors, appointed by the President with the advice and consent of the Senate. At least two of the board members would be Indian. The chief legal officer of the Authority would be designated as the Indian Trust Counsel.

The Indian Trust Counsel Authority would be independent of the Departments of the Interior and Justice and would be expressly empowered to bring suit in the name of the United States in its trustee capacity. The United States would waive its sovereign immunity from suit in connection with litigation involving the Authority.

9. Assistant Secretary for Indian and Territorial Affairs

To help guide the implementation of a new national policy concerning American Indians, I am recommending to the Congress the establishment of a new position in the Department of the Interior—Assistant Secretary for Indian and Territorial Affairs. At present, the Commissioner of Indian Affairs reports to the Secretary of the Interior through the Assistant Secretary for Public Land Management—an officer who has many responsibilities in the natural resources area which compete with his concern for Indians. A new Assistant Secretary for Indian and Territorial Affairs would have only one concern—the Indian and territorial peoples, their land, and their progress and well-being. Secretary Hickel and I both believe this new position represents an elevation of Indian affairs to their proper role within the Department of the Interior and we urge Congress to act favorably on this proposal.

Continuing programs

Many of the new programs which are outlined in this message have grown out of this Administration's experience with other Indian projects that have been initiated or expanded during the last 17 months.

The Office of Economic Opportunity has been particularly active in the development of new and experimental efforts. OEO's Fiscal Year 1971 budget request for Indian-related activities is up 18 percent from 1969 spend-

ing. In the last year alone—to mention just two examples—OEO doubled its funds for Indian economic development and tripled its expenditures for alcoholism and recovery programs. In areas such as housing and home improvement, health care, emergency food, legal services and education, OEO programs have been significantly expanded. As I said in my recent speech on the economy, I hope that the Congress will support this valuable work by appropriating the full amount requested for the Economic Opportunity Act.

The Bureau of Indian Affairs has already begun to implement our policy of contracting with local Indians for the operation of government programs. As I have noted, the Salt River Tribe and the Zuni Tribe have taken over the bulk of Federal services; other projects ranging from job training centers to high school counseling programs have been contracted out to Indian groups on an individual basis in many areas of the country.

Economic development has also been stepped up. Of 195 commercial and industrial enterprises which have been established in Indian areas with BIA assistance, 71 have come into operation within the last two years. These enterprises provide jobs for more than 6,000 Indians and are expected to employ substantially more when full capacity is reached. A number of these businesses are now owned by Indians and many others are managed by them. To further increase individual Indian ownership, the BIA has this month initiated the Indian Business Development Fund which provides equity capital to Indians who go into business in reservation areas.

Since late 1967, the Economic Development Administration has approved approximately $80 million in projects on Indian reservations, including nearly $60 million in public works projects. The impact of such activities can be tremendous; on the Gila River Reservation in Arizona, for example, economic development projects over the last three years have helped to lower the unemployment rate from 56 to 18 percent, increase the median family income by 150 percent and cut the welfare rate by 50 percent.

There has been additional progress on many other fronts since January of 1969. New "Indian Desks" have been created in each of the human resource departments of the Federal government to help coordinate and accelerate Indian programs. We have supported an increase in funding of $4 million for the Navajo Irrigation Project. Housing efforts have picked up substantially; a new Indian Police Academy has been set up; Indian education efforts have been expanded—including an increase of $848,000 in scholarships for Indian college students and the establishment of the Navajo Community College, the first college in America planned, developed and operated by and for Indians. Altogether, obligational authority for Indian programs run by the Federal Government has increased from a little over $598 million in Fiscal Year 1970 to almost $626 million in Fiscal Year 1971.

Finally, I would mention the impact on the Indian population of the series of welfare reform proposals I have sent to the Congress. Because of the high rate of unemployment and underemployment among Indians, there is probably no other group in the country that would be helped as directly and as substantially by programs such as the new Family Assistance Plan and the proposed Family Health Insurance Plan. It is estimated, for example, that more than half of all Indian families would be eligible for Family Assistance benefits and the enactment of this legislation is therefore of critical importance to the American Indian.

This Administration has broken a good deal of new ground with respect to Indian problems in the last 17 months. We have learned many things and as a result we have been able to formulate a new approach to Indian affairs. Throughout this entire process, we have regularly consulted the opinions of the Indian people and their views have played a major role in the formulation of Federal policy.

As we move ahead in this important work, it is essential that the Indian people continue to lead the way by participating in policy development to the greatest possible degree. In order to facilitate such participation, I am asking the Indian members of the National Council on Indian Opportunity to sponsor field hearings throughout the nation in order to establish continuing dialogue between the Executive branch of government and the Indian population of our country. I have asked the Vice President to see that the first round of field hearings are completed before October.

The recommendations of this Administration represent an historic step forward in Indian policy. We are proposing to break sharply with past approaches to Indian problems. In place of a long series of piecemeal reforms, we suggest a new and coherent strategy. In place of policies which simply call for more spending, we suggest policies which call for wiser spending. In place of policies which oscillate between the deadly extremes of forced termination and constant paternalism, we suggest a policy in which the Federal government and the Indian community play complementary roles.

But most importantly, we have turned from the question of *whether* the Federal government has a responsibility to Indians to the question of *how* that responsibility can best be fulfilled. We have concluded that the Indians will get better programs and that public monies will be more effectively expended if the people who are most affected by these programs are responsible for operating them.

The Indians of America need Federal assistance—this much has long been clear. What has not always been clear, however, is that the Federal government needs Indian energies and Indian leadership if its assistance is to be effective in improving the conditions of Indian life. It is a new and balanced relationship between the United States government and the first Americans that is at the heart of our approach to Indian problems. And that is why we now approach these problems with new confidence that they will successfully be overcome.

PRESIDENT'S STATE OF THE UNION MESSAGE

SELF-DETERMINATION FOR INDIANS

One of the major initiatives in the second year of my Presidency was designed to bring a new era in which the future for American Indians is determined by Indian acts and Indian decisions. The comprehensive program I put forward sought to avoid the twin dangers of paternalism on the one hand and the termination of trust responsibility on the other. Some parts of this program have now become effective, including a generous settlement of the Alaska Native Claims and the return to the Taos Pueblo Indians of the sacred lands around Blue Lake. Construction grants have been authorized to assist the Navajo Community College, the first Indian-managed institution of higher education.

We are also making progress toward Indian self-determination on the administrative front. A newly reorganized Bureau of Indian Affairs, with almost all-Indian leadership, will from now on be concentrating its resources on a program of reservation-by-reservation development, including redirection of employment assistance to strengthen reservation economies, creating local Indian Action Teams for manpower training, and increased contracting of education and other functions to Indian communities.

I again urge the Congress to join in helping Indians help themselves in fields such as health, education, the protection of land and water rights, and economic development. We have talked about injustice to the first Americans long enough. As Indian leaders themselves have put it, the time has come for more rain and less thunder.

DOCK STRIKE STILL HURTING AGRICULTURE

Mr. PACKWOOD. Mr. President, as the dock tie-up on the west coast continues into its 17th week, I think it is vitally important to keep Senators apprised of the damage that is being inflicted nationwide on innocent parties who play no part in the dispute, but are nevertheless helpless to "get out of harm's way." Among those most desperately affected are our farmers, who have worked all year to produce their crops, only to find themselves prevented from moving their goods to the markets that are waiting.

The Senate Agriculture Committee's Subcommittee on Agricultural Exports is fully aware of the serious impact of the dock tie-up and shares my concern that something be done immediately to allow agricultural products to be moved to market. On November 5, the subcommittee held a hearing to examine the effect of the dock dispute on agriculture and received numerous excellent statements.

Following that hearing, the full Agriculture Committee recommended that both the Commerce Committee and the Labor and Public Welfare Committee take action to remedy the situation. Since that recommendation, however, only one further hearing has been held by the Labor Committee, in spite of resumption of the dock strike on January 17.

The testimony received by the Agricultural Exports Subcommittee is most informative, and I believe would be of interest to all Senators. I therefore ask unanimous consent that several of the statements be printed at this point in the RECORD.

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

STATEMENT OF DONALD A. WOODWARD, NATIONAL ASSOCIATION OF WHEAT GROWERS, PENDLETON, OREG., ALSO REPRESENTING THE WHEAT GROWERS ASSOCIATIONS OF OREGON, WASHINGTON, AND IDAHO

Mr. WOODWARD. Mr. Chairman and members of the subcommittee, one of the great natural resources in the Pacific Northwest is the land that does produce the bountiful supplies of wheat. We must preserve this ability of the farmers of this area to economically and successfully exist or these vast resources of ours would go to naught.

Recently I was appointed by the wheat organizations of the States of Oregon, Washington, and Idaho to testify before this subcommittee in order to gain your backing to help settle the present west coast dock strike and prevent further calamities of this nature. We have tried to attack this problem from all sides. Today's testimony is one of many ways we have tried to proceed because experience in the past tells us what we need is the backing of many people to do this sort of job. In numbers there is tremendous strength. We feel that one of our strongest approaches is through our national Government and the legislative procedure. Your Senators and our Congressman can really be a help in this situation.

In order for you to more fully understand

and appreciate our predicament, I would like to review the problem.

On July 1st of this year the International Longshoremen and Warehousemen Union for the Pacific coast went on strike. This was a terrible blow to the wheat industry of the Pacific Northwest. It was just at the start of harvest. Traditionally, much of our wheat moves to the coast during harvest, as there is not sufficient storage in the interior to take care of the supplies of wheat as they come from the field.

Since it was impossible, due to the strike, to move this grain, it was piled on the ground where it was open to the elements of the weather. We had an unusually wet late summer which led to some of this wheat becoming weather damaged. This caused us a multitude of problems to keep this wheat separate from our export wheat so as to insure our Oriental customers they would receive, when exports commence again, first-class wheat.

As the strike continued for more than 90 days and until the invoking of the Taft-Hartley injunction, there was tremendous damage to our export markets. The Pacific Northwest exports to the Asiatic countries more than 85 percent of their total wheat production. During these 90 days there was practically no wheat exported out of this area.

In order to give you a comparison of what I am talking about, I would like to quote the following figures: During July and part of September of 1970 there were 25 million bushels of Pacific Northwest white wheat inspected for export from the Pacific Northwest ports. This year during the same period, there were 93,000 bushels inspected for export and all of this was shipped from Canadian ports. This amount is little more than one average farmer raises by himself. As close as we can figure it, we were losing $1 million per day at the time of the Taft-Hartley injunction and a total loss for the strike period of approximately $85 million. This represents some 55.7 million bushels of wheat lost to export, of which 24 million were Pacific Northwest white wheat, besides $12.5 million lost in rain-damaged wheat and depressed prices.

I would like your subcommittee to take note of the fact that the price of wheat in Pendleton, Oreg., just before harvest was about $1.50 per bushel, but shortly after the dock strike commenced, it dropped to about $1.33. Of course, part of this was due to the normal decline during the harvest season, but a good deal of the drop was caused by the immediate closing down of the docks.

This $1 million a day loss, of course, will continue after the 24th of December when the 80-day cooling off period is over and the longshoremen go back on strike again, as they have given every indication that is what they expect to do.

Some of these lost markets may be recovered if the strike is settled. But in those countries such as Korea, Taiwan, and the Philippines where we have enjoyed nearly 100 percent of their market, this export wheat will never be recovered.

It is a shame that the wheat-producer organizations of the Pacific Northwest, after instigating WWA to take care of the export marketing problems and then Western Wheat Associates so successfully solving these problems by building up a tremendous new wheat business in the Orient over the last dozen years, have to see much of these hard fought for successes smashed in just a few weeks time. The wheat producer and the wheat industry have suffered losses amounting to millions of dollars due to the interunion fight between the longshoremen and the teamsters. And we know it isn't over yet and probably won't be over for some time unless we get some type of legislative action in the near future.

The Pacific Northwest started this year, as of July 1, before harvest, with practically no carryover—a goal that wheat people had sought for many years and hoped to maintain. As of now it may take years to eliminate the surpluses we have today due almost entirely to the dock strike.

We realize that the recent injunction under the Taft-Hartley law wasn't the whole answer to the problem but something had to be done and this was the only approach at this time available to our Government. This put the union people back to work but only in a half-hearted manner. At least for the present time it has stopped the $1 million a day loss to the wheat industry in our area. But what is gained unless settlement and new contracts are signed during this injunction period?

Recently several of us had the opportunity to meet with some of the Pacific Coast International Longshoremen and Warehouse Union officials in Portland, Oreg. This was a high-level meeting and proved to be very interesting and informative.

The purpose was to develop lines of communication and understanding of the serious export losses encountered by Pacific Northwest wheat industry to date and further losses if strike is continued after the 80-day cooling off period. This meeting was surprisingly successful with frank and open position and opinions presented by both sides. We definitely gained a mutual understanding of each other's problems. They are fighting for their livelihood just like we are. The 100 cargoes that they have not filled during their strike has been just as hard on them as on us. But the one thing that came out of this meeting is that they will go back on strike at the end of the present cooling off period.

Now let us take a more in-depth look at our Asian buyer. He is just like all buyers of raw products. They want a continuous supply of a quality product at a free market price. When the strike went into effect in July the United States was removed from this category because of continuity of supply.

Our Asian buyers in the main have small storage facilities. Japan, the largest cash buyer of wheat from the United States, can store less than 2 months' supply of wheat, so she needs to be continually buying. Japan also uses the many oceangoing vessels that are filled with wheat in transit as another source of storage to maintain her continuity to her millers.

So when the strike went into effect she was forced immediately into buying elsewhere, mainly from our competitors Australia and Canada, who were ready and willing to supply her with her needs in spite of the fact that in many cases Japan prefers the quality of our U.S. wheats. This was also true of the other countries we sell to in the Oriental area. Now when the Taft-Hartley injunction went into effect there was some buying done by those countries as long as the delivery could be made before the end of this cooling off period. But Japan has asked us what assurance we can give for the delivery of grain during the period of December through February. This grain they might buy during the latter part of the 80 days.

Of course, there is no way we can give them that assurance with the resumption of the strike, a very good possibility in late December or the first part of January. So, again, they will be buying from our competitors. One of the assets of the ports of Portland and Seattle has been in the development of its reliability and continuity as an export service to the Asian market. Now this asset has been shattered and undermined by the recent strike and the formidable future possibility of resumption of that strike.

At a recent meeting of the Oregon Wheat Growers League, and because of all these problems, the wheat people decided to see if there isn't something that can be done from a legislative standpoint. We realize that we are not legislative lawyers and would be unable to write a bill, but we do have ideas about what legislation should be about.

STATEMENT OF MATT TRIGGS, ASSISTANT LEGISLATIVE DIRECTOR, AND DALE SHERWIN, ASSISTANT LEGISLATIVE DIRECTOR, AMERICAN FARM BUREAU FEDERATION

Mr. TRIGGS. Thank you, Mr. Senator.

We are happy to follow your suggestion that we file our statement and summarize it verbally. Perhaps it is already apparent that most of us have about the same things to say anyway.

The welfare of millions of people, literally, is being directly affected by this strike. Although they have no direct involvement in the dispute, or any voice in the dispute, they are being adversely affected. It is our view that their interests ought to be better recognized in national legislation covering this area than is currently the case.

Farmers, of course, are hurt more than most because the farm production is already there, it is ready to ship. Farmers cannot shut down their plant and stop production.

When we recall that one of four acres of farm production are for export, we don't need to belabor the fact that the impact on net farm incomes and farm prices will be pretty adverse. Unfortunately, this often means permanent or indefinite loss of markets as well.

But the public, too, is being hurt. And this may be less apparent. Farmers could make a much larger contribution to improvement of our national balance of payments if they were permitted to do so; they could ship much more than they have shipped in recent years if they were permitted to do so.

The reduction in net farm income resulting from the dock strike is certainly adversely affecting the general economy, economic growth, and the increased employment that obviously and unanimously is agreed as being imperative and necessary.

We recognize that this committee has no jurisdiction with respect to the legislative matter. We do appreciate, however, that the hearings are being held. This is a far more serious problem than has been understood generally and hopefully the hearings may point this up.

But there is not a whole lot of purpose in hearings unless something grows out of those hearings. The administration has proposed legislation to deal with the problem of transportation strikes, including transportation strikes in international commerce.

This has been introduced in the Senate by Senator Griffin as S. 560. Hearings have been held by the Senate Committee on Labor and Public Welfare.

We are supporting this legislation or comparable legislation. If this legislation had been available 6 months ago, or a year ago, we would have a better opportunity to deal with the very serious problem than we do have now.

So we would like to read the last paragraph of our statement because that points up what seems to us to be the real purpose of this hearing:

We believe that two actions are critically needed:

First, that the Senate Labor and Public Welfare Committee should take favorable and early action with respect to the approval of S. 560, or comparable legislation, and, second, that since no adequate settlement procedure is available as of now, the President should use as a temporary stopgap measure—it will do some good; it won't wholly solve the problem—the emergency provisions and secondary boycotts provisions of the Taft-Hartley Act.

And so we recommend that this subcommittee in its findings and conclusions that it may make as a result of these hearings, urge that these two actions be taken.

Thank you, sir.

(The prepared statement of Mr. Triggs is as follows:)

Mr. TRIGGS. Dock strikes have adverse impacts upon various segments of the economy and upon many persons and groups who are not represented and who have no opportunity to participate in resolving such disputes. The general public interest and the interest of the unrepresented persons and groups should be given more effective attention.

Farmers are among the groups most affected by the dock strikes because the farm products which would normally be exported in the absence of a strike have already been produced and are ready for shipment. Production cannot be shut off or reduced because of the disruption of farm product shipments. Some commodities are deteriorating in quality, due to a high degree of perishability or to a lack of adequate storage space as supplies accumulate in an abnormal way.

Export sales of farm products are vital to the welfare of farmers. The production of nearly 1 of 4 acres of crops grown by U.S. farmers is exported. Increased exports of farm products can make a major contribution to improving the income situation in agriculture. An objective of much of the farm legislation of recent decades has been increases in farm exports.

Export sales of farm products are also important to the general public and to our international balance of trade. In fiscal year 1971, farm exports reached a record level of $7.8 billion. Farmers can make an even greater contribution to the improvement of our balance of payments if they are permitted to do so. The reduction in farm purchasing power resulting from the current dock strikes is adversely affecting the growth in economic activity and employment needed in the national interest.

The disruptive impact of transportation strikes and particularly dock and maritime strikes on the marketing of farm products is obvious. This disruptive effect reaches much further than the loss of current sales. Foreign buyers, who find the United States to be an undependable source of supplies because delivery is uncertain, are provided an incentive to look to suppliers in other countries to meet their needs on a permanent and dependable basis.

The impact of the loss of exports on farm prices is equally obvious. Inability to maintain export markets clogs domestic channels and reduces domestic farm prices.

The present dock strikes come at a time when U.S. crops, particularly grains, are at record levels and farmers urgently need export sales. The current disruption is one of a series of dock and maritime strikes in recent decades which have had drastic adverse impacts on farmers and others.

We recognize and appreciate the action taken by the President to open the west coast ports, and the action by NLRB to enjoin the New Orleans sympathy strike. But the remedies now available are inadequate and temporary in nature. They do not touch the situation on the east coast and at some gulf ports.

There clearly is a need for more effective legislation not only to supplement the temporary remedies that have been applied in the current situation, but also to provide more adequate remedies for dealing with any similar problems that may arise in the future.

The responsibility for the enactment of legislation adequate to deal effectively with the problems of trade disruption can only be exercised by the Congress.

The administration has submitted proposals for legislation to settle transportation disputes in the rail, truck, air, longshore, and maritime industries. These proposals have been introduced in both Houses. The Senate bill is S. 560 by Senator Griffin.

The American Farm Bureau Federation endorses the principles of S. 560 as introduced and recommends the enactment of such legislation.

Had this bill or comparable legislation been enacted 6 months ago a procedure would be available now to settle the dock strike. The welfare of millions of persons would be enhanced if such a procedure were now available.

We believe that two actions are critically needed:

1. The Senate Labor and Public Welfare Committee should take favorable and early action with respect to the approval of S. 560.

2. Since no adequate settlement procedure is available as of now, the President should use the emergency provisions of the Taft-Hartley Act with respect to the east coast ports and such gulf ports as are idle. This should be recognized as a temporary stopgap measure pending the enactment of legislation providing for final settlement of such disputes.

We recommend that this subcommittee urge that these actions be taken.

U.S. AGRICULTURAL EXPORTS FOR FISCAL 1971

[Dollars in millions]

Commodity	July–June 1969–70	July–June 1970–71[1]	Change (percent)
Animals and animal products:			
Dairy products	$109	$131	+20
Fats, oils, and greases	208	273	+31
Hides and skins[2]	203	186	−8
Meats and meat products	140	143	+2
Poultry products	55	55	0
Other	96	127	+32
Total	811	915	+13
Feeds and fodders, except oilcake and meal	123	142	+15
Grains and preparations:			
Feed grains, excluding products	986	1,090	+11
Rice	322	281	−13
Wheat and products	965	1,226	+27
Other	66	96	+45
Total	2,339	2,693	+15
Oilseeds and products:			
Cottonseed and soybean oil	193	290	+50
Soybeans	1,069	1,264	+18
Protein meal	323	398	+23
Other	91	108	+19
Total	1,676	2,060	+23
Other products and preparations:			
Cotton, excluding linters	346	492	+42
Tobacco, unmanufactured[3]	562	570	+1
Fruits and preparations	341	341	0
Vegetables and preparations	205	208	+1
Nuts and preparations	60	68	+13
Other	258	263	+2
Total	1,772	1,942	+10
Total exports	6,721	7,752	+15

[1] Preliminary
[2] Includes fur skins
[3] Includes bulk smoking tobacco

[From the Wall Street Journal, Nov. 3, 1971]

COMMODITIES

PRICE TRENDS OF TOMORROW'S MEALS AND MANUFACTURES

The price trend was mixed in commodity futures markets yesterday.

The trading pace was limited in a number of markets as traders became increasingly cautious pending announcement of Phase 2 details of the Nixon administration's economic control program. Traders wonder what impact it will have on futures dealings. Phase 2 will succeed the 90-day Nixon wage-price freeze, which expires at midnight Nov. 13.

Liquidation along with trade selling discouraged early rallying tendencies in grains and soybean futures on the Chicago Board of Trade.

Soybean futures closed one cent a bushel lower. Declines in corn ran to ½ cent and wheat ended off ½ to up ½ cent a bushel.

EARLY BUYING OF CORN FUTURES

Unfavorable wet conditions in parts of the corn belt accounted for some early buying of corn futures. However, dealers observed that the harvest is now well advanced in the key producing states. The crop in Ohio is 70% harvested; in Indiana, 50%; in Illinois, 75%. In Minnesota, however, only 46% of the corn had been gathered as of last week.

The soybean harvest is in its final stages—nearly complete in Illinois with both quality and yield there reported good to excellent.

In Indiana 75% of the soybeans have been harvested and in Iowa it amounts to 90%.

New export business was a steadying influence in futures. Portugal will be in the market later this week to buy 1.8 million bushels of U.S. corn for December-January delivery. Israel purchased 910,000 bushels of U.S. hard wheat for December export.

JAPAN TO BUY WHEAT

Japan will be in the world market this week to buy nearly 13 million bushels of various grades of wheat. U.S. exporters expect to participate in this order. Morocco next week will be in the U.S. market to buy 10,000 tons of soybean oil for late November-early December export.

U.S. exports of grain and soybeans were lower last week, but dealers considered the shipments creditable in view of the dock strike that has reduced the flow of grain to foreign consumers.

U.S. wheat and flour exports last week reached 7.9 million bushels, down from 9.1 million the previous week. Soybean exports dipped to 7.2 million bushels against 7.4 million a week earlier. Corn shipments were 4.5 million bushels last week, down from 4.9 million a week earlier.

Cumulative exports of wheat and flour since the start of the season July 1 were 182.8 million bushels, down from 238 million a year earlier. Soybean shipments since the start of the season Sept. 1 totaled 54.4 million bushels, against 67.5 million a year ago.

U.S. CORN EXPORTS

U.S. corn exports so far for the season started Oct. 1 totaled 18.7 million bushels, compared with 47 million last season. (Italic added.)

COMMODITY IDEXES

Dow Jones Futures—140.88 off 0.19; last year, holiday.

Dow Jones Spot—138.82, off 0.03; last year, holiday.

Reuter United Kingdom—505.4, off 1.7; last year, 558.0.

Shell egg futures were again under pressure of liquidation reflecting lagging consumer demand, lower prices for cash eggs and ample supplies. Futures closed ¼ cent a dozen lower to ¼ cent higher.

The November 1971 delivery declined for the 10th consecutive session and at its low yesterday of 27⅛ cents a dozen was down slightly more than 10 cents in about three weeks.

Reflecting liberal supplies, there were 37 cars of eggs delivered against the November 1971 futures yesterday. Traders had looked for only about 12 cars. Each car represents 700 cases of eggs.

Top quality eggs in the New York wholesale market are currently quoted as much as 8½ cents a dozen below a year ago.

The New York Cocoa Exchange, New York Coffee and Sugar Exchange, and Commodity Exchange Inc. of New York were closed yesterday for Election Day.

Platinum futures dropped as much as $3.10 an ounce before rallying partially to close $2.50 an ounce lower. All deliveries ex-

cept January 1972 made season lows. Trading reached 2,022 contracts of 50 troy ounces each. Observers attributed the selling to a lack of confidence among traders in the present price levels for this precious metal. The market is at the lowest level since April 27, 1971.

Cotton futures advanced as much as $1.20 a bale. Washington officials said U.S. commodity exports under the so-called Public Law 480 grants to foreign consumers weren't affected by the foreign aid bill defeated by the Senate last Friday. This attracted buying by traders who had sold contracts on Monday.

HOG PRICES UP

Hog prices rose as much as 50 cents a 100 pounds as packers' demand perked up for reduced supplies. Farmers delivered 50,900 hogs to the 11 major markets, down more than 20% from a week ago.

Firm prices for several wholesale fresh pork products also created demand for live hogs. Chicago wholesale hams were unchanged to one cent a pound higher; pork bellies were unchanged to ½ cent higher.

Live cattle prices and wholesale beef quotations were steady.

Orange juice futures rose almost one cent a pound with the November 1971 contracts the strongest. The buying reflected firm prices being paid for initial deliveries of oranges by growers from the 1971–72 Florida orange crop. Buyers, believed to be processors of chilled orange juice, were paying about 55 cents a pound for orange solids, traders heard, up five cents from recent levels.

Processors of orange concentrate aren't expected to start new season operations for two to three weeks, or until enough oranges have been delivered, to assure maintenance of operations, traders heard.

STATEMENT OF KENNETH D. NADEN, EXECUTIVE VICE PRESIDENT, NATIONAL COUNCIL OF FARMER COOPERATIVES

Mr. NADEN. Mr. Chairman, in view of the shortness of time, I will request, if I may, that you enter our short statement in the record. And I will take the liberty of just reading the last two paragraphs, because they are the two which I feel reflect our major concern and that we would like to leave with you.

This statement is intended to reflect our concern not only with the current farm income problems which are accelerated by these shipping strikes, but with the entire principle of need for arbitration in strikes which go so far that they become intolerable. One of our most urgent social needs is to develop more efficient institutions, laws, and procedures which will permit workers to have a fair hearing of their grievances and their demands, but will also have limitations placed on the extent to which they can damage innocent farm, business, or public groups.

Mr. Chairman, we compliment you for your leadership in this matter of vital importance to farmers, to their cooperatives and other agricultural shippers that are concerned with this matter. We appreciate this opportunity to express our views on behalf of U.S. farmer cooperatives.

We recognize the statement you made earlier concerning the lack of jurisdiction of this committee over labor-management disputes. But we feel it is invaluable that such a hearing was held so that the major outcome and result will be that you and other committee members will convey to the proper congressional and senatorial committees the great harm that is being done, and the damage which you are documenting today.

Thank you very much.

Mr. NADEN. I am Kenneth D. Naden, executive president of the National Council of Farmer Cooperatives. The national council is a nationwide federation of farmer-owner business engaged in the marketing of agricultural commodities or the purchasing of farm production supplies, and of 32 State cooperative councils. The cooperatives making up the council are owned and controlled by farmers as their off-farm business operations.

The widespread dockwork stoppages throughout the U.S. shipping areas have caused commodity damage, reduced farm income, greatly restricted exports and hurt long term export markets of many farmer cooperatives in the country. This action has not only contributed to already depressed farm income but has impaired the ability of the United States to recover from the foreign trade and international monetary crisis which it is now suffering. We appreciate the interest evidenced by your committee in providing this forum for discussion of the extent and unfairness of such damages, and to launch a more serious debate on the need and procedure for fair, corrective action.

In spite of tremendous increases in productivity on the part of U.S. farmers in recent decades and of the farm-to-city movement of millions, farmers still suffer from serious weakness in the markets in which they sell their products. This very productivity, coupled with limited nature of demand for their products and often fragmented marketing efforts, has contributed to depressed farm prices which have posed a continuing national policy dilemma for many years.

Obviously, one more pressure such as restriction of exports resulting from longshoreman strikes is of crucial importance to a group already suffering from overproduction and with few, if any, market alternatives. In the case of heavy surplus crops this year, such as corn, the damage to farm income can be especially severe, as is being documented before this committee today. The cost to government is also substantial for commodities which have programs to establish floors or otherwise support farm prices.

In addition, the dockwork stoppages are causing grave harm to the broad economic interests of the United States by obstructing exports and destroying long-run market opportunities. Export markets form such a valuable and expandable outlet for our farm production and have such a critical role in the current balance of payments situation that they take on more public interest than would otherwise be true. This situation becomes critical at a time when foreign sales are more vital than ever before.

The United States is now facing severe import competition and, in addition, is facing the most severe foreign trade and international monetary crisis in its history. Work stoppages of the length and severity we have have caused irreparable harm to our ability to maintain a reputation as a dependable supplier. One of the most important attributes which the United States has as an advantage over other suppliers of grain and raw materials is that we have a backlog and a reservoir of supplies and land and technical ability to be the most dependable supplier of these products in the world. Anything that interferes seriously with that ability to sell in such a highly competitive market obviously causes great harm to farmers' interests and to the national economic policy.

In summary, Mr. Chairman, the harm done by these extensive work stoppages goes far beyond reduction in farm income, which might be called the farmer's private interest, and goes to the ability of the United States to recover from a severe international monetary and trade crisis and to play its proper role in international economic and political affairs.

In view of the severe inequities which current and other work stoppages in shipping areas are causing farmers, and because of the harm done to the public interest, the national council urges that firm administrative and legislative action be taken to relieve this situation. Efforts for relief under Taft-Hartley injunction and mediation procedures should be more aggressively pursued. In addition, we believe that further legislative authority should be provided to recognize that shipping activities for export have just as much claim to be viewed as crucial to the public interest as does rail transport. Congress has recognized that at certain times voluntary or compulsory arbitration is necessary to stop a shutdown of rail service.

For wheat, corn or other major farm commodities in heavy international trade, strikes are disruptive for domestic as well as world markets. Particularly for strikes which are essential jurisdictional, as is true with the west coast longshoremen action, there should be more prompt action to save innocent victims from unnecessary harm.

This statement is intended to reflect our concern not only with the current farm income problems which are accelerated by these shipping strikes, but with the entire principle of need for arbitration in strikes which go so far that they become intolerable. One of our most urgent social needs is to develop more efficient institutions, laws and procedures which will permit workers to have a fair hearing of their grievances and their demands, but will also have limitations placed on the extent to which they can damage innocent farm, business or public groups.

Mr. Chairman, we compliment you for your leadership in this matter of vital importance to farmers, to their cooperatives and other agricultural shippers that are concerned with this matter. We appreciate this opportunity to express our views on behalf of U.S. farmer cooperatives.

Senator CHILES. Thank you very much. We appreciate your statement.

Senator Bellmon, do you have any questions?

Senator BELLMON. Mr. Chairman, in the interest of time, I won't ask any questions.

Senator CHILES. Thank you very much.

Mr. Hofer is going to file his statement.

(The statement is as follows:)

STATEMENT OF GLEN HOFER, EXECUTIVE VICE PRESIDENT, NATIONAL FEDERATION OF GRAIN COOPERATIVES

Mr. Chairman and members of the subcommittee: My name is Glen Hofer and I am Executive Vice President of the National Federation of Grain Cooperatives. We appreciate the opportunity to express our observations on the impact of dock strikes and other transportation tieups on agriculture.

The membership of NFGC consists of 18 regional farmer owned grain cooperatives which, through their affiliated local cooperatives, serve well over a million grain producers. Their primary activities involve the storage, conditioning, processing and marketing, both in the domestic and foreign markets, of all grains. In the 1969–70 crop year, our network of local and regional facilities handled 2.3 billion bushels of grain or approximately 34% of the total U.S. grain crop.

U.S. grain production, like all agriculture everywhere, annually is faced with drought, disease and insect pests. In addition, artificial curbs are placed on production by the application of farm program regulation. Despite the inroads of these agents, however, once triggered by seasonal planting, the combination of U.S. geography and technology is invariably going to put in the neighborhood of seven billion bushels of grain in the bin at the end of harvest. *Seven billion* bushels which must disappear in the 12 month period before another crop rolls from the field. Seven billion bushels to be stored, milled, crushed, merchandised, eaten or exported; a very demanding exercise in logistics and one that depends entirely on an orderly flow of grain through the marketing channels which have evolved over the years. Linking each component of the system are the trucks and trains, and barges and freight-

ers which must conduct the grain each step of the way from the field to the ultimate consumer.

Needless to say—whenever one of the transportation modes fails to provide orderly movement for any reason, back pressure develops on one side of the blockage and a vacuum develops on the other side. Both of those conditions place stress on the entire system and, if prolonged, the effects become chaotic, costing the producers countless millions of dollars in terms of lost export markets and depressed prices. In addition, and perhaps equally significant for the purposes of these public hearings, the injurious influence soon spreads to the interests of the general taxpayer who has a vital concern in the U.S. balance of payments and the cost and effectiveness of U.S. farm programs.

Disruption or stoppage of transportation service can occur for one of several reasons. The shortage of equipment during peak periods of grain movement has been a chronic ailment and has seemed to intensify during the past decade. The most acute problems, however, have developed from work stoppages on the railroads and at the seaports, due to labor-management disputes. The case in point, of course, being the current difficulties plaguing dock side facilities.

As mentioned beforehand, a block in the grain pipeline causes an intolerable upstream pressure buildup and a damaging downstream vacuum. Looking back toward the producer from the present tie up at terminal export position, the following conditions are soon apparent:

Equipment Tie-up.—A severe congestion of transportation equipment is inevitable when the docks are struck. The manager of Farmers Export facility at Ama, Louisiana, reports there were 649 grain barges waiting to be unloaded at Baton Rouge and New Orleans on the day before dock side operations were resumed there under court order. Such immobilization of significant numbers of available barges severely disrupts the dry bulk traffic upriver.

Overtaxed Storage and Handling Facilities.—With the work stoppage coming as it bumper grain crop, the facilities for storing did, in the midst of harvest of a more than and conditioning the grain were soon swamped. Our Indiana member reports a million bushels of corn on the ground in Indianapolis. Much of this corn is high moisture content and severe losses are expected from it going out of conditions. Drying facilities at Indiana Grain's elevators have good sized capacity for conditioning grain, but with the storage completely full and harvest still underway, they simply cannot handle the situation. These conditions are repeated in many areas with another notable example in the Pacific Northwest where as much as six million bushels of soft white wheat are still on the ground from their July/August harvest time.

Depressed Farm Prices.—Already under heavy supply pressure from the huge crop being harvested, farm gate prices for grain are suffering a further depressant through the loss of the export outlets. Since several factors are bearing on the price, it is difficult to quantify the influence of the strike; but many responsible observers are projecting a drop of from 8 to 10 cents per bushel. Our Illinois member has calculated that, at that rate, the Illinois farmers alone have lost $34 Million directly out of net income from harvest time sales.

Disruption of Government Program Planning.—Supply control programs must plan well in advance if production is to be tailored to disappearance. The USDA recently announced the details for the 1972 feed grain program. In view of the huge crop coming off this year and in an attempt to forestall and further burgeoning of carryover stocks, the Department committed an additional $800,000 to the 1972 feed grain program to pay for production cutback. Obviously, if the current export situation is extended much further into the marketing year, the loss in export disappearance will offset some portion of the anticipated cutback and the taxpayers' money will have gone for naught.

Looking downstream or toward the world market from the port bottleneck, these depressing conclusions can be drawn:

Loss of Export Sales.—Documentation of the eventual actual losses will be difficult to provide, but expert testimony in the form of comparative statistics and projections has been featured in the presentation of the USDA representative and witnesses from the grain trade. Suffice to say here that very substantial losses have been suffered, even to the point of drastically impairing agriculture's positive contribution to the critical U.S. balance of trade.

Loss of Export Customer Confidence.—The most serious aspect of the involuntary absence from the world grain market is the rapid deterioration of customer relations. Few, if any, of the grain importing countries have adequate storage facilities for accommodating a grain stock pile of any volume. They must necessarily depend upon a regular schedule of purchase and delivery to keep their supplies in balance with current food and feed demand. Consequently, the capability of a supplier to provide regular service becomes a high priority factor in the importer's purchasing decision. Conversely, any inability to keep the pipeline full forces an immediate switch to alternative supply. Given the presence in the world grain market of a number of aggressive and well-stocked suppliers, business lost through transportation failure not only detracts from the seasonal total, but very likely is displaced in subsequent marketing years.

I can recite many other individual instances of distress which were expressed by NFGC members as they were surveyed in anticipation of the presentation. Regionals in Arkansas and Oklahoma tell of their consternation in attempting to cope with the on again-off again nature of their export houses on the Gulf with the attendant unpredictability of ocean freighters whose routings have been completely scrambled by the checkerboard work stoppages. Texas tells of a number of cargoes of African Kafir corn which has been substituted into a traditional Japanese market for Texas grain sorghum. The toll rises with every report but it serves no purpose to enumerate them all here.

The National Federation of Grain Cooperatives would summarize as follows:

There is indisputable evidence that U.S. agriculture suffers immediate and disasterous results when prolonged work stoppages occur which stem from labor/management disputes in the transportation industry. The negative effects of these agricultural losses spread beyond the agribusiness community and should be of concern to the general U.S. taxpayer. Agriculture's problems are compounded and in some ways unique because there is no recourse to a plugged pipeline. We cannot bank the furnaces, lay off shifts or stop the pumps. When the season calls, agriculture's plant responds and the industry must accommodate to that schedule. Thus, we are terribly susceptible and need shelter from strikes resulting from disagreements in which we have no role in either the cause or the solution. It is our hope that these hearings will focus public attention on the seriousness and inequity in the present situation and the stake the general public holds in finding effective remedial measures.

Thank you.

STATEMENT OF J. D. URQUHART, MANAGER, UNION ELEVATOR & WAREHOUSE CO., LIND, WASH., AND CHAIRMAN, EXECUTIVE COMMITTEE, NATIONAL GRAIN & FEED ASSOCIATION

Mr. URQUHART. Mr. Chairman, I appreciate the opportunity to appear today. And I will admit parts of my testimony in the interest of time, as you requested this morning. The portions I will admit refer to volumes of grain lost in exports due to the west coast longshoremen's strike.

I am J. D. Urquhart, manager of the Union Elevator & Warehouse Co., Lind, Wash. I am testifying on behalf of the National Grain & Feed Association of which I am chairman of the executive committee.

The National Grain & Feed Association consists of 1,200 member firms, both investor-owned and cooperative, which are engaged in the grain and feed business in all parts of the Nation. The membership includes country elevators, terminal elevators, exporters, and food and feed processors. The present membership includes 50 affiliated State and regional associations representing, in turn, approximately 15,000 grain, feed, and farm supply firms.

My company is a country elevator with 66 years of continuous operation in the handling, storing and merchanising of grain in the State of Washington. We marked approximately 4 million bushels of farmer's grain annually in the domestic and export markets of the Pacific Northwest. In my activities with the National Grain & Feed Association, I have been involved with many different programs in both domestic marketing and international trade.

We are very concerned with the impact of the dock and port strikes on U.S. agriculture and the U.S. economy. Loss of export sales hurts the farmer's market for his crops and reduces his income, it reduces the marketing activity, related to exports and reduces the contribution of agricultural trade to the U.S. balance of payments.

At this point, I will move to the top of page 4, skipping over the magnitude of it.

In 1970, agriculture's gross contribution to the balance of payments (commercial agricultural exports plus the contribution by noncommercial exports) was a record high of $6.4 billion.

Although I am from the Pacific Northwest, the concern of our industry is national in scope. We are concerned with strikes at all ports—lake, east, gulf or west coasts. In this matter, the National Grain & Feed Association sought to intervene in the Government's court case in Chicago in requesting a Taft-Hartley injunction to stop the longshoremen's strike which tied up the shipment of grain out of the port of Chicago.

The west coast strike created a tremendous loss for agriculture in my area—the Pacific Northwest. By the end of October the longshoremen strike had reduced agricultural shipments through west coast ports by well over $200 million. USDA compiled custom data during the first 2 months of the west coast strike showed that exports from Pacific coast ports were reduced by three-fourths below the same period last year. Exports were $50 million compared with $197 million a year ago. Wheat and flour exports dropped from $62.2 million to $1.3 million. Other commodities also had drastic reduction in exports.

Now, I would like to discuss specifically the effects of the west coast longshoremen's strike on the country elevator.

The country elevator is a very important cog in the handling, storing, and merchandising of grain from the farmer to the flour mills and the terminal export markets in our part of the country.

The major destination for our Pacific Northwest wheat is export markets. These markets take approximately 80 to 85 percent of our production. We have a highly efficient marketing system. However, if any part of our marketing system is shut down, whether it be in transportation, receiving, or loading, we and our farm customers are seriously affected. In the case of the west coast longshoremen's strike, the shut down was like putting a cork in the bottle, the contents simply had no place to go. The blockage and receiving and unloading of grain, at the port terminals prevented meeting commitments

on previous sales and denied future export sales.

The west coast longshoremen's strike occurred at the worst possible time, during the harvest. The farmers were bringing in one of our largest crops. Indications are that 1971 wheat production in the States of Washington, Oregon, and Idaho will be 19 percent larger than the 1970 crop. The increase will be from 173,681,000 bushels to 206,573,000 bushels. In our area the country elevator provides storage and buys the grain at interior points. Also in our area farmers have chosen to provide storage largely through their cooperatives. There is relatively little capacity of farm storage since country elevators can normally handle the crop. The Pacific Northwest has developed sufficient storage at interior and export points, coupled with export movements, to handle the grain crop. However, when there is no market either domestic or in export movement, the country elevator simply must provide handling and storage facilities for the grain crop.

The effects of the longshoremen's strike for the past several months on the normal marketing of grain has been disastrous for many country elevators. Country elevators in Washington, Oregon, and Idaho piled approximately 30 million bushels of grain on the ground to help farmers complete their harvest. Though my company had sufficient contract sales for export and available terminal space we were compelled to pile on the ground approximately 600,000 bushels. This represents 15 percent of the grain handled by my company during the harvest heason. Our added cost over normal expenses will be approximately $50,000. This increased cost does not allow for any quality losses we may suffer due to adverse weather. The strike has also prevented us from making forward sales. When the country elevator absorbs such losses he risks losing his investment in storage facilities and the ability to serve his farm customers. Handling, storing, and merchandising of the farmers' grain and serving the farmer is the essence of our existence.

We believe in the basic concepts of collective bargaining for management and labor but we cannot tolerate the abuse of that right under the present law. Something must be wrong with the system which allows such economic losses to an innocent third party, in this case U.S. agriculture.

I want to thank you, Mr. Chairman, and your committee for the opportunity to appear before you today. Thank you.

(The prepared statement of Mr. Urquhart is as follows:)

Mr. URQUHART. Mr. Chairman and committee members: I am J. D. Urquhart, manager of the Union Elevator & Warehouse Co., Lind, Wash. I am testifying on behalf of the National Grain and Feed Association of which I am chairman of the executive committee.

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Secretary of Agriculture Clifford M. Hardin has clearly stated the magnitude of all agricultural exports. He has said:

"U.S. agricultural exports, paced by a gain of more than $1 billion in commercial sales for dollars, reached an all-time high of $7.8 billion in fiscal year 1972. . . . All of the gains—more than $2 billion in 2 years—have been in commercial sales for dollars which is very important to the balance of payments. . . . More than half the production of wheat, soybeans, and rice was shipped to foreign markets . . . and about one-eighth of the feed grains."

Secretary Hardin has cited data to show what the loss of export markets means to farmers and farm prices. On August 16 Secretary Hardin said:

"The West Coast dock strike is doing irreparable damage to U.S. farmers. Farmers are losing valuable cash markets for exports every day. Foreign buyers are turning to other sources, and it will be hard for us to win them back.

"This strike is running rough shod over farmers. It is high time that the principal parties in this strike think about farmers for a change—and worry how farmers are going to keep up their income and meet their mounting costs."

In these statements Hardin was talking about farmers in the Pacific Northwest, about my customers.

Later, on October 22, Secretary Hardin said:

"A prolonged work stoppage at East and Gulf Coast ports could depress farm prices as much as 25 cents per bushel for soybeans and 10 cents per bushel for corn during the months of October through December."

Translated to income Secretary Hardin said:

"That soybean growers could lose $125 million in income and corn growers could lose as much as $120 million."

These statements clearly point out how farmers unnecessarily suffer from such strikes. We concur with the Secretary in these respects.

Agricultural exports contribute greatly to the U.S. balance of payments. President Nixon has expressed concern with deteriorating balance of payments, and he stated in his August 15 message that the United States needs to be more competitive in world trade.

We are acutely aware that a dock or port strike prevents the country from making export sales and ultimately results in permanent loss of export markets. In 1970 agriculture's gross contribution to the balance of payments—commercial agricultural exports plus the contribution by noncommercial exports—was a record high of $6.4 billion.

Although I am from the Pacific Northwest, the concern of our industry is national in scope. We are concerned with strikes at all ports—lake, east, gulf, or west coasts. In this matter, the National Grain and Feed Association sought to intervene in the Government's court case in Chicago in requesting a Taft-Hartley injunction to stop the longshoremen's strike which tied up the shipment of grain out of the Port of Chicago.

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The west coast longshoremen's strike occurred at the worst possible time, during the harvest. The farmers were bringing in one of our largest crops. Indications are that 1971 wheat production in the States of Washington, Oregon, and Idaho will be 19 per cent larger than the 1970 crop. The increase will be from 173,681,000 bushels to 206,573,000 bushels. In our area the country elevator provides storage and buys the grain at interior points. Also in our area farmers have chosen to provide storage largely through their cooperatives. There is relatively little capacity of on farm storage since country elevators can normally handle the crop. The Pacific Northwest has developed sufficient storage at interior and export points, coupled with export movements, to handle the grain crop. However, when there is no market either domestic or in export movement, the country elevator simply must provide handling and storage facilities for the grain crop.

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We believe in the basic concepts of collective bargaining for management and labor but we cannot tolerate the abuse of that right under the present law. Something must be wrong with the system which allows such economic losses to an innocent third party, in this case U.S. agriculture.

STATEMENT OF LEONARD GARDNER, SECRETARY, ILLINOIS AGRICULTURAL ASSOCIATION, BLOOMINGTON, ILL.

Mr. GARDNER. Thank you, Mr. Chairman.

I have with me Mr. John Doherty, who is vice president—operations of the Illinois Grain Corp., a regional grain marketing cooperative affiliated with the Illinois Agricul-

tural Association, the statewide Farm Bureau organization in Illinois.

Let me summarize rather quickly some of the points we have attempted to make in our statement. And I think possibly Senator Bellmon wants to get back to some of the questions he raised this morning relative to the farmers' role in exporting.

I think the significance of trade has been pretty well laid out as to its impact on agriculture. Certainly Illinois has as much at stake as any other State, as we are the No. 1 exporting State for agricultural production of this Nation. So we have a very, strong interest in the subject of this hearing.

As we attempted to assess the impact of the dock strike on Illinois agriculture, we have tried to look at three facets: (1) The impact on the amount of current exports, and future exports in terms of volume.

(2) The impact on market prices, which has an effect upon that which is exported and that which is marketed through local channels in Illinois.

And then a very significant thing, we feel, is (3) the impact on the disruption of normal harvesting, handling and marketing.

Based upon our calculations and an appraisal of the expectations for exports compared to exports last year in October, we have calculated that the loss to Illinois farmers in exports alone on corn during the month of October is $4 million.

On soybeans, comparing soybean export inspections of a year ago to October export inspections of this year, we figure the loss in markets to Illinois farmers is $9 million in soybeans.

I think that even of more concern to Illinois farmers, other than just the current losses that have occurred in that one month—and I think they are probably understated—but the biggest concern to us is what happens in the future, the uncertainty that many of the witnesses here have spoken of, the fear that they cannot move their farm products in international trade.

At this time I would like to file for the record, Mr. Chairman, a letter that came to Mr. Doherty from the Farmers Export Co., of which we are a part.

Senator CHILES. Without objection, the letter will be received.

(The letter follows:)

FARMERS EXPORT CO.,
Kansas City, Mo., November 2, 1971.

Mr. J. P. DOHERTY.
Illinois Grain Corp.,
Chicago, Ill.

DEAR JACK: The interruption of the flow of agriculture export products is extremely harmful and costly to the producer and the agricultural community. A work stoppage, particularly as a result of a "strike" is most harmful since the third parties, who usually are the motivating forces of trade, are frustrated by the element of uncertainty in "timing."

Our organization, an export cooperative with its close contact to agricultural production and personnel with years of working and training in cooperatives, puts us in a pretty good position to observe how the farmer and the government are getting hurt when exports are terminated by a "strike"—whether it is in the field of transportation, handling, storage, stowage, etc.

During the month of October our export marketing program came to a halt as a result of a stevedore work stoppage. We were unable to make sales of feed grains and soybeans because we could not assure the buyer that we could load his vessels, or make delivery to our foreign customers because of an actual strike or the threat of a strike, involving the stevedores at the loading port.

We have lost an undeterminable quantity of export sales of U.S. farmers' production. The representative of a large Japanese trading house located in United States told us that his firm had withdrawn their entire fleet of grain cargo carriers operating between Japan and this country. This represents a lot of lost bushels that will never be regained. Some Japanese grain volume has been transferred from the Gulf to the Lakes at higher costs for the buyer but even in this case bushels were reduced and lost as compared to the buyer's normal use of larger vessels and shorter haul.

A week ago a Scandinavian country had a tender for corn. The party having the lowest offering price was advised that the final purchase was going to be delayed until Argentina could be consulted. Nothing further has been heard and one must assume that the buyer made his purchase elsewhere in fear a "strike" would hold up delivery.

Another incident involves a tender in a European country for yellow corn. The results of the tender indicated that most United States firms made their offer subject to "strike clause." Those that did not invoke the strike clause had access to foreign corn to fill the tender if necessary.

We have had several inquiries for corn and soybeans from a good European customer but the shipping dates were in a period that could very well be effected by a possible strike. We could not guarantee delivery. Maybe someone else took a chance and made the sale but there is a limit to the number of chances an exporter can take.

Jack, these are a few of the incidents that we know about which no doubt resulted in a loss of export grain for our farmers.

Yours truly,

GEORGE R. BICKNELL,
Executive Vice President.

Mr. GARDNER. Thank you, sir.

This letter gives some indication of some of the concerns that we are running into from foreign buyers as to the reliability of the United States as a source of supply.

Exports of soybeans this year have held up amazingly well to many of us. But many of these have been at an extra cost for transportation to Houston and other ports that were open and thus a lower price to farmers. So this is one area of concern, exports which are lost already in the month of October and future sales.

The second area of concern is the whole area of market prices. We have looked rather carefully at the Chicago Board of Trade future prices and the differences in those prices and the country elevators' bid to Illinois farmers. We have concluded after studying these over the past 6 weeks, that probably 6, 7, or 8 cents per bushel is the net loss because of the impact of the dock strike on the market prices farmers are receiving for all of the products that they are marketing plus the inefficiencies and the increase in cost of their handling and harvesting. Thus we have come to the conclusion that probably the loss in market prices is somewhere in the neighborhood of 10 cents a bushel. When you apply this to the amount of product that is marketed by Illinois farmers in the month of October, it looks to us like the Illinois farmers have lost somewhere in the neighborhood of $29 million. This is very significant, I think our statement will give you the logic of how we arrive at that figure.

The third area of impact of the strike is the impact on harvesting, handling and marketing our products. We have seen the movement of grain down our rivers system slowed rather dramatically. This has clogged the channels of moving our grain to the river houses. Many of our elevators have been forced to stop taking grain. We took a survey early this week of a number of our elevators in the State of Illinois. This is not complete, but just a number of them. We found that 96 of our elevators in the State of Illinois some time in the last 2 weeks have had to quit taking grain. We had 40 elevators in the early part of this week, where we are dumping grain on the ground because of a lack of storage, and the elevators were all full. This is very disruptive to the nomal handling and marketing of our grain in Illinois. It is expensive. Every time you change and use less efficiently the marketing system that you have, you add expense. And, unfortunately, the farmers must pay for this in lower prices.

So these are some of our concerns.

We have corn on the ground in many cases and in many areas of our State we still have about 25 percent of our corn crop to harvest. So it is probably going to get worse before it gets better. We hope that the information that this committee compiles—we recognize your jurisdiction here and the limitations of your jurisdictions, but hopefully the information that you compile today will lend emphasis and give some indication of the tremendous impact that work stoppages have, and that you will begin to build a ground swell for some legislation effort to better resolve the disputes in the dock strike.

Mr. Chairman, if there are questions I would certainly be glad to answer them.

(The prepared statement of Mr. Gardner is as follows:)

Mr. GARDNER. Mr. Chairman, members of the committee, I am Leonard Gardner, secretary of the Illinois Agricultural Association, Bloomington, Ill. I appear before you today on behalf of the Illinois Agricultural Association, the statewide Farm Bureau organization of 194,986 members, and Illinois Grain Corporation, a regional grain cooperative affiliated with the Illinois Agricultural Association, which serves Illinois farmers through 237 local cooperative elevator organizations. These 237 local cooperatives market approximately 35 percent of the total grain marketed in Illinois. I have with me, Mr. John P. Doherty, vice-president of operations for Illinois Grain Corporation, to assist in answering questions which you may have.

We commend this committee for inquiring into the impact of the recent dock strikes on exports. We believe a prerequisite to any sound solution to disruptive labor disputes, regardless of fault, is an appreciation of the tremendous economic consequences of such disputes to farmers and to the economic well-being of the Nation. We hope that we might add to this understanding as we attempt to appraise the effects on Illinois agricultural exports of these recent strikes.

In fiscal 1971, U.S. agriculture established a record level of exports at $7.8 billion. These exports required the output of 1 out of every 4 acres harvested or 72 million acres of U.S. cropland. Soybeans and soybean products, wheat, and feed grains accounted for more than one-half of these exports.

According to the U.S.D.A., Illinois is the leading State with agricultural exports of $655 million in fiscal 1971. Illinois leads all other States with soybean and soybean product exports of some $350 million, about 19 percent of the U.S. total, and feed grain (mainly corn) exports of $175 million, about 16 percent of the U.S. total. Thus, the export market is tremendously important to the economic well being of Illinois farmers. U.S. agricultural exports and each State's share by commodities are shown in table I attached.

In calendar year 1970, the U.S.D.A. reports that 68 percent of the U.S. corn exports moved through gulf ports and that an additional 11 percent of the corn exports moved through Chicago. In the same year, 72 percent of the U.S. soybean exports moved through the gulf ports, and 9 percent moved through Chicago. Thus, when the gulf and Chicago ports are closed, the bulk of corn

and soybean exports from Illinois is effectively stopped. A complete compilation of export data by port for corn and soybeans is shown in table II.

Using the experience of recent years, the anticipated production of corn and soybeans in 1971, and the actual performance of the corn and soybean markets in the past 6 weeks, we can approximate the impact of the strikes on corn and soybean exports. Specifically, let us look at the impact on:

1. The amount of exports, both current and future.

2. Market prices.

3. Normal harvesting, handling, and marketing patterns.

1. *The Amount of Exports, Both Current and Future.*—The exact impact of the current strikes on agricultural exports, both now and in the future, is impossible to accurately determine at this time. The exact world supply and demand situation is not known for the year ahead. The best estimate of exports from the 1971 corn crop is 500 to 520 million bushels, about the same level as from the 1970 crop. Based on recent years' experience, we could expect about 10 percent of the corn exports to be made in October, or some 50 million bushels. In 1970 in fact, corn inspections for exports during October were 47 million bushels. Inspections of corn for export during October of 1971 were slightly less than 25 million bushels. On this basis, it would appear that corn exports in October 1971 were off from last year's pace by nearly 50 percent or by some 25 million bushels. Comparing weekly export inspections this year with last year may tend to understate the drop in exports inasmuch as the corn harvest is from a week to 10 days ahead of last year and the quality of the corn crop is substantially better this year than last. If in the months ahead this 25 million bushel market is not recaptured, U.S. farmers will be the losers to the tune of about $25 million. Illinois farmers would normally figure on sharing about one-sixth of these sales, so the loss to Illinois farmers would be about $4 million—and this is just for 1 month.

The best available estimate of soybean exports from the 1971 soybean crop is 600 to 620 million bushels (including meal and oil equivalent) or about the same level as from the 1970 crop. In this case, world production of oil seeds, competitive factors, and world demand factors for the year ahead are not completely in focus. U.S. inspections of soybeans for export give us the best available indication of the level of soybean exports for this year compared to a year ago. During the month of September, inspections indicate that soybean exports were about on a par with a year ago. However, during October of 1971, soybean inspections for export were 26 million bushels compared to 39 million bushels for October of 1970. Thus, last year's level was 50 percent higher than this year's rate. Again, because of the earlier harvest, using 1970 as a base may have a tendency to understate what would have occurred had there been no strikes in 1971. In addition, these inspection figures do not take into account soybean oil and meal. Nonetheless, even a 13 million bushel export loss in October 1971, if these markets are not recaptured, would represent a loss of nearly $40 million to U.S. farmers, with Illinois' share being about $9 million.

Using total export inspections as an indication of the level of exports in October of 1971 compared to October of 1970 does not reflect the port from which the export was made. In some cases in October 1971, grain was transported to what might be called secondary ports which were open. But this meant added costs of transportation in many cases which undoubtedly resulted in lower prices to farmers.

While a $9 million loss of soybeans export markets and a $4 million loss in corn export markets, in 1 month, are of tremendous concern to Illinois farmers, even more disturbing is the impact of the still unresolved dock strikes on future sales. Many trade groups, farms organizations, State departments of agriculture and the USDA have spent millions of dollars in time, effort, and promotion to convince foreign buyers that the United States is a reliable and abundant source of high quality agricultural products. The disruptive effects of a dock strike can create uncertainty that the United States is no longer a reliable source of supply for foreign buyers. Farmers can produce a quantity of high quality products at a competitive price but unless foreign buyers can have some certainty that they will be able to load their ships, little else matters.

Once a foreign buyer has this uncertainty, he turns to other sources of supply and changes his processing equipment or his formulation to accommodate different supplies or subsidies. The shift back to U.S. products is neither easy nor automatic.

2. *Market Prices.*—Prices that Midwest farmers receive for their grain are based on a particular Chicago Board of Trade Futures option. The time of year or season will dictate which option or month is used as the reference point. The price paid to farmers generally will be so many cents under the Chicago Futures price. This difference is called basis. Basis is an indication of many factors such as demand, risk, ability to receive or take delivery, ability to make delivery, ability to commit for long-term positions either as a seller or buyer, and availability of transportation equipment.

During harvest time the price paid to farmers is based on the December option for corn and the November option for soybeans. Attached are basis tables for both corn and soybeans for the period of September 15 through November 2, 1971 (tables III and IV). They show what farmers in central Illinois were receiving for their grain before any quality discounts. In the case of corn, there was a 5 cents to 6 cents price increase in the December Chicago Futures option during this period, yet the cash price relationship widened by about 7 cents. Thus, farmers did not realize the improved price position and this was money out of their pockets.

The basis tables show the impact of the various dock strikes. You may note, particularly, the impact during the month of October in relation to September and how the basis widened in early October and dramatically recovered, narrowed, at the end of October. This reflects the return of the dockworkers at New Orleans during the last 2 or 3 days of October.

This basis change and cash price loss, plus many other added costs of not being able to handle and move grain in normal marketing patterns, have, in our opinion, made a 10 cents per bushel reduction in the price farmers could have realized from their marketings.

In 1969 and 1970 Illinois farmers sold at harvest time about 20 percent of their corn production and some 60–65 percent of their soybean production. USDA estimated production in Illinois for 1971 is 1,002 million bushels of corn and 230 million bushels of soybeans. Based on this production, it is estimated that Illinois farmers will sell 200 million bushels of corn and 13.8 million bushels of soybeans, or total harvest time sales of 338 million bushels. A 10 cents per bushel reduction in price would mean that Illinois farmers could be penalized $34 million if the strikes effectively close the ports for October, November, and December.

As of November 1, Commodity News Service reported that nearly all soybeans and 75 percent of the corn had been harvested in Illinois. This would indicate that nearly all of harvest time marketings made by Illinois farmers have been done during the month of October. Thus, it could be estimated that, during the month of October, Illinois farmers experienced a loss of nearly $29 million as a result of the various strikes. This is a loss to net farm income.

3. *Impact on normal harvesting, handling and marketing patterns.*—The dock strikes create uncertainties in the normal harvesting, handling and marketing patterns. While it is impossible to ascribe a direct cost to the marketing and harvesting problems created by the dock strikes, they nevertheless are of deep concern to Illinois farmers. During the time of the recent dock strikes, grain movement down the Illinois and Mississippi Rivers from Illinois grain terminals slowed appreciably. Grain merchandisers were very hesitant to ship grain down the river without knowing whether it could be unloaded once it reached the ports. Local elevators found that their normal supply lines to river terminals were slowed and farmers found that local elevators were plugged. A quick survey of local Illinois elevators earlier this week indicates that 96 of them have been plugged and had to quit taking grain at one time or another during the past 2 weeks. With local elevators plugged, farmers often face the alternatives of shutting off harvesting machinery or storing grain on the ground in hopes that marketing or storage facilities will soon be available. On Tuesday of this week, we knew of nearly 40 Illinois locations where from 3½ to 4 million bushels of corn had been dumped on the ground.

Any set of circumstances which slows down the functioning of the marketing system creates inefficiencies and increases the costs of moving the crop from the farm to the ultimate consumer—nearly always at the expense of the farmer. For example, badly needed transportation facilities are tied up and delayed, uncertainties develop, risks increase, and margins and handling charges go up. Delays in harvesting expose farmers to greater crop losses and quality deterioration. Thus, when farmers are harvesting record crops and when prices are under severe pressure from large supplies, it is extremely difficult for farmers to accept the fact that a small number of people who are unable to resolve their differences can so adversely affect the marketing system upon which farmers are so dependent. In the case of such labor disputes, farmers bear heavily the consequences but are not a direct party to the problem. Even now, when the gulf and west coast ports are open under various forms of injunctions and Taft-Hartley provisions, uncertainties about what will happen when the various injunctions or cooling-off periods expire are the order of the day. The issues in the dispute are not resolved. We are only in a holding pattern.

The experiences of the past 3 months vividly point out the need for new approaches to solving labor disputes which can tie up the trade of this Nation. We are hopeful that the record that this committee compiles will serve as overwhelming evidence that urgent action is needed now to establish new means for resolving major transportation disputes without tying up the trade of our farmers and the Nation.

(The attachments to Mr. Gardner's statement are as follows:)

TABLE I.—LEADING STATES FOR AGRICULTURAL EXPORT SHARES, FISCAL YEAR 1971

[In millions of dollars]

Commodity	United States	Leading 10 States by rank										10 high States	All other
		1	2	3	4	5	6	7	8	9	10		
All commodities	7,759.0	Ill. 655.4.	Iowa 591.9.	Calif. 555.1.	Tex. 553.9.	N.C. 431.6.	Kans. 391.6.	Minn. 356.6.	Ark. 339.0	Ind. 331.6.	Nebr. 287.5.	4,494.2	3,264.8
Soybeans	1,264.2	Ill. 236.9.	Iowa 207.7.	Ind. 116.1.	Ark. 108.0.	Mo. 101.2.	Minn. 92.3.	Ohio 77.3.	Miss. 62.4.	La. 42.3.	Tenn. 31.5.	1,075.7	188.5
Wheat and flour	1,202.7	Kans. 240.4.	N. Dak. 181.4.	Mont. 82.9.	Wash. 81.8.	Okla. 79.0.	Nebr. 78.2.	Colo. 55.9.	Tex. 43.7.	S. Dak. 40.0.	Idaho 37.3.	920.6	282.1
Feed grains	1,101.8	Ill. 174.6.	Iowa 145.1.	Tex. 133.9.	Nebr. 102.1.	Minn. 80.9.	Ind. 0978.2.	Kans. 61.1.	Ohio 41.7.	Calif. 32.3.	Mo. 29.5.	879.4	222.4
Tobacco, unmanufactured	570.3	N.C. 324.8.	S C. 57.4.	Ga. 54.2.	Va. 43.4.	Ky. 36.4.	Tenn. 13.7.	Fla. 11.7.	Md. 8.4.	Pa. 8.3.	Wis. 4.1.	562.4	7.9
Cotton, including linters	497.7	Tex. 157.4.	Miss. 79.2.	Calif. 56.5.	Ark. 52.1.	La. 25.7.	Ala. 24.7.	Ariz. 23.7.	Tenn. 18.9.	Ga. 14.1.	Mo. 10.9.	463.2	34.5
Protein meal	397.7	Ill. 72.7	Iowa 63.8	Ind. 35.6	Ark. 33.5	Mo. 31.1	Minn. 29.3	Ohio 23.8	Miss. 19.7	La. 13.2	Tenn. 9.8	332.5	65.2
Fruits and preparations	342.8	Calif. 184.4	Fla. 74.9	Hawaii 18.7	Ariz. 11.2	Tex. 9.3	Wash. 7.8	N.Y. 5.6	Oreg. 4.9	Mich. 4.5	S.C. 3.5	324.8	18.0
Rice	288.5	Ark. 73.2	Tex. 72.4	La. 71.0	Calif. 63.4	Miss. 7.8	Mo. 0.7					288.5	0
Tallow, lard etc	272.7	Iowa 29.5	Tex. 25.9	Nebr. 17.8	Mo. 13.7	Ill. 13.6	Kans. 13.5	Calif. 12.2	S. Dak. 12.0	Okla. 11.3	Minn. 11.0	160.5	112.2
Soybean oil	242.4	Ill. 45.4	Iowa 39.8	Ind. 22.3	Ark. 20.7	Mo. 19.4	Minn. 17.7	Ohio 14.8	Miss. 12.0	La. 8.1	Tenn. 6.0	206.2	36.2
Vegetables and preparations	195.2	Calif. 52.4	Idaho 25.9	Mich. 23.7	Wash. 20.8	Fla. 10.6	N.Y. 7.2	Tex. 6.6	Colo. 6.4	Ariz. 4.3	Nebr. 4.1	162.0	33.2
Hides and skins	186.0	Wis. 17.2	Tex. 16.1	Iowa 12.4	Minn. 11.6	Nebr. 9.1	Calif. 7.9	S. Dak. 7.4	Kans. 7.4	Okla. 6.7	Ill. 6.6	102.4	83.6
Meat and products (excluding poultry)	155.4	Iowa 22.7	Ill. 11.4	Tex. 11.2	Nebr. 9.8	Mo. 9.1	Minn. 7.1	Kans. 6.8	Ind. 6.7	S. Dak. 6.5	Calif. 5.1	96.4	59.0
Dairy produce	131.2	Minn. 36.8	Wis. 19.4	Iowa 10.5	Calif. 10.3	N.Y. 10.2	Mich. 4.3	Ohio 4.1	Pa. 4.1	Kans. 3.4	S. Dak. 3.1	106.2	25.0
Nuts	63.3	Calif. 59.8	Ga. 0.8	Tex. 0.8	Oreg. 0.6	Ala. 0.3	La. 0.3	Okla. 0.2	N. Mex. 0.2	Ark. 0.1	Miss. 0.1	63.2	.1
Poultry products	55.1	Ark. 5.7	Ga. 5.6	N.C. 4.9	Calif. 4.4	Ala. 4.0	Tex. 3.3	Miss. 2.9	Minn. 2.3	Md. 2.0	Mo. 1.5	36.6	18.5
Cottonseed oil	47.4	Tex. 15.0	Miss. 7.5	Calif. 5.5	Ark. 5.0	La. 2.4	Ala. 2.3	Ariz. 2.3	Tenn. 1.8	Ga. 1.3	Mo. 1.1	44.2	3.2
Flaxseed	8.7	N. Dak. 4.8	S. Dak. 2.2	Minn. 1.3	Tex. 0.3	Mont. 0.1						8.7	0

Source: U.S. Department of Agriculture, Economic Research Service, Foreign Agricultural Trade of the United States, October 1971, p. 8.

TABLE II.—EXPORTS BY PORT,[1] CALENDAR 1970

[Bushels in millions]

	Corn		Soybeans	
	Bushels	Percent	Bushels	Percent
Gulf:				
Mississippi River	354	66	266	62
East gulf	10	2	25	6
Texas gulf	4	1	22	5
Total gulf	368	69	313	73
Lakes:				
Chicago	59	11	39	9
Duluth and Superior	29	5	12	3
Toledo and other	17	3	45	10
Total lakes	105	19	96	22
Atlantic:				
North	24	4	6	1
South	38	7	18	4
Total Atlantic	62	11	24	5
Pacific total	4	1		
U.S. total, 1970	539	100	433	10

[1] USDA Consumer and Marketing Service—Grain Market News—Chicago.

TABLE III.—CORN BASIS, CENTRAL ILLINOIS

Date	December futures Chicago Board of Trade	Central Illinois farmer bids	Basis (under)
Sept. 15	115¼	96½	18¾
16	114½	96	18½
17	113½	95	18½
20	113½	95	18½
21	114¼	96½	17¾
22	114¼	96	18¼
23	113¼	94½	18¾
24	113	94½	18½
27	113½	95	18½
28	113	94	19
29	113	94	19
30	112¾	94	18¾
Oct. 1	113¼	94¼	18
4	112¾	92½	20¼
5	113¼	93	20¼
6	114½	92½	22
7	114	92	22
8	114⅛	92	22⅛
11	114⅜	92½	22⅜
12	114¾	90	24¾
13	113¾	89¾	24
14	114¼	90	24¼
15	116	92	24
18	116⅜	92½	24⅛
19	116½	91½	25
20	118½	94½	24
21	119½	95½	24
22	118¼	93	25¼
25	117¼	92	25¼
26	116	91	25
27	115¾	94	21¾
28	116¼	95	21¼
29	115¾	95	20¾
Nov. 1	114¾	95½	19¼
2	114½	97	17½

TABLE IV.—SOYBEAN BASIS, CENTRAL ILLINOIS

Date	November futures Chicago Board of Trade	Central Illinois farmer bids	Basis (under)
Sept. 15	311¾	290	21¾
16	309½	287½	22
17	307⅝	286½	21⅛
20	307½	286½	21
21	307⅛	286½	20⅝
22	309⅛	288	21⅛
23	306¾	286	20¾
24	309⅛	289	20⅛
27	311¾	291	20¾
28	213¼	291¼	21
29	310¼	289	21¼
30	309⅞	289	20⅞
Oct. 1	311	288	23
4	307½	283½	24
5	307⅞	284	23⅞
6	310⅜	284½	25⅞
7	314½	288½	26
8	316¼	289	27¼
11	317⅝	290	27⅝
12	317	290	27
13	320¾	293	27¾
14	322¾	295	27¾
15	324⅛	296	28¼
18	320¾	293	27¾
19	326⅜	298	28⅜
20	322½	296½	26
21	325⅜	296½	28⅞
22	324¼	295	29¼
25	324	296	28
26	317¼	290½	26¾
27	317¼	290½	26¾
28	320⅛	295½	24⅝
29	319⅛	296	23⅛
Nov. 1	315	292	23
2	314⅛	292½	21⅝

STATEMENT OF HARRY J. KRADE, ASSISTANT DIRECTOR, MARKETING SERVICES, CALIFORNIA DEPARTMENT OF AGRICULTURE, SACRAMENTO, CALIF.

California industry was severely injured by the impact of the international longshoremen and warehousemen's strike which closed West Coast ports. The California Office of Emergency Services prepared the attached statement showing the economic losses which were incurred in California resulting from this strike. As you can see, the report is dated August 5 and reveals losses of approximately 628.5 million dollars from the inception of the strike through August 5.

California's agriculture is particularly victimized by its inability to satisfy foreign market demands for its important export production of crops and livestock products. The strike also severely hampers operations in California in that much of agriculture's processing relies upon imports of commodities which are necessary for processing. As an example, we were in difficult straits because the lack of canned bulk pineapple made it impossible for our local canneries to produce fruit cocktail and fruits for salad. Similarity, cane sugar, which was needed for the canning industry, was unavailable for use.

Of great concern to California's specialty crop industries was the loss of markets, particularly during the important preholiday movement of dried fruits, canned fruits, citrus, and nuts. These specialty crop items are principally sold in European markets for the Christmas trade and must be available for distribution in Europe before mid-November. The loss of shipping capabilities during the critical fall months is tantamount to the loss of the total market for the entire year. The loss of these markets, for which many California products are produced, injures California shippers in two ways: (1) it forces additional production on local markets with concomitant price reductions for the total production; and (2) It causes prospective customers to seek other sources of supply, thus displacing U.S. production with production from competing areas. Once markets are lost, they are extremely difficult to regain. If prospective buyers suspect that strikes or other labor problems can recur, they will search for more dependable supplies in competing areas.

It has often been said that once a market for a foodstuff has been lost, it cannot easily be regained, if at all. If customers cannot be serviced regularly, they will refuse to be serviced at all. It is a truism that if a person fails to eat breakfast, he will not eat two breakfasts the following day. With respect to food markets, the day-to-day losses cannot be recovered. We can only hope to restore previous levels of exports, and that with difficulty.

As is evident, the areas of loss in California are significant for food and feed grains, alfalfa and tallow, dried fruits, nuts, citrus, cotton, and canned products.

We have not addressed ourselves to the severe losses or greater costs of transportation which were realized by agriculture when West Coast ports were struck and Gulf and East Coast ports were opened. Many commodities had to resort to multi-modal transportation. This use of rail and ship or truck and ship substantially increased costs and, unfortunately, is available only to relatively high-valued commodities. The important commodities of alfalfa, wood chips, and similar cargo simply could not be moved.

The adverse impact affects not only agricultural producers, it affects the processors and canners and injures the economy of many small towns as well as major centers. The industries which are injured are not involved directly in the disagreement between the shipping interests and the longshoremen and warehousemen. There needs to be some method developed to protect the interests of these third parties from the adverse effects which are suffered by closing down the shipping capabilities of the nation.

We see no evidence that the 80-day cooling-off period provided for in the Taft-Hartley Law will be effective in resolving the differences between the strikers and the shipping concerns. There is substantial evidence that long before the cooling-off period ends the docks will begin to close down again; first, because shippers are unwilling or unable to guarantee departures prior to the resumption of the strike, and second, because many prospective exporters, who were caught with substantial inventories on the dock and realized substantial losses in perishable products, will hesitate to commit shipments if there is danger that they may be held up.

The California Department of Agriculture urges that consideration be given to some legislation or action to avoid the future adverse effect of strikes and stoppages. As injured noncombatants, we are appealing for your help to develop some system of protection.

(The attachments are as follows:)

DOLLAR VALUE OF EXPORTS OF CERTAIN AGRICULTURAL PRODUCTS THROUGH CALIFORNIA CUSTOMS DISTRICTS FOR MONTHS OF AUGUST, SEPTEMBER, AND OCTOBER 1970 WITH AUGUST 1971 FOR COMPARISON

Commodity	August		September		October	
	1970	1971	1970	[1] 1971	1970	[1] 1971
Grapes	443,772	173,171	463,389	.....	574,913	.....
Almonds	852,673	47,608	3,562,148	.....	12,249,236	.....
Walnuts	325,375	1,064	157,970	.....	1,256,668	.....
Nuts, not elsewhere classified	63,845	5,515	44,354	.....	102,407	.....
Dates	723,649	329,538	691,319	.....	482,702	.....
Raisins	3,579,842	62,037	1,518,893	.....	2,520,224	.....
Prunes	978,495	225,289	2,173,704	.....	2,184,489	.....
Figs, dried	22,446	6,800	45,755	.....	70,070	.....
Peaches, canned	891,825	.....	2,069,995	.....	3,446,570	.....
Pears, canned	99,022	.....	199,916	.....	195,030	.....
Fruit cocktail	572,831	2,390	1,150,436	.....	1,176,079	.....
Nuts, except peanuts not elsewhere classified	831,746	.....	521,095	.....	1,442,519	.....
Dried beans	335,110	79,809	471,835	.....	516,488	.....
Tomatoes, canned	4,871	.....	3,679	.....	20,575	.....
Tomatoes, puree and concentrated	70,453	580	20,903	.....	29,201	.....
Total above	9,795,955	933,801	13,095,391	.....	26,267,171	.....

[1] Not released as of Oct. 29, 1971.

Source: Bureau of the Census, Department of Commerce report EM 522 (U.S. Exports of Domestic Merchandise).

CITRUS

1. Industry loss that cannot be made up is approximately $3.2 million.

2. Lack of booking space at California ports preventing a catchup on exports during the cooling off period.

3. Reinstatement of strike could cause loss of total California exports amounting to $18.6 million annually. Industry pessimistic about strike settlement and no booking reported beyond cooling off period.

4. Industry turned to ports such as Ensenada and others in Mexico and ports in Canada rather than shipping by air.

5. Costs are higher through foreign ports and to get citrus to foreign ports, but no report of loss due to cost of reconditioning stocks prior to shipment.

6. Probably lost large part of traditional Christmas trade at foreign markets.

FRESH FRUITS

1. Exports of fresh fruit was sharply curtailed due to the dock strike, with estimates over half export business lost.

2. No possibility of catching up since trade is seasonal. At present, it is difficult to obtain shipping space because of backlog of dry cargo on docks yet to be shipped.

3. Steamship companies are booking fresh fruit for December, with business about as normal. Have bookings through mid January at present.

4. Air shipments of fruits and vegetables increased substantially over 1970. Through mid October air shipment exceeded the full 1970 calendar year by 20 million pounds. Despite this increase the largest share of the export orders were lost rather than paying increased cost to ship by air.

5. Have lost markets of fresh fruit shipments to Brazil, Panama, Trinidad and Venezuela because of strike. Several thousand cartons of honeydews scheduled for Japan were not filled and product not available when strike was settled. Much of July-September export business is to Hawaii and most of this lost. Perishable items were not held at dock, therefore no expense of reconditioning.

DRIED FRUITS AND NUTS

1. Industry estimate of loss due to strike to this date is unknown.

2. Dried fruit and nut industry cannot catch up on shipments during the 80 day cooling off period. It will be necessary to 110 days business in three weeks. Shippers are fighting for shipping space and containers.

3. If the strike is continued following the cooling off period, most of the export business for 1971 will have been lost.

4. Air shipments limited, although 10,000 tons of prunes shipped to West Germany by air, and much of the Hawaiian trade has been by air. Two of the three months of the strike were prime exporting months for dried fruits. Supplies curtailed for the holidays and for other special occasions where prunes, raisins and other dried fruits are featured. Once lost these sales cannot be regained. One quarter of the 1970–71 export marketing season has been lost as importing countries have gone to Turkey and Greece to secure raisins, etc. for their markets.

5. Some reconditioning of stock and inspection of containers at docks was necessary, including fumigation to keep stocks in good condition. Contacts report loss occasionally by jurisdictional union disputes and slow handling of cargo. One honey packer reported export order of honey delayed so that by the time the strike had ended, the raw product costs had increased sharply causing the shipper to lose money on the contract.

6. Markets lost to other countries such as Israel, Turkey, Greece, etc. This includes raisins, prunes and various dried fruits and nuts. Probably no chance to regain these lost markets since few foreign buyers are now in the market.

CANNED AND FROZEN FRUITS

1. Industry loss that cannot be made up is approximately $2 million.

2. The export situation remains unchanged from that described in the report by Jed Adams several weeks ago. The industry normally sells about 875,000 cases of canned peaches in July, August and September. The average value is around $5.00—$5.00 per case. At $5.50 per case this amounts to an economic value of $4,800,000.

3. Inclusion of fruit cocktails and other canned fruits would double the above amount, giving a total of nearly $10 million in export sales of canned fruits in the months of July, August and September.

4. The products now are moving. If the industry can continue to ship until the end of the year they will have pretty well caught up on their sales. However, some of these sales will not be recaptured and losses this year could equal 20% of the total sales, or about $2 million.

5. Steamship lines will book all future shipments in a normal manner. This is based upon the assumption that the strike will be settled by mid December. If not the steamship lines will probably re-evaluate booking situations about the first of December.

CANNED AND FROZEN VEGETABLES

1. Industry loss that cannot be made up is approximately $200,000.

2. Exports of California produced canned or frozen vegetables is comparatively minor. But some of the very heavy production of processed vegetables which is produced in California does enter the export market. Considering the many different commodities, the total could be substantial. As an illustration, $100,000 worth of canned tomatoes, either whole, pureed, or as catsup, were shipped into export markets in the month of August 1970. In August of 1971 the export value of these same commodities totaled only $580.

3. Considering the many commodities such as green beans, corn, broccoli, Brussels sprouts, asparagus, chili peppers and many more vegetable items that are canned or frozen in California, the total exports from California of these products in the months of August, September and October 1971 very well could equal $1 million in value. Because of the dock strike this amount was not shipped. The items are not perishable, but 20% of the sales of these commodities could be considered as lost.

RICE

1. Industry loss that cannot be made up is approximately $1,500,000.

2. About 125,000 tons of export rice delayed from July 1–October 8. Value about $21 million.

3. Most of the tonnage will be shipped during the 80 day cooling off period as some ships were standing by to load. Some lost

sales to Guam, U.S. Trust Territories and Hawaii lost about one half million.

4. A prolonged strike after cooling off period could jeopardize prospective sales to Korea to the value of at least $35 million. About 80% of California's $90 million rice crop is shipped to off-shore markets.

5. Total of 36,000 tons milled rice shipped by rail for trans-shipment to Puerto Rico at an extra freight cost of $1,100,000. Also, some additional cost to ship to Hawaii from Vancouver. Total extra cost to industry $1½ million for extra freight, storage, etc. Some additional storage costs on new crop rice due to storage facilities tied up by old crop.

6. No reconditioning costs.

7. Markets lost during the strike will probably be retained for future sales unless another prolonged strike occurs.

DRY BEANS

1. Industry loss that cannot be made up is approximately $320,000.

2. An estimated 80,000 hundredweight, valued at $800,000 lost to export sales from July 1 to October 8, 1971.

3. Most dry bean exports are to Japan and up to 40% of this California export business for 1971 probably will be lost.

4. Importing countries are limiting purchases of dry beans in U.S. since they have many alternative sources for supply. Future buying very limited and about half Baby Lima exports may be lost for this marketing year.

5. Some beans were exported through Vancouver at higher freight rates, but volume not available. Probably over $5,000 extra cost.

6. No reconditioning costs.

7. Part of export markets lost will not be regained until a normal situation is established and prices competitive. U.S. bean exports run about $25–50 million per year, about 10–15% from California.

COTTON

1. All export shipments of California and Arizona 1970 cotton crop were halted during the West Coast dock strike, with only negligible amount through Gulf ports. Cost $2,500 per day for storage during the strike.

2. Movement of old crop cotton has been slow following the Taft-Hartley injunction because of scarcity of shipping space. It is expected that the share normally exported will continue to go into export. None of the 1971 crop has been sold for export as yet. Foreign outlets are refusing to sign purchase contracts unless delivery date can be guaranteed, and these markets may be lost if strike is resumed at the end of injunction. Entire cotton crop valued at $260 million with about half going into export. No bookings ahead of December 1, since no sales reported on 1971 cotton crop.

4. Exports by other means have been negligible.

5. No markets lost to date. However, if shipments cannot be guaranteed buyers may look to Guatemala, Brazil and other exporting nations rather than taking the U.S. 1971 crop.

MEAT

1. No tonnage lost on shipments to Hawaii. Practically all shipments to Far East such as Japan and Hong Kong completely lost during July 1–October 8. Shipments by air cost 15¢ per pound, by ship container 3½–5¢ per pound. Approximately $170,000 increased shipping costs each week of strike, or a total of about $2.4 million.

2. Could catch up pretty fast if could be assured space, but still limited loadings out of Los Angeles for Hawaii and slowdown on docks preventing some possible shipments.

3. No estimate on cost to industry if strike is continued. No advance bookings in Los Angeles. In San Francisco, no bookings beyond December 1. Continuation of the strike could mean increased cost to Hawaiian consumer which is normally 16% above San Francisco.

4. All shipments to Hawaii by air. Shipments of cheaper items and shipments to Far East, Hong Kong, etc. not made. Japan trade lost. Much of hamburger trade taken over by Australia and New Zealand.

5. No known costs on reconditioning. Losses limited but at airports meats often held 2–3 hours without refrigeration. Additional storage space needed when shipping by air, also cost of going from storage to airport and from airport to storage.

6. No loss in markets since bulk of meats are going into Hawaii.

HIDES

1. Overall cost occasioned by strike, including lost payrolls, increased cost of shipments to other ports, deterioration of wet hides, etc. will total $1 million for July 1 to October 8.

2. Will catch up on back orders by second half of November.

3. Disaster would result if strike is continued following the injunction. California highly dependent on Japan. At one time ¾ million hides tied up by strike. No bookings beyond December 15, 1971.

4. No shipments by air, some trans-shipment to Houston.

5. No reconditioning, but some loss due to additional shrink in weights. Some losses by deterioration which may be refused by consignee. Some markets were also lost to Australia and New Zealand. For instance, the Taiwan contract was lost.

6. Hide shipments out of California ports in August 1970, excluding sheep skins, $2,802,000; August 1971 shipments $6,000, all to Mexico.

TALLOW

1. Industry losses to date that cannot be made up is approximately $2,000,000.

2. Tallow industry will not catch up on shipments during the 80 day cooling off period as 10,000 tons per month are shipped to Japan alone. Value is $185.00 per ton.

3. Industry losses will be tremendous if the longshoremen's strike is reinstated. Only 50% of tallow produced in the United States is used domestically. Tallow is a garbage operation, and without export a health hazard might result as packers will be forced to dump product as waste. Industry is booking cargoes for delivery just as though all will return to normal by December 24. No alternative since tallow bookings are normally 60–90 days ahead. Storage space is very scarce since tallow must be stored in tanks, with coils for steam heating.

4. Tallow valued at about 7½¢ per pound cannot be shipped by air. Some shipments diverted from California cost packer $1.50 per cwt. to ship by rail to Houston against 10¢ per cwt. to the West Coast terminals.

5. It has not been necessary to recondition any stock. Perhaps as much as 10% of Far East markets permanently lost to Canada, Australia and New Zealand.

6. U.S. is the largest producer of tallow with 5.5 billion pounds, 56% of world total, USSR is second at 670 million pounds. In 1970, U.S. exported 2.2 million pounds, two-thirds of world exports. Japan imported one fifth of total world imports.

FRUIT AND VEGETABLE UNLOADS IN HAWAII [1] BY MONTHS 1970

Month	1970, 1,000 pounds			1971, 1,000 pounds		
	Plane	Ship	Total, ship and plane	Plane	Ship	Total, ship and plane
July	248	8,043	8,291	1,692	3,856	5,548
August	180	9,227	9,407			
September	213	7,210	7,423			
October	160	8,934	9,094			
November	138	7,888	8,026			
December	388	7,887	8,175			

[1] Unloads are those from U.S. mainland.

Source: Hawaii Market News reports.

REPORT OF AUGUST 5, 1971—INTERNATIONAL LONGSHOREMEN AND WAREHOUSEMEN'S UNION STRIKE

(Prepared by Office of Emergency Services)

Daily loss to California economy estimated at $17,500,000.

Estimated loss to date, $628,520,000.

Unemployment:

Workers involved in labor dispute, 11,400.

Workers laid off, attributed to strike, 30,000.

Total, 41,400.

Estimated daily wage loss to strikers, $325,208.

While unemployment in industry and agriculture is showing a small daily increase as a result of the strike, it is not expected to result in any additional major lay offs in the next few weeks.

REPORTS FROM CALIFORNIA PORTS

San Diego

Estimated loss export-import tonnage—import, 59,400 tons; export, 55,600.

Cargo held on dock for export:

Potatoes, 15,000 Tons.

Cotton, 1,500 Bales.

Hides, 1,000 Tons.

Scrap metal, 20,000 Tons.

General cargo, 2,000 Tons.

Port estimates their revenue loss at $100,000.00 per month. Estimated $2,000,000.00 loss per month to local economy.

Long Beach

Estimated loss export-import tonnage, 1,200,000 Tons per month—General cargo.

Cargo held on dock for export, 35,000 tons.

Major Items: Coke, cotton, rubber, etc.

Port estimates their revenue loss at $600,000.00 per month.

Port estimates $15,000,000.00 per month loss to City of Long Beach economy.

Port Hueneme

Estimated loss export-import tonnage—Imports, 101,000 tons; exports, 10,000 tons.

Major Items: Steel pipe, lumber, wood pulp, and fertilizer.

Port estimates their revenue loss at $15,000.00 per month.

Port estimates $500,000.00 loss per month to local economy.

Los Angeles Port Authority

Estimated loss export-import tonnage, 500,000 tons per month—General cargo.

Cargo held on dock for export—55,000 tons.

Port estimates their revenue loss at $540,000.00 per month.

Port estimates $10,000,000.00 loss per month to local economy.

Oakland

Estimated loss export-import tonnage, 550,000 tons per month—General cargo.

Cargo tied up in port—Import, 65,105 tons; export, 51,219 tons.

Port estimated their revenue loss at $182,500.00 per month.

Port estimated $11,000,000.00 loss per month to local economy.

San Francisco

Estimated loss export-import tonnage, 250,000 tons per month—General cargo.

Port estimates their revenue loss at $300,000.00 per month.

Port estimates $6,250,000.00 loss per month to local economy.

Alameda

Estimated loss export-import tonnage, 50,000 tons per month—General cargo.

Port estimates their revenue loss at $500,000.00 per month.

Port estimates $500,000.00 loss per month to local economy.

Sacramento

Estimated loss export-import tonnage, 230,000 tons per month—General cargo.

Cargo on dock for export, 220,000 tons—Woodchips, meal pellets and fertilizer 6 million board feet of logs.

Port estimated their revenue loss at $500,000.00 per month.

Port estimated $4,140,000.00 loss per month to local economy.

Stockton

Estimated loss export-import tonnage, 200,000 tons per month—General cargo.

Port estimated their revenue loss at $460,000.00 per month.

Port estimated $3,600,000.00 loss per month to local economy.

Eureka

Estimated loss export tonnage 53,550 tons per month.

Thirty day loss in pulp shipments—5,000 tons export with a dollar value of $900,000.00.

Six million board feet of logs and lumber tied up at dock awaiting shipment.

Port estimated $749,700.00 loss per month to local economy.

Redwood City

Estimated loss export-import tonnage 5,000 tons per month—Bulk cargo.

Port estimated their revenue loss at $10,000.00 per month.

Port estimated $50,000.00 loss per month to local economy.

Benicia

Estimated loss export-import tonnage 30,000 tons per month—General cargo.

Port estimated their revenue loss at $60,000.00 per month.

Port estimated $540,000.00 loss per month to local economy.

Richmond

Estimated loss export-import tonnage 5,000 tons per month—General cargo.

Port estimated their revenue loss at $30,000.00 per month.

Port estimated $60,000.00 loss per month to local economy.

REPORTS FROM AGRICULTURE, INDUSTRY AND BUSINESS

Agriculture

Feed and grain:

78,000 tons of alfalfa products unable to ship.

82,000 tons of rice unable to ship.

25,000 tons of wheat unable to ship.

10,000 tons of safflower-general feeds unable to ship.

10,000 tons of tallow unable to ship.

Most of the above commodities are an unrecoverable loss to the industry.

There is also the fear that tie up will cause loss of customers.

Situation becoming critical. Driers will be clogged by August 15th. Driers at terminals must be used by practically all grains as they arrive wet. Terminals are almost filled to maximum today.

Prunes

600 tons of prunes on docks—$250,000.00 value; quality deteriorating.

Raisins

$500,000.00 value of raisins on docks; quality badly affected by lack of storage.

Almonds

$1,000,000.00 value of almonds on dock—no cold storage; problem of rancidity; maybe total loss.

Walnuts

$150,000.00 value—same problem as almonds.

Dried fruits

No dollar value. Shipments must move within next month for Christmas trade.

Citrus

Lemon-orange exports are being curtailed approximately 40 to 50 percent.

Cotton

$14,000,000.00 caught at dockside. Storage costs estimated at $2,600.00 per day.

Cane sugar

65,000 tons raw sugar tied up.

Estimated loss at end of August to sugar industry 292,000 tons of production—$42,900,000.00.

C. H. Sugar Co.—925 employees laid off—$28,400.00 daily payroll.

Shortages of bailing wire, jute bagging, packing cartons creating additional problems. Lack of canned bulk pineapple creating major problem to canning industry due to need before fruit cocktail can be processed. Canning exports to Europe-Asia completely shut off. This is a major movement thru California ports.

AUTOMOBILE INDUSTRY (FOREIGN IMPORTS)

Toyota Imports average 3500 cars per month at Benicia. Distributor has laid off 40 employees, salary loss $20,000.00 per month. Dealers are starting lay offs.

Datsun Imports.—No lay offs to date. Will commence if strike continues.

British Motor Car Imports.—Normal imports 2500 cars monthly Bay Area. No reports of lay offs to date. Diverting to Vancouver, B.C. No cars have arrived to date due to port congestion.

Volkswagen Imports.—Normal import 3,500 cars per month. Diverted to Mexico and Canada—3 to 4 week delay. Car costs higher due to added transportation costs.

All distributors and dealers facing shortage of parts. Will become critical problem if strike continues.

DOMESTIC

Ford Motor Company reports drastic cut in profits due to air shipment costs to Hawaii to satisfy customer need for parts.

LUMBER INDUSTRY

Complete halt of wood pulp, chips, lumber and log exports. Loss running into millions of dollars per month. Lay offs in industry will become heavy if strike continues.

Georgia Pacific reports lay offs this week of 100 employees—payroll loss $20,000.00. Estimate 100 more next week.

MANUFACTURING INDUSTRY

Many plants now feeling impact of strike as supply of imported materials cut off. Some are attempting to divert shipments to Mexico-Canada ports. If stocks not replenished, lay offs will start this month.

COFFEE IMPORTERS AND PROCESSORS

Unable to move coffee thru Ensenada. Trying Vancouver, but congestion there will delay shipments. No real problems to date.

VEGETABLE OIL COMPANIES

Will shut down shortly due to lack of imports.

GENERAL COMMENTS

Daily dollar loss as shown is expected to increase as present available stock is consumed.

Unemployment will rise weekly but rate of increase should not be great. Outcome in part dependent on movements thru Canadian and Mexican ports.

Daily loss in import-export estimated at 131,000 short tons.

Total estimated loss in shipments thru California ports amounts to 4,107,000 short tons as of August 5, 1971.

There is an estimated one-half million tons of products tied up in California ports.

Projected loss to California economy

Daily	$17,500,000
Weekly	122,500,000
Monthly	525,000,000

INNOVATIONS IN HIGHER EDUCATION

Mr. MONDALE. Mr. President, recently the American Association of State Colleges and Universities convened a task force on innovations in higher education, chaired by Chancellor G. Theodore Mitau, with the Minnesota State college system.

The very thoughtful and interesting position paper they submitted in January strongly supports the creation of the National Foundation of Post-Secondary Education and suggests some revisions or clarifications of the national foundation as passed by the Senate in the higher education amendments.

As a strong supporter of the need for a national foundation, I ask unanimous consent that this very useful and creative position paper be printed in the RECORD. I commend it to the attention of Senators.

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

NATIONAL FOUNDATION FOR INNOVATION AND CHANGE IN POST-SECONDARY EDUCATION: SOME REFLECTIONS ON THE PROVISIONS OF A NATIONAL FOUNDATION IN S. 659

This paper address itself to the concept of a national foundation so urgently needed to make the educational changes necessary to translate the rhetoric of the 1960's into behavioral reality for the 1970's and 1980's. It speaks to our colleagues in the educational community and to the men and women in leadership positions throughout the nation who wish to bring a new excellence to higher education. If we succeed in attracting others to this cause we believe the students of this nation will be well served.

Preoccupation with the student assistance program and other facets of the higher education package has to this point absorbed significant energies of the educational community. It is the position of the authors of this paper that the foundation has not yet obtained the kind of intellectual support and attention it deserves. While this paper does not attempt to present a detailed design for the National Foundation, it does seek to address itself to the conceptual nature of such a foundation and the reasons that make its establishment so imperative.

SOME OBJECTIVES OF A NATIONAL FOUNDATION

Some major objectives for the National Foundation for Post-secondary Education would be:

To stimulate major organizational and curricular innovation and change in post-secondary education through federal funding;

To serve as a link between the research and development functions of the proposed National Institute of Education (NIE) and those institutions which seek to implement the appropriate models or designs;

To collect, evaluate, and disseminate information on major innovations, structural changes, and curricular developments;

To provide a new mechanism of federal support for institution-initiated designs for change, free from burdensome and restrictive restraints, bureaucratic guidelines, and externally imposed directives;

To assist post-secondary institutions to move more rapidly and effectively toward development of Management Information Systems (MIS) and Planning Programming Budgeting Systems (PPBS) that would enhance their decision-making capabilities;

To make it possible for institutions to advance their abilities to delineate their missions, to establish priorities, and to respond more effectively and imaginatively to regional and community needs;

To enable institutions to meet presently unmet educational needs of students for new careers and professions and to accommodate constituencies that do not fit into the conventional campus settings or curricula.

What is envisaged in our perception of the

foundation is a new kind of federalism in higher education—a federal funding pattern that acknowledges and respects the creative impulse and competence of the leadership of this country's educational units, and restrains itself primarily to reviewing, auditing, and to holding accountable those who undertake pioneer efforts with foundation support.

This kind of mutual trust and cooperative relationship will maximize the benents oi federally provided "risk capital" urgently necessary if the educational community is to meet its responsibilities in the difficult years ahead.

CRITICISMS OF HIGHER EDUCATION

To no one's surprise and despite a record of considerable achievements—as measured by traditional standards—American's colleges and universities will continue to be vigorously and often quite properly charged with a multitude of inadequacies, missed opportunities, or outright failures. Such attacks come from the left, the right, and from the moderate middle.

Students charge that educational institutions fail to teach them how to handle ideas and how to deal with rapid change; with separating them from rather than involving them in life; with being overly concerned about facts and degrees rather than with the application of knowledge towards the solution of social problems; and for being bureaucratically impersonal and insensitive to the diversity of individual needs.

Some critics of American colleges and universities indict education for encouraging passivity and compliance rather than freedom and participation, while others condemn what they consider to be excessive campus permissiveness. Educational institutions are accused of being stubbornly insensitive or even hostile to demands for an end to racism, militarism, violence, and poverty, and for subordinating the primary business of scholarly learning to a shallow social activism.

Legislators and other elected officials, viewing education from a different perspective, are often no less critical. They charge our institutions with overly expansive and expensive building programs, with costly salary demands, with excessively small teaching loads, and with producing too many graduates in areas where demand is low.

Desire for change cuts across a wide spectrum of ideology and conviction, of class and race, of age and experience, of the academic and non-academic. While motivations may vary and perspectives differ, the theme is similar: the time is propitious for initiating significant and far-reaching reforms and innovations in post-secondary education.

Notwithstanding the disparity of viewpoints, there is a compelling consensus that major changes must be made. Much that was appropriate for the industrial society and its student generations may not suffice for the post-industrial age or the so-called technotronic age and its educational requirements. Patterns, methods, and materials developed in an earlier era may no longer be relevant for the life-style and problems of contemporary society.

CHALLENGES FOR CHANGE

Widely discussed reports and findings prepared under the auspices of the Carnegie Commission, the Department of Health, Education, and Welfare, and the AASCU point up some of the challenges to be met and changes to be made.

The traditional concept that college education occurs between the ages of 18 and 22, on a campus, in a classroom, with a lecturer is being rightly questioned. Students can learn in a variety of ways throughout their lifetimes both on and away from a campus.

Rigid lockstep patterns of courses, sequences, and attendance regulations may not be conducive to effective learning.

Educational opportunities for women, returning veterans, the older student, the working student, or the unusual student should be made more accessible.

Much more needs to be done to reach the Blacks, Chicanos, and Indians, the urban and rural poor, both to enhance the quality of their personal lives and to afford them opportunity for a more productive and meaningful life.

Traditional grading practices should be replaced with competency-based evaluations that attest to what a person knows rather than how many credits he has earned as a result of attending fifty minute classes three times per week for four years.

The over-professionalization of learning has resulted in an emphasis of narrow specialties taught by highly credentialed faculty needs to be balanced by interdisciplinary approaches, by a problem-solving orientation, or by the use of "teachers" from business, government, labor, the arts—men and women who have expertise in a field but who do not possess degrees customarily required for college teaching.

The need to enrich our educational options forces our imagination to develop alternatives to vocations presently over-supplied, not only for those now enrolled in our colleges but also for those who failed to complete their education because they found the traditional curricula uninspiring or purposeless. The interest in public service, the dedication to the advancement of knowledge, and the eagerness to improve the quality of life—motivations so widely shared by many young men and women—are enormously valuable resources for the kind of social reconstruction that our nation can ill afford to waste.

In educational programs there should be a renewed emphasis upon the development of the ability to work with people of different backgrounds, social settings, cultural attachments, political interests, and intellectual viewpoints for the purpose of bridging the chasms of class and caste, of races, and of generations as our society attempts to reintegrate the polarized sub-cultures of dissent.

Emerging efforts to measure and quantify educational outcomes and resource expenditures must be further refined and implemented on a much broader basis if priorities are to be realistically established. The vast literature of educational reform has tended to be isolated from the parallel literature relating to increased accountability, systems management, and program budgeting. There is a need to consider thoughtfully the massive task of developing strategies for institutional modernization.

In order to eliminate unnecessary duplication, while providing diverse experiences, there will need to be developed more effective patterns of inter-institutional cooperation through consortia, "common markets," and shared resources and personnel.

The humane approach to the revitalization of the educational community should involve the recognition of the enormous task of redirecting professional energies which may involve the retraining or updating of faculties—many of them middle-aged—who in their careers are now faced with a sudden loss of their own academic identity or future. This will necessarily require the budgeting of resources for re-education in order to reduce the inevitably heavy stress and anxiety induced by the climate and strategies of change.

While much remains to be done—indeed to be started—there is nonetheless some evidence of the academy's willingness to translate the ideas of reform into reality. Thus, the often repeated change that the higher education community is unable or unwilling to change is not quite accurate. A few examples may be cited.

The California State College System, among others, has initiated projects that could lead to extensive use of the external degree.

Three national open universities are being planned—North American Open University, Campus Free College, and the National University.

The University of Wisconsin at Green Bay has developed academic programs around the problems of ecology.

Major experimentation is occurring at the Governor's State University and Sangamon State University in Illinois, within the University Without Walls Consortium, at Evergreen State College in Washington, Empire State College in New York, the University of Northern Colorado, as well as in Hawaii, Florida, New Jersey, and Texas.

In Minnesota, as well as in other states, some colleges are developing new career options. Students entering such careers, whether in health care or human services, business systems, or environmental controls, might be the type of men and women who would be eager to enlist their competencies to battle pollution in the air, in water, and on land; who would want to assist in the rehabilitation of victims of drug addiction; who would wish to help rebuild our cities, towns, and neighborhoods; who would work to improve our law enforcement and criminal justice administration; who would wish to strengthen management systems in business or government; or who would be able to offer constructive guidance to the disillusioned and disheartened victims of social injustice.

Far from pointing towards the stereotyped view of vocationalism these new careers would challenge the idealism of our young men and women by demonstrating to them how they can enlist the discipline of skill and the dignity of work not merely for materialism but in behalf of causes and commitments that transcend personal gain or acquisition. Rather than diverting students from their genuine concern for the fulfillment of the American promise these new careers might offer a bridge between aspiration and action, between the ideal and the possible.

The new Minnesota Metropolitan State College, which opens its pilot program in February, 1972, will implement many of the innovations mentioned above. An example of the positive reaction to the kinds of innovations planned at Minnesota Metropolitan State College is found in a recent public opinion poll conducted by the *Minneapolis Star*. Despite the fact that the metropolitan area includes 31 post-secondary institutions—including numerous programs offered by the University of Minnesota to its 40,000 students in Minneapolis and St. Paul—a significant public demand for new educational options and structures becomes immediately apparent. Of those interviewed 72% thought the new college would fulfill a need not now being met; 90% thought the plan to operate twelve months a year, on week-ends, and at times convenient to working men and women was a good idea; 80% favored the intention to rely heavily upon faculty who are professionals in their fields, but who do not possess the traditional academic credentials.

Although beginning efforts have been made to respond to such eagerness for greater educational diversity and more individualized instruction in post-secondary institutions, the number of students reached represents a very sall fraction, not only of the millions presently enrolled in our institutions but also of the millions yet unreached. If educational opportunity is to be further extended and if those millions are to be involved, some radical reforms at the very core of center of the educational enterprise will have to be introduced. An example of such reform is seen in the following excerpt from the planning document of one of this nation's newest colleges.

We begin with the view that admission to the college, assessment of competency, and advising about educational and career prob-

lems, while conceptually distinct, are functionally and operationally interrelated. They are phases of one's total education which may occur simultaneously or in different sequence for different students. A major aspect of one's education is to learn how to assess one's capacities and achievements, determine one's interests, set appropriate goals, establish appropriate means for achieving the goals, and then begin to utilize those means efficiently. We would argue that a truly educated person is one who can undertake these tasks for himself, and that formal institutions of education exist to aid him in learning how to carry on these functions but not to carry on for him. As we stated above, each individual must be the major partner in designing his own education—throughout his lifetime. A college and all its resources—human, programmatic, physical—exist to support the individual student in learning how to design and implement his own education. But a college cannot do the educating.

Administratively the college will place responsibility for admissions, competency assessment, and advising under a coordinator and a staff of professionals, including some full-time and community faculty, and specialists in such areas as student financial aid. This staff will replace the traditional student services staff.

When a student applies for admission to the college our first response will be to determine whether or not he is one for whom the college is intended. We accept responsibility to counsel with those whose educational needs can be better met in other institutions so that they will take full advantage of those institutions. To that end we propose that with the cooperation of other metropolitan area post-secondary institutions we establish an admissions review committee made up of representatives of those institutions. This committee would review applications . . . and counsel with those applicants who should enroll elsewhere. The college pledges itself to cooperate fully with such a committee and hopes that representatives of the private colleges, the junior colleges, the University . . ., and the area vocational-technical schools will be appointed to serve their respective institutions.

Upon admission each student will be assigned a faculty advisor from the full-time professional faculty and an Educational and Career Advising Committee (ECAC) made up of his advisor and such full-time and community faculty members as are appropriate to the student's interests and goals. Immediate responsibility for assisting the student to develop his goals and design his procedures for reaching those goals will lie with the advisor and the ECAC. They will also direct the competency assessment process for the student, making full use of the professional staff.

We believe that the competency assessment process—both initially and throughout a student's affiliation with the college, including the assessment which will culminate in his receiving a degree—should be individually structured to make it possible for the student to have a complete opportunity to demonstrate his real competencies. The function of assessment is not to fail students but to make sure they have the skills, attitudes, and understanding which are appropriate to their educational and career goals.[1]

OBSTACLES TO REFORM

The fact that innovations of such scope and magnitude are found in so few institutions attests to the complex nature of forces, settings, and obstacles that confront those engaged in the management of fundamenal and responsible change.

Decision-making in the college of the 1970's is—or should be—a shared process involving all segments of the campus. The days are gone when a president could impose institutional policies, priorities, or innovations. While highly desirable, such shared decision-making requires carefully developed processes that are formulated and implemented systematically and at considerable cost in human and fiscal resources.

In the present era of austerity many institutions can no longer rely on rapidly increasing enrollments to provide the ready resources to add faculties and programs with which to innovate. Opportunities for change and for institutional flexibility are further diminished by the rapidly spreading spending limitations in many states as well as by widespread legislative and fiscal practices that stress line-item and incremental budgets aimed at expenditure by objects rather than by programs.

To undertake major change requires that institutions establish priorities, measure probable outcomes, and estimate expenditures. To accomplish these objectives with the desired degree of sophistication and accountability, expensive management information systems are required. Many institutions, while desirous of adopting such informational resources, find it simply impossible to acquire the necessary equipment and personnel.

Traditional methods of rewarding and promoting faculty members do not encourage major institutional change. In recent years, a faculty member has been judged in terms of his contribution and loyalty to the discipline rather than to the institution. His reputation is made, and hence his salary and rank increased, through scholarly publication. Advancement involves moving to a larger, more prestigious department. Trained as a specialist, his interest has often tended to be focused upon his subject matter and profession rather than upon the more general teaching-learning process.

Fiscal austerity, levelling enrollments, the surplus of teachers, and defensive reactions to student power combine to make many faculty members more protective of their authority, their roles, and their courses, thus reinforcing their commitment to the *status quo*. Quite obviously change is threatening at any time, but it is particularly unsettling in periods of exceptional insecurity.

Agencies and institutions external to the campus tend to discourage fundamental restructuring of education through requirements and processes of their own. For example, graduate schools influence undergraduate curricula through their admission requirements and course prerequisites, both generally determined by research-oriented scholars. Coordinating and planning agencies, many of them newly established, may constitute bureaucratic constraints difficult to overcome. Accrediting agencies reflecting "guild and establishment" sometimes tend to employ consultants and examiners not known for their inclination to take risks with the unknown or the experimental.

In view of these and other obstacles to change there is strong inclination to make minor adjustments in course requirements, create special innovative units that reach few students and have limited impact, or to embrace "fads" that give the illusion of reform while having little inherent merit or significance.

Given the resistance that institutions encounter in their efforts to remake themselves, funding constitutes an important facet of the affective impetus.

No longer can educational institutions anticipate the necessary massive infusion of money from private sources. The Council for Financial Aid to Education reported in 1971, for instance, that private gifts to American colleges and universities showed the first average annual decrease in more than a decade. Total contributions from alumni, foundations, corporations, and other private sources were down $20 million from the 1968–69 level. Foundation support declined by 8.2 percent. Alumni and corporate giving remained relatively steady while non-alumni gifts were down by 4.2 percent. Furthermore, private funds tend to be directed toward private institutions:

43.4% of all private support in 1969–70 went to 61 major private universities as did 49.2% of all foundation support of higher education.

72.4% of all private support went to private schools while 19.1% went to state institutions and 1.8% to junior colleges.

69.1% of all foundation support went to private institutions, while 22% went to state institutions and 0.5% went to junior colleges.[2]

Moreover, gifts from the private sector—individuals, foundations, and businesses—have traditionally been used not to restructure institutions but to expand and enrich existing collegiate programs, provide scholarships for students, endow professorial chairs, and construct buildings.

THE NEED FOR FEDERAL FUNDING

The federal government alone is in the position to undertake the task of funding educational reform to the extent and on the scale necessary to result in fundamental innovative change affecting millions of students. Not only is such a role a natural part of the federal concept, but there is a long record of distinguished precedents. In science, health, and agriculture, Washington has provided, through national foundations, institutes, or other instrumentalities, the kind of support level considered essential. In education, too, the federal government has played a major role. When there existed a national need for expanding facilities, educating returning servicemen, aiding needy students, or funding scientific research, Congress was expected to respond and did.

Once again, as education faces its current crisis, Congress considers an educational funding package of vital and historic importance. The first component of this broad-gauged set of proposals provides for continued federal support for student aid. In recent years, the National Defense Student Loan of 1958, the 1964 College Work-Study Program, and the Higher Education Act of 1965 enabled thousands of students to obtain an education.

These programs, with appropriate revisions, need to be continued and expanded. Innovations designed to serve students—particularly those from disadvantaged backgrounds—have little value if such individuals are unable to meet rising costs of education.

A second part of the proposed package includes support for the on-going programs and operations of post-secondary institutions. While there are differences of opinion about the appropriate formulae for funding, the need for federal assistance to institutions has received strong endorsements. Without such aid some institutions may actually be forced to increase their tuition and fees, further limiting educational options for many students.

A third element in the federal education package is the proposed National Institute of Education (NIE). The fundamental objective of NIE will be the improvement of education through concerted and priority-conscious research and development. In addition to basic research, the NIE would be authorized to employ its resources to address specific problems in education.

There is little question concerning the need for research and development at all levels of education. Between 1950 and 1969 less than

[1] "Minnesota Metropolitan State College, Prospectus II" (November, 1971), pp. 33–35.

[2] *The Chronicle of Higher Education* (April 5, 1971), pp. 4–5.

one billion dollars were invested in R and D projects. Moreover, according to the Rand Report,[3] when education is compared with major industries it ranks thirteenth in expenditures for research and development.

THE NATIONAL FOUNDATION IN S. 659

What is contended in this paper is that a National Foundation for Innovation and Change in Post-Secondary Education would significantly enhance and balance a comprehensive federal approach to funding education. The kind of foundation proposed here, rather than competing in any way with other federally supported programs or agencies, would fulfill a need not met by existing programs. Such a foundation would provide the catalytic role in major institutional reform—not change for the sake of change nor the mere tinkering that frequently passes for innovation, but the implementation of desired fundamental, conceptual, or structural redirection of an institution's growth and deve'opment.

Organizationally the proposed foundation, as presently designed in S. 659, includes the following:

A fifteen member Post-Secondary Education Board is to be appointed by the President with the advice and consent of the Senate, with a chairman designated by the President from among the appointed members.

The term of office of board members will be six years and each board member will be ineligible for reappointment for two years following the expiration of their sixth year.

The board will establish general policies for, and review the conduct of, the foundation, and will meet at least four times a year.

The board will also make annual reports to the President regarding foundation activities and the status of post-secondary education in the United States, including recommendations for reform.

The Foundation Director will be appointed by the President with the advice and consent of the Senate, and will serve at the pleasure of the President.

The Director will make available to the board information and assistance deemed necessary to enable the broad to carry out its functions.

The foundation is also authorized to make grants to, and contracts with, institutions of higher education (and combinations of such institutions) and other public and private educational institutions and agencies to improve post-secondary educational opportunities in several broad areas.

SUGGESTED REVISIONS TO STRENGTHEN THE NATIONAL FOUNDATION

Leaving aside questions of detail and form, the authors of this paper respectfully suggest that the objectives of the foundation might be better served if the proposed model could be adapted to incorporate the following major additions and considerations.

Composition of the Foundation Board: The foundation should include representatives from the academic community, from business, the professions, the arts, labor, as well as from ethnic and racial minorities. Regional Advisory committees or boards under the National Foundation should reflect the same types of constituencies. This would greatly increase the likelihood that both academic and experiential points of view can be brought into the operations of the foundation. It should be emphasized that the people selected to serve in this capacity would comprise a working board and should not surrender their autonomy and their judgment to the staff created to serve them. Such regional boards could work within the framework of general policies set by the National Foundation, but would have in addition the enormous advantage of local contact and local knowledge:

Institutional Accountability in Place of Federal Guidelines: An agency that sponsors innovation and change must, in its own organization, style, and leadership, reflect the spirit of the programs it supports. There is within the concept of the National Foundation opportunity for a new spirit of federalism. Customary requirements of narrow guidelines, bureaucratic procedures, and externally imposed restraints should be abandoned.

Most colleges and universities have already established their own institutional research and budget offices, committed to detailed reporting. Mechanisms of external consultation and of internal accountability also exist. Without threatening the independence of private sector institutions, certain minimal standards of accountability and consultation are not only defensible but essential.

Funds to the Institution—not to the Department, Program, or Professor: Funds awarded for innovative change should be granted to the president of the institution (and the consultative and decision-making process which he heads) with review by the governing board. In this manner funds allocated can have an impact upon the totality of institutional change. While technically grants have been made to institutions and their presidents, traditionally both federal and private fund sources have expected presidents to delegate responsibility for the grant to individuals or sub-systems within the institution. Frequently these funds have supported individual research projects, responding to "individual entrepreneurship" rather than to "institutional entrepreneurship."

While funding for research is indispensable for the discovery and sharing of new knowledge, such a pattern of support has often not served to meet either the needs for change delineated in this paper or the objectives of the foundation. More importantly, funds of this nature do little to affect the teaching-learning patterns for millions of students enrolled in undergraduate education. While some shifts have probably occurred during the last three years, statistics from the Department of Health, Education, and Welfare indicate that, from the Office of Education, 52 institutions received 91% of the research and development project support distributed between 1963 and 1967. Black colleges received approximately .5% of these funds while junior and community colleges received only .2% of the monies. If institutional change is to be accomplished, both significantly and broadly, funding must go to the president of the institution as the chief corporate officer rather than to individual faculty members or departments.

Review of Innovative Proposals: In an effort to remove the "heavy hand" of federal guidelines and directives and in order to stimulate creative innovations at the level of the institution, it is suggested that the foundation provide block-types of grants in response to applications made by institutions through the office of their president.

In selecting proposals for funding and in making its awards, the foundation should consider the regional committee's comment and weigh the inherent merit of the proposal based upon such considerations as the imaginativeness of the design, evidence of movement through the consultative processes of the institution, and demonstrated awareness of applicable professional literature and research findings.

CONCLUDING OBSERVATIONS: A NEEDED PERSPECTIVE

However promising the vision, however impressive the design, it would be presumptuous to suggest that the concept of the foundation offers simplistic solutions to the complex problems facing post-secondary education; there are no panaceas in the realm of social engineering.

This paper has not attempted to address itself to the desirable or proper distribution of students within the post-secondary educational spectrum—vocational-technical schools, community colleges, state colleges, and universities, the private institutions or the public. We are confident that—short of Platonic wisdom—a diversity of effective options, more adequate funding, better planning, and good counseling offer the best immediate possibilities for reconciling the interests of those who seek learning for learning's sake with those who wish to apply their learning to the more immediate and practical concerns of career objectives.

Moreover, when this paper refers to accountability, program budgeting, and management information services such references should not be misconstrued as subordinating the values of learning to considerations of efficiency, productivity, and costs in a manner that fails to apprehend the multi-variate configuration of the educational enterprise.

To some, the terms of innovation and change have become code words or symbols for a blatant anti-intellectualism, thinly concealing outright hostility to the life of the mind and the dictates of conscience.

The notion of change and innovation as understood by the authors of this paper acknowledges the evolving quality of knowledge, the interdependence of man, the essential value of human diversity, and man's unending quest for intellectual, artistic, and moral self-realization. That higher education, despite its enormous accomplishments, faces serious problems in meeting such challenges in the next decade or two cannot be doubted.

No foundation support, whether it be public or private, can ever guarantee that America's post-secondary institution will in fact make the adaptations that need to be made. At best, funds for innovation and change can only offer these institutions the possibilities for greater service to man and to the nation.

Indeed, more important than the survival of particular educational institutions or the continued application of particular ways of doing education is the important realization that our colleges and universities are not ends in themselves.

Still, in an era of competing priorities and of sharpened competition for scarce resources, education continues to represent this nation's most promising hope for a better quality of life and for a renewed commitment to human brotherhood at home and abroad.

With the assistance of a national foundation, American post-secondary education can proceed with greater confidence to help rebuild the nation by helping new generations and new types of students discover ever-widening dimensions of skills and of competence, of realities and of abstractions, of beauty and of intellect, of compassion and of courage.

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JACK DOLPH'S REVENGE

Mr. ERVIN. Mr. President, recent press reports have indicated that Mr. Jack Dolph, commissioner of the American Basketball Association, is going to allow his teams to raid college campuses and sign student athletes to play professional basketball. Mr. Dolph blames his activities on the failure of Congress to comply immediately with his request for an antitrust exemption for professional basketball. Of course, Mr. Dolph's idea is that all college coaches will bring pressure to bear on Congress to allow the leagues to merge. In short, it's blackmail.

The idea that Congress should jump every time an owner of a professional sports team whistles is nothing new. I can remember very vividly the cries which resulted in the spectacle of the football merger bill with its monopoly benefits and undemocratic restrictions on players.

While Mr. Dolph's loud protestations are an obvious attempt to blackmail Congress, I hope the people of this country and their Representatives turn the tables on him. I hope the people of this country will agree with my strongly held belief that as soon as a boy is professionally qualified to play basketball, in college or not, he should be allowed to play professionally for money. Coach McGuire of the Marquette team summed up my convictions on this matter very well when he said, in substance, that he could not recommend to his players that they finish college before playing professional ball. He said he had had a hard look into the "cupboards" of many of his boys and

had found those cupboards bare, and he could not deprive them of their chance to make it. I agree with Coach McGuire and I ask you what kind of person would want to deny to a poor kid with a short-lived talent his right to participate in the old American dream where anyone can make it if he is talented.

The Congress did not let Motown Records and all the other record companies combine to prevent Michael Jackson of the Jackson Five from singing for money until he finished college and sang in the college glee club. The Congress did not let the movie studios combine to prevent some latter-day Shirley Temple from acting until she finished college and had acted in the campus theatre group.

So I say "hooray for Jack Dolph." He is on the right track by allowing more personal freedom for players, even if I believe he is doing it to blackmail Congress. God works in mysterious ways his good to perform and the results of Jack Dolph's revenge is certainly evidence of this.

I hope that my efforts will continue to keep the leagues apart to insure the continuation of this type of competition for a youngster's short-lived athletic skills. This is the essence of our American system.

This bickering over something as basic to our country as the right to bargain for the sale of one's professional skills saddens me a great deal but it gives me determination to hope that the day will soon come in all professional sports when a young, talented player will be able to say to the rich owners of professional sports teams: At last, Mister Owners, you are letting me work at my profession when I am professionally qualified. At last, Mister Owners, you are bidding for my services like any other businessman would. At last, Mister Owners, I can move to another team if that team wants to purchase my services. At last, Mister Owners, you are paying me what I am worth to your "bigtime" sports enterprise.

VIETNAM

Mr. PELL. Mr. President, considering the long and checkered history of efforts to negotiate a settlement of the war in Southeast Asia, beginning with the Geneva Accords of 1954, it is not surprising that there is now substantial public confusion about the prospects for reaching an agreement. We have seen a succession of public ultimatums, private offers, secret meetings, and seven, eight, or nine-point programs and counter-programs.

It is not easy to cut through this thicket of postures, proposals, and propaganda to find the basic issues at stake. In a recent column in the Providence Sunday Journal, Mr. Hamilton E. Davis, chief of the Washington Bureau of the Providence Journal and Evening Bulletin, has done just that.

I recommend to my colleagues Mr. Davis' perceptive analysis of the difficult choices that now confront the United States in South Vietnam, and ask unanimous consent that his column from the Providence Sunday Journal of January 30, 1972, be printed in the RECORD.

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

NIXON AVOIDS A KEY ISSUE

(By Hamilton E. Davis)

WASHINGTON.—President Nixon's disclosure about secret attempts to negotiate a peace in Vietnam was sad.

One could note that the entire show was aimed at the American public for political effect. One could note in the same context that the set of secret proposals set forth by the President were outlined by him publicly in October of 1970.

Both of these points would be true, but there is no energy left for indignation. Only sadness that after a sudden soaring of hope an unknown number of months of bombing and death remains before an American withdrawal, to say nothing of an end to the war itself.

For what the President's television speech did was to indicate that he has not yet begun to deal with the nub of the issue: the question of support for the government of South Vietnam, after the United States has withdrawn physically.

The first thing the United States has to realize in this context is that the North Vietnamese intend to win. They are not asking the U.S. to "overthrow" the South Vietnamese government, as the President implied; they feel confident of being able to do that themselves. They demand only that we get out of the way, completely out of the way.

A FUTILE OFFER

Toward this end the North Vietnamese and the Viet Cong have been fighting for twenty years or more, paying huge material and human costs in the process. To offer them now such items as a ceasefire, elections under international supervision, and an interim government—in other words, the whole scenario they accepted at Geneva in 1950's and then had yanked from under them—is futile.

It is possible that the drain on North Vietnamese resources has become so great that they will now conclude that they have a better chance to win their objective—control of South Vietnam—by accepting the Nixon proposals. But there is no public evidence to that effect; and the record of Defense Department prophecies in this regard is bleak.

Barring this possibility, the United States and the North Vietnamese remain as far apart as ever. The United States has been withdrawing troops steadily, but Mr. Nixon is doing everything he can within that context to make sure the South Vietnamese government does not fall.

The American military position grows inexorably weaker, however, and the domestic political pressures increase apace, in spite of adroit efforts to keep them under control.

Mr. Nixon's political vulnerability was revealed most dramatically in his televised interview with Dan Rather of CBS a few weeks ago. In the football argot the President is so fond of, Rather stuck him in the numbers with a wickedly tough question: Have you ever offered a full withdrawal in exchange for American prisoners?

POLITICAL QUESTION

The question translated into political terms, was: Do you care more about propping up the South Vietnamese government than you do about the prisoners? Facing the question head-on, Nixon could reply only that the North Vietnamese had turned down such a proposal, a clear fudge that the White House had to spend the next few days backing away from.

But the political wall contained in this simple question continued to be felt—it was the reason for the disclosure of the secret talks. Mr. Nixon may have turned the pressure aside for a time, but probably not for long.

"If the enemy wants peace," the President said in his television speech, "it will have to recognize the important difference between settlement and surrender." The fact is that the North Vietnamese know very well the difference between settlement and surrender.

"If they accept a "settlement" that does not give them the political arrangement they want in South Vietnam, then they *will* have surrendered, and there is no indication they are willing to do that.

We are the ones who must learn the difference between settlement and surrender. The American public has to decide what interest we have in maintaining the South Vietnamese government, either through support in the ground, air support from the Indochina bases, or post-withdrawal financial support.

It is hard to tell now when this question will become acute. By May U.S. troop strength will be down to 69,000, and given the ratio in the American army of combat to non-combat troops, that force probably will not have much military significance.

It will then be up to the South Vietnamese to contain the North Vietnamese and the Viet Cong. The U.S. can continue to bomb the Ho Chi Minh trail in Laos, but that will not force a halt to enemy operations.

The threat to the survival of the South Vietnamese regime will then be great, and at home, President Nixon will once again be faced with the political question: Do you care more about propping up the South Vietnamese than you do about getting the prisoners back?

ONLY A PIPE DREAM

To think that we can get a ceasefire, interim governments, elections and so forth in South Vietnam is probably a pipe dream now. There is just one chance that we can escape without a clear defeat, and that is the slim possibility that the Thieu regime can hold its own without our help.

To get the prisoners back, we are going to have to pull out our forces, stop all bombing, and end military assistance to the south. If that amounts to surrender, that is the price we are going to have to pay.

SENATOR MARK HATFIELD'S DECISION TO SEEK REELECTION

Mr. FONG. Mr. President, the news that our colleague, the senior Senator from Oregon, MARK HATFIELD, has decided to stand for reelection to the U.S. Senate is good news, indeed.

It is good news not only for the people of Oregon, whom he has served so diligently and so well for more than 20 years, but also for the people of my State of Hawaii.

For in MARK HATFIELD we have an ally in our efforts to end the crippling west coast dock strike, which has caused unemployment, millions of dollars in lost business, and a jarring setback in the economy of our States and our Nation.

In his quiet, persistent way, MARK HATFIELD has been working behind the scenes to try to find a way out of the impasse between labor and management, so that the rights of the parties can be preserved and so that, at the same time, the public interest and well-being can be served.

We in Hawaii are glad MARK HATFIELD shares our concern that the lengthy west coast dock paralysis be ended at the earliest possible moment.

The people of Oregon can be glad, too,

for they know that MARK HATFIELD has their best interests at heart.

His decision to seek another term in the U.S. Senate is good news for the people of Oregon in yet another way. For MARK HATFIELD represents them on very strategic committees: Commerce, Interior and Insular Affairs, the Select Committee on Equal Educational Opportunity, and the Select Committee on Small Business.

Committees are the workhorses of Congress. Here is where hearings are held. Here is where investigations and inquiries are undertaken. Here is where legislation is considered, forged, and worked out for consideration of the entire Senate membership.

Through MARK HATFIELD, Oregon has a voice and a vote on these committees so vital to the people of the State.

Just a listing of the subcommittees of the Committee on Commerce indicates the breadth and scope of the jurisdiction of this very important and active committee: Aviation; Communications; Consumer; Environment; Merchant Marine; Oceans and Atmosphere; Surface Transportation; Foreign Commerce and Tourism; and Special Subcommittee on Freight Car Shortage.

Fortunately for Oregon, MARK HATFIELD is the highest ranking Republican on the Subcommittee on Environment, a subject in which he was an early pioneer long before it became a popular national cause.

Through MARK HATFIELD, Oregonians also have a voice and a vote on the important Interior and Insular Affairs Committee. Again, the subcommittee titles show the scope of the committee's jurisdiction: Indian Affairs; Minerals, Materials and Fuels; Parks and Recreation; Public Lands; Territories and Insular Affairs; Water and Power Resources; and Special Subcommittee on Legislative Oversight. MARK HATFIELD is the top ranking Republican on the Public Lands Subcommittee.

In addition, he serves on the Select Committee on Equal Educational Opportunity, a natural post for him as a champion of better schools and better education and of equal rights for all Americans.

MARK HATFIELD serves on yet another committee, the Select Committee on Small Business, which acts as a focal point for congressional attention to problems of small businesses in America.

What many citizens may not realize is that the people of Oregon can make certain they will continue to be represented on these key committees by reelecting MARK HATFIELD.

Otherwise, another Senator from another State could very well be given these choice committee posts. A new Senator from Oregon would have no guarantee whatsoever of obtaining these same committee assignments.

We who come from Hawaii, a small State in terms of population, well know the critical need to have our Senators on key committees of special importance to our State. So we feel a kinship with the people of Oregon, also a relatively small State, in their imperative need to make sure their Senators occupy strategic posts in their behalf.

We feel a kinship with our neighbors in Oregon on other grounds, for we share similar problems and concerns. We are both Pacific Ocean States. We are keenly aware how vital our marine highways are to trade and commerce and how essential uninterrupted seaborne transportation is. We both realize the imperative need for wise management of our ocean resources. We both have marvelous natural resources, fine recreation areas, and unsurpassed scenic attractions which we are endeavoring to protect and enhance.

To work on these and other problems, the people of Oregon have been most fortunate to have the leadership of MARK HATFIELD in public office for more than 20 years. His background and his experience—and his record of accomplishment in the fields near and dear to the people of Oregon and the Nation—especially qualify MARK HATFIELD to represent Oregon for another 6 years in the U.S. Senate.

Having served with MARK HATFIELD during all of his first term, I can attest to his effectiveness, integrity, and leadership. I congratulate the people of Oregon on the opportunity they have to select him once more to serve them.

TEENAGE EXCHANGE PROGRAM

Mr. McGEE. Mr. President, this year marks the 21st anniversary of the Youth for Understanding International Teenage Exchange program, and I wish to take this opportunity to commend that organization for the outstanding work it has performed since its inception.

Youth for Understanding began in 1951 when the Detroit, Mich., area Rotary Club agreed to host 75 German teenagers who were selected for an exchange program by the U.S. State Department. When it became apparent that the participating Rotary Clubs could not find sufficient homes for these students among their membership, the executive director of the Ann Arbor Council of Churches, Mrs. Rachel Andresen, was asked to lend her assistance. Mrs. Andresen has done a most commendable job of supervising this program since its beginning and now serves as its executive director.

Since 1951, the program has grown to be the largest organization in the field of teenage exchange programs. The planning and development of Youth for Understanding has been industrious and imaginative. More than 19,300 students from 47 countries in Europe, Asia, Latin America, and Africa have come to the United States through Youth for Understanding. Since 1956, more than 11,300 American high school students have gone overseas to live with families through the aegis of the program. As a result of its increase in size, Youth for Understanding was incorporated as a nonprofit organization in 1964.

The Youth for Understanding Exchange program brings students from Western European countries, Africa, Japan, and the Philippines to the United States for 1 year and students from Latin America for 6 months. These students live with American families and attend American high schools. They are 15 to 17 years of age. The credit they receive from American schools upon returning home depends upon evaluation by their own school authorities. A special community college program enables the older—18- and 19-year-old—exchange students from overseas to attend a community college in this country.

The American students overseas summer program includes American students, 16 to 18 years of age, chosen from applications submitted to the Youth for Understanding committees in their own community or by direct application to the Ann Arbor office. These students must be recommended by their high school, their church, and by personal references. In addition, American students are screened by a Youth for Understanding committee. These American students spend 2 months in Western Europe, South America, the Philippines, Mexico, or Japan. They live with a selected host family where they gain an appreciation of the land, its people, and their culture.

This teenage exchange program has proven its value in a world which is constantly shrinking and in which global war can end civilization. The world today demands better human understanding.

It is in this era that youth have the greatest stake. They live in a world where every great issue becomes a world issue. A population explosion can mean 9 billion persons living on this planet by the year 2000, three times the present population. Rapid depletion of natural resources demands conservation on a global scale. Ideological conflicts are not limited to students on campus, but even involve the peasants on the edge of Outer Mongolia as well. A tiny flame of conflict anywhere on earth can ignite the fires of world war III.

Student exchange aids our youth in living in this kind of world and helps them to play a role in shaping man's destiny on earth. Communication must be improved, but we can only learn to communicate as we become better acquainted with people of varying backgrounds and varying cultures.

Those of us who have been involved in international affairs have long been frustrated by the reluctance on the part of most North Americans to become interested in foreign policy and international affairs.

Most individuals are so involved in personal, family, local, and national problems that they tend to ignore events international in scope. Yet, in light of man's venture into space and our own view of earth as seen from the moon, it becomes quite evident that we are one world and the problems of this world are the problems of us all.

Teenage student exchange is one method through which we can assist individuals and families to become aware of foreign policy and international affairs on a very personal level—either by encouraging them to open their own homes to foreign students or by en-

couraging them to send their own teenage sons and daughters abroad. Youth for Understanding is one way to bring international relations to the personal, family, school, and local community level. It is something individual families can do for world peace and understanding from the very sanctuary of their own homes.

THE YOUTH FOR UNDERSTANDING PROGRAM

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD a statement and insertion prepared by the distinguished Senator from California (Mr. TUNNEY).

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

THE YOUTH UNDERSTANDING PROGRAM

Mr. TUNNEY. Mr. President, I would like at this time to express my admiration for an organization which has endeavored to increase the understanding among young people in this world.

The Youth for Understanding Program was created by the Detroit, Michigan, area Rotary Clubs in 1951 to promote the exchange of ideas among young people. The program originated with 75 young German students. The direction of this program was given to Dr. Rachel Andresen when the Rotary Clubs were unable to find sufficient housing for these students. Dr. Andresen, as the Executive Director of the Ann Arbor Council of Churches, has greatly assisted the program through use of her educational and professional skills. Since the time of Dr. Andresen's initial involvement, the program has grown in size from the original 75 students to a total of 6,000 students, annually.

The state of California can be proud of the role that it has played in this program. There are presently 650 students living and attending school in our state. This total places California second in the United States in number of students participating each year in the program.

The Youth for Understanding Program, which encompasses 45 nations, provides an opportunity for young people to gain an understanding and appreciation of the ways of life of other people. In this manner, the program can promote international goodwill which is essential if we are to live in harmony with each other.

I call upon my colleagues to join with me in applauding the efforts of the Youth for Understanding Program and for wishing it many more years of success.

CALIFORNIA

AGOURA

Agoura High School: Principal, Mr. Albert Action.

Miss Vesna Marn, Yugoslavia, W. Majors.

ALAMEDA

Encinal High School: Principal, Mr. Grant Brandes.

Mr. Bertil Lindblad, Sweden, E. Wade.

Mr. Rosler Mason, Liberia, E. Rivard.

ALAMO

Miss Berit Johansson, Sweden, see Danville, San Ramon High School.

ALTA LOMA

Alta Loma High School: Principal, Mr. S. L. Butters.

Miss Ellen De Vries, Netherlands, S. M. Carr.

ANAHEIM

Miss Marlene Lampenschulte, Germany, see Fulleron Rosary High School.

Anaheim Union High School: Principal, Mr. Avon Carlson.

Mr. Mats Bolander, Sweden, R. Rasmussen.

Mr. Burkhard Henke, Germany, L. Lee.

Mr. Staffan Nyman, Sweden, N. Williams.

Loara High School: Principal, Mr. O. G. Thomason.

Miss Vibeke Bojesen, Denmark, D. Neilsen.

Magnolia High School: Principal, Mr. McKim.

Miss Leena Rytila, Finland, A. Robertson.

Savanna High School: Principal, Mr. Robert Rose.

Miss Snezana Lakic, Yugoslavia, H. White.

Mr. Heikki Palmen, Finland, E. Williams.

ANTIOCH

Antioch High School: Principal, Mr. Don Richardson.

Mr. Johan Dalen, Sweden, K. F. Kretschmer.

APPLE VALLEY

Apple Valley High School: Principal, Mr. Tony Balsamo.

Miss Bodil Ehn, Sweden, R. E. Klofanda.

APTOS

Aptos High School: Principal, Mr. Richard Cunnison.

Miss Daniela Speck, Germany, T. Woods.

ARCATA

Arcata Union High School: Principle, Mr. Edwin Oliveira.

Mr. Zivko Icev, Yugoslavia, E. Mervich.

ARTESIA

Miss Antoinette Mathay, Philippines, see Cerritos, Richard Gahr High School.

BAKERSFIELD

Bakersfield High School: Principal, Mr. Ken Robesky.

Miss Ritva Henriksson, Finland, W. Biggar.

Foothill High School: Principal, Mr. Arthur Johnson.

Mr. Arie Bleijenberg, Netherlands, G. Finzel.

Highland High School: Principal, Mr. Wesley Anderson.

Miss Sirpa Haikonen, Finland, C. Bunton.

North High School: Principal, Mr. Harold Corey.

Miss Birgit Andersen, Denmark, E. Golden.

Mr. Johan Lovrup, Sweden, J. Thompson.

West High School: Principal, Mr. Edwin DeMello.

Mr. Dieter Horn, Germany, G. Lovelace.

BEN LOMOND

Miss Agnes Brun, Denmark, see Felton, San Lorenzo Valley High School.

BERKELEY

Berkeley High School: Principal, Mr. C. Wong.

Mr. Eric Theo Vos, Netherlands, B. McFarlane.

BIG BEAR LAKE

Big Bear High School: Principal, Dr. Russell Reynold.

Mr. Mikael Ruben, Sweden, J. Henderson.

BONITA

Miss Christine Buenz, Germany, see Chula Vista, Bonita Vista High School.

BREA

Brea-Olinda High School: Principal, Mr. Gary Goff.

Miss Dominique Lanternier, France, S. Cianteo.

BUENA PARK

Buena Park High School: Principal, Mr. Richard H. Spaulding.

Mr. Gilbert Chamblay, France, J. Czaykowski.

Miss Charlotte Rotermund, Germany, C. Rak.

Mr. Jan Skaarud, Norway, F. L. Hughes.

BURBANK

Burbank High School: Principal, Dr. Robert Leland.

Miss Visnja Kukoc, Yugoslavia, M. Kenter.

Mr. Manfred Kunk, Germany, R. Pierce.

Miss Teresita Legaspi, Philippines, H. Phinney.

Mr. Alfredo S. Roque, Jr., Philippines, R. Westfall.

Mr. Holger Schacht, Germany, R. Segall.

John Burroughs High School: Principal, Mr. Sherman Chavoor.

Mr. Beat De Roche, Switzerland, I. Schroder.

Miss Eva-Maria Steffenhagen, Germany, W. T. Mount, Jr.

CALABASAS

Miss Vesna Marn, Yugoslavia, see Agoura.

CAMARILO

Adolfo Camarillo High School: Principal, Mr. Donald C. Jansen.

Miss Anne Clemetsen, Norway, T. Campbell.

CAMPBELL

Campbell High School: Principal, Mr. Robert Peck.

Miss Sabine Enckels, Belgium, S. W. Milledge.

Mr. Joseph Ackah-Yensu, Ghana, D. Palmby.

Westmont High School: Principal, Mr. Robert Culp.

Miss Arlette C. Benitez, Colombia, R. Leyva.

Mr. Arne Lund-Jensen, Sweden, I. Martin.

CARMICHAEL

Jesuit Prep School: Principal, Fr. Ed. Callanan.

Mr. Ramiro Bustamante G., Bolivia, J. Depiazza.

CASTRO VALLEY

Miss Eeva Lonnblad, Finland, see Hayward.

Canyon Valley High School: Principal, Dr. Robert Forbes.

Mr. Mats Ahlback, Sweden, R. Forbes.

Miss Mabel Dagbe, Liberia, G. Homolka.

Miss Desiree Larsson, Sweden, J. Taugney.

Miss Eija Orpana, Finland, D. Akers.

Castro Valley High School: Principal, Mr. Richard Tubbs.

Miss Anna S. M. Boelstra, Netherlands, L. Goldsmith.

Mr. Alexander S. Alson, Philippines, L. Giannotti.

CERRITOS

Richard Gahr High School: Principal, Dr. Hanford Rants.

Miss Antoinette Mathay, Philippines, F. Mitchel.

CHULA VISTA

Miss Merete Dyhr, Denmark, see Coronado.

Bonita Vista High School: Principal, Mr. Robert Geyer.

Miss Christine Buenz, Germany, A. J. Dingman.

Hilltop High School: Principal, Mr. Fred Mahoney.

Miss Eva Schotte, Sweden, M. Miranda.

CONCORD

Carondelet High School: Principal, Sister Kathleen.

Miss Maria Ollesch, Germany, S. Calone.

Miss Ma. Sophie Wetterhoff, Finland, J. Hughes.

Clayton Valley High School: Principal, Mr. R. Belluomini.

Mr. Osvaldo A. Estrago, Paraguay, S. S. Gallinger.

Miss Elizabeta Lazarevska, Yugoslavia, J. Greig.

Miss Ellen Risoe, Norway, J. Durham.

Miss Anna-Leena Sairanen, Finland, G. J. Olbur.

Concord High School: Principal, Mr. Willis C. Goins.

Miss Ingrid Pedersen, Denmark, L. L. Lyons.

Mount Diablo High School: Principal, Dr. Ferdinand Diel.

Miss Bernardita Limjap, Philippines, J. Petersen.

Ygnacio Valley High School: Principal, Dr. Ernest Wutzke.
Miss Margit Elsner, Germany, B. Rooker.
Miss Maribel Valenton, Philippines, H. Guillen.

CORONA

Corona High School: Principal, Mr. James Pfeiffer.
Mr. Thomas Ratajczak, Germany, M. James.

CORONADO

Coronado High School: Principal, Mr. Robert J. Oliver.
Miss Merete Dyhr, Denmark, G. Cech.

CUCAMONGA

Miss Ellen De Vries, Netherlands, See Alta Loma.

CUPERTINO

Cupertino High School: Principal, Mr. George Fernandez.
Miss Elizabeth Altesor, Mexico, E. Blackham.
Miss Anneli Kallio, Finland, C. Miller.
Mr. Renato Maliwat, Philippines, J. Calhoun.
Homestead High School: Principal, Mr. Warren Bryld.
Mr. Kurt Keller, Switzerland, J. Ackley.
Mr. Paulus Klinkhamer, Netherlands, W. P. Craine.
Mr. Ola Svensson, Sweden, J. Haynes.
Monte Vista High School: Principal, Mr. Dale Deselms.
Miss Margrethe M. Gade, Denmark, M. Stanton.
Miss Merja Ikkela, Finland, D. Paulsen.
Mr. Frank Volders, Belgium, C. Armstrong.

DALY CITY

Serramonte High School; Principal, Mr. Louis Martin.
Miss Dorthe Jacobsen, Denmark, R. Nagle.

DANVILLE

Monte Vista High School: Principal, Mr. Swasey.
Mr. Philippe Laudrin, France, J. Rogan.
Mr. Bo Leth-Espensen, Denmark, P. Spalding.
Miss Agneta Persson, Sweden, R. MacDougall.
San Ramon Valley High School: Principal, Mr. James Cozens.
Mr. Bernard Houdmont, Belgium, R. Stipe.
Miss Berit Johansson, Sweden, T. Parnell.
Miss Maylis Karjalainen, Finland, B. McCoy.

DAVIS

Davis High School: Principal, Dr. Mansfield.
Mr. Christophe Duplay, France, D. L. Proett.

DIAMOND BAR

Miss Vera Steschulat, Germany, see Pomona.

DUBLIN

Dublin High School: Principal, Mr. Landers.
Mr. Hendrik Binnendyk, Netherlands, J. Clifton.
Mr. Benjamin P. Natividad, Philippines, A. A. Herrero.

FAIRFIELD

Fairfield High School: Principal, Mr. Sam Tracas.
Mr. Anders Ruter, Sweden, W. Hancock.

FELTON

San Lorenzo Valley High School: Principal, Mr. Kenneth Bailey.
Miss Agnes Brun, Denmark, W. Weaver.

FREMONT

Irvington High School: Principal, Mr. J. Tranchini.
Miss Ma. D. A. F. Hoffmans, Netherlands, D. Enos.
Miss Maria Helena Urrea, Colombia, J. Calderia.
Mission San Jose High School: Principal, Dr. Vance Nelson.
Miss Sabine Hake, Germany. C. Sugden.
Mr. Srdan Jerkunica, Yugoslavia, N. Coit.
Miss Susanne Mathys, Switzerland, L. Campbell.
Ohlone College: President, Dr. Steven Epler.
Miss Benita Doktar, Finland, E. Vargas.
Miss Marianne Jacobi, Switzerland, G. Legg.

FRESNO

Bullard High School: Principal, Mr. Vernon Walker.
Miss Ylva Sahlestrom, Sweden, K. Meyer.
Fresno City College: Principal, Dr. Clyde McNully.
Miss Christine Demierre, Switzerland, G. F. Finch.
Herbert Hoover High School: Principal, Mr. Richard Neal.
Miss Eeva Torkkola, Finland, N. Walden.
McLane High School: Principal, Mr. Harold Sanderson.
Miss Catharina Von Moeller, Germany, G. Sjostrand.
Roosevelt High School: Principal, Mr. Douglas Bray.
Mr. Markus Billerbeck, Germany, A. Grote.

FULLERTON

Miss Charlotte Rotermund, Germany, See Buena Park.
Mr. Jan Skaarud, Norway, See Buena Park.
Fullerton Union High School: Principal, Dr. Robert French.
Mr. Olle Markstedt, Sweden, L. Peck.
Rosary High School: Principal, Sr. Ma. Jeanne, C.S.J.
Miss Marlene Lampenschulte, Germany, L. Corey.
Sunny Hills High School: Principal, Mr. Robert H. Brown.
Miss Leena Santasalo, Finland, C. Eckman.
Troy High School: Principal, H. L. Looney.
Mr. Christian Besson, France, D. Foulds.
Miss Barbara Duerr, Switzerland, L. Barter.
Miss Agneta Isacsson, Sweden, H. W. Kirby.
Miss Marjan Smits, Netherlands, J. Knister.

GARDEN GROVE

Bolsa Grande High School: Principal, Mr. Joseph Riedel.
Mr. Mario Deng, Germany, J. Erratt.
Garden Grove High School: Principal, Mr. Reed.
Miss Solange Duclaud, France, Dr. W. Ralston.
Miss Ximena A. Lopez, Bolivia, J. Montgomery.
Pacifica High School: Principal, Mr. Albert Guenafe.
Miss Sylvia Fricke-Custodis, Germany, N. McCrary.

GLENN ELLEN

Mr. Horst Gill, Germany. See Sonoma.

GRANADA HILLS

Granada Hills High School: Principal, Mr. Bryce Schurr.
Mr. Juha Leskinen, Finland, D. Sims.

GRASS VALLEY

Nevada Union High School: Principal, Mr. Edward Frantz.
Miss Danielle Bernard, France, F. Forsman.

HACIENDA HEIGHTS

Los Altos High School: Principal, Mr. Pat Mauch.
Miss Joelle Miara, France, J. Hokett.
Miss Ulla-Gunilla Svensson, Sweden, D. Woodburn.

HANFORD

Hanford High School: Principal, Mr. Max Nichols.
Mr. Johan C. Bongers, Netherlands, C. Gardner.

HAYWARD

Miss Paivi R. Svensk, Finland, see San Lorenzo.
Chabot College: Principal, Dr. Reed Fullington.
Miss Elisabeth Stalder, Switzerland, R. Enos.
Hayward High School: Principal, Mr. Joseph W. Fabel.
Miss Eeva Lonnblad, Finland, R. Hammer.
Mount Eden High School: Principal, Mr. Howard Moffitt.
Mr. Hans-Peter Stein, Germany, L. Heinrich.
Tennyson High School: Principal, Mr. Cooper.
Mr. Laurits Larsen, Denmark, R. Adams.
Miss Leija K. Ylalahti, Finland, T. Shoemaker.

HUGHSON

Hughson Union High School: Principal, Mr. Tom Gaspar.
Miss Gunda Knappe, Germany, Dr. L. Thompson.

HUNTINGTON BEACH

Edison High School: Principal, Mr. Ernest Pascoe.
Miss Eeva Hakkanen, Finland, D. Sowers.

IMPERIAL BEACH

Mar Vista High School: Principal, Mr. Dale Newell.
Miss Hanne Airaksinen, Finland, A. Jusselin.
Miss Ann Rundstedt, Sweden, H. Smythe.
Montgomery High School: Principal, Mr. J. Torres.
Miss Elnis M. Briones, Philippines, R. R. Hurley.

LA CRESCENTA

La Crescenta Valley High School: Principal, Dr. William Thomas.
Miss Tuuli Leino, Finland, C. J. Grove.

LAFAYETTE

Acalanes High School: Principal, Mr. Stanley Walgren.
Miss Mirjana Veljanovska, Yugoslavia, R. Divine.

LAGUANA NIGUEL

Miss Marianne Westermark, Sweden, see San Clemente.

LA HABRA

La Habra High School: Principal, Mr. Bert Hathaway.
Mr. Per Lindstrom, Sweden, R. Ivory.
Miss Jennifer Williams, Liberia, A. Aroian.

LA MIRANDA

La Miranda High School: Principal, Mr. David Stine.
Miss Ann-Louis Roldin, Sweden, R. Evans.
Mr. Morten Ydalus, Norway, R. Grandt.

LARKSPUR

Redwood High School: Principal, Mr. Donald Kreps.
Mr. Erik Rohden, Denmark, R. Havel.

LIVERMORE

Granada High School: Principal, Mr. Jack Lee.
Miss Angelika Schoen, Germany, W. Lobosco.
Livermore High School: Principal, Mr. Paul N. Reginato.
Miss Trine Melvaer, Norway, W. Ross.

LEMON GROVE

Miss Outi Helenius, Finland, see Spring Valley, Mt. Miguel High School.
Miss Eva Schotte, Sweden, same as above.

LOMA LINDA

Miss Gabriele Kolletzki, Germany, see Redlands.

LOS ALTOS

Mr. Kurt Keller, Switzerland, see Cupertino (Homestead High school).

LOS GATOS

Mr. Arne Lund-Jensen, Sweden, see Campbell, Westmont High School.
Miss Raija I. Taskinen, Finland, see San Jose Leigh High School.
Los Gatos High School: Principal, Dr. Allen Coryell.
Mr. Carlos Maria Garcia, Uruguay, L. Mehrten.

MALIBU

Miss Cecille Bautista, Philippines, see Santa Monica.

MILL VALLEY

Tamalpais High School: Principal, Mr. Raymond Bell.
Miss Anna Sohlberg, Sweden, A. Hanamoto.
Mr. Volker Weber, Germany, N. Martin.

MILPITAS

Samuel Ayer High School: Principal, Mr. Don Campagna.
Mr. Melecio G. Arrana III, Philippines, R. Remington.
Mr. Zehko Ivanjek, Yugoslavia, M. Bowman.
Mr. Michael Karoff, Germany, C. Woodring.
Mr. Masashi Yamamoto, Japan, L. Hulligan.
Milpitas High School: Principal, Mr. Ronald Sigley.
Miss Tomoe Fujimoto, Japan, J. Alford.

MISSION VIEJO

Mission Miejo High School: Principal, Mr. Bosanko.
Mr. Rolf Bublitz, Germany, R. Crawford.

MODESTO

Thomas Downey High School: Principal, Mr. Milford Olson.
Miss Maria A. C. Van Der Grest, Netherlands, L. Steenwyk.
Modesto Jr. College: Principal, Dr. Roy Mikalson.
Miss Nelly Damen, Netherlands, F. Monschein.

MT. VIEW

Awalt High School: Principal, Dr. Gordon Arlett.
Mr. Ake Pettersson, Sweden, B. Carpenter.

NEVADA CITY

Miss Danielle Bernard, France, see Grass Valley, Nevada Union High School.

NEWHALL

William S. Hart High School: Principal, Mr. Edgar Finchensher.
Miss Olga Gombac, Yugoslavia, R. Lucas.

NORTHRIDGE

Mr. Juha P. Leskinen, Finland, see Granada Hills.

NORWALK

Norwalk High School: Principal, Dr. Marvin Marshall.
Miss Eeva R. Hytonen, Finland, R. Norton.

NOVATO

San Marin High School: Principal, Mr. Henry Moroski.
Miss Corine Diguet, France, A. Rueger.
Mr. Hannu Heinaro, Finland, G. Leathers.
Novato High School: Principal, Mr. Stanley Onderdonk.
Miss Catja Fenck, Germany, W. Sisk.
Miss Ljubica Zafirovic, Yugoslavia, E. Halliday.

OAKLAND

Oakland High School: Principal, Mr. Frank Schultz.
Miss Helja Antola, Finland, J. Soo.
Skyline High School: Principal, Mr. David Swanson.
Miss Magda Buinin, Netherlands, L. Poczik.
Mr. Nils Saverstam, Sweden, G. Horn.

OJAI

Nordoff High School: Principal, Mr. Dwayne Owens.
Mr. Claude Moreau, France, J. F. Miller.
Villanova High School: Principal, Rev. Anthony J. Wasko.
Mr. Patrick Chanut, France, E. T. Martin.

ONTARIO

Ontario High School: Principal, Mr. Lyle Fry.
Miss Dagmar Kresse, Germany, C. Sanchez.

ORANGE

El Modena High School: Principal, Mr. Richard Cook.
Miss Sabrina Estrella, Philippines, J. Araujo.

ORINDA

Miramonte High School: Principal, Mr. Harry Sutton.
Miss Anita Konrad, Sweden, R. Copenhagen.

OXNARD

Channel Island High School: Principal, Mr. Steve Stocks.
Miss Doris Schreiber, Germany, H. F. Rosenmund.
Hueneme High School: Principal, Mr. Donald Siedler.
Miss Anne Andersen, Norway, F. Driscoll.
Miss Anjaleena Arasto, Finland, S. Brown.
Oxnard Union High School: Principal, Mr. Clifford Powell.
Miss Suvi S. K. Koivunen, Finland, R. Garrison.
Mr. Vojislav Todorovic, Yugoslavia, D. Banyai.

PALO ALTO

Cubberley High School: Principal, Dr. Ohme.
Miss Gunilla Corp, Sweden, F. Kovic.
Mr. Bernhard Kramer, Germany, J. Getreu.
Gunn High School: Principal, Mr. George Millar.
Miss Outi E. I. Kourula, Finland, B. Schaefer.
Palo Alto High School: Principal, Mr. Lawrence Lynch.
Mr. Jorma Laine, Finland, H. R. Johnson.

PALOS VERDES PENINSULA

Chadwick School: Principal, Mr. Boocock.
Mr. Juha Forsman, Finland, P. Mehan.

PATTON

Miss Outi Mantyla, Finland, see San Bernardino, San Gorgonio High School.

PITTSBURG

Miss Maria Ollesch, Germany, see Concord, Carondelet High School.

PLACENTIA

El Dorado High School: Principal, Mr. Melvin Stewart.
Miss Mariannaa Falkenberg, Finland, A. V. Lewis, Jr.
Yalencia High School: Principal, Mr. Tynse.
Miss Hanna Koli, Finland, D. Kissinger.

PLEASANTON

Mrs. Hendrik Binnendyk, Netherlands, see Dublin.
Mador Valley Joint Union Continuation High School: Principal, Mr. Neil Sweeney.
Mr. Hakan Dalvag, Sweden, E. F. Fowler.
Mr. Gabriel Gallati, Switzerland, G. Anderson, Jr.
Miss Georgie Gascard, Germany, D. Oakley.
Miss Haggai Nyekan, Liberia, R. Hampton.
Miss Biandine C. M. Pouleng, France, W. H. Scott.

PAMONA

Pamona Catholic Girls High School: Principal, Sr. Mary Doloria.
Miss Vera Steschulat, Germany, R. Gius.

RANCHO CORDOVA

Cordova High School: Principal, Mr. Harold Mathews.
Pierie Thouzeller, France, Lt. R. Shade.

REDLANDS

Redlands High School: Principal, Mr. Martin Munz.
Miss Gabriele Kolletzki, Germany, W. H. Waugh.
Miss Lena Naslund, Sweden, C. Dibble.
Mr. Gazmend Pula, Yugoslavia, C. Gold.

REDWOOD CITY

Mr. Roland B. Bacani, Philippines, see San Carlos.
Mr. Jose Luis Palting, Philippines, same as above.

RIALTO

Eisenhower High School: Principal, Mr. A. Keegan.
Miss Melba Morales, Philippines, C. A. Smith.

ROSEVILLE

Oakmont High School: Principal, Mr. Kenneth G. Sahl.
Miss Lucia S. Pardo, Colombia, L. Farmer.

ROSS

Mr. Erik Rohden, Denmark, see Larkspur Redwood High School.

ROWLAND HEIGHTS

John A. Rowland High School: Principal, Mr. Thomas Aney.
Mr. Hector Debitta, Uruguay, L. Johnson.

SACRAMENTO

Mr. Pierie Thouzellier, France, see Rancho Cordova, Cordova High School.
J. F. Kennedy High School: Principal, Mr. Frank J. Schimandle.
Miss Coral A. Amarteifio, Ghana, E. Covington.
Miss Babette Blanquart, France, J. Beskeen.
Miss Birgit Hermann, Germany, D. Lane.
Miss Vibeke Larson, Norway, R. Gist.
Bishop Monogue High School: Principal, Sr. Mary Monica.
Miss Colletta A. Richards, Liberia, G. McCann.
C. K. McClatchy High School: Principal, Mr. William Morgan.
Miss Pamela Van Holthe Tot Echten, Netherlands, D. Campbell.

SAN ANSELMA

Sir Francis Drake High School: Principal, Dr. Thomas Lorch.
Mr. Yann Couvidat, France, R. Carey.

SAN BERNARDINO

Cajon High School: Principal, Mr. Richard Bristow.
Miss Catherine Scharer, Switzerland, L. Hornibrook.
Miss Jessina Scott, Liberia, R. Shelton.
Pacific High School: Principal, Mr. James Brickley.
Mr. Michael Friedrich, Germany, R. Swedeen.
San Bernardino High School: Principal, Mr. Ivan B. Bratton.
Miss Inger Bellstrand, Sweden, J. Farthing.
San Gorgonio High School: Principal, Mr. Bargman.
Miss Ulla Kotkavuo, Finland, E. Gordon.
Miss Outi Mantyla, Finland, O. Cobb.
Miss Birgit Ottmueller, Germany, W. Jenks.

SAN CARLOS

San Carlos High School: Principal, Mr. William Walti.
Mr. Ronald B. Bacani, Philippines, S. Moncrieff.
Mr. Jose Luis Palting, Philippines, B. Cox.

SAN CLEMENTE

San Clemente High School: Principal, Mr. Darrel Taylor.
Miss Marianne Westermark, Sweden, K. Wolf.

SAN FRANCISCO

Lincoln High School: Principal, Mr. Harvey Christiansen.
Miss Dorit Moenig, Germany, J. Sullivan.

SAN JOSE

Mr. Joseph Ackah-Yensu, Ghana, see Campbell.
Miss Elizabeth Altesor, Mexico, see Cupertino.
Miss Anneli Kallio, Finland, same as above.
Mr. Renato Maliwat, Philippines, same as above.
Miss Sylvie Simonet, France, see Saratoga, Prospect High School.
Mr. Frank Volders, Belgium, see Cupertino, Monte Vista High School.
Blackford High School: Principal, Mr. Harold Sontag.
Miss Ma. Eugenia Corvalan, Paraguay, L. L. James.
Miss Marian Ebels, Netherlands, D. Marti.
Mr. Klaus Wogawa, Germany, L. Warthan.
Branham High School: Principal, Mr. Wagon.

Miss Wilhelmina Dubach, Netherlands, R. D. Shelton.
Mr. Hideki Furukawa, Japan, R. F. Newhouse.
Camden High School: Principal, Mr. James Crawford.
Mr. Theodor Ritz, Switzerland, L. Spitze.
Del Mar High School: Principal, Mr. George Miskulin.
Mr. Erik Hellem, Norway, C. Karlson.
Leigh High School: Principal, Mr. Stewart Fowler.
Mr. Frank-Peter Hartmann, Germany, D. MacIntyre.
Miss Raija I. Taskinen, Finland, G. C. Grubb, Jr.
Leland High School: Principal, Mr. Aaron Seandel.
Mr. Ingemar Gidenstam, Sweden, L. R. Grossi, Jr.
Miss Elisabeth Ma. Koehler, Germany, W. H. Koch.
Miss Leena A. Lindstrom, Finland, H. Olsen.
James Lick High School: Principal, Mr. George House.
Miss Roza Mirceska, Yugoslavia, F. Padilla.
Lynbrook High School: Principal, Mr. Kendall Stanger.
Miss Marie Jarry, Liberia, R. Barnes.
Miss Elsa Kantola, Finland, T. Arthur.
Miss Petronella Tangerman, Netherlands, M. Kelly.
Mt. Pleasant High School: Principal, Mr. Wilbur Concklin.
Mr. Leif Herno, Denmark, G. Brooks.
Miss Mildred Jimmeh, Liberia, H. Gage.
Oak Grove High School: Principal, Mr. A. Clark.
Mr. Uwe Falkenberg, Germany, J. Younker.
Miss Johanna Kullberg, Finland, D. Johnson.
Mr. Toshihiro Tabuse, Japan, F. Knox.
Overfelt High School: Principal, Mr. Donald Taylor.
Miss Elisabeth Lasche, Germany, J. Arbuckle.
Mr. Boris B. Trbojevic, Yugoslavia, F. W. Jameson.
Piedmont Hills High School: Principal, Mr. G. Bocciardo.
Miss Marie Ehring, Sweden, C. Bonham, Jr.
Pioneer High School: Principal, Mr. Ralph Sleight.
Mr. Einar Saunes, Norway, R. Dowling.
Silver Creek High School: Principal, Mr. Guy G. Khlitgaard.
Mr. Christian Cadot, France, L. Walker.
Mr. Daniel G. Campagnoli, Paraguay, J. Eichorn.
Mr. Magnus Niklasson, Sweden, R. Peterson.
Miss Olli-Elise Soinila, Finland, R. Cameron.
Willow Glen High School: Principal, Mr. Gene Long.
Mr. Erling Tvedten, Norway, J. Hansen.

SAN LEANDRO

Mr. Niels L. Uni, Netherlands, see San Lorenzo.
Miss Jutta Behrendt, Germany, see San Lorenzo.
Marina High School: Principal, Mr. Forrest Lindsay.
Miss Margaret L. Hansen, Ghana, D. Robertson.
Miss Kirsi Posti, Finland, A. Peterson.
Pacific High School: Principal, Mr. A. Winston Richards.
Mr. Per Bressendorff, Denmark, D. Wenkheimer.

SAN LORENZO

Miss Elisabeth Stalder, Switzerland, see Hayward, Chabot College.
Arroyo High School: Principal, Mr. J. Franklin O'Rear.
Miss Dorothy Canfor-Dumas, Ghana, C. Wold.
Miss Eloisa De Leon, Philippines, C. Silveria.
Miss Kornelia Schoenberner, Germany, D. Donnelly.
San Lorenzo High School: Principal, Mr. David Snyder.
Miss Jutta Behrendt, Germany, V. Graban.
Miss Paivi R. Svensk, Finland, P. Ehret.
Mr. Niels L. Uni, Netherlands, Mrs. Canine.

SAN RAFAEL

Terra Linda High School: Principal, Mr. Frank Stocking.
Miss Birgitte Sonderborg, Denmark, L. Dixon.

SAN RAMON

Mr. Bernard Houdmont, Belgium, see Danville, San Ramon Valley High School.
Miss Maylis A. Karjalainen, Finland, same as above.

SANTA ANA

Mr. Ruediger Dzewas, Germany, see Westminster, LaQuinta High School.
Mr. Staffen Nyman, Sweden, see Anaheim.
Foothill High School: Principal, Mr. Wm. Frick.
Miss Daniela Krivokapic, Yugoslavia, G. Abrams.

SANTA CLARA

Mr. Klaus Wogawa, Germany, see San Jose, Blackford High School.
Emil R. Buchser School: Principal, Mr. Donald Callejon.
Miss Vilgun Lowzow, Norway, E. Whiting.
Santa Clara High School: Principal, Mr. Philip Dougherty.
Miss Krista Vonck, Netherlands, J. Arnoldy.
Adrian Wilcox High School: Principal, Mr. Buchser.
Miss Terttu I. Hamalainen, Finland, P. Larson.

SANTA FE SPRINGS

Saint Paul High School: Principal, Rev. Fr. Ryan.
Miss Zarina Liwag, Philippines, J. Degnan, Sr.

SANTA MONICA

Santa Monica High School: Principal, Mr. Terry Pearson.
Miss Cecille Bautista, Philippines, P. Visher.

SANTA PAULA

Mr. Walter Barrios, Philippines, see Ventura, St. Bonaventure High School.
Santa Paula High School: Principal, William Sciutto.
Mr. Petri Kaipiainen, Finland, W. Walker, Jr.

SANTA ROSA

Abner High School: Principal, Mr. Biella.
Miss Bernardina H. F. M. Voest, Netherlands, R. Ketzer.

SARATOGA

Miss Marie Jarry, Liberia, see San Jose Lynbrook High School.
Prospect High School: Principal, Mr. Verdun Romer.
Miss Sylvie M. Simonet, France, G. Creswell.
Saratoga High School: Principal, Mr. Donald Brand.
Mr. Jouko Leskinen, Finland, R. Poor.
Mr. Jorge E. Piedrasanta, Guatemala, M. Quickert.

SAUGUS

Miss Olga Gombac, Yugoslavia, see Newhall Wm. S. Hart High School.
Canyon High School: Principal, Mr. Donald Jerry.
Mr. Sergio Asbun, Bolivia, J. Rissler.

SOMIS

Miss Anne Clemetsen, Norway, see Camarillo

SONOMA

Sonoma Valley High School: Principal, Mr. Harold Gray.
Mr. Horst Gill, Germany, P. Pfau.

SOUTH LAKE TAHOE

South Lake Tahoe High School: Principal, Dr. Fred Adams.
Mr. Pascal Coste, France, A. Silva.
Miss Ingrid Hanke, Germany, D. Fawcett.

SPRING VALLEY

Mount Miguel High School: Principal, Mr. Melvin Grant.
Miss Outi Helenius, Finland, R. Ross.

STOCKTON

Lincoln High School: Principal, Mr. Jonathan Pearce.
Mr. Tomas Persson, Sweden, R. Jones.
Miss Cathrin Tilsner, Germany, F. Meyer.
Stagg High School: Principal, Mr. Haan.
Miss Linette Bergeret, Mexico, D. Asher.

SUNNYVALE

Mr. Paulus J. J. M. Klinkhamer, Netherlands, See Cupertino, Homestead High School.
Mr. Ola Svensson, Sweden, See Cupertino, Homestead High School.
Fremont High School: Principal, Mr. Ralph Kling.
Mr. Auri Hakomaa, Finland, F. Kvamme.
Mr. Erwin Meeuwes, Belgium, A. Henry.
Miss Una Svensson, Sweden, H. Shellum.
Marion A. Peterson High School: Principal, Mr. Louis Martini.
Miss Beate Richardt, Germany, C. Hess.
Patrick Henry Jr. High School: Principal, Mrs. Edson.
Mr. Ronnie Gana, Philippines, W. L. Hartwig.

TAHOE PARADISE

Miss Ingrid Hanke, Germany, See South Lake Tahoe.

TORRANCE

South High School: Principal, Mr. Rotcher.
Mr. Peter Cohen, Netherlands, H. Frankenberg.
Miss Birgit Neuburger, Germany, S. Kosidlak.

TORRANCE

West High School: Principal, Dr. Robert Ford.
Miss Karin Johansson, Sweden, T. J. Pendergrass.

TURLOCK

Miss Gunda Knappe, Germany, see Hughson.

TUSTIN

Tustin High School: Principal, Mr. Otto S. Guli.
Miss Kikue Tomoi, Japan, G. Janssen.

TWENTYNINE PALMS

Twentynine Palms High School: Principal, not supplied.
Mr. Bernhard Semrau, Germany, W. Hoffman.

UPLAND

Upland High School: Principal, Mr. Robert Spencer.
Mr. Kaj Heyman, Sweden, M. Phipps.

VACAVILLE

Vacaville High School: Principal, Mr. Welch.
Miss Hannele Valtonen, Finland, M. Bergener.

VAN NUYS

Van Nuys High School: Principal, Mr. Robert Caveney.
Miss Gunda Wolter, Germany, R. Marelius.

VENTURA

Buena High School: Principal, Mr. Arleigh McConnell.
Miss Ina H. Falck, Denmark, W. Cooley.
St. Bonaventure High School: Principal, Father Thomas Meskill.
Mr. Walter Barrios, Philippines, R. Malone.
Ventura High School: Principal, Mr. Edward Menson.
Mr. Ilkka T. Toivikoski, Finland, C. Kirschhoff.

VICTORVILLE

Victor Valley High School: Principal, Mr. Don Conde.

Mr. Heikki Multanen, Finland, F. Russell.

VISALIA

Mt. Whitney High School: Principal, Mr. Jolley.

Miss Karin Laurent, Belgium, L. Trout.

Redwood High School: Principal, Mr. Peterson.

Mr. Clemens Becker, Germany, R. Lubeck.

WALNUT CREEK

Miss Margrit Elsner, Germany, see Concord, Ygnacio Valley High School.

Miss Maribel N. Valenton, Philippines, same as above.

Las Lomas High School: Principal, Mr. Joseph Anthony.

Miss Jone Bryn, Norway, H. Klaver.

Mr. Jyrki Rautakoski, Finland, W. Barry.

Mr. Johan Sevelius, Finland, W. Barry.

Mr. Kjell Sevon, Finland, A. Hershey.

WASCO

Wasco Union High School: Principal, Mr. Jack Cutner.

Miss Iben Rasmussen, Denmark, W. Hagen.

WESTMINSTER

La Quinta High School: Principal, Mr. A. L. Wells.

Miss Ingela Runefors, Sweden, W. A. Reynolds.

Mr. Ruediger Dzewas, Germany, B. Jones.

WHITTIER

Miss Zarina S. Liwag, Philippines, see Santa Fe Springs.

California High School: Principal, Dr. Ronald Parks.

Mr. Joerg Geller, Germany, S. Ricklef.

Miss Mirjam Jaanivald, Sweden, H. Adden.

Mr. Kozo Takahashi, Japan, C. Coulter.

Miss Bettina Tucci, Uruguay, R. Mutchler.

Mr. Kari J. Vallila, Finland, F. Earl.

Mr. Iscaac L. Vanderpuije, Ghana, W. Morrill.

La Serna High School: Principal, Mr. Melvin E. Locke.

Mr. Hans T. Gyllenhammar, Sweden, P. Higgins.

Miss Christina Korhonen, Finland, E. Ryan.

Miss Antje Klein, Germany, H. Harmon.

Mr. Michael Reyes, Philippines, M. G. Franco.

Mr. Vladan Starcevic, Yugoslavia, P. Higgins.

Whittier Union High School: Principal, Mr. Jack A. Mele.

Miss Riitta Vaino, Finland, D. Payne.

WOODLAND HILLS

William H. Taft High School: Principal, Dr. Olmstead.

Miss Yumiko Ota, Japan, J. Harvey.

YORBA LINDA

Mr. Christian Besson, France, see Fullerton, Troy High School.

Miss Agneta Isacsson, Sweden, same as above.

OPPOSITION TO FURTHER MILITARY INVOLVEMENT IN SOUTHEAST ASIA

Mr. FULBRIGHT. Mr. President, on December 11, 1971, I inserted into the RECORD a copy of a petition expressing opposition to further U.S. military involvement in Southeast Asia. The petition read as follows:

We, the undersigned American Servicemen on duty in Vietnam, wish to express our opposition to further United States military involvement by air, sea or land forces in Vietnam, Laos, Cambodia or other countries in South East Asia. We petition the United States Congress to take whatever action necessary to assure an immediate cessation of all hostilities in South East Asia; to set a near date for final and complete military withdrawal; to insure a rapid and peaceful return of American Prisoners of War; and to assume and assert its responsibility for determination of future American Foreign policy.

On January 11, 1972, the Senate received through official Navy channels an identical petition signed by an additional 101 members of the U.S. armed services on duty in Southeast Asia. At the present time, over 1,000 American military men on active duty in that area of the world have signed this petition. These men have undertaken to express their opposition to the war without regard to the effect of this action on their military careers.

Despite the President's announcement concerning the secret negotiations, I believe that the action of these men emphasizes the failures of our military and diplomatic policies with respect to Southeast Asia and should encourage those Members who supported the Mansfield amendment to continue in their efforts to bring an end to that tragic war. I, again, commend the initiative and courage of these military men to the Members of the Senate. The petitions are on file with the Committee on Foreign Relations for Members who may wish to see them.

GEN. THADDEUS KOSCIUSZKO, A SIGNIFICANT AMERICAN

Mr. BYRD of West Virginia. Mr. President, it is always well for a country to look to its past and honor those who have played a major part in its history. In a statement before the Senate Subcommittee on Parks and Recreation last Friday, my distinguished colleague, the senior Senator from Indiana (Mr. HARTKE) called attention to the significant role that Gen. Thaddeus Kosciuszko, a Polish American, played in the American Revolution. At the request of Mr. HARTKE, I ask unanimous consent that the text of that statement be inserted in the RECORD.

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

STATEMENT OF SENATOR VANCE HARTKE

Mr. Chairman, it is always gratifying to honor those peerless individuals who have faithfully dedicated their lives to the cause of American freedom and independence. The legislation which I had the high privilege of introducing last June and which is being considered by this committee today would serve to properly distinguish such a man. It would do so by designating the Thaddeus Kosciuszko Home in Philadelphia as a national historic site.

General Thaddeus Kosciuszko, a Polish American who fought in the American Revolution, made many significant contributions which helped to insure the success of that long struggle. His expertise as a military engineer was first demonstrated at the battle of Saratoga and later at West Point, where he successfully completed an assignment to construct fortifications. Perhaps more important, however, was his knowledge of military strategy which resulted in the historic and decisive victory at Yorktown.

As most of us are aware, Kosciuszko's involvement in American history did not end at Yorktown. Following the revolution, his good friend Thomas Jefferson, then Secretary of State, secured the services of the General as a secret diplomatic emissary to France. It was on this mission that Kosciuszko helped to insure peace and harmony between our two young nations.

Finally the legacy of Kosciuszko would be incomplete without mention of his return to his native land where he was instrumental in securing for his own people many of the same freedoms for which he had fought so courageously in America. Returning to Poland after our revolution, he raised a citizen army to end Russian oppression in that country. Though he suffered betrayal, defeat and even imprisonment, the cause for which he struggled did not die and his efforts were ultimately vindicated.

Even this cursory biographical sketch reveals that Thaddeus Kosciuszko was a true American patriot. Throughout the course of his life he exhibited those qualities of unselfish dedication and persevering courage which have remained as the bedrock of human freedom.

Now, in this legislation being considered today, we have the opportunity to accord proper, tangible, and lasting recognition to this man who offered his military genius and burning spirit to fight for the freedom of all Americans.

The house at 301 Pine Street, Philadelphia, where Kosciuszko lived during 1797–98 has already become, in the hearts and minds of every American of Polish ancestry both a monument to the man and a symbol of ethnic pride and participation in the struggle of this country for independence. As such, the home represents a most logical and fitting site for the creation of a national shrine.

In view of these considerations, many of us were deeply distressed and even shocked when, late last year, the national park service's advisory board on national parks, historic sites, buildings, and monuments recommended against designating the Kosciuszko home in Philadelphia as a national historic site. In rendering its decision, the advisory board stated that the home did not meet the criteria by which, historic sites are evaluated.

Specifically, three reasons were cited as to why the house could not be accepted. First, the home has been greatly altered since General Kosciuszko lived there. Second, he lived there after his military career. Third, he lived in the house only six months. While this reasoning may be correct in the most narrowly defined technical sense, it nevertheless overlooks several extenuating factors and circumstances, which taken together, both challenge the validity and wisdom of the board's findings and views.

To begin with, no one disputes the fact that the house has been greatly altered since Kosciuszko lived there. More important however, is the fact that the resources and capabilities now exist with which to restore the house to its former condition. Not only is the current owner of the house willing to donate it to the National Park Service: Representatives of the Polish American Congress have indicated their willingness to finance restoration at no cost whatsoever to the Government.

Secondly, no one will argue the point that Kosciuszko lived in the home on Pine Street after his American military career was concluded. This is not to say, however, that preservation of the house has nothing to do with his accomplishments. It will be remembered that the General's involvement with American history continued well beyond the Revolution. His good friend Thomas Jefferson visited Kosciuszko at the house on Pine Street many times and it was from there that the General was sent on the peace mission to France, to which I referred earlier.

Finally, it is argued that the house is unworthy of status as a national historic site because Kosciuszko did not reside there longer than six months. This argument probably deserves no more than the simple retort, "So

what." The point is that he did live there. And because he did live there, the home has become a monument and symbol to more than 12 million Americans of Polish descent.

In a very real sense, this whole issue has developed into an expression of legitimate ethnic pride. Something which has been submerged for too long among Polish Americans. At a time when the forces of disunity, divisiveness and destruction tear at the social fabric of our Nation, it would appear to be misdirected and ill-advised to jeopardize, either by our actions or inactions, the patriotism of a major American ethnic group. Let us remember, that at times, patriotism can be a most fragile thing—it needs the feeling of belonging to grow and recognition to bloom.

Perhaps there were no ethnic overtones, as some have suggested, in the decision of the National Park Service's advisory board. To be sure, the board was highly complimentary in speaking of the General and his illustrious career. Unfortunately these were only words. What all of us expected was a more tangible form of recognition—more tangible, I might add than a commemorative rock garden at West Point and a statuesque pigeon roost in Lafayette Park here in Washington.

Mr. Chairman, I believe the legislation being considered here today, would accord proper recognition and status to a great American patriot—a man, who, quite aside from his talents as the foremost military engineer of his time, was also a noted political philosopher, painter, and architect of outstanding ability. It is my judgment that in designating the Thaddeus Kosciuszko House as a national historic site we will have preserved a symbol which will remain a source of inspiration for all Americans, for as long as the republic lasts.

Mr. Chairman, it should finally be noted that in a very real sense, this is emergency legislation: for unless the Thaddeus Kosciuszko House is declared a national historic site now, it will surely fall victim to the advance of the modern metropolis. It is for this reason, along with the others I have enumerated, that I urge my colleagues on this committee to grant this legislation swift and favorable consideration.

YOUTH FOR UNDERSTANDING

Mr. GRIFFIN. Mr. President, it is a pleasure today to focus attention upon an important and fast-growing exchange program known as Youth for Understanding and to salute its dynamic leader, Mrs. Rachel Andresen of Michigan.

In 1951, the Detroit area Rotary Clubs agreed to host 75 visiting youths from Germany selected by the U.S. Department of State. Mrs. Andresen was asked to give a hand, and very soon she found herself supervising the entire program.

After 4 years of such visits, an important new element was added to the program—summer visits to Europe by American teenagers.

Still later, a youth chorale was added, with talented Michigan teenage musicians touring Europe and South America.

Mr. President, this is not just a program of bringing teenagers from abroad and sending American youth to foreign countries. The core of the program is in placing the students in homes here and abroad where they, in fact, live together and acquire understanding and mutual respect.

I am proud, of course, that this program began in my home State, although it is no longer confined there. It has grown to involve nearly 50 foreign countries and practically every State in the Union.

The program has brought more than 30,000 foreign students to America. This year alone there are 3,500 foreign students living with American families, and next summer 2,500 American teenagers will go abroad to live with families in other countries as quiet ambassadors of friendship and goodwill.

An indication of what the program means was expressed in a letter from Tania Mattos, a Brazilian exchange student, who stayed with Mr. and Mrs. Walter Zola in Detroit:

> This program is developing a wonderful friendship between the American youth and foreign youth. United States won't be any more a gift only for Americans. It will be an international country and our countries won't be our any more, but they will be American countries also. . . .
>
> Mrs. Andresen, keep on with your marvelous work of teaching everybody to love America.

FEMALE SECRET SERVICE AGENTS

Mr. JAVITS. Mr. President, last month the Assistant Secretary of the Treasury Eugene Rossides, announced the appointment of five women as Secret Service agents, to perform "the same duties required of male special agents."

This is another breakthrough for women in the Federal service. In this instance the appointments are the first for women in the 106-year history of the Secret Service, and so I am particularly pleased that Gene Rossides, a New Yorker and old friend and colleague, was the one to take this step.

The announcement comes at a particularly appropriate time for me, because I have just nominated the first girl to the U.S. Naval Academy, and am awaiting a response to that nomination from the Secretary of the Navy, who has the appointive power. I hope very much that he will follow Mr. Rossides' very fine example.

Mr. President, I ask unanimous consent that the Treasury Department's press release of December 15, 1971, concerning these appointments be printed in the RECORD.

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

THE DEPARTMENT OF THE TREASURY NEWS

Supporting the President's program to appoint more women to higher government positions, Eugene T. Rossides, Assistant Secretary of the Department of the Treasury, today administered the oath of office to five women appointed as Special Agents of the United States Secret Service. This marked the first appointment of a woman to the position of Special Agent in the 106-year history of the Secret Service.

Assistant Secretary Rossides said the women will be assigned to perform the same duties required of male Special Agents.

Special Agents of the Secret Service are charged with protection of: the President and his immediate family; the Vice President; the President-elect; the Vice-President-elect; a former President and his wife during his lifetime; the widow of a former President until her death or remarriage; minor children of a former President until they reach 16 years of age; major Presidential and Vice Presidential candidates; visiting heads of foreign states or foreign governments; and, at the direction of the President, official representatives of the United States performing special missions abroad.

Special Agents are also charged with the suppression of counterfeiting of currency, and the forging and cashing of Government checks and bonds.

The women are: Laurie B. Anderson, 24; Sue A. Baker, 25; Kathryn I. Clark, 24; Holly A. Hufschmidt, 28; and Phyllis F. Shantz, 25.

They are former officers of the Executive Protective Service (EPS), a uniformed security force supervised by the Secret Service. They have assisted with the mission of the EPS, which is protective security at the White House, and foreign diplomatic missions in the Washington, D.C., area.

The women will be temporarily assigned to the Washington area before they enter the Treasury Law Enforcement Officers Training School in January. Subsequently, they will attend a Secret Service Training School for Special Agents.

Their training will include courses in protective techniques, criminal law, criminal investigative procedures, use of scientific investigative devices, document and handwriting examination and analysis, first aid, the use of firearms, and arrest techniques. They will also study subjects such as rules of evidence, surveillance techniques, undercover operations and courtroom demeanor. Classroom training will be supplemented by on-the-job training.

Some of the women were appointed to the EPS with prior police experience and have received in-service training. Those with no prior experience have participated in the EPS Recruit Training Course.

Entrance requirements for women are basically the same as those for men. Special Agents are selected for appointment from Civil Service registers consisting of candidates who have passed the Treasury Enforcement Agent Examination.

Starting salaries will range from $7,000 to $9,000.

LEGISLATIVE END TO DOCK STRIKE URGENTLY NEEDED

Mr. PERCY. Mr. President, 12 days ago, on January 21, the President sent emergency legislation to the Congress to end the crippling dock strike on the west coast. He is sending another message to Congress today urging the passage of this legislation, as well as legislation that would provide a permanent solution to the problems posed by strikes in national transportation industries. In spite of the urgency of the situation created by the dock strike, there has been no action taken by the House or the Senate on either the emergency legislation or the bill providing a long-term solution. Both pieces of legislation are buried in the Labor Committees of the House and Senate.

Indeed, the emergency legislation would not even have been necessary if the Congress had acted promptly on the comprehensive transportation strike legislation the President submitted over 2 years ago.

I am not in favor of the Government arbitrarily or capriciously involving itself in the collective bargaining process. But in this case, when the damage to the economy is so great and the national interest is so clearly involved, I feel the Congress must act, and with dispatch. I would urge the Congress to give first priority to it over all business and work on this emergency without let up until

legislation is passed and the strike settled. Other items can wait; this situation cannot.

Although the current dock strike has had repercussions on all parts of the American economy, its impact on American farmers has been particularly great. Secretary of Agriculture Butz has testified that the dock strike cost American farmers $750 million in lost export sales in 1971, compared to the same period in 1970. These lost sales are continuing at the present time. Every day that the strike continues, the American farmer will be hurt. This is especially crucial to the State of Illinois, which is the largest agricultural exporting State in the country.

The dock strike results not only in lost export sales, but also in reduced farm prices, increased marketing costs and spoiled crops. The dependability of the United States as a supplier of agricultural commodities is being severely damaged. Countries which formerly bought American agricultural commodities are now turning to other countries, such as Canada and Australia, for their food requirements. Markets lost now by American farmers may never be regained.

Mr. President, the Congress must act. We must pass the President's special legislation to end the current dock strike and then move on to pass legislation to establish procedures to deal with all such disputes in the future. We must insure that we prevent such crippling strikes in the future.

SYRIAN JEWS

Mr. BOGGS. Mr. President, there has been a good deal of discussion in recent months, both by the media and public officials, of the unjust policies of the Soviet Union toward its Jewish community. While I certainly share this concern for what is a very real and disturbing situation, I believe we should not overlook the similar plight of Jews elsewhere.

Particularly distressing have been the recent reports of discrimination and mistreatment of the small Jewish community of Syria. The 4,000 Jews of Syria have come under a variety of restrictive acts and policies which do not affect non-Jewish Syrians. For example, Jews are not permited to emigrate or travel abroad. Movement even within the country is restricted. In addition, Jews are required to carry identity cards distinguishing them as Jewish, whereas no such distinction is made for Moslem or Christian Syrians.

Syrian Jews are also denied government jobs, and government employees are encouraged to boycott Jewish-owned businesses. When they attempt to flee, Syrian Jews are imprisoned, their property confiscated and their relatives harassed.

Mr. President, this is a very difficult situation. It involves fundamental human rights which I know are of concern to all the Members of this body, and I believe we must not fail to express that concern.

ALLIED HEALTH MANPOWER PROGRAM PROVES SUCCESS IN METROPOLITAN CHICAGO

Mr. PERCY. Mr. President, so often, my personal experiences and investigations compel me to report to this Chamber on the plethora of agency and program failures that prevail at all levels of government. Today, I am privileged to report on a program being carried on in Metropolitan Chicago which has met with immeasurable success.

The Interim Organization for Chicago Area Allied Health Manpower provides a vehicle through which concerned organizations are cooperating to promote the recruitment, training and optimum utilization of allied health manpower in the Chicago metropolitan area.

The alliance was formed because no machinery was available for communication and linkage among the various regional organizations engaged in recruitment, planning, training, funding, and placement functions in the allied health manpower field. Establishment of such an organization was essential to assuring maximum use of available fiscal and human resources. Through integrated efforts of ongoing planning and operational programs, the opportunities for poor and minority persons in health careers will be substantially improved.

Certain needs, problems, and barriers presently exist which cannot be effectively handled by individual agencies. In an organization of this kind, channels are being created for maintaining interagency communication, providing mutual assistance and support, developing and testing new models, creating a more rational division of labor among the member organizations, and undertaking joint action to remove unjust restrictions.

This organization regards itself as an interim group functioning to meet present and projected needs. During this period, discussions will continue with both the comprehensive health planning agency and the cooperative area manpower planning system to determine whether either or both of these agencies have the capability and the interest to assume permanent responsibility for such coordinative efforts.

The excellent objectives to which the Interim Organization for Chicago Area Allied Health Manpower is firmly committed are:

To identify allied health manpower needs and recommend priorities for the development and funding of manpower programs.

To communicate these needs and priorities to appropriate authorities responsible for implementing health care services and manpower development programs.

To assist employing agencies to reevaluate staffing plans to make optimum use of scarce professional personnel.

To examine present job structures with a view toward introducing opportunities for new manpower to be brought into the health occupations and improving the salaries and working conditions for allied health workers presently employed in the system.

To design a career lattice and ladders which will give every worker an opportunity for upward and horizontal mobility and which will reduce wasteful turnover of manpower.

To help design core curriculums aimed at giving workers a wider choice of possible occupational pathways in the health field.

To recommend steps toward removal of restrictive legal and licensing barriers that prevent effective recruitment and utilization of needed manpower.

To provide a vehicle for the examination of developmental proposals for allied health manpower and to use the expertise of this organization for consultation, review, and recommendations consonant with agreed upon priorities, quality standards, and optimum utilization of available resources of the community.

To support expansion of the training capability of the community so that needed health workers may be recruited and prepared for work in this field.

Mr. President, in order that my colleagues and others concerned about the health manpower crisis in this country be apprised of some of the outstanding features of this program, a program that could be introduced in many other areas of the country, I ask unanimous consent that a document entitled "Twenty-five Barriers" and prepared by the Interim Organization for Chicago Area Allied Health Manpower be printed in the RECORD. I would also like to express my gratitude to Mrs. Sally Holloway, director of the department of education and training, University of Chicago hospitals and clinics, whose deep commitment to this program led to my being apprised of its successes.

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

TWENTY-FIVE BARRIERS THAT RESTRICT THE EFFECTIVE RECRUITMENT, TRAINING, AND UTILIZATION OF ALLIED HEALTH MANPOWER IN THE STATE OF ILLINOIS

INTRODUCTION

In June of 1970 the Illinois State Employment Service, the Human Services Manpower Career Center, the Chicago Area Comprehensive Health Planning Agency, representatives of its sub-regional health planning organizations and the Chicago Department of Human Resources sponsored a conference to consider their mutual interest in developing an inter-agency consortium for program planning and manpower development in the allied health field. From this conference has evolved a partnership of thirty-nine agencies committed to working together to strengthen the planning, recruitment, training and utilization of allied health manpower in the Chicago Metropolitan Area.

From its inception the Interim Organization for Chicago Area Allied Health Manpower has recognized that certain education, administrative, economic and legal barriers exist which seriously inhibit the City of Chicago and other Illinois communities from dealing effectively with the allied health man power crisis. At the first official meeting of the interim Organization on November 2, 1970 the membership body created a task force to consider and recommend steps toward the removal of these barriers. Lou House, Executive Director for the Council for Bio-Medical Careers, agreed to serve as Chairman of this study group and was joined in this effort by Theresa White, Director of the Volunteer Bureau, Welfare Council of

Metropolitan Chicago; Helen Dulick, Administrative Assistant of the North Suburban Association for Health Resources, Terry Donnelly, Associate Planner, Comprehensive Health Planning, Inc., and Thomas Marsh, a member of the staff of the Human Services Manpower Career Center.

Contributions to this study came from the following sources: (1) eighteen persons selected by the task force on the basis of their comprehensive knowledge, experience and leadership in the Illinois health manpower field. Nine of these persons were personally interviewed; nine submitted written documents containing their views and recommendations. The names of these individuals are listed in Appendix II: (2) A study of the extensive literature dealing with this subject matter, selected references from which are contained in Appendix IV.

During the five-month period in which this study was being completed, a consortium of State agencies and voluntary organizations concerned with health manpower came together to form the Illinois Inter-Agency Task Force on Health Manpower. This group, of which the Chicago Interim Organization is a member, undertook to identify its tasks and priorities. The product of this effort was a comprehensive inventory of the specific actions we need to take if we are to solve the most critical problems facing the State in the recruitment, training and utilization of health manpower. In completing this document, we have drawn upon the work of the Illinois Inter-Agency Task Force which is still in process. In virtually each case, we have been able to match the various barriers identified in our own study with the tasks set forth by the Illinois Inter-Agency Task Force. Both pieces of work, it has turned out, are highly congruent and reinforce one another.

On April 1, 1971, Governor Richard B. Ogilvie, in his health message to the General Assembly, called for

". . . a moratorium on creating additional licensing and certification categories for health professions this year . . . I urge this Legislature to establish a commission with adequate appropriations to perform the valuation and planning that is needed. This will include review of the existing laws, regulations and administrative procedures for licensure and certification. It will examine and recommend the relaxation of administrative regulations to remove existing barriers to competent individuals . . ."

On Appril 20th, the Illinois Inter-Agency Task Force on Health Manpower accepted the invitation of the Governor's Office of Comprehensive State Health Planning to collaborate in identifying specific ways in which the recruitment, training and effective utilization of health manpower can be strengthened now within present statutory requirements. This investigation can proceed at once while the General Assembly considers appropriate legislative action to bring about needed statutory changes.

In view of these recent developments and the continuing urgency of the health manpower crisis, we believe this is a timely document and one which can contribute to the removal of these restrictive barriers.

DATA FOR PLANNING

The barrier

Planning for the allied health occupations is severely inhibited by the lack of information available for assessing current, intermediate and long range manpower needs within the State. Current labor market information, including occupational studies and forecasts, is incomplete and too general to assist the State, local governments and health-related agencies in developing sound plans.

The result

Since no effective overall planning is presently taking place, health service institutions, educators and manpower authorities are presently operating independently and without reference to any mutually understood set of goals or priorities for the State.

We need

A centralized health manpower data bank for planning purposes. Such a data bank will involve comprehensive studies of present and projected needs for health manpower within the State. It will be necessary to obtain information on current and projected numbers and kinds of personnel employed in all health settings, including the new emerging community health care facilities.

TODAY'S VACANCIES

The barrier

No effective machinery has been developed for identifying current job vacancies in the health service institutions in specific labor market areas or for matching these available jobs with applicants. The Job Bank, operated by the Illinois State Employment Service in the Chicago area, is not fully utilized by the health care institutions and the jobs which are listed are generally those in lower-pay entry level positions.

The result

Independent recruitment efforts by each employer are costly and inefficient. Qualified applicants, even those with scarce skills, are often compelled to shop around needlessly looking for work.

We need

A consolidated system of health industry recruitment and job referral in communities which have large numbers of health care institutions.

MACHINERY FOR HEALTH MANPOWER PLANNING

The barrier

While the State and the Chicago Metropolitan Area have established machinery for comprehensive health planning, models for effective health manpower planning within the framework of overall health care planning are still undeveloped.

The result

The lack of machinery for State and local health manpower planning contributes to ineffective recruitment, inadequate training capability, job development and placement services. At the local level the necessary linkages between the community organizations who can help in recruitment, the schools who can provide the training and the service institutions who provide the jobs are not developed. These factors discourage potential workers from entering the health field, leave many students to drop out of training and cause others who have completed training to withdraw from the health labor market.

We need

Sound models for effective health manpower planning at the State and local levels to guide health planning authorities in evaluating their needs and marshalling their resources to meet them. Such models should provide operational links between community, professional and labor organizations, schools, hospitals, manpower programs, employers and others. In large metropolitan areas this machinery needs to be established on a sub-regional basis in order that it may remain closely related to local education resources and potential trainees and employers.

A MANPOWER PLAN TO ACCOMPANY ALL PROGRAM PROPOSALS

The barrier

State and local authorities who are responsible for approving program proposals and/or granting funds to support health care programs do not always insist on the inclusion of a realistic and well designed manpower and staffing plan.

The result

Many programs which are approved and funded fall short of their objectives as the result of an inadequate or inappropriate manpower development and utilization plan.

We need

To require that a set of manpower and staffing plans be included as an integral part of any proposal submitted by a health facility in which approval of local planning bodies and/or State funding are required.

TRAINING AVAILABILITY

The barrier

Persons seeking training in the health occupations have no central resource available to them for obtaining information on existing training programs. The lack of such comprehensive information is a handicap to school counselors, employment counselors, educators planning new training programs and employers seeking continuing education opportunities for their employees.

The result

Some training resources are under-utilized because they are relatively unknown. Others are not developed to their full capabilities because the demand has never been fully expressed by applicants.

We need

To establish and maintain a complete inventory of health occupations training opportunities throughout the State and a centralized information clearinghouse on available student slots.

To develop an information distribution network which will channel this information to all potential users of training resources.

LOCATION OF TRAINING AND TESTING SITES

The barrier

Decisions made concerning the location of training programs do not appear to be based on considerations of need for specific kinds of trained manpower or the accessibility of the training program to the trainee population. Despite the acute need for dental technologists, for example, we have only three programs in the entire State, two in Chicago and one in Carbondale. Examinations for licensure for several health occupations are also inconveniently located.

The result

Costly and time-consuming transportation discourages persons from enrolling in training programs, particularly those who must continue working and cannot afford the loss of time away from their jobs. Similarly, the trip into Chicago which every person taking the Licensed Practical Nurse exam must make is an unnecessary burden on downstate persons, especially those with low incomes, work or household responsibilities.

We need

To locate training programs in areas where 1) the highest priority of need for trained personnel exists; 2) facilities are easily accessible by available mass transit; and 3) a pool of potential manpower supply presently exists, can be developed or deployed.

To offer examinations in many locations throughout the State on the basis of their convenience and accessibility to the persons attempting to take these examinations.

POTENTIAL TRAINEE

The barrier

We lack information about the potential manpower pools; that is, which kinds of youths and adults are motivated to enter the health occupations and why. We are equally uninformed about the effectiveness of various recruitment strategies and their effect on student retention.

The result

Recruitment efforts in the health occupations are not effective in obtaining the numbers and kinds of students needed.

We need

A comprehensive study of student interest in the health occupations; an examination of current recruitment mechanisms and strategies as they relate to student retention and an evaluation of the cost effectiveness of these methods.

PEOPLE EXCLUDED

The barrier

Partial or obsolute blocks restrict the entry into certain health occupations of 1) disadvantaged persons and minority group members who cannot afford to pay for training or whose sub-standard basic education presently disqualifies them; 2) health workers who are performing competently on the job but do not have the prescribed academic degrees; and 3) women, older persons seeking second careers, ex-prisoners, ex-patients and others whose potential contribution is overlooked or underdeveloped.

The result

We pay the price for these discriminatory practices in an enormous waste of human resources. We also intensify the maldistribution of health manpower in inner city and under-serviced areas by neglecting to recruit from the economically and socially deprived populations.

We need

To express and implement our full commitment at State and local levels as well as in the educational and health care systems to open opportunities for these groups by designing and mounting programs of intensive recruitment to bring these individuals into the health occupations.

To provide funds which will support the in-training, upgrading and maintenance of these workers in training through scholarships, loans, living allowances and work-study arrangements.

To make supportive services available including counseling, tutoring, day care and health services to help trainees remain in and complete their training programs.

TRAINING DESIGN

The barrier

The design of training in the health occupations continues to place an undue emphasis on traditional liberal arts contents, primarily to insure the transferability of the student's credits to institutions of higher learning. For the majority of students, however, completion of high school or associate of arts degrees constitutes terminal education. In view of this fact, the issue of transferability of credit to senior institutions should not be the major focus of curriculum design.

The result

The student who does not wish or cannot afford to continue with bachelor's level or graduate work loses valuable training time that could be used more appropriately in preparing him for the world of work and the earning of a livelihood.

We need

The schools, in collaboration with their advisory boards and the accrediting authorities, to redevelop and revise undergraduate education in the allied health occupations to provide a more judicious mix of general and technical education, one which conforms more closely to the actual labor market demands which will be made upon the individual after his graduation.

OVER-TRAINING AND UNDER-UTILIZATION

The barrier

Training programs are designed by educational institutions to meet the standards set by professional groups and accrediting associations whose general tendency has been to raise requirements for entry and upgrading in the health occupations.

The result

Workers are over-trained for the actual jobs to be performed, resulting both in a wastage of scarce skills and training resources as well as the failure to fully utilize new workers who can perform lesser skilled jobs competently.

We need

To perform a functional analysis of the work skills actually required at each level and to gear the content and duration of training programs to actual job requirements.

OBSOLETE TRAINING TECHNIQUES

The barrier

We continue to use archaic training techniques preparing workers for the allied health occupations. Programs are often unnecessarily lengthy, expensive to administer and overly-wedded to use of lecture methods and mere acquisition of information. We continue to adhere to fixed semester periods irrespective of the ability of many students to learn more rapidly or the needs of employers to enroll workers at times more convenient to the needs of the health service institution.

The result

We are wasting teaching and fiscal resources as well as the time of instructors and students, thus reducing the potential output of existing training programs. Furthermore, while didactic teaching methods may produce graduates who have extensive factual information, it is equally important that workers acquire a repertoire of flexible skills and positive attitudes towards service to people.

We need

To introduce modern technological tools, such as closed circuit television, programed instruction and other audio-visual equipment for classroom work, tutorial programs and individual home study.

To give greater emphasis to skill practice and development within the context of client and community needs.

To gear the length of a training program to the capability of the individual trainee to acquire the necessary knowledge and skills.

To set up programs at times that are responsive to the needs of the health care institutions who are collaborating with the college in a specific training program.

COMPETENCE TESTING

The barrier

Under present Illinois statutes and educational practice, it is not possible for competent workers in certain allied health occupations to enter into training programs or to qualify for licensure or certification without having completed a prescribed academic training program.

The result

Large numbers of workers who have acquired knowledge and skill in ways other than academic training are excluded from advancement and/or official status in their occupation. These practices prevent employers from fully utilizing and giving appropriate compensation to competent workers who are capable of performing more responsible tasks. Educators waste scarce training resources by compelling workers to learn all over again what they already know.

We need

To develop a battery of proficiency examinations for statewide use such as those developed by the State of New York. These examinations should be 1) available in many geographical locations; 2) acceptable to all educational institutions; and 3) designed to to test performance capabilities rather than mere technical knowledge.

TEACHER SHORTAGES

The barrier

We do not have enough qualified teachers to meet the needs in the allied health occupations for training staff. Under existing statutes, as well as regulations promulgated by State, local and professional agencies, academic requirements for instructors are set so high that competent potential teachers cannot be utilized in training programs.

The result

The shortage of accredited teachers makes it impossible for us to significantly expand our present training capacity in the State. The skills of many potential instructors are wasted under present restrictive regulations.

We need

To increase and accelerate the training of allied health instructors.

To reduce the academic requirements specified for allied health instructors.

To build preparation for teaching others into training programs at all levels so that knowledge and skills can be shared by competent workers with trainee groups.

CONTINUING EDUCATION

The barrier

Persons presently licensed or certified are assumed to remain competent workers on the basis of having passed a once-in-a-lifetime examination. The health care industry and the health care professions have not invested adequate resources in staff development for existing personnel.

The result

In view of the knowledge explosion and the rapidly changing technology in medical care, the failure to provide all health care workers with opportunities for continuing education contributes to the obsolescence of staff skills and consequently a deterioration of health care services.

We need

An immediate expansion of continuing education for existing health care practitioners through in-service training programs as well as linkage with outside educational institutions.

A commitment on the part of employers to provide release time and to support the cost of such continuing education and maintenance of student and employee.

The development and implementation of standards which will require the demonstration of the continuing competence of a health worker as a criterion for renewing his licensure or certification.

ATTITUDES OF ADMINISTRATORS

The barrier

While health is one of the prime growth industries in this country and therefore one of the fields which should carry high priority within the educational system, educational administrators are generally unfamiliar with the existing and emerging allied health occupations. This lack of knowledge and awareness is combined with the general tendency of educators at all levels to downgrade vocational programs as second-class education for second-class students.

The result

If we were earnestly to attempt to recruit and train the numbers and kinds of allied health workers we need now, the lack of available training resources in most communities would constitute a critical bottleneck. Even today, with recruitment and available funds far below the level of need, a serious shortage of training programs exists.

We need

To encourage, through the State Board of Vocational Education, the Higher Education Board and the various educational associations, educational administrators 1) to become familiar with the rapidly expanding allied health field; 2) to increase the num-

ber of vocational counselors within the secondary system; and 3) to give health education programs high priority as well as full and equal treatment as first-class careers for first-class students.

VOCATIONAL EDUCATION UNNECESSARILY DELAYED

The barrier

Vocational and technical education in the health occupations starts too late. We do not expose the high school student to career opportunities in the health field early enough nor do we provide training which will give him upon graduation the opportunity to work in the health care field at an attractive entry level salary.

The result

A serious loss of manpower potential, a waste of education, human and fiscal resources and a high dropout rate because education is regarded as irrelevant by the student or because he cannot afford to continue going to school.

We need

To expand vocational education programs in health at the high school level to equip students with marketable skills upon graduation.

To articulate high school programs with community college programs so that training received in the high school provides opportunity for advanced placement in a two-year program.

To enlarge the health occupations consultant staff of the State Board of Vocational Education and Rehabilitation so that more communities may receive help in planning and implementing secondary school programs in health education.

PERSONNEL STRUCTURES AND STANDARDS

The barrier

The health service institutions, particularly the hospitals, have not exercised their responsibilities as employers to develop industry-wide job classifications, personnel policies and standards which can best achieve their service objectives.

The result

Serious inequities in wages, working conditions, employer expectations and training requirements persist among health manpower users in the same community. Since training programs provided in one institution may not be acceptable in another, workers are often required to re-enter entry level training programs when they move into the same job in a new institution. This results in a waste of valuable staff time and the acceleration of training costs for which the consumer must ultimately pay.

We need

The health service institutions to begin applying the techniques of systems analysis and functional job analysis in an industry-wide effort in each labor market area. This will require each institution to make a careful analysis of its functions and the levels of skill and training required to perform these functions. The goal is to identify the commonalities which exist and to encourage local inter-institutional compacts with respect to job descriptions, training requirements and basic conditions of work.

VERTICAL MOBILITY

The barrier

Health educators in Illinois have not developed the inter-institutional agreements which will enable persons who have successfully completed training for one rung of the education ladder to proceed from that rung directly up to the next level of training in that occupation. In most communities in Illinois, for example, a Licensed Practical Nurse entering into an associate degree nursing program in the community college does not receive any credit or reduction in the time requirement. The same lack of articulation between training programs inhibits Dental Hygienists from moving up to becoming Dentists, Physical Therapy Assistants from becoming Physical Therapists and Medical Laboratory Technicians from becoming Medical Technologists.

The result

Forcing persons to repeat the same training they have already assimilated reduces motivation for entering advanced training programs and represents an unsupportable waste of scarce manpower, training resources and funds.

We need

The community colleges, the four-year colleges and the universities to proceed immediately to implement genuine education ladders which will enable workers who have completed one level of training to move directly into the next, receiving full credit for their prior education. Since most students will have already successfully mastered portions of the advanced training program, such agreements should result in a considerable shortening of the length of time required to complete the advanced training.

HORIZONTAL MOBILITY

The barrier

Health educators and professional groups have failed to identify the basic background of knowledge and skill which is common to all health workers. Each specialty has developed its own set of requirements independently of the others. Health workers attempting to move from one specialty into another, therefore, find that they must start from the bottom again.

The result

Practices which tend to freeze a worker into a single specialty limit his career options and his ability to adapt to changes in medical technology which may make his specialized skills obsolete. The educational costs involved in providing unique training programs for each specialty are excessive.

We need

The educational institutions in Illinois to agree upon and establish basic health core curricula for the training of health workers at each academic level irrespective of specialty. Training to provide highly specific knowledge and skills should be conducted primarily in clinical training settings and on the job training sites.

The professional groups to begin developing inter-disciplinary agreements which can then be implemented by the educational institutions to enable workers to move from one health occupation into another with maximum transferability of credits for prior academic work and experience.

HIGH TURNOVER AND ATTRITION RATES

The barrier

The health industry and the quality of health care suffer from an excessive turnover of hospital workers and a high attrition rate of trained personnel in certain occupations. Among the contributing factors are low entry level wages, poor working conditions, lack of opportunity for upward mobility and the insufficient motivation of many newly trained persons to remain in the health occupations.

The result

The costs, both monetary and social, to keep recruiting and training a continuing in-flow of new workers cannot be justified. In the interim the potential of presently employed and dedicated workers is grossly neglected.

We need

To examine present attrition and turnover rates in the health fields and develop programs which will improve the retention and the morale of workers through changes in the reward and opportunity system as well as the conditions of work.

To open and accelerate programs to train and upgrade persons already employed, persons who are more mature, geographically stable and already committed to employment in the health care field.

HEALTH TEAM

The barrier

Although health practitioners are aware that the effective delivery of services to clients requires the interaction and collaboration of many disciplines and skilled workers in the "health care team," the health industry remains one of the most hierarchic in contemporary society. Each level of worker is preoccupied in defending his status vis-a-vis those below and each specialty organizes separately to enhance its own interests.

The result

This climate does not support a rational division of labor or effective interdisciplinary teamwork based on the needs of the client. It is highly questionable whether we are in fact making best use of the manpower now employed or the scarce skills of highly trained specialists in present patterns of manpower utilization.

We need

To design and demonstrate new models of staff utilization based upon the needs of clients and full commitment to the health care team concept.

PROGRAM FUNDING

The barrier

Health agencies and community organizations who are eager and committed to the development of innovative service and training programs lack information about available funding resources. They are severely hampered in their efforts to secure multiple funding support by the incredible complexities of the procedures which are most frequently involved.

The result

Too many casualties of excellent program proposals occur as a result of the battle fatigue induced by efforts to obtain funding information or to put a package together involving more than one funding source.

We need

To develop and make available to agencies an inventory of major funding sources, their policies and procedures. Such an inventory should lead to specific recommendations for greater simplification and clarity in approaching the funding agencies best equipped to handle specific program proposals.

PROFESSIONAL VERSUS PUBLIC INTEREST

The barrier

Many professional groups continue to exert strong pressures to raise the educational requirements for entry into and mobility within the health occupations. Their primary concern seems to focus on "quality of care" as perceived and rendered by the particular professional group rather than by the relevancy of what is received by the community.

The result

Since the quality of service received by the Community is not guaranteed by the standards set for itself by a particular professional group, professional control of the education and utilization of health manpower has restricted 1) the delegation of tasks which can be competently performed by lesser trained individuals; and 2) the optimum use of the human, fiscal and training resources available to achieve higher levels of health care for all persons in the community.

We need

To document the activities of professional organizations and to suggest appropriate

changes in procedures and policies that affect the production and utilization of health manpower.

To implement changes which will provide legitimate representation and utilization of professional groups, while at the same time protecting the community from the control of public policy by specialized interest groups.

LIMITATIONS ON THE NUMBER AND KINDS OF TRAINING PROGRAMS

The barrier

There is a common perception that the Department of Registration and Education restricts the number and kinds of training programs which can be offered in a specific location. It appears to individuals and agencies that many of these decisions are made arbitrarily, without reference to local needs or capabilities and sometimes in opposition to the expressed wishes and priorities of local communities.

The result

It has been extremely difficult to obtain clarification as to the precise scope of the authority of the Department of Registration and Education in these matters, particularly in view of the conflicting interpretations which emanate from various representatives of the Department with respect to which actions require its official sanction. The effect has been to make trainers extremely apprehensive about effecting even the most minor changes in programs already approved, such as expanding or modifying programs to meet the needs of specific trainee groups and employers. This results in a failure to make full use of the training capabilities which are presently available in many communities throughout the State.

We need

To proceed at once to obtain a clear statement from the Board of Registration and Education indicating who has final authority to determine the size and kind of training programs to be offered in a specific community. Such a statement should be widely distributed so that every training institution can proceed to exercise its legitimate decision-making authority within the framework of State law. As a general rule, programs should be authorized wherever local education authorities in consultation with employers and other community groups demonstrate their commitment, their training capability and the availability of jobs for graduates.

STATE LICENSURE AND CERTIFICATION

The barrier

Licensure and certification procedures have been allowed to circumscribe the route a worker must take into the health occupations if he is to achieve any status in the system. Since the administration of these licensure and certification procedures is dominated by professional groups with specialized interests, the health occupations have become fragmented and over-specialized. Consumer participation is conspiculously absent in the shaping of public policy.

The result

Competent workers are prevented from moving vertically or horizontally in the health occupations because they lack the specific credentials specified by the Department of Registration and Education. Employers are inhibited from flexible use of the work force. While mandatory licensing measures are theoretically designed to protect the public, there is little evidence to show that they have actually contributed substantially to the quality of care and the public safety. Because present licensure proceedings contribute to the fragmentation of the health occupations, they have discouraged experimentation with new and more generic types of health workers.

We need

A comprehensive inquiry into our present licensure and certification system to be followed by implementation of needed changes. In such an inquiry high priority should be given to 1) the restructuring of the State Department of Registration and Education to secure broad consumer participation in the development of public policy relating to the licensure and certification of the health occupations; and 2) an intensive investigation of the relevance of mandatory licensure and certification to health manpower production and the quality of health care.

BARRIER REMOVAL: A STATEMENT OF PROGRESS

What progress has been made in Illinois in removing the twenty-five barriers that restrict the effective recruitment, training and utilization of allied manpower?

The following summary is a response to this question. Its purpose is to cite, illustratively not exclusively, specific examples of progress Illinois is making in relation to each barrier.

The examples of progress cited reflect some change in attitude, intent and commitment to more effective allied health manpower planning, training, and utilization. The majority of these efforts, however, represent potentialities rather than actualities. The hope of actualizing these potentialities lies in the careful examination of each of these barriers and in the prompt and appropriate action to remove them.

*Data and machinery for planning**

In its January 1971 progress report, the Illinois Hospital Association listed the existence of forty (40) local comprehensive health planning organizations, associations, or agencies. The potential machinery for health planning is beginning to emerge.

On the state level, the Comprehensive State Health Planning Agency (CHPA) is federally mandated to function as the permanent machinery for such comprehensive health manpower planning. It is presently working in close conjunction with the Illinois Department of Public Health in developing a Total Health Information System (THIS) whose unique feature will be area profiles. The profiles will include essential data for manpower planning and development. As of September, 1971 the Physician and Nurse Manpower Registrar will be implemented.

The State Comprehensive Health Planning Agency was also one of the originators of the Illinois Inter-Agency Task Force on Health Manpower and Education. The four other originating agencies include the Chicago Comprehensive Health Planning Organization, the Health Education Commission, the Illinois Regional Medical Program and the Health Careers Council of Illinois. These five agencies and the other agencies represented among task force members constitute a potentially innovative framework for manpower planning in Illinois. One of the Task Force's major objectives is to initiate and/or assist efforts to coordinate the collection and maintenance of data relevant to health manpower and education needs, production and utilization.

Also on the state level, the Health Education Commission (HEC) of the Illinois Board of Higher Education, in conjunction with the Rand Corporation and with the cooperation and prior efforts of professional and allied health associations has made progress in surveying present and projected manpower needs within discrete health fields. It is also developing a model for future health manpower need and utilization in Illinois (refer also to Training Availability 5).

On the local levels, federally empowered Comprehensive Health Planning Agencies (CHP Agencies) are the machinery for manpower planning. In the Chicago area, for example, the Metropolitan Comprehensive Health Planning Agency and its sub-area planning bodies are involved in the Interim Organization for Chicago Area Allied Health Manpower. This organization is a successful effort to form a viable transitional machinery for health manpower planning until the permanent machinrey is established.

CHP (b) in conjunction with Argonne Laboratories and the CONSAD Corporation is applying for federal and foundation monies to establish a comprehensive health data system for the Metropolitan Chicago area. If granted, this data reorganization. The future capability will depend to a large extent on federal manpower legislation now under consideration.

In February 1971, the Human Services Manpower Career Center conducted a feasibility study into the formation of such a job vacancy data gathering system. The initial focus of the system would be human service jobs including health within the public sector. The Interim Organization is presently working on plans to establish such a reporting system for job vacancies in health for the Chicago area. A sample questionnaire has already been constructed to determine budgeted vacancies and training programs in health care facilities, including nursing homes, group practices, solo practitioners, public health agencies, laboratories, clinics and hospitals.

Manpower plan to accompany all program proposals

Pending Illinois Health Facilities and Services Planning Act (HB2653) makes it mandatory for any new health facility proposal to include a manpower staffing plan.

B. Training

Upon the recommendations of the Master Plan for Higher Education for a state survey of health manpower education, the Board of Education published in 1968 *Education in the Health Fields for the State of Illinois*, more commonly referred to as the Campbell Report. As a result, the Health Education Commission (HEC) was formed to "mobilize and coordinate" educational resources in order to increase the production of health care manpower. The Rand Corporation was consequently contracted to assist HEC in developing analytical tools to better insure effective health education planning.

Rand is currently doing research in health manpower requirements, education, and information system design. The emphasis is on the analysis of health manpower supply.

Training availability

In April, 1971, Rand issued a working draft of a Health Education File for the state. The file contains approximately 2,000 cards, each representing one program per school. About 1,400 distinct programs are classified, covering a variety of educational levels, the majority baccalaureate and occupation-oriented.

The Health Careers Council of Illinois (HCCI) maintains a comprehensive current inventory on all present and proposed training programs in the health fields. Its records formed the substance of the State Health Education File. The American Medical Association also publishes a Directory of Accredited Allied Medical Education Programs in the United States.

Although significant progress has been made in maintaining a central information system of existing training programs, more thought has to be given to putting this information in more usable form and making it more known to all interested parties. Little progress has been made in centralizing an information clearinghouse on available student slots. The Health Careers Council of Illinois, however, has announced in its April 1971

* Numbers cited here and on the following pages refer to the numbers assigned to specific Barriers in Part 1.

newsletter that it will conduct a study to develop a coordinated system of student recruitment and referral in the Metropolitan Chicago area among its allied health institutions.

Location of training and testing sites

Present and projected allied health programs that are in the community college system offer an added degree of accessibility to the trainee population. This accessibility has been coupled with some efforts to recruit from minority groups who have previously been severely restricted from entry into certain health fields.

However, little or no progress has been achieved in improving the accessibility of testing sites. The Illinois Nurses Association is trying to increase the frequency of the Licensed Practical Nurse examinations as a first step toward expanding the number and location of testing sites. This present effort is particularly timely because the National Testing Board is unfortunately contemplating a reduction in the number of tests given annually from four to two.

Potential trainee, people excluded

The Board of Education, the Division of Health Occupation Careers, is active in recruiting among the minority groups. It also provides pre-vocational training as an integral component of the overall program.

Training design, overtraining and underutilization, obsolete training techniques, competence testing

In the area of competency testing the progress is also slow and marginal. No statewide development of proficiency examinations in the health fields is in sight. There are signs of progress. Seven out of ten collegiate nursing programs in Illinois provide challenging examinations which allow students to place out of certain courses. Policies, however, vary from school to school. Olive-Harvey campus of the Chicago City Colleges in collaboration with the University of Chicago Hospitals and Clinics will introduce proficiency examinations for a group of LPN's employed by the U. of C. This effort is an attempt to reduce the length of the standard two-year program. The directors of all the Chicago City College nursing programs have recently met to discuss this same type of examination.

Teacher shortages

Significantly, teacher shortage has been made the top priority issue by manpower experts in Illinois. This awareness is in itself a sign of progress. The Illinois Nurses Association is seeking additional state and federal funds for accelerated training in nursing to increase the number of nurses for teaching and leadership positions. This allocation would be used primarily to raise the diploma R.N. and the baccalaureate R.N. to the baccalaureate and M.A. levels respectively.

The University of Illinois Center for Medical Education and Training under a Kellogg Grant developing a teacher training program for practicing physical-therapists. The training program will increase the number of part-time teachers on the junior college level.

Continuing education

The continuing education of health care workers will contribute to increasing teacher supply, decreasing high turnover rates, and securing the continued high quality of health care. The wider adoption in Illinois of the American Medical Association's policy on Peer Review and the membership of Illinois in the Midwest Continuing Professional Education for Nurses are examples of the growing commitment to continuing education in the health fields.

The Illinois Regional Medical Program (IRMP) has continuing education and training as its primary educational intent. Its purpose is to maintain and update knowledge and skill in order to improve the level of already qualified health professionals. It provides some funding to the Center for Educational Development's Division of Continuing Education at the University of Illinois Medical Center. The Division has been involved in consulting professional and allied health educators and organizations since 1969. As a necessary step toward making concrete the need for continuing education in health, they are in the process of developing and subscribing Illinois physicians to self-assessment procedures. At the Illinois State Medical Society's May 1971 meeting, they conducted a volunteer program of assimilated self-testing and evaluation for the attending physicians.

ADMINISTRATION-UTILIZATION

Attitudes of administrators

On the state level there is evidence of some improvement in attitudes toward allied health education. The establishment of HEC in 1969 and its work is one example. The State Board of Vocational Education and Rehabilitation has officially declared health occupations education to be the top priority item for 1971–1972. The State Board of Vocational Education has required, since 1969, evidence of a local plan for Vocational Information. It is encouraging that this requirement applies to the elementary as well as the secondary grades.

Vocational education unnecessarily delayed, personnel structures and standards, vertical mobility

Since the health industry has failed to develop industry-wide job classifications and personnel policies and standards, horizontal mobility into a new health profession is severely impeded. More efforts are being exerted to develop mobility within a single discipline. The University of Chicago Hospitals and Clinics has a pending proposal for upgrading Nurse Aides to LPNs and LPNs to RNs as well as entry level to Basic Hospital Science to Certified Laboratory Assistant to Medical Laboratory Technician and entry level to clerical jobs. This might initiate a significant breakthrough for vertical career mobility in Illinois (refer to Competence Testing (12)).

The Chicago Medical Schools Physical Therapy and Medical Technology Programs also intend to employ a closely inter-related training design that ensures the maximum credit in moving from the aide to assistant and assistant to therapist levels.

Horizontal mobility

The proposed Dermatological Assistant Program, a cooperative effort of the University of Chicago Hospitals and Clinics, and the Central YMCA College, might provide an opportunity for horizontal mobility. The trainee would first complete the Medical Laboratory Technician (MLT) program and then take more specialized courses that would qualify him as a dermatological assistant.

HB2157—This bill allows medical schools to admit with advanced standing students who have had accredited training in health related fields. Under this legislation, it will be possible for such students with prior training to complete their M.D. in less than 36 months.

High turnover and attrition rates, health team, program funding

The Health Careers Council of Illinois, and more recently the Interim Organization for Allied Health Manpower, sponsor seminars on funding sources and procedures. In view of the past and projected demand for their important service, a more sustained effort is needed to provide this type of assistance.

D. LICENSURE

Limitations on the number and kinds of training programs

Professional vs. public interest/State licensure and certification

The Illinois Inter-Agency Task Force on Health Manpower in concord with other health associations supported Governor Ogilvie's request for a moratorium on additional licensing and certification categories for health professions.

This declared moratorium is a concrete illustration of commitment to health manpower redefinition within Illinois. The Interagency Task Force has also accepted the invitation of the Governor's Office of Comprehensive State Health Planning to collaborate in a short-term investigation of more creative and effective interpretations of the existing statutes affecting the recruitment, training, and utilization of health manpower.

The Illinois Hospital Association's May 1971 Document and Recommendations on Licensure in Illinois and House Bill 854 A (the Katz Bill) asking for a three-year commission to investigate licensure are also significant beginning stages of progress in overcoming barriers to a more rational health manpower development.

APPENDIX I

The Interim Organization for Chicago Allied Health Manpower is a voluntary coalition of the following member agencies and consultants. It was established in November 1970 in order to provide the machinery for inter-agency planning and action to improve the recruitment, training and utilization of allied health manpower.

Chicago Board of Education, Bureau of Health Occupations, Health Occupations Careers.
Chicago Board of Health.
Chicago Committee on Urban Opportunity.
Chicago-Cook County Council #19 American Federation of State, County & Municipal Employees, AFL–CIO.
Chicago Medical School.
Chicago Hospital Training Directors Assn.
City Colleges of Chicago.
Comprehensive Research & Development (COMPRAND).
Cook County Dept. of Public Health.
Cook County Hospital School of Nursing.
Council for Bio-Medical Careers.
Developmental Program for Comprehensive Health Planning.
Health and Hospital Governing Commission of Cook County.
Health Careers Council of Illinois.
Illinois Bureau of Employment Security. Illinois State Employment Service. Human Services Manpower Career Cent.
Illinois Nurses Assoc.—Chicago District.
Institute of Medicine of Chicago.
Mid-Southside Health Planning Org.
Moraine Valley Community College.
New Careers Council of Metropolitan Chicago, Inc.
No. Suburban Assn. for Health Resources.
Office of the Mayor, Model Cities Program, Special Assistant for Manpower.
Prairie State College.
Rehabilitation Institute of Chicago.
Southern Christian Leadership Conference, Operation Breadbasket.
The Woodlawn Organization.
Thornton Community College.
Welfare Council of Metropolitan Chicago.
Westside Health Planning Organization.
YMCA Community College.
Staff of the following serve as consultants:
American Hospital Association.
Illinois Regional Medical Program.
Presbyterian St. Luke's Hospital.
U of C Hospitals & Clinics.
U of C, Pritzker School of Medicine.
U of I, Medical Center.

APPENDIX II—INDIVIDUAL CONTRIBUTORS

Lucille Broadwell, Director of Bureau of Health Occupations, Chicago Board of Education.

Peter J. Carruthers, Director of Allied Health Programs, Malcolm X College.

Louise M. Dailey, Head Consultant of Vocational & Tech. Education Div., Illinois De-

partment of Voc. Education & Rehabilitation.

Vernice D. Ferguson, R.N., Chief of Nursing Service (West Side Hospital) Veterans Administration.

Joe Foley, Assistant Director, Health Careers Council of Illinois.

Don Frey, Executive Director, Health Careers Council of Illinois.

David Greeley, M.D., Deputy Exec. Dir. for Professional Affairs, Health & Hospitals Governing Commission of Cook County.

Betty W. Gross, R.N., Director of Nurses, Provident Hospital.

Sally Holloway, Director of Education and Training, University of Chicago Hospitals and Clinics.

Sandra Johnson, Coordinator, LPN Program, Chicago Board of Education.

Stanford I. Lamberg, M.D., Department of Dermatology, University of Chicago Hospitals & Clinics.

Annie Lawrence, Manpower Coordinator, Chicago District Illinois Nurses Association.

Israel Light, Ed. D., Dean of University of Health Sciences, Chicago Medical School.

Myrtle Merritt, Chief Nutritionist, Cook County Department of Public Health.

Thomas Mitchell, Director of Allied Health Programs, Chicago City Colleges.

Harvey Morowitz, Personnel Director, Illinois Masonic Hospital.

Marie Saunders, Ph. D., Health Science Programs Director, Morraine Valley Community College.

Elizabeth W. Seigel, R.N., Associate Director of Nursing Education, Ravenswood Hospital.

APPENDIX III.—SELECTED ILLINOIS GOVERNING STATUTES THAT NEED TO BE REEXAMINED

1. *The Illinois Chiropody or Podiatry Law,* III. Rev. Stat. 1969, Ch. 91, Sec. 73–89.
2. *The Illinois Dental Practice Act,* III. Rev. Stat. 1967, Ch. 91, Sec. 56a–72h.
3. *The Illinois Medical Practice Act,* III. Rev. Stat. 1967, Ch. 91, Sec. 1–39.
4. *The Illinois Nursing Act,* III. Rev. Stat. 1967, Ch. 91 35.32 to 35.56.
5. *The Illinois Optometric Practice Act,* III. Rev. Stat. 1969, Ch. 91 Sec. 105.1.
6. *The Illinois Pharmacy Practice Act,* III, Rev. Stat. 1967, Ch. 91, Sec. 55.1 to 55.63.
7. *The Illinois Physical Therapy Registration Act,* III, Rev. Stat. Ch. 91, Sec. 22.1–22.29.
8. *The Illinois Psychologist Registration Act,* III. Rev. Stat. 1967 Ch. 91½, Sec. 401–427.
9. *The Illinois Veterinary Medicine and Surgery Practice Act,* III. Rev. Stat. 1967, Ch. 16¾ Sec. 124.1 to 124.12.
10. *The U.S. Vocational Education Act,* 1963, as amended 1968.

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REFORMING OUR PROPERTY TAXES

Mr. MATHIAS. Mr. President, one of the serious problems confronting this Nation today is the continuing rise in State and local property taxes on homes, small businesses, and other real estate. The property tax is one of the issues I hear the most about as I travel around Maryland. Since I share the difficult task of meeting yearly property tax increases on my home, too, it is an issue with which I readily identify.

In an effort to find a solution to this problem, I took advantage of the recent congressional recess to hold hearings on property tax as a revenue source for State and local governments, and as an influence on the way we use our land.

As a result of the hearings, I am convinced that new sources of revenue are needed to finance local government and I am committed to trying to find them in the second session of the 92d Congress.

I wish today to report to my colleagues the findings and conclusions of these hearings, and I ask unanimous consent that the prepared testimony of the witnesses who so generously gave their time and their judgment on this matter be printed in the RECORD following my remarks.

The tax on land and buildings is the oldest major tax in America—and one of the most important. Nationally these taxes provide some $38 billion a year to American governments. As a revenue producer the property tax is exceeded only by the Federal income tax and the social security tax. It is used by over 70,000 local governments and by 23 State governments. The property tax produces 40 percent of the revenues raised by these governments and two-thirds of the revenues raised by local governments. Throughout America property taxes finance 54 percent of local government costs for education, 41 percent of their costs for health care, and 30 percent of their costs for welfare. In the last 15 years property taxes have doubled.

Perhaps the worst evidence produced at the hearings was confirmation of the fact that property taxes will continue to rise.

Yet, in spite of annual increases, the property tax appear to be inequitable to the taxpayer, inadequate as a provider of revenue to local governments, and destructive of any planned, rational approach to metropolitan growth. These points were made repeatedly at the hearings.

One witness, a developer in the Baltimore area, testified:

> The real property tax discriminates against the childless family, doesn't effectively tax personal service industries, is self-defeating, is not uniformly applied and has a major role in attracting or discouraging industry.

Another witness, a State senator, complained that while property tax rates go up, county services do not. He complained that residents in his county—

> Now have sewer backups, they have flooding, they now have air pollution problems. A citizen should be required to pay for services, but not to subsidize urban sprawl.

A number of alternatives to the property tax have been suggested, including reform of property tax administration, repeal of the current exemptions from the tax or the granting of new exemptions, a uniform statewide property tax, replacement of the property tax by other State taxes, or by a Federal tax. It has also been suggested that President Nixon ask Congress to enact a Federal value-added tax to replace the local property tax. Revenues from the Federal tax would be given to local governments on the condition that they reduce their property tax.

I was very pleased that President Nixon promised in his state of the Union message to seek an alternative to the property tax as a souce of revenue foi State and local governments. The President stated that the property tax is

> . . . one of the most inequitable and regressive of all public levies. Property taxes in the United States represent a higher proportion of public income than in almost any other nation. They have more than doubled in the last decade and have been particularly burdensome for our lower and middle income families and for older Americans.

What the President terms "intolerable pressures" on the property tax led him to establish a Commission on School Finance in March of 1970. The Commission's final report will be submitted to the President in March of this year. In addition, the President announced in his state of the Union message that he has also requested the advice of the Advisory

Commission on Intergovernmental Relations on this issue.

Mr. President, I look forward to the reports of these Commissions and of the President. I shall, of course, continue my own search for a better revenue source.

At this time, Mr. President, I want to thank the witnesses who testified at the hearings which I chaired. They are:

Mr. Fred Dewberry, Federal aid coordinator for Baltimore County.

Mr. Albert Gault, director of finance for Prince Georges County.

The Honorable William J. Goodman, Maryland State Senator.

Mrs. David Booth of Lutherville.

Mr. G. Willard Oakley, president of the Maryland Farm Bureau.

Mr. Dale Maisel of the Maryland Farm Bureau.

Mr. William Matuszeski, staff representative of the President's Council on Environmental Quality.

Mr. George Wills, chairman of Maryland Environmental Trust.

Mr. William Boucher of the Greater Baltimore Committee, Inc.

Mr. Robert Young, executive director of the Baltimore Regional Planning Council.

Dr. John Mills executive director of the Tri-County Council.

Mr. Harvey Meyerhoff of Monumental Properties, Inc., of Baltimore.

Mr. Parker Matthai, architect and president of the Valleys Planning Council.

Mrs. William Balfour, first vice president of the Baltimore League of Women Voters.

I also want to thank Mrs. Leonard Crewe, Mr. William Boucher, Mr. George Wills, Mr. E. Rankin Lusby, Mr. and Mrs. Frederick Babcock, and Mr. and Mrs. William S. Gossard for their help in preparing for the hearings.

I also wish to express my appreciation to Dr. James Fisher, president of Towson State College, and his assistant, Mr. John Wighton, for their generosity in making the facilities of Towson State College available for the hearings.

Mr. Anthony Abar and Commissioner of Housing Robert Embrey joined me in conducting the hearings. Their insights and interest were very valuable and rewarding.

I ask unanimous consent that the testimony submitted at the hearings be printed in the RECORD.

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

OPENING STATEMENT OF SENATOR MATHIAS

I have called these hearings to solicit the advice and counsel of Maryland citizens and public officials on a subject which is justly receiving increased attention throughout our country: the very high rate of local property taxes and the effect of these taxes on American citizens and on the use of America's land.

The tax on land and buildings is the oldest major tax in America—and one of the most important. Nationally, these taxes provide some $38 billion a year to American governments. As a revenue producer, the property tax is exceeded only by Federal income and social security taxes. It is used by over 70,000 local government units and by 23 state governments. It produces 40 per cent of the revenues raised by these governments and two-thirds of the revenues raised by local governments.

Throughout America, property taxes finance 54 per cent of local government costs for education, 41 per cent of their costs for health care, and 30 per cent of their costs for welfare.

In the last 15 years, property taxes have doubled.

Two hundred years ago in an agrarian society in which an individual's income and wealth was usually directly related to the amount of land he owned, real property seemed an appropriate basis for taxation. A farmer with a large amount of land could afford to pay more tax than a farmer with a small amount of land.

Today, of course, only a small percentage of Americans derive their income and wealth directly from land or other real property. And so it should not surprise us that to many citizens the philosophical legitimacy of a very heavy tax on real property seems obscure, while its inequities and inadequacies seem very clear.

The great Chief Justice of the U.S. Supreme Court, John Marshall, stated in a leading decision 152 years ago, "The power to tax is the power to destroy". Today, for millions of our citizens, soaring property taxes are destroying the American dream of owning one's home.

Two letters which I have recently received underscore the urgency of this problem. One is from Mr. Frederick P. Babcock of 10771 Kinlock Road, Silver Spring, Maryland. He writes:

"Mrs. Babcock and I heartily agree with the position taken by President Nixon with regard to the necessity of tax relief for the elderly. . . . There is no argument about the fact that *real estate taxes* are so high that they are a great burden upon all taxpayers and especially on the elderly. A major reason for this is the tremendous increase in school taxes in recent years. . . . We agree that in the interest of keeping America strong, a good school system must be maintained, and therefore everyone should help to pay the cost. However, we also feel that some serious consideration should be given to relieving the elderly of at least a part of the school tax. . . ."

Another letter comes from Mr. and Mrs. William S. Gossard of 953 View Street, Hagerstown, Maryland. They write:

"At present our family is involved in a very serious financial crisis in the form of an increase of $3,800 property tax assessment that will result in a $15.00 per month increase in our house payment. This 30 year old house was purchased in December 1970. . . . At the time of purchase we didn't even take the optional mortgage insurance because we felt we couldn't afford the additional expense to our payment.

"We are a family of seven with one wage earner and a net income in the neighborhood of $11,000 per year. We purchased this home one year ago because the price seemed right for our income and the house seemed sufficient for our family. In the twelve months we have occupied this residence we have faced a constant increase in all utilities in this area. Needless to say, along with increased rates at local hospital and medical facilities, clothing expenses, food expenses and the like, it has been a constant struggle and an increasing strain on our budget!"

The experiences of these homeowners are shared by thousands of other Marylanders.

The Governor's Study Commission on Tax Structure (the Mills Commission) stated in its report of January, 1971,

"Property taxes impair citizens' ability to provide housing, and further increases would worsen the problem, especially in Baltimore City where the property taxes are highest and housing conditions are among the worst in the state."

The burden of the property tax is felt by the tenant as well as the homeowners—and by the owners of real property other than homes.

The public dissatisfaction with the property tax stems not only from the amount of the tax but also from several other factors. First, the amount of the tax varies according to who owns the property, where it is located, and what it is used for. Property owned by any agency of government, churches or certain educational or philanthropic foundations is not taxed. In some cities these exemptions mean that 50 per cent of the property within the core area of the city is tax-free, which means, in effect, that the tax rate on the remaining property must be doubled.

In some states, the law provides special relief if the property is owned by senior citizens or veterans or new industries.

In Maryland, we provide that land used for farming should be taxed at a rate different from land used for other purposes. The justification for this provision is that it prevents the farmer from being taxed out of business, that it preserves open green spaces, and accordingly, that it improves the environment of the general community. But now some Marylanders allege that this provision must be rewritten to prevent abuse by persons who are not bona fide farmers. Others feel it should be repealed entirely. Others feel its provisions should be liberalized to encourage the preservation of open space by persons who are not farmers.

The amount of tax varies also between local jurisdiction, according to the revenue needs and the resources of the jurisdiction, the frequency, skill, and fairness of value assessment, and the diligence of tax collectors.

A number of other criticisms have been levelled at the property tax. Economists tell us that the tax is regressive, that the poor pay a higher percentage of their income in property taxes than the affluent. A study by the Brookings Institution in Washington showed that taxpayers who earn less than $4,000 carry twice the burden, in terms of their available resources, as taxpayers who earn more than $15,000. The regressive nature of the property tax should be of special concern since property taxes have doubled since the late 1950's.

The soaring rates of the property tax evidences another of its shortcomings. Revenues from the property tax, unlike revenues from the income tax, do not increase significantly as our economy grows. As a result, governments which depend on revenues produced by the property tax must ask for frequent increases in the rate of the tax to meet their higher costs of education, welfare, transportation, parks, and other services.

Recently some Americans have also alleged that our current system of local property taxes does violence to land itself. The local property tax, coupled with local zoning authority, is said to frustrate county, state, and regional land use planning, to encourage the wrong type of development in the wrong place at the wrong time.

One report based on research conducted for a Senate subcommittee recently stated "Property taxation has a major effect on patterns of land use and this effect is of great significance in any effort to revive and improve the metropolitan environment". The property tax, the report states, helps to encourage a pattern of development in which "expansion is irregular and disordered, with subdivisions, shopping centers, and factories springing up far from the perimeter of the urbanized area. . . . Leapfrogging of development . . . requires that public improvements and services be extended to islands of settlement far from the city, resulting in increased costs to both the individuals personally involved and the entire metropolitan community".

In summary, the local property tax in

America appears to be inequitable to the taxpayer, inadequate as a provider of revenue to local governments, and destructive of any rational planned approach to metropolitan growth.

Accordingly, a number of alternatives have been suggested, including reform of property tax administration, repeal of the current exemptions from the tax or the granting of new exemptions, a uniform state-wide property tax, replacement of the property tax by other state taxes or by a federal tax.

It has been suggested to President Nixon that he should ask Congress to enact a federal value-added tax to replace the local property tax. Revenues from the federal tax would be given to state and local governments on the condition that they reduce the amount of their property tax. Other persons in Washington have suggested that revenues from an increase in federal income tax should be used to offset local property taxes.

There are also a number of bills designed to foster a better pattern of metropolitan growth and overcome the adverse effects on land use of factors such as America's current system of local and state property taxes. Last year, I introduced the National Land Use Policy Act, S. 2554. This bill would establish a systematic and comprehensive national land use policy which would coordinate the efforts of local, state, and federal agencies. The bill recognizes that the primary responsibility for land use planning must continue to rest with state and local governments, but it responds to the increasingly evident need for coordinated, long-term planning. The bill would provide the Secretary of the Interior, Rogers Morton, the power to provide grants to states to aid them in developing acceptable land use plans and the means and manpower to implement these plans. Hearings on this bill have been held by the Senate Interior Committee and I am hopeful that its proposals will be enacted by the Congress during the coming session. I would be happy to provide any interested person with a copy of this bill.

Ladies and gentlemen, I appreciate very much your attendance here this morning and your willingness to give me the benefit of your experience in this important area. I know that some of you would like to be able to reflect longer on this complex subject and gather more information on which to form your final judgment. But I appreciate your sharing your current thoughts with me and I hope that you will continue to keep me informed in the future.

THE FISCAL CRISIS ON THE LOCAL LEVEL

(Testimony submitted by Mr. William W. Gullett, Prince George's County Executive)

In my opinion, the real property tax is a legitimate revenue source of local government and I hesitate to recommend the complete elimination of this tax from the local financing picture. However, the degree that local governments depend on the real property tax to provide the revenues to furnish governmental services is one of the questions that must be resolved. In my opinion, this tax should not exceed 40 percent of the revenue requirements to finance local governmental services.

The problems associated with an increasing burdensome property tax are not imaginary and contribute substantially to the current fiscal crisis of local governments. In this regard, I speak with some authority when it is considered that Prince George's County has the highest real property tax rate in the Washington Metropolitan Area. I have, with only moderate success, persuaded the State Government to grant additional taxing powers to Prince George's County. Revenue proposals which I have presented to the Prince George's County Delegation in 1971 were designed to reduce the importance of the property tax and provide a more equitable revenue balance or revenue mix to fund County services. Most modern county governments, particularly in the population range of Prince George's County, require a variety of fiscal tools to insure a fair and equitable distribution of the burden of government. A local government must be in a position to identify those areas in the local tax structure that do not fairly distribute the cost of government and levy taxes that are designed to eliminate inequities in the system.

Returning to the property tax, I wish to identify a number of disadvantages associated with this taxing measure that should be brought to the attention of interested parties.

1. There is no relationship between governmental services and the value of the property.

2. Property owners who wish to improve their property are penalized by higher taxes. (This is contrary to the social objectives of the Nation.)

3. Property values are no longer an indication of the ability to pay.

4. There is an inherent dislike and distrust on the part of the property owner with respect to real estate taxes.

5. Even the most efficient assessment system has built-in inequities.

6. The property tax imposes an unusually heavy burden on fixed incomes.

In view of the many inequities and regressive tendencies associated with an excessive property tax, in addition to the poor acceptance of this revenue source on the part of the taxpayer, more equitable tax measures must be devised if a worsening fiscal crisis is to be avoided at the local urban level. I believe that the state and local jurisdictions in Maryland are addressing themselves to the fiscal problems of local governments and as a consequence, major changes in the state-wide tax structure have been implemented in recent years. In my opinion, however, further revision of State and local tax structures, coupled with the realignment of functional responsibilities, are required if local governments in Maryland are to meet their public service responsibilities. In Maryland, there are several functional areas, such as social services, health, and education that should be studied to determine which level of government (state or local) is best suited to administer the program. In general, state and lower levels of government cannot solve all of the fiscal problems by the simple expediency of reallocating presently available local resources. The Federal Government, with pre-emptive taxing power, must provide financial assistance to local governments if we are to revitalize the nation's urban centers.

To better understand what changes must be undertaken in funding local government in the future, it may well be worth the time to briefly examine the changes that have occurred and are occurring in most of our municipal governments. Much has been said and written with respect to the financial difficulties that many of our counties and cities have experienced during the 1960's. In my almost ten years in the service of municipal government, I have never experienced the deep concern and complete animosity that today's citizenry displays when the property tax must be increased. I would further add that the last three to four years have been the most difficult in terms of funding local government services. In an attempt to isolate some of the elements that are responsible for the financial crisis at the local and state levels of government, I submit the following observations: Generally, there are three major factors that have contributed to the fiscal plight of our cities. They are: (1) inflation, (2) expanding municipal services and programs, and (3) the war in Southeast Asia, along with the National Defense Budget. In this regard, it is interesting to note that the war and the Defense Budget are largely responsible for the inflation that we are experiencing. If I may, I would like to touch briefly on each of the foregoing factors, and their impact on Prince George's County which, for purposes of this statement, can be considered typical of urban areas in the United States.

INFLATION

I am sure that everyone is acutely aware of the serious impact inflation has had on the nation's economy. Inflation has for the last several years exceeded 6% annually. It has only been in recent months that the rate of inflation has been subjected to some measure of control. It goes without saying that the inflationary spiral that has gripped the nation has added enormously to the cost of local government. On the other hand, the tax sources available to local government have also been subject to the same economic forces that led to galloping inflation. Property values have been increasing dramatically and personal income rose at a corresponding rate to inflation. In other words, inflation also influences municipal revenues in a similar matter, if not to the same degree, as it affects expenditures. It may, however, be true that the inflationary effect on revenues may lag somewhat behind expenditures. From this very brief analysis, it may be concluded that inflation, while an important element in the municipal financial picture, is not by any means the dominant factor that explains the so-called local financial crisis.

EXPANDING SERVICES AND NEW PROGRAMS

In the last five to ten years, there have been important changes in the character and cost of providing certain municipal services. Because of our changing society, greater demands are being placed on local government by the populace. The same populace, incidentally, that are unhappy with the prospects of an increase in the property tax rate. If I may, I would like to convey my impression with respect to the increased cost of a few governmental functions.

The most dramatic increase in cost, and I might add not too surprisingly, occurs in the area of education. In my own county, the per pupil cost has increased by 50% since Fiscal Year 1965–66. In the same period of time, the total education operating budget doubled to an aggregate cost of $151 Million. To add to this substantial burden on our own residents, the State's contribution to the education effort in Prince George's County has decreased from 40% in 1960 to 25% in Fiscal Year 1969–70. A cursory review of the education budget reveals that in the 10-year period between 1960 and 1970, there was a significant reduction in the number of students in the classrooms; the number of professionals per 1000 increased substantially; counselors and guidance expertise have been added to the staff; special programs for the physically and mentally handicapped have been developed, along with a multitude of new programs designed to meet problems that have recently surfaced in our County. Obviously, Prince George's County is not alone in meeting the demands for better education. All of this effort and its accompanying increased cost is designed to improve the quality of education in Prince George's County. Whether these noble goals and objectives are actually reached is a subject which I am not prepared to discuss at this time.

The single most important increase in expenditures with respect to the education function is attributable to the improved salary structure of the teaching profession. Teachers no longer accept what the local government allegedly can afford to pay. Through the proven mechanism of collective bargaining, the teachers have improved their financial situation, while at the same time, placing

a significant burden on local government. Gone are the days when teachers worked for salaries that were less than those received by many non-professionals. I think it can be safely said that the teaching profession subsidized local government in past years. Local government is finally being presented with the actual bill associated with the cost of funding education. This is not to say that economies cannot be injected into the school system without diminishing or impairing the level or quality of education.

SOCIAL SERVICES

Another segment of our governmental service that has experienced a dramatic increase in cost, at least for many urban centers, is in the area of social services, or, in less sophisticated terms, welfare. The increase in welfare cost is largely attributable to the following: (1) increased cost in actual welfare payments, (2) eligible recipients are made aware of the program, (3) there is less stigma associated with receiving welfare payments, and (4) and, most recently, the high unemployment brought about by the nation's economic problems. In a number of the country's largest cities, welfare expense approaches the cost of education. I am sure that all of you are aware of the one million people that are on welfare in New York City. In my own County, the cost of social services has increased by over 40% in the last two years. However, this impact on local finance in Maryland is minimized, since approximately 80% of the cost of the program is funded by the State and Federal governments. Of course, the total cost of government on all levels has been influenced substantially by the increased cost of welfare.

POLICE PROTECTION

Directly associated with social unrest, spiraling crime and drug abuse, is the need for greater police protection. As a small example, the riots at the University of Maryland have resulted in additional costs to Prince George's County. The County has also found it necessary to intensify its police effort when mass demonstrations are staged in the nation's capital. Furthermore, as another illustration of local police problems in the Washington Metropolitan Area, the increase in the police complement of the District of Columbia (some 5000 sworn officers) has been responsible for moving crime into the surrounding suburban areas in Maryland and Virginia and most particularly, Prince George's County. I am sure that other urban areas are experiencing similar problems in providing police protection and the attendant increased expense.

The foregoing examples are only illustrative as there are many other functions that have been subject to escalating cost.

NEW PROGRAMS

Many new programs have been added to the municipal service inventory in recent years. Urban Renewal, Model Cities, Human Relations, Fair Housing, LEAA, Anti-pollution, Code Enforcement, and Beautification are to name only a few. While these activities are funded primarily by higher levels of government, the local jurisdiction must contribute to the programs. Prince Georges County is presently involved in over 35 Federal and State programs, totalling $10 million annually at a yearly cost of $1.6 million to the County. The prospects for expanding the foregoing programs and instituting new ones appear excellent at this time.

The point I am attempting to make is that there is a legitimate increase in the cost of local governments, beyond the normal growth and inflationary factors, that have contributed to the much publicized financial crisis.

VIETNAM WAR

The third major factor that I indicated had a significant impact on local government finances is the Vietnam War specifically, and the National Defense Department Budget in general. Most taxpayers do not associate the Asian War with the problem of financing local government. It is, however, interesting to note that the increasing cost of financing the war parallels the problems of financing municipal services. Both escalating in cost and becoming serious problems beginning in 1965. As a simple illustration to demonstrate the full significance of the financial impact of the War on the nation's economy, I offer the following hypothetical and somewhat arithmetical example: At one point in the Vietnam War the annualized cost approached $30 billion. If $30 billion were distributed back to the municipal governments on the basis of population, Prince Georges County would not be required to levy a general property tax rate. At the present time, the County General Property Tax Rate generates $108 million. $30 billion prorated back to local governments on the basis of population would amount to $97.5 Million for Prince Georges County. Of course, this, as indicated earlier, is a theoretical situation, but it does demonstrate the tremendous impact the War has had and will continue to have on the nation's economy. To put it another way, the Federal government has preempted all other levels of government in the allocation of a large measure of the nation's resources. This determination by the Federal government has had a profound impact on the fiscal problems confronting many of our counties and cities. I wish to make it emphatically clear that this is not in any way a criticism of the war, but rather a recognition of the need in these turbulent times of expensive wars and costly defense budgets, to look to other means of financing local governments. In addition, there is also the need to understand and recognize that the fiscal crisis on the local level is largely a product of the allocation of the nation's resources by the Federal Government. Again, there is no argument with the prerogatives of the Federal Government in utilizing and distributing the nation's resources. Hopefully, my rationale of the local fiscal crisis has prepared the way for discussion and review of remedies that have been proposed by the Federal Government and our State's role in assisting the cities and counties in solving their fiscal plight.

STATE ASSISTANCE TO MARYLAND COUNTIES

As I indicated earlier, our State government is responding to the problems of the Counties in Maryland. In February, 1970, Governor Mandel appointed a Commission to study the State's role in financing Public Education. After over a year of intensive study by the Commission, the following recommendations were proposed to the Governor and the General Assembly.

Recommendation No. 1: The present equalization formula, under which State aid is provided for the operating costs (Basic Current Expenses) of public elementary and secondary schools should be replaced by a single formula which fully equalizes, without adjustment, the program of education to be supported by the State. The program to be supported in each subdivision should be the prior year's per pupil expenditure level in that subdivision for such operating costs. The state overall share of the cost of this program should be 55%. The State should continue to fully fund the cost of retirement and social security, and the approved costs of transportation and special education.

Recommendation No. 2: The State should reimburse the subdivisions for full approved cost of all construction of public elementary and secondary schools for which contracts are let on or after July 1, 1971. It should also assume the full cost of any school construction debt service requirements of the subdivisions for obligations outstanding as of June 30, 1967. Further, it should reimburse subdivisions for the full cost of debt service for obligations incurred for contracts signed between February 1, 1971, and June 30, 1971, and for any approved direct payments made for construction projects contracted during the same period.

The latter recommendation became law in the last session of the legislature and will have a substantial impact on local finances in the State. In my own County, the Capital Improvement Program calls for $232 Million in school construction during the next six years. At a most conservative estimate (in terms of policy and procedures developed and recommended to the State Board of Public Works) the State will fund $161,000,000 of the program. In addition, the State will absorb $14.2 Million of Debt Service for schools in Prince Georges County; this represents a $10 Million increase over the previous program. I might add that this new revenue was primarily responsible for holding the property tax level in my County in FY 1971–72. In terms of the total program the State will fund an additional $45 Million in local School Debt Service of the 24 major political subdivisions in Maryland in Fiscal 1971–72. Of course, this is $45 Million less revenue that the Counties and Baltimore City had to raise in the current fiscal year. Initially, the State will finance the school construction program from existing funds and the issuance of bonds. I believe that $150 Million in bonds have been authorized for this program in the last session of the legislature.

It is my understanding that the debt service requirements associated with the program will be funded from tax sources other than the State property tax. I mention this only because there was a strong concern expressed by many people that the school construction program had little to offer if the property tax was envisioned as its principal source of funding. State officials have assured my County that the school construction program will be financed from broad based taxes other than the property tax. With respect to the first recommendation, the 55% State share of the basic current education cost would have increased total aid to the local jurisdictions by $164,271,000. Under this formula Prince George's County's share of State aid would have increased from $28 Million to $63 Million or a net gain of $35 Million. This increase in revenue is equivalent to $1.17 on the County's estimated assessable base for Fiscal 1972. I am confident that the State government will increase its aid to the support of public education in the immediate years ahead. These two programs: (1) State School Construction and (2) increased financial assistance to the education current expense budgets will aid immeasurably in solving the fiscal problems of the counties in Maryland. These revenue programs also provide the counties with the necessary funds to strongly consider the concept of tax differential advocated by many cities and towns in Maryland. In my opinion, State governments should follow the example of Maryland and assume a more active role in providing financial assistance to local subdivisions.

FEDERAL GOVERNMENT FINANCIAL ASSISTANCE TO LOCAL GOVERNMENTS

Another concept that is presently under consideration is the much heralded Federal Revenue Sharing. The Nixon Administration has proposed a far-reaching program designed to assist State and local governments in funding municipal services. The Administration proposal initially calls for a revenue package that would be based on .96 percent of the total taxable income reported on federal individual income tax returns for the latest year for which data is available. (1970). In 1973, the allocation would be increased to 1.3% or expressed in dollars to $6.7 Billion. It is estimated that the funds

available for distribution in FY 1972 would constitute a permanent appropriation not subject to annual Congressional approval. 90% of the funds available under this program would be distributed to the States pursuant to a formula predicated on population and revenue effort. Revenue effort is determined by dividing the total revenue of all units of government within the State by the total personal income in the State. The resultant figure is multiplied by the State's population. (relates effort with ability) The remaining 10% would be allocated to those states that have developed an intra-state formula for the distribution of the state's share of the revenue.

This provision is designed to encourage states to formulate a more equitable method of distributing the funds to the counties and cities than offered under the Administration's general proposal. If a state fails to develop its own formula, the Administration's proposal mandates that the intra-state distribution must be made on the basis of the respective jurisdictions' revenue as it relates to the total revenue in the state. States utilizing the Federal government's distribution formula lose the 10% mentioned earlier.

For my part, I believe there is an important need for each State to develop a pass-through formula that fits its particular requirements. As an example to demonstrate the inadequacy of the general plan offered by the Administration, Prince George's County would receive less funds under the program than Montgomery County. This is in spite of the fact that Prince George's County has a population that exceeds Montgomery County by 130,000 people. Under the $5 Billion revenue sharing proposal outlined in a circular published by the Treasury Department, the State of Maryland would receive $87 Million. Of this amount $5.7 Million would be returned to Montgomery as opposed to $4.4 to Prince George's. The cities in the State would receive collectively $14.9 Million with approximately $13 Million of this amount going to Baltimore City.

Annapolis	$100,251
Cumberland	449,069
Frederick	127,357
Hagerstown	189,376
Rockville	183,414
All other	860,277
State share	47,671,917
Counties and cities	39,306,846

As some tax experts have feared the more affluent counties and cities in the State would receive greater assistance under the pass-through formula contained in the President's Program. The problem with the Administration's intra-State distribution of funds is that it does not relate effort with ability. Again the Nixon revenue program recognizes this inequity and provides the States the opportunity to develop their own method of distribution. Aside from the obvious inequities in the intra-state revenue proposal, there is also the additional 10% revenue allocation that is only distributed to those States that promulgate their own pass-through formula. In addition to the revenue sharing program previously described, the Administration's proposal would also consolidate existing categorical aid into six block grants representing such areas as education, transportation, law enforcement, etc. At the present time $10 Billion is allocated to categorical programs; to this amount the government will add an additional $1 Billion. As expected there has been certain criticism of the proposal; two points are generally raised.

1. The revenue will not get to where it is needed.

2. State and local governments will be spending money that they are not required to raise. (It is an accepted axiom in government that expenditures should not be divorced from taxation.)

One alternative to revenue sharing that has been advanced by some members of Congress calls for the Federal Government to assume the full cost of welfare. If my memory serves me correctly this program would release over $100 Million in Maryland. Funds of this magnitude, would, of course, provide a major transfusion to hard pressed counties and cities in our State. Representative Wilbur Mills is advocating a revenue sharing program that provides for direct payments to cities that can demonstrate a need for financial assistance as measured by urbanization and poverty levels. Criteria such as low-income families and the incidence of poverty would be used to determine benefits. This program also provides an incentive to state governments to utilize the individual income tax as a revenue source. In addition, the Mills' legislation will establish a voluntary system of Federal collection of state income taxes. The Mills' proposal is expected to cost $5.3 Billion. Many states that would receive assistance under the Nixon program would not receive aid under the Mills' proposal. In my judgment, Representative Mills' proposal provides for a more realistic and equitable distribution of Federal Revenue. The criteria established in the Mills' legislation for the allocation of Federal Aid would guarantee that funds would be provided to those local jurisdictions demonstrating the greatest need for financial assistance. This legislation also places a greater emphasis on the fiscal problems of the counties and cities as opposed to state governments. The most recent Mills' bill calls for a distribution of $3.5 Billion to counties and cities and $1.8 Billion to state governments.

In conclusion, with local expenditures increasing at an annual rate of 11% to 12%, and revenues at 6% to 8% (Prince George's experience), there is a distinct need for financial assistance to the counties and cities. My personal belief is that this much needed aid must come from both the Federal and State Governments.

By redistributing state and local resources and responsibilities, together with Federal financial assistance supported by major revenue sources such as a value added tax, the fiscal ills of our urban areas can be remedied.

STATEMENT OF MR. WILLIAM MATUSZESKI, STAFF REPRESENTATIVE OF THE PRESIDENT'S COUNCIL ON ENVIRONMENTAL QUALITY

It is a pleasure for me to appear before you this afternoon to discuss with you some of the important concepts surrounding the interrelationships of land use and property tax policies. The Council on Environmental Quality is chief policy advisor to the President on environmental matters and we have from our inception nearly two years ago considered land use problems to be among the highest environmental priorities. Indeed, Council Chairman Russell E. Train has stated that land use is perhaps our most crucial environmental problem because we have yet to develop the institutions to effectively deal with it.

Of course, the primary emphasis on public land use policies is directed toward effective planning and rational regulatory activities. Additionally, the Council believes that consideration of tax policy issues, including the role of the property tax, is important to a full understanding of patterns of urban development and to the implementation of policies which order and direct growth rather than respond too late to forces which do not reflect in all cases the public interest.

In this regard, there are three points which are important from the point of view of the Council.

First is understanding how, in fact, land use patterns are affected by property tax policies. A common phenomena with which we are all familiar is that of suburban sprawl, which is in part due to property tax policies which force farmers to sell land to developers. Because the economic situation of each farmer differs, and because property tax is an important part of this economic picture, the property tax contributes to a scattering of decisions to sell and decisions to develop. This scattering or sprawl is costly in terms of public services, makes difficult the provision of adequate access to facilities without an automobile, and provides for residents what is oftentimes only a temporary relief from more crowded conditions until all of the land is converted and all of the roads are widened and re-zoned for commercial use.

It is important to understand that assessment decisions relating to areas under pressure for urban growth often contribute unknowingly to the pressures for development. Recognition by assessors that present zoning and regulatory restrictions will probably be changed when pressures become intense are reflected in high assessments on real property. These high assessments in turn increase the pressure on rural landholders and bring about the very results that the assessor has predicted would occur. In part then, assessment policies can become self-fulfilling prophecies of shifting land uses.

Another important effect of property tax policies is felt in areas already urbanized, where assessment policies have taken a different form. In nearly all jurisdictions the property tax assessment is apportioned between land and improvements. However, reassessment is often carried out only when changes are made in the improvements. As a result over time improvements tend to be overvalued and land undervalued proportionately. This has an important series of effects, some good, some bad, on land use patterns. One that should be mentioned is that it tends in our downtown areas to make viable from an economic point of view the low and high density ranges of property use and tends to discourage medium densities. Thus, the unfortunate pattern in many of our downtown areas of alterating office buildings and parking lots with resultant loss of the older, smaller buildings, which contribute so much to the character of the city.

Second, it is important to assure that our property tax policies are not deterring the use of innovative land use concepts. One of these is the development in recent years of cluster development and planned unit development. This is where the design of the subdivision places the houses on relatively small lots and the savings in land are combined into common open space for the use of all the residents. In many jurisdictions inability under law or unwillingness in administration of the property tax has made difficult or impossible the use of this design concept, because of difficulties in treating the common land for tax purposes.

Another area of creative land use activity which requires flexibility in our property tax policies relates to the donation or sale of limited property rights in land. These include such devices as scenic easements, severing of development rights to placing them in the hands of government bodies or conservation organizations, and a whole series of other legal mechanisms which allow the landowner to preserve his acreage as open space and resist the pressures of urban development. Often times, there are public benefits to be derived from preserving scenic farmlands or buffers of woods along streams or important wildlife areas. While the Federal tax system takes account of transfer of such less than fee simple interests, sometimes the local property tax assessor does not cooperate and continues to assess the land as if it were unrestricted and available for development.

Finally, there may be opportunities to use the property tax as a positive land use tool to help direct growth. The use of preferential assessments on farmlands near cities is something with which the State of Maryland has had considerable experience. Many other

States have undertaken programs of preferential assessment. Some have found them successful; others see serious problems. Rather than detail the variety of these programs and the full range of experiences under them, it might be best to discuss them in the question and answer period. This concludes my prepared statement. I would be happy to answer any questions you might have.

STATEMENT OF MR. GEORGE S. WILLS, CHAIRMAN OF MARYLAND ENVIRONMENTAL TRUST

Senator Mathias and members of your staff that are examining the relationships between the property tax and land use: You are to be commended for bringing attention to two of the most critical problems facing local and State governments today. In fact, these two issues—and their interrelationship—are so critical today that ultimately the Federal Government may be affected.

Initially, Senator, I would say the most similar characteristic shared by land and the property tax today is that they are both *finite;* they are both limited resources, and they have both been subjected to serious abuses in the public and private sectors.

I. THE LAND USE "REVOLUTION"

This country is in the midst of a revolution in the way we regulate the use of our land, including the taxation of that land. This revolution is generally peaceful, conducted within existing legal process. However, these orderly processes have sometimes been seriously stretched—by confrontation between citizens and local government zoning boards—witness the bitter land use zoning controversies that erupted a year ago here in Baltimore County and are currently underway in Anne Arundel and Prince George's counties.

The land use-property tax revolution has two other unique characteristics: (1) the advocates for reform include both conservatives and liberals. (2) we are moving away from the "Industrial Revolution" concept that the sole function of land is to reap profit for its owner. Land, even privately owned land, is more and more assuming a need for stewardship, for some sort of conservation from one generation to the next.

II. "CRITICAL" LAND AREAS AND THE ENVIRONMENT

Two classic examples of certain land areas becoming a "public trust", no longer right for exploitation, exist right here in Maryland: (1) *wetlands,* once considered useless, are now considered an important part of the ecological chain—tied in closely to the environmental future of the Chesapeake Bay. (2) *Maryland's diminishing Atlantic coastline*—for years, and even today, abused by some of the worst possible exploitation and profiteering—is finally getting a last-ditch second look by Government. Assateague represents largely successful efforts at constructive conservation for public benefit. Ocean City represents exploitation beyond belief.

For these 2 critical land areas two recommendations are appropriate for action by the Maryland Legislature this session and, wherever possible, support by our State's Congressional delegation. First, is the need for clarification, by amendment, of our existing regulations on what constitutes public wetlands. To exempt wetlands non-tidal areas from proper conservation practices will seriously undercut existing legislation. Nor, should the research on land originally granted to private owners by patent be a delaying tactic for proper management of these areas.

Second, Maryland has reached the time when we must enact coastal control legislation regulating industrial-heavy density development along our coastlines, including those along the Chesapeake Bay.

Wetlands and coastal shoreline are the obvious "critical" areas that require environmental management from the traditional pressures that dominate local zoning decisions. But, what about land as a commodity which must constantly be adjusted to meet an increasing population as well as the demands of urbanization?

There are still "critical" land areas that should be held for conservation-open space purposes: flood plains, stream valleys, for example. There is the need for attention to land conservation through zoning-taxing decisions. This specifically includes zoning decisions, accompanied by tax benefits (if necessary), requiring developers to preserve open space and trees as an integral part of residential or industrial construction. Miles and miles of today's sterile suburbia are testimony to past failures in this area.

III. ZONING, LAND VALUES, AND TAXES

States and local governments are being pressed harder each year to meet rising costs and increasing expenditures—and, at the same time, maintain sound taxing policies. Zoning was never intended as an instrument for providing adequate tax revenue. *It is, however, a tool in framing the pattern of land uses which is the ultimate basis for property taxes.*

Zoning an area for industry does not necessarily assure that industrial development will be of the desirable kind, *unless the area set aside in zoning has been carefully related to a comprehensive plan and a general consideration for the community's entire tax structure.* Conversely, it is not reasonable to stop zoning for orderly growth solely on the fear that the cost of local services will exceed revenue. Land zoning has as much effect on a community's overall tax structure as any local government action.

Regardless of any possible future shifts of some local government functions (such as education, welfare) to the State level, a large portion of local services will still be borne by real estate levies. The tax base will be largely dependent upon the quality of development that occurs upon the land. The tax base of the community 20 years from now will be no more or no less than that which is permitted or promoted today. Improperly drawn zoning provisions, lax enforcement, a misplaced zoning variance or flagrant "spot" zoning can create a land use pattern that will erode the character of development needed to maintain a continuing stable tax base. Upon that stable tax base will depend a local government's ability to develop at least a reasonably large portion of its revenue to pay for essential services.

IV. THE PROPERTY TAX AND A BETTER ENVIRONMENT

Let us examine *how our property tax system functions and whether it can be administered in behalf of a land use policy more supportive of environmental needs.* I have already spoken of the designation by Federal, regional, or State legislation of certain "critical environmental areas" which should be exempt from further development.

A basic weakness of the property tax system is its haphazard administration, with widely varying assessments—a tax system that actually encourages poor land use and development.

The sale of property for conservation purposes should be stimulated through property tax rebates or lower rates in order to interest the owner in financial benefits other than high profits acquired by selling for commercial development. At the same time, holding undeveloped land, without any meaningful environmental features, as a "tax shelter" in an existing developed area, should not be permitted. The property tax rate should be adjusted to permit reasonable growth.

The Maryland Environmental Trust is developing a conservation-open space easement program designed to encourage the transfer of critical land areas to the Trust, as an easement holder. Appropriate tax inducements are being reviewed as an integral part of that program.

States and counties have, for years, sweated out the more visible symptoms of subdivision fever. Courts have ruled that developers must be allowed to build if counties cannot buy their lands. What local government can pay for open space when unplanned development eats up its capital? The time has come for developers to participate more fully in the costs of providing the services of water, sewage, and schools to new subdivisions as one condition for acquiring zoning approval to build those subdivisions. Similar conditions should be considered for the landowners who—when considering a sale—may make a request for high density zoning, primarily on the anticipation of windfall profits. Through these obligations on landowner and purchaser, the individual property taxpayer may find some relief from ever-increasing assessments brought upon him by the high-profit transactions of others.

One means of controlling development, with its attendant profits for few, and the corresponding tax burden on many individual homeowners, may be through the assignment of "development rights" to *all* landowners. A bill introduced by Prince George's County Senator William Goodman, embodies this approach whereby a developer will have to purchase development rights from landholders outside the development zone. By selling their rights, these landholders would forfeit opportunities for their own future developments. This constraint would, according to the Goodman Bill, encourage more orderly development and lessen the ruinous speculation in land that has sent property taxes and the cost of public services skyrocketing through the United States. While the Goodman bill needs refinement and has some problems in practical implementation, its approach is a step forward in developing a more positive relationship between land use planning and property taxes.

SUMMARY

There is no one-dimensional solution to land use problems. The role of the Federal Government can best be supportive of the States and regional areas in developing land use patterns that will stick and not be subject to the latest pressure on a local zoning board. In addition to protection of the so-called "critical areas" (such as coastal zones and estuaries; shorelands and flood plains of major rivers and lakes), Maryland's inland subdivision sprawl and commercial strip development have become more than a private matter between developer and seller. I recognize that it is a delicate business to balance the individual's relationship to his property with public concern for the land. Even more delicate is the adjustment of government relationships, determining which level of government should regulate what land uses.

A national land use policy must safeguard diminishing natural and scenic areas; likewise, it must address the adverse consequences of major growth and related tax dislocations. States should have methods for assuring that local regulations do not restrict or exclude development and land use of regional benefit. The time is ripe to expect more from the States as the central pivot in land use management where local zoning property taxes have become an inhibiting force for environmental quality and conservation of land—a rapidly diminishing resource.

TESTIMONY SUBMITTED BY MR. ROBERT N. YOUNG, EXECUTIVE DIRECTOR OF THE BALTIMORE REGIONAL PLANNING COUNCIL

I am Robert N. Young, Executive Director of the Baltimore Regional Planning Council (RPC). Thank you for giving me this opportunity to discuss problems of real property taxation and ways it affects the com-

prehensive regional planning process. These opinions and recommendations are mine and should not be construed as the policy of the RPC.

The *ad valorem* real property tax is a major influence on the location, density and timing of land development. As property taxes increase, the likelihood of development or construction on the property increases. Higher property taxes also often mean higher densities of development. The timing of the decision to increase property taxes may speed development of that property. In the event property tax increases and resulting development do not occur at the same location and time as extensions of urban services, these services will not be available to newly developed property. Thus the connection between the real property tax and planning for orderly and timely regional development is close and continuous.

The real property tax problems I would like to address are (1) sharing escalating land values in the form of taxes (2) needed improvements in the administration of the tax, and (3) better coordination of tax policies and the comprehensive regional planning process. At one time landed property was a pretty good index of wealth and, therefore, a good thing to base tax on. Today, however, other kinds of wealth, much of which is intangible, are the bases for income and should pay their fair share of taxes. For example, income from land values which increases as a result of community growth or discovery of unexpected resources is taxed at half value. Income from land and land resource sales should be taxed at its full value rather than as capital gains at 50% of its value. It would have the following advantages:

1. Land speculation would be reduced because twice as much of the profits would be fully taxed as is presently the case.

2. The increases in land values due to public improvements such as transit, highways, sewerage, and water service would be taxed; and this would help pay for the public improvements.

3. Resources under the land, which the land seller had no role in, would be taxed so a portion of their value would accrue to the general public; and

4. This revenue could reduce the likelihood that the real property tax of the nonspeculative landowner would increase rapidly.

Greater emphasis should be placed on taxing the value of land rather than improvements on it. In Maryland in 1970 about one-fourth of real property tax assessments was on land and about three-fourths on improvements to the land. I recommend reversing these ratios so that about three-fourths of assessments is on the site. Among the advantages of this approach are:

1. Owners of vacant land served with urban services (highest value land) would be encouraged to make use of their land. The costs of providing urban services would thus be much more efficient.

2. Building owners would not be penalized for improving their buildings. They would be upgraded in quality and more economically productive.

3. Land speculation would be reduced by discouraging landowners for holding vacant and other relatively low assessed value land from use.

Under my recommended approach, income from cropland and other farm uses would be assessed as income rather than as real property.

Studies of real property administrative practices across the country have often found favoritism in assessments. Because inequitable assessments is a clandestine practice which depends on secrecy for success, I advocate publication of all assessments annually in newspapers of general circulation. By being open and aboveboard with assessment levels, assessors would be forced to justify the accuracy of their evaluation, timeliness of their information, and comparative value set by them throughout their jurisdiction. A more equitable real property tax burden could result.

Two of the likely spin-offs from publicizing assessments are an increased number of appeals and the need for more staff. Chagrined property owners who disagree with their assessment relative to that of nearby properties require an appeals mechanism to redress their grievances. Perhaps the individual hearing examiner approach used for zoning changes in Montgomery County could be adapted to hear assessment cases. Few assessment offices in counties are adequately staffed. A prerequisite to better assessment practices is better staff resources. In-service and pre-service training should be available to assessing office staffs.

Real property tax policies can play a strategic role in implementing comprehensive regional development plans. Increasing taxes and extending urban services in the direction and at the time plans recommend development should occur could be the stimuli which would cause it to take place. Property tax policies can also be used to retard development in such areas as proposed open spaces, unique geologic areas, flood plains, and historic areas. Stabilization of reduction of taxes in these areas, if they are not developed, could go a long way toward guarding urban development to areas best suited for it.

Sharing of information between planning and assessment staffs can assist both of them to harness the development and taxation processes. Montgomery County and Prince Georges County provide information from their assessors offices to the Metropolitan Washington Council of Governments. This information assists the Council in its land use and transportation planning and capital improvements programming work. It also benefited the assessors offices by permitting them to update their information base regularly, establish a uniform system for recording and retrieving information, and analyze assessment trends. County and regional planning offices should establish this type of cooperative relationship with county and regional assessing offices.

The states can play an important role in real property taxation practices. Some of the things I recommend establishing or strengthening are:

1. Taxing land transfers and income from land resources at full value

2. Requiring local coordination of capital in.provements programming and real property assessments

3. Requiring annual publishing, in newspapers of general circulation, all assessments.

4. Establishing training programs for assessing office personnel

5. Providing technical assistance to assessing offices on matters such as:

A. Administrative organization

B. Uniform record keeping

C. Application of automatic data processing techniques

D. Methods of assessing unique or unusual buildings, and

E. Coordination with comprehensive planning offices

6. Setting performance standards for the assessing function, and

7. Encouraging the exchange of information among assessing offices.

These practices can bring property tax policy into greater harmony with the planning and development process and encourage greater equity in its impact on the taxpayer.

TESTIMONY SUBMITTED BY DR. JOHN MILLS, EXECUTIVE DIRECTOR OF THE TRI-COUNTY COUNCIL

Mr. Chairman, distinguished members of your committee, ladies and gentlemen—I am John H. Mills, Executive Director of the Tri-County Council for Southern Maryland. The Council is an economic development and planning agency for the three county area of Calvert, Charles, and St. Mary's counties. I emphasize here the purpose of the Council and more particularly economic development in its broadest context, the total system; rather than the more limited definition generally used to mean industrial development.

I speak to you from my knowledge of our situation in the tri-county area of Southern Maryland—jobs—revenue—environment and public services. The four are closely related—they are parts of a whole. It is difficult to discern the beginning or the end in such a chain of parts, much less what is fair or equitable.

I shall speak briefly to two parts of this issue—revenue and public service, but respectively request that we be allowed to enter a further statement into the record because my notice was short and Council members do have strong feelings on these fiscal matters, and public service.

As you are well aware property taxes are the primary source of locally generated revenue, and at the same time education is the most significant user of all revenues at the local level.

And now at least two court cases question the equitability of educational opportunity when education is tied to property taxes.

Both the Federal, and State Governments contribute to local government services. Both have far broader taxing authority. Both seem to have a greater authority to tax than responsibility to provide service, and the gap is widening—except, of course, where the Federal and State Governments have recently assumed some of these fiscal responsibilities—not necessarily are these assumptions singularly to reduce fiscal burdens *per se* but rather to attain some desirable social goal, to right an economic inequity, or to put a minimum floor or standard under certain government services. They are, if you will, of ten times a fiscal lever. Please understand, I recognize and acknowledge many problems of equitability or fairness but do not wish to struggle in that quagmire today, except to say that the administration of some fiscal support programs bring up additional questions with interesting ramifications.

Education and property taxes are the case in point; most of us subscribe to the establishment of minimum educational standards; fiscally prudent and universal goals are yet another thing. How high should we reach? The per student expenditure in the State of Maryland ranged from $563 to $1,009 for FY 1970. This winter a committee on education reported to the Governor, and if my memory serves me, projected Montgomery County's expenditure per student for even more, as a desirable goal for the state standard. It is true that those districts which are more affluent, do spend more, and generally also tend to have more effective systems—but how much more effective? How effective in light of other needs for all citizens for all services at all levels of government. Education is necessary for you and me as citizens, workers, mothers or fathers, but I could not consider education in and unto itself without considering the other services provided by government. Advances have been made in education—I applaud them. And while there are extremes in expenditures and correlated differences in quality of services, it does not always follow that the more we spend, the better the service—nor does it follow that we are effective if we pinch pennies—to quote Kermit Gordon, past director of the Bureau of the Budget, "parsimony and profligacy are both false guides to budgeting for neither resorts to reason."—It is necessary to reflect upon revenue from property taxes vis-a-vis education (1) in the context of the whole: hospitals, nursing homes, jails, transportation systems, housing, etc., etc., and (2) as an

effective and efficient institution in its own right.

Now I would like to turn my attention to property taxes as an incentive (disincentive) to growth.

Because local jurisdictions depend so heavily on property taxes and they are levied locally, there is always a lot of jawboning, depending upon where one stands, about special exceptions: differential rates, confiscatory taxes, removal from the tax roles and, of course, the omnipresent necessity to add to the tax base to contain the rate.

Taxes have through time served as a source of revenue. They have also served other purposes too. Some more pronounced than others, some by design, perhaps, by omission. Of course, this has changed through time as the situations have changed. Effectiveness of these various taxes has likewise changed as a source of revenue and as an incentive or disincentive. Revenue from property taxes are a link of the chain. As demand for services increase—revenue must be increased—tax rate and/or base are increased so that effectively the total taxes per property are increased—there is a pressure to overcome such a tax—a pressure toward a higher land use. Land development occurs.

More services are required, etc. etc., the cycle continues, an uptrend is established. Additionally, and these are rarely addressed—alternative land uses—open spaces have an aesthetic value and, therefore, are a valuable asset to all.

When parks are developed the property leaves the tax roles as a revenue generator—it is true there are costs, and benefits, for such an improvement. Query: What other development might have occurred, what would its net benefit have been to the community?

Property taxes are crucial at the local and State level. They are the basis for bonding—they cannot be removed without: (1) an alternative source of revenue with at least as much local discretion; or (2) divestment of responsibility for which taxes are used; or (3) a combination of the two.

In any case, and as heinous as property taxes may seem, there is a privilege—responsibility, responsiveness to the electorate at the State and local level which cannot be entirely overlooked, and property taxes taken in the context of sales taxes, excise, income, etc. as a contribution to the total source of revenue does not make them oppressive. Property taxes or any other taxes are not levied in a tax vacuum.

TESTIMONY OF MR. HARVEY M. MEYERHOFF OF MONUMENTAL PROPERTIES, INC.

In examining the extent to which local governments depend upon the property tax for a substantial portion of their tax revenue, it is clear that the great majority of local government is over-dependent upon the property tax for fiscal support of its programs. There are 32 states (64% of the country) in which the local sub-divisions derive between 60–80% of their revenue from real property taxes. There are, in addition, 15 states in which the local sub-divisions obtain 40–60% of their income from this source and but 3 states in the nation which derive less than 40% of their revenue from this source.

Mr. Chairman, may I make some general observations on the property tax:

1. The real property tax discriminates against the childless family or the family with fewer children, as well as the family on low or fixed income.

2. It usually discriminates against the new property owner because of the lag in updating assessments on older property.

3. It does not, effectively, tax personal service industries since their gross volumes are not related, generally, to the physical plant required to produce it and, hence, the property tax, since it is based on assessment of real property, does not obtain its fair share support from this type of industry.

4. It is, to a large degree, self-defeating—the higher it is, the less likely it is that people can afford it, the lower the revenue the higher the assessment, etc.

5. It usually discriminates against the occupants of less than 3-bedroom dwelling units.

6. It is not uniformly applied in each of the political sub-divisions.

7. It has a major effect on attracting or discouraging industry in a particular subdivision.

8. Because tax exempt property is just that but requires services, in general, to the same level of support that non-tax exempt property would require, it is clear that the rest of the real property taxpayers are supporting the tax exempt institutions.

9. Payments in lieu of taxes are not equivalent.

10. Center cities provide the services but don't share in suburb affluence.

11. Effect upon Urban Renewal.

A lead story in the Baltimore Sunday Sun of yesterday highlighted much of this problem and I am certain that someone will introduce it in the record but, if not, I would like to do so.

In conclusion, Mr. Chairman, it is clear that the property tax, despite its long history, is no longer the responsive and adequate tool which the local, and perhaps even State, taxing authorities may utilize in order to produce the revenues which are required to run the services demanded of them by their citizens. I submit that other alternatives, generally of a broad based category, although distasteful (any tax is), will be much more equitable and evenly spread over the bulk of the population and will result in much more effective utilization of the financial resources of this country to produce the desired results.

NAHB RESOLUTION

REAL ESTATE PROPERTY TAXES

Whereas, experience has clearly demonstrated that the prevailing fiscal basis of the local real estate property tax is outmoded and inequitable as a means of financing the education and welfare needs of the local community, and

Whereas, reliance on such severely limited resources often frustrates local authorities to the point of adopting self-defeating regulatory measures which artificially restrict necessary growth in their respective areas,

Now, therefore, be it resolved, that real estate property taxes, other than those for real estate related services, be replaced on an orderly schedule with broader based revenues where the source is more reflective of the general wealth and consequently more respondent to the benefit or ability to pay concepts as recommended by various state and Federal tax study commissions.

Percent of city tax revenue provided by property taxes, selected cities, 1970

City:	Percent
Atlanta, Ga	58.5
Baltimore, Md	73.4
Billings, Mont	93.5
Birmingham, Ala	32.8
Boston, Mass	98.6
Bridgeport, Conn	99.2
Buffalo, N.Y	91.9
Chicago, Ill	59.0
Columbus, Ohio	21.0
Denver, Colo	46.9
Eugene, Oreg	92.2
Fort Wayne, Ind	98.6
Gary, Ind	98.3
Honolulu, Hawaii	76.8
Huntington, W. Va	35.0
Indianapolis, Ind	99.2
Kansas City, Kans	93.3
Los Angeles, Calif	53.8
Manchester, N.H	99.1
Miami, Fla	63.7
Milwaukee, Wis	96.3
New Orleans, La	38.7
New York, N.Y	61.1
Pawtucket, R.I	98.9
Philadelphia, Pa	31.5
Portland, Maine	99.1
Raleigh, N.C	93.8
San Diego, Calif	54.0
San Francisco, Calif	81.7
Seattle, Wash	52.1
Springfield, Mass	99.3
St. Louis, Mo	36.2
Toledo, Ohio	19.0
Washington, D.C	32.7
Winston-Salem, N.C	65.4

Source: U.S. Department of Commerce, Bureau of Census, GF 70, No. 4.

PERCENT OF ALL TAX REVENUE OF LOCAL GOVERNMENTS PROVIDED BY PROPERTY TAXES, 1970

State	Percent	Category
Alabama	23.3	20-40
Alaska	43.8	40-60
Arizona	58.7	60-80
Arkansas	50.9	60-80
California	66.7	60-80
Colorado	66.8	60-80
Connecticut	86.1	[1] 80
Delaware	51.9	40-60
District of Columbia	28.4	20-40
Florida	51.2	40-60
Georgia	50.5	40-60
Hawaii	58.2	40-60
Idaho	65.9	60-80
Illinois	71.7	60-80
Indiana	75.9	60-80
Iowa	76.2	60-80
Kansas	73.1	60-80
Kentucky	45.3	40-60
Louisiana	37.8	20-40
Maine	88.8	[1] 80
Maryland	55.3	40-60
Massachusetts	85.4	[1] 80
Michigan	66.4	60-80
Minnesota	68.4	60-80
Mississippi	50.8	40-60
Missouri	60.5	60-80
Montana	77.0	60-80
Nebraska	68.6	60-80
Nevada	49.0	40-60
New Hampshire	86.1	[1] 80
New Jersey	77.2	60-80
New Mexico	47.1	40-60
New York	60.8	60-80
North Carolina	62.4	60-80
North Dakota	73.0	60-80
Ohio	63.7	60-80
Oklahoma	57.3	40-60
Oregon	71.5	60-80
Pennsylvania	54.8	40-60
Rhode Island	87.8	[1] 8
South Carolina	58.6	40-60
South Dakota	80.1	[1] 80
Tennessee	47.6	40-60
Texas	61.5	60-80
Utah	67.6	60-80
Vermont	87.9	[1] 80
Virginia	54.2	40-60
Washington	53.0	40-60
West Virginia	60.0	60-80
Wisconsin	78.8	60-80
Wyoming	61.2	60-80

[1] Over.

Source: U.S. Department of Commerce, Bureau of Census, GF 70, No. 5; NAHB Economics Department.

TESTIMONY OF MR. PARKER MATTHAI, PRESIDENT OF THE VALLEY PLANNING COUNCIL

Gentlemen: My name is Parker Matthai. I am a life long resident of Baltimore County, a tax-payer, Architect and President of The Valleys Planning Council.

As an Architect, I am concerned with physical environment and with what I anticipate to be problems in that connection in the future. I will come back to this subject later.

The Valleys Planning Council is a citizens' organization concerned with sensible and sensitive development of a unique 70 square mile area in northwest Baltimore County which is now subject to pressure for development in the traditional wasteful and rapacious manner evident in other parts of this County, this State, and in many areas of this entire country.

I do not feel qualified to comment at length on fiscal matters but recognize that

proper and adequate land use control must also be closely connected with real estate and property tax strategies.

As a tax-payer, I am also aware of the inequities which exist in this area and the need for tax reform. This need has been covered in some detail in an editorial by Art Pine in yesterday's Sunday Sun. I have also sensed the desolate feeling of frustration of the average Baltimore City homeowner, who is confronted with increasing property taxes which appear to be the most used and abused source of funds for satisfying the City's fiscal needs. In the matter of land use, Americans in general are dissatisfied with our deteriorating cities and mushrooming growth in the suburbs, with ever-increasing prejudice and ever-decreasing opportunities for freedom of choice, I am dissatisfied with the impersonal faceless expanse of housing which is constructed hurriedly and without thought to either the community or the individuals who will occupy them. It is not the numbers we should be concerned with, but the quality of life and choice of life style available to Americans whoever they may be. They are entitled to communities that are more livable, neighborhoods that are safe, that are within reach of jobs and which provide a richer mix of community life and services. Neighborhoods small enough to have some identity of their own where no one need be anonymous while attaining the privacy Americans always have yearned for.

The American Institute of Architects has recently received a preliminary report submitted by a Task Force on National Policy which is aimed directly at the question at hand. It identifies those concerns which I have mentioned and others and proceeds in calling for a national growth strategy in which private freedom and public competence work together since they must be compatible; one needs the other.

The American Institute of Architects report, which is just now being released to the membership, will be the theme for the forthcoming convention this spring. It calls for the use of a "Growth Unit" for planning purposes which is a neighborhood community with a population range of 500 to 3,000 dwelling units. The Growth Unit is identified not as individual buildings or projects, but as a human community with a full range of physical facilities and human services that insure an urban life of quality.

Even today, it is not possible for a low income family, much less a moderate income family, to choose a housing unit which provides a healthy environment for family life. With rising cost of construction, this will surely become even more difficult as the months go by and will require a joint effort as mentioned before of private enterprise and government participation. The potential quick profit for the shrewd real estate developer is such that thoughtless and blind consumption of available open space without regard to its natural amenities or its influence on surrounding values must be combated with broad based control measures. This also says something is wrong with a system that provides an exorbitant profit for a limited few at the expense of the homeowner.

The need for comprehensive planning must take into account all aspects of human life today and in the future, it must address itself to the delicate ecological balance and it must be concerned in the way in which we develop the housing which will be needed in the foreseeable future.

The new Communities Act is directed at this effort and only with participation at the Federal, State and local level, as well as an adequate profit motive for private participation, can we hope to cope with our future needs.

Senator Mathias I commend your Bill No. 2554 and will certainly do all I can to support it.

Along with all other facets of planning with which we are familiar, I believe that there must be broad citizen participation. Not only as a consideration of individual needs, but even more important is the potential input of local citizen groups, either community improvement organizations or those who have made a real effort to control the destiny of their neighborhood, i.e., V.P.C.

TESTIMONY OF MR. JAMES GLEASON, MONTGOMERY COUNTY EXECUTIVE

I would like to offer some general observations regarding local property taxation as well as the national land use policy legislation pending before Congress. The property tax has attracted increasing attention over the years and more recently has been the subject of legal challenges with respect to financing public education. It can be demonstrated that property taxes and related assessment policies do effect land use particularly with respect to the holding of land for future development. The real problem, however, is that local governments have been forced to rely on the property tax as a major source of revenue to finance local services. Throughout the country local officials have pleaded with state legislatures for additional taxing authority. These appeals have generally gone unanswered.

Of course, local property taxes represent only one element in the total tax package affecting land use. A full understanding of the problem must include a study of related Federal and State tax policies.

The national land use policy legislation pending before Congress should be considered in connection with any inquiry regarding property taxes. Local governments throughout the nation are being seriously challenged by a continuing trend of Federal and State takeovers of programs which have been traditionally local in nature. This trend is working to the disadvantage of the people in that it has produced a mammoth bureaucracy which is more costly, less efficient, and less responsive to the needs of the people. Local government, which is closest to the people, should not have taken away from it the powers and authority which are necessary to respond to the needs of local residents. In this context I must express serious concern with the various bills pending before Congress which would establish a national land use policy. These bills effectively remove local governments from the decision making processes in land use planning. The people and the government of Montgomery County have been and continue to be committed to land use policies which will protect the environment while providing desirable communities and neighborhoods in which people can live. The proposed legislation (S 632, S 992, S 2554, etc.) transfers to the State and Federal government the ultimate decision of how Montgomery County and other local governments will develop in the future.

No two local jurisdictions are identical in their problems, needs, or aspirations. Yet these bills would have Federal and State agencies substitute their views for what has always been the prerogative of representative government in which the people have a direct and effective voice. The result will be more bureaucracy, less responsiveness and a continuation of the trend which is placing the individual further and further away from the decision making processes of government.

People tend to hold their local governments accountable for all failures in public services. This is as it should be. Local governments readily accept this responsibility which has expanded as the problems of urbanization continue to grow. However, our ability to deal with these problems is greatly diminished by the continuing trend of Federal and State takeovers. A national land use policy may well be necessary to assure that our environment and natural resources are protected for future generations. I do not believe that such a policy requires the dilution of local authority which will be destructive of representative government.

We will be happy to provide any information which may be helpful when Congress begins active consideration of land use policy legislation.

[Testimony submitted by Dr. Thomas Muller of the Urban Institute]

IMPACT OF PROPERTY TAXES ON LAND USE—PRESENT AND POTENTIAL

INTRODUCTORY REMARKS

The impact of property taxes on land use has been the subject of discussion among economists and others for decades—probably since the property tax became a major source of revenue to pay for public services. In recent years, however, property taxes as a major source of revenue to meet the cost of local public services, particularly schools, have been under strong attack by various groups. In the past few months, courts in three states have, in fact, challenged the use of the property tax, as presently utilized, to pay for public education. The major arguments in opposition to the property tax include the following:

It is regressive—that is, lower income families spend a larger share of their income for property taxes compared to higher income families.

Property wealth is unevenly distributed, resulting in sharp differences in fiscal ability between communities and school districts.

The administration of the property tax is unfair, as it results in differences between and within types of property.

Property tax differences between jurisdictions and types of property distort land use to the detriment of the community.

This discussion will concentrate on the opposition to the present structure of the property tax in relation to detrimental land use. In subsequent sections, the impact of the property tax on agricultural land, problems associated with preferential assessment of farm property and the effect of property taxes on urban residents are examined. Finally, the likely impact of reducing property taxes nationwide on the demand for land is briefly discussed.

I. Taxation of agricultural land

During 1966, 7.0 percent of all assessed property in Maryland was agricultural—somewhat below the national average of 11 percent. In some counties of the state, such as Carroll and Frederick, about 25 percent of the property base is comprised of agricultural land. By contrast, only 2.6 percent of the base in Montgomery County is agricultural. Property tax rates on agricultural and other land have been curtailed, but not reduced, by the introduction of the county income tax surtax. This local income tax provided $41.9 million in revenues to Montgomery County in 1971, compared to $90.6 million derived from property tax. Without the surtax, to raise an equivalent amount of revenue, the county would have to increase its property tax rates by 46 percent.

For the small farmer, taxation of his land via the property tax has always been a problem. During 1963, 9.4 percent of the net farm income before the payment of property taxes was absorbed by the property tax, compared to less than 2 percent for industrial and commercial enterprises. In general, property tax on land have increased at a much faster rate than farm income, resulting in greater tax burdens on farmers. But what places farmers at a disadvantage relative to most commercial and industrial enterprises is that the small farmer cannot "shift" the tax (that is, pass on the tax) to the consumer in the form of higher prices for his product. This is because the small farmer operates in a competitive market, where his influence on the price of the product is minimal. In addition, to compete with other farmers, he has to in-

crease his investment in land, equipment and buildings, resulting in higher property tax payments. To the farmer the property tax is the least desirable among the three major forms of taxation used by state and local governments: (1) personal and corporate income, (2) sales and excise, and (3) real and personal property. Income taxes, since they allow various exemptions, tend to benefit the farmer whose money income is generally low. Sales taxes, particularly if food products are also taxed, have a lower tax burden for the farmer compared to the urban resident.

In general, and particularly in a rapidly growing state like Maryland, the trend has been to shift large portions of land from its use for farming to other purposes, generally more intensive land uses than agriculture. Near growing metropolitan areas, residential housing, highways, and industrial/commercial enterprises have been absorbing agricultural land at a rapid rate. Although growth in the Washington and Baltimore areas during the 1970's will probably be less than in the 1960's, primarily because of demographic changes resulting in decreased population growth, thousands of acres of family farm land will change into housing developments. The building of additional highways has a particular effect in the use of agricultural land, since highways allow developments to "leap frog"—that is, to pass by existing farm land to a new area, which remains within commuting distance to employment centers as a result of the new roads. This leap-frog effect is encouraged by public utilities, particularly those providing water and sewage services. Without adequate water and sewage facilities, expansion beyond established urban perimeters is difficult. A good example of the leap-frog effect is the Levitt's development at Bel Air in Prince George's County. The effect of new developments on the farmer in the area can be and frequently is negative from a fiscal viewpoint. Increased residential development brings about sharply increased costs of public services, particularly for such functions as schools, roads, as well as fire and police protection. For example, for Fairfax County, Virginia, to "break even" on new residential construction, the average value of the house has to be over $40,000, assuming the average household living in detached housing has 1.3 children attending public school. That is, it requires property taxes from a $40,000 to $45,000 home to produce sufficient revenue to meet the average cost of public services resulting from the new construction, including the necessary capital investment.

In effect, older residents in growing communities tend to subsidize the newer resident, unless he purchases an expensive home or has no children in public schools. Garden apartment residents in both Prince George and Fairfax County have higher local public costs than local revenues that they generate. High rise apartment residents, as they tend to have few children in public school, are a net fiscal asset to each county. Rural residents near new developments, as those in Prince Georges County, find sharply rising taxes on their homes and farms to pay for the new growth. This can be demonstrated by increases in the county property tax rate from $1.98 in 1957, to $3.53 in 1969. Population growth was the most rapid in Prince Georges County within the Washington area while concurrently taxes were rising faster than in other metropolitan jurisdictions. The small farmer may be forced off the land as a result of having to pay for massive in-migration into suburban counties. Concurrently, however, the farmer, particularly if his farm is close to a highway, is also gaining financially, as the value of the land he is using for agriculture becomes more valuable. Thus, the incentive to sell out to the land developer or land speculator. Reduced property taxes in general are likely to deter but not prevent the change in land use from farming to other uses. Preferential assessment on agricultural property is one of the issues relating to the land use problem, to be discussed in the subsequent section.

One means of avoiding the rapid change of land from agricultural to other uses without modifying property tax rates is strong local zoning combined with a national land use policy, that is, legal constraints. Many Western European countries, including Great Britain, maintain tight controls to keep land rural until the area is ready for development. In theory, the Washington area has long range planning, such as the Year 2000 plan by the Maryland National Park and Planning Commission. In practice, such plans do not aid either the agricultural sector or urban residents, primarily because they are almost never implemented. A combination of factors work against the implementation of master plans—political pressure by developers, poor initial planning which is usually obsolete by the time the plans are completed, the lack of sufficient public awareness of the planning process and the absence of any national guidelines.

II. Preferential assessment of land and land use

The issue of preferential tax treatment is one of the most controversial in the property tax area. At present, a number of "special interest" groups receive preferential tax treatment, either full or partial exemptions from the property tax, which have an effect on land use. Full exemption is, of course, provided on federal, state and local government property, as well as religious and selected nonprofit private property. The value of totally tax-exempt property (land and improvement) in the State of Maryland in 1966 has been estimated at $2.5 billion, or 20 percent of the total assessed value of all property. In Prince Georges County, 27.8 percent of all assessed property in 1969 was tax-exempt, in Montgomery County 18 percent in the same year. In theory, fully exempting certain types of privately owned property encourages their building relative to structures which are taxable. However, the over-all impact on land use is probably not very significant, although the size of a church or private school building and thus the amount of land utilized may be effected by its tax-exempt status. The primary objection to this category of exemptions is that the taxable property base is reduced.

A controversial issue is partially-exempt property. For example, the exemption on real property for older citizens is permitted by the Maryland legislature as a county option. A number of Maryland counties have provisions for tax exemptions for older citizens meeting specified criteria, such as income. However, this exemption, while slightly reducing the tax base, has no impact on land use. The primary purpose of this legislation is to reduce the tax burden of citizens whose income has been reduced due to age.

Preferential treatment of agricultural land is a more complex subject, subject to conflicting interests at the state level. It is favored by farm groups and developers, but opposed by urban counties, as it represents the greatest real estate tax loss from the private sector in Prince Georges and Montgomery Counties. A major justification for preferential assessment legislation has been that it would reduce urban sprawl and encourage the maintenance of farmland, thus preserving open space near urban areas. However, this justification has been challenged. Based on an analysis of preferential assessment in Maryland, Peter House states that "the effectiveness of tax measures in preserving open land depends on area wide planning and control over land use." [1] This view is shared by Frederick Stocker, who points to the "opportunities for developers and speculators to hold tracts of undeveloped land, while hiring a nearby farmer to cut hay or pasture a cow." [2] An examination of the growth pattern in the bi-county area lends little credence to the argument that urban sprawl has been reduced by the preferential tax. In fact, there is limited evidence to indicate that owners of such property occasionally chose to wait to sell or build on the property, while development "skips" their land into previously rural areas.

The subsequent section of this report estimates the loss in tax revenues as a result of preferential tax assessment in Montgomery and Prince Georges Counties. It is followed by a section suggesting alternatives to the present method of preferential assessment which would have an impact on land use.

III. Revenue losses from preferential agricultural land assessment

Maryland was the first state to modify its property tax laws to preferentially treat land used for farming, a practice which has spread to six other states by 1969. The original Maryland legislation, approved in 1960 (but modified in 1969) did not restrict preferential assessment to owner-operated farms, or to what would be considered "bona fide" farms. Nor were there provisions in the legislation to recapture any tax loss at the time of rezoning, which would indicate its use for more intensive development, or at the time of sale to land developers.

The difference between market value and preferentially assessed value for agricultural property in both Montgomery and Prince George's County for 1966 was estimated in a previous study.[3] A 1968 analysis by a member of the Montgomery County staff established the market value of preferentially assessed land at $205 million or about eight percent of the total tax base.

The approach utilized by this writer to determine the tax loss associated with preferential farm land assessment is shown in a recent publication.[4]

The total assessable value of land not taxed is estimated by this writer to be $114 million in 1968, resulting in a revenue loss to Montgomery County of $3.0 million. In 1971, in view of rising land prices, the revenue loss is probably close to $4 million, based on the methodology described. While this is less than the $10 million the county claims as its tax loss in 1971, it remains a substantial amount.

In Prince George's County, 90,450 acres of land, comprising 28 percent of the total county area, were preferentially assessed in 1969. The assessed value of agricultural land not taxed is estimated to be $65 million, representing a tax loss in 1969 of $2.3 million, and probably close to $3 million in 1972. Despite the substantial tax losses to these two counties, the abandonment of preferentially assessed farmland would add less than 5 percent to the property base of the two counties. This may not be an unreasonable cost if, in fact, a land use policy which would result in the objectives set out in the preferential assessment legislation could be implemented.

IV. Alternatives to preferential agricultural land assessment

In view of the problems associated with preferential assessment as previously discussed, it is useful to consider alternatives to the existing system in Maryland, and perhaps other states. The aim of these alternatives is not to assess farm property at its value if it were used for more intensive purposes, as this places small farmers at a disadvantage, and can result in unfavorable land use practices. Rather, the objectives would be to reduce abuses.

(1) Tax deferment on agricultural land, but for an extended time period without tax payment liability limit. Oregon requires pay-

Footnotes at end of article.

ment for the differential between taxes paid under preferential treatment and the amount that would have been paid without the preferential tax law for a period of up to five years with accumulated interest charged at a rate of 6 percent. Since 1969, Maryland counties can "recapture" part of the tax loss when the use of land previously under preferential assessment, is changed. However, at present, the tax payment is limited to 5 percent of full market value. With prevailing tax rates, holding land for two or more years results in a benefit to the owner despite the "recapture" clause.

(2) Allow continuation of tax deferral and preferential tax treatment until land use is changed. At the time of the change, tax the increment in land value, on the basis of such criteria as years of preferential treatment offered or the new use of land. For example, a particular land use may have a negative fiscal or environmental impact. That is, the cost of public services provided may exceed derived revenues, or the pollution created may have a high social cost. Thus, the tax percentage could be based on the likely fiscal and environmental impact resulting from new land use. The tax could therefore be a tool developed to encourage or discourage a particular land use. This concept was recommended in a report to Prince Georges County.[5] A modified version of this approach was subsequently proposed by the County Executive and the County Council in 1971, but not approved by the State General Assembly.[6]

It should be noted that in some cases land presently in agricultural use should be developed for more intensive use. In these cases, preferential tax treatment would not aid effective planning. However, the determination as to when a particular parcel of land should be developed requires a comprehensive plan which can be enforced which few areas now have or can implement.

(3) Provide preferential assessment on bona fide agricultural land only. The last alternative is implicitly practiced in most states of the nation, without formal legislation.

In most states, farm property is under-assessed relative to other types of property, regardless of preferential farm assessment being part of state law. In Maryland, assessed-to-market value rates in 1966 were 19.5 percent for farms, 43.6 percent for all property; for the same year in Pennsylvania, the values were 4.7 percent for farmland, 31.4 percent for all types of property. In 1966 nationally, the assessed-to-market value ratio for farmland was 17.8 percent compared to 32.6 percent of all property. Thus, this writer maintains, states without preferential assessment under-assess agricultural land at about the same level (based on the 1967 Census of Government data) than the State of Maryland. One factor causing under-assessment of agricultural land relative to land with structures is that local officials realize the fiscal situation of the farmer, and thus prefer to tax industrial and commercial property, where the tax burden can be shifted out of the area, at a higher rate. An additional factor is that a considerable share of agricultural land sales are to purchasers who plan to utilize the land for more intensive purposes. This causes the buyer to be willing to pay a price considerably above what the local assessor estimates as the fair value of the land.

One of the difficulties in equitable administration of the property tax is to estimate the value of land in fringe urban areas before it is improved. Many cities, including New York City, deliberately tax business property more heavily compared to residential property. This practice may be contributing to the migration of corporate headquarters from central cities to suburbs, increasing the demand for industrial and commercial land in suburban areas. Whether suburban areas benefit from this migration depends on the characteristics of the specific enterprise which relocates. The relocation, in almost all cases, causes economic dislocation in the central cities. While these assessment practices may not be legal, they are nevertheless practiced widely.

V. Property taxes, land use and the urban resident

Property taxes and land use in urban areas can be examined from a number of viewpoints—that of local government, the investor and developer, or the home owner and renter. Clearly, actions taken by the investor and local government influence the availability of housing, tax rates, and the use of land by residents.

Local government, as it controls zoning, determines the amount of land available for a specific function. Expanding the amount of land available for intensive use tends to reduce the price of land zoned for that purpose. An element contributing to current opposition to the property tax is that tax rates vary between contiguous jurisdictions and counties. For example, the property tax in Montgomery County is lower than adjacent Prince Georges County, although its public services are considered equivalent, and probably superior to its neighbor. Property tax rates by themselves are not the critical element in the level and intensity of land use.

The decision of what type of construction takes place is made by the investors, reflecting in part availability of zoned land, the demand for various types of residential and non-residential construction, and in part the return from the property investment relative to other investments. However, property taxes do have some impact on the location of new construction. For example, property taxes may affect the specific location of industry within a given general area. Again, since property taxes generally amount to less than two percent of the value of industry output, factors other than the level of the property tax tend to be dominant in the location of enterprises. In terms of residential housing, mortgage interest rates are probably more crucial than the level of the property tax in determining housing construction activity. However, less intensive land use (more single family housing) is no doubt encouraged, compared to the demand for apartments, as a result of the ability of homeowners to deduct interest and property tax payments from their federal and state personal income taxes. Thus, particularly for higher income families, there is an economic incentive to purchase single family homes compared to renting apartments. Since unit density per acre between the two types of housing varies sharply, it may be argued that the present income tax laws encourage lower density land use, reducing the amount of open space.

The location of housing within a metropolitan area can also be influenced by tax rates, as these reflect the short and long term cost of housing. In the Washington, D.C. Metropolitan Area, Prince Georges County has the highest tax rate, Arlington and Fairfax Counties of Virginia the lowest rates. One factor contributing to the rapid growth of Fairfax County, Virginia, in the past few years may have been lower property and income taxes compared to Maryland counties. A parallel result has been the growth in the value of existing housing relative to other parts of the metropolitan area, increasing demand by anticipation of fast appreciation in the value of residential property. Concurrently, high property taxes in areas close to the employment center of a metropolitan area can also indirectly stimulate demand for housing. A major reason lower and middle income families purchased homes and rented apartments in Prince Georges County of Maryland relative to other counties in the area, is that housing tended to be somewhat cheaper, partially because the builder was able to purchase comparable land at a lower cost than in Montgomery and Fairfax counties. In part this was a case of higher property taxes being capitalized, resulting in lower land cost. An additional factor was the availability of land zoned for higher density residential construction. Other factors, such as the quality of public services and the desirability of neighborhoods also influence the cost of undeveloped land independent of property tax levels within similar distance to the central city.

The above discussion indicates that differences in tax rates within a metropolitan area can have opposing effects on the supply of housing by income group. The absence of sound land use policies, resulting in uncoordinated zoning practices, can offset or reinforce the effect of property tax differentials.

This discussion has excluded the effects of property taxes on housing in central cities, which differ from the impact of changes in the property tax in suburban areas. Central cities have the advantage of large per pupil property bases compared to the suburbs because of the concentration of commercial enterprises, and the out-migration of families with children to the suburbs. Concurrently, because of their lower income levels and higher proportion of households with very low income, most central cities have difficulty in raising revenues. Improvement to slum housing in cities, but not necessarily middle and upper income suburban housing, may be curtailed as a result of taxing additions to or remodeling of buildings.

To owners of property, particularly apartment buildings, a more important consideration than the property tax, most of which is passed on, in the form of higher rents, are the tax policies of the federal government. Federal income tax depreciation, capital gains and tax shelter policies influence the demand for land and buildings as investments.

VI. Impact of a nationwide reduction in property taxes on the demand for land

The previous discussion has shown that property tax rate variations, particularly if they conflict with differences in zoning practice, can influence the demand for land within the same metropolitan area.

It is likely that in response to both legal and taxpayer pressure, legislation will be introduced by both the President and Congress to reduce the impact of the property tax, specifically local property taxes for school districts. Since these proposals would likely have an impact on property taxes across the nation, it is of interest to estimate the likely impact of such reductions on the demand for land. It is obvious that unless there are reductions in expenditures for services, new national revenue sources must be levied on the taxpayer to pay for the reduced property tax. The federal income tax rates, recently modified by Congress, will not be increased. It is more likely that a national sales or value-added tax is to be introduced. Both of these taxes are regressive. As such, the average income family, earning $8,000 to $10,000, will not have greater purchasing power, although there may be a slight redistribution of income between income classes and redistribution of income spatially—from states such as Maryland and Connecticut to Mississippi and Arkansas. Excise taxes—such as gasoline taxes—are also regressive, except for the lowest income group.

Since much of the opposition to the property tax appears to come from the suburban homeowner, it may be reasonable to ask, if in fact, his opposition is, from a fiscal viewpoint, sensible. In general, a middle or higher income suburban resident living in his own home is fiscally better off paying the property tax compared to the alternative of the same revenues being obtained by the school district from an income tax. In most states,

Footnotes at end of article.

the major burden of the personal income tax falls on households earning over $8,000.

The reduction in the property tax will result, other things being equal, in higher prices for land, causing somewhat higher initial costs of new residential and non-residential structures. At the local and state level, the substitution of sales or income taxes for the property tax would also reduce the stability of the tax base. One advantage of the property tax to local and state governments is that fluctuations in the economy have less impact on revenues than other tax sources. If the average family does not have increased purchasing power, the short-term higher cost of housing will not be offset. Thus, although a family planning to purchase a home may save over the years, as a result of decreased property taxes, the short term effect may be higher initial outlays. If this occurs, the demand for residential land will not increase However, those who own land and structures do benefit fiscally from a reduction in the property tax, since the value of their property will be increased and the cost of maintaining the property decreased. Small reductions in the local property tax will have no appreciable impact on the demand for land if the tax decrease is national in scope.

CONCLUDING REMARKS

The previous discussion indicates that the relationship between property taxes and land use is complex, with changes in tax rates having differing impacts on various groups. A few generalizations based on the preceding comments can be summarized:

(1) In relation to other sections of the economy, farmers are at a disadvantage by the use of the property tax. Farmers near growing urban areas can suffer because of rising costs of public services which result in higher property tax rates. Concurrently, they can benefit by selling their land to developers near growing areas.

(2) There is little evidence to indicate that present preferential assessment practices have resulted in either aiding farmers or reducing urban sprawl in Maryland. Beneficiaries seem to be those who either develop or speculate in land.

(3) There are alternatives which can help to relieve the tax burden of the farmer without concurrently hurting the general public. Particularly effective is a high tax on the incremental value of land resulting from more intensive land use.

(4) The property tax can be a useful tool in controlling land use only if it is combined with comprehensive regional planning. The level of taxes on the incremental value of land resulting from rezoning could be adjusted to reflect conformity to such places. At present, land use is influenced more by federal income tax policies than property tax differentials.

(5) While differences in property tax rates have little influence on land use nationally, they have an effect on the demand for land within the same metropolitan area.

(6) Decreases in the property tax nationally would not aid those seeking new housing but would increase the value of real property, benefiting those who now own property. The agricultural sector would also benefit from general reductions in property tax rates. Whether the average household will have a reduced tax burden depends on the form of taxation utilized as a substitute for the property tax. A national tax would, however, redistribute revenues from higher income to lower income states.

The property tax, including preferential assessment of selected types of property, is a potentially useful method of aiding in the implementation of national land use policy at the local and state level. To accomplish this objective, legislation establishing such a policy has to be enacted, and land use planning at all levels of government closely coordinated with property tax legislation and administration. Without this linkage, changes in the property tax structure may be detrimental to effective land use.

FOOTNOTES

[1] Peter House, *State Action Relating to the Taxation of Farmland in the Rural Urban Fringe*, United States Department of Agriculture, ERS 13, August, 1961. This paper estimates value of land by election district in both Montgomery and Prince George's Counties in 1960.

[2] Frederick D. Stocker, "Taxing Farmland in the Urban Fringe," *Journal of Farm Economics*.

[3] Peter House, "Partial Tax Exemptions for Farmland Properties in the Rural Urban Fringe," *Appraisal Journal*, July, 1968. The aggregate loss in the Montgomery County tax base in 1965 is estimated at $83 million, while the loss to Prince George's County totals $59 million.

[4] Thomas Muller, "Implicit Grants to Property Owners at the Local Level—A Case Study," in Kenneth E. Boulding and Martin Pfaff *Distribution to the Rich and Poor*, Wadsworth Press, 1972.

[5] Thomas Muller, "Fiscal and Land Use Analysis of Prince George's County," Volume I, Doxiadis—Systems Development Corporation, December, 1969.

[6] *Washington Post*, March 7, 1971, William Gullet asked for a 10 percent tax on the value of rezoned land, the County Council, a twenty percent tax regardless of the type of zoning granted.

STATEMENT SUBMITTED BY MRS. WILLIAM L. BALFOUR, FIRST VICE PRESIDENT OF THE BALTIMORE LEAGUE OF WOMEN VOTERS

The League of Women Voters of Baltimore City is not at this time prepared to make a statement in support of the property tax; however, we have serious reservations about some of the alternative revenue sources being proposed. We agree that the property tax as presently administered is burdensome to the poor and to those with fixed incomes, and that it too often tends to discourage maintenance of and improvement to property, but we urge that you consider methods of making the property tax more equitable before abandoning it as a major source of local revenues. The League favors reforms which would provide for

1. more uniform assessments; 2. simplification of assessment procedures; 3. making the process more self-enforcing.

We also feel that a properly administered property tax can be a useful tool in encouraging optimum land use, and in enforcement of progressive planning and zoning.

In reality, the property tax is two taxes, one on land and one on improvements. In 1966, the Baltimore League urged that the city investigate a method of real estate taxation in which land value is emphasized over improvements. Tax symposia in recent years have examined the property tax as a source of revenue and have suggested that at present this source of revenue is poorly utilised by most governments. They often suggest that land and improvements ought to be taxed at different rates. The land, an asset that cannot leave its locality, should be taxed at a higher rate than improvements: the more centrally located and valuable the land, the higher the tax. Improvements, on the other hand should be taxed at a rate sufficiently low to encourage builders and utilizers of the land. This is primarily recommended for use in urban areas to insure highest and best use of city land. In outer areas, where green space or other use is preferred, tax rates could be adjusted to encourage the desired usage, such as the present low rate enjoyed by farmers.

Under this system, unimproved lots or obsolescent buildings on high value land would be too expensive to hold for slums or for speculative purposes. The economically-minded utilizer would be rewarded with tax rates on his improvements low enough to make the improvements profitable, rather than the object of a punitive assessment, as is too often the case at present. The city of Pittsburgh has been using this system for fifty years and finds its effective. Southfield, Michigan, outside of Detroit, has also employed a similar plan with great success.

The League recognizes the vital importance of a Master Zoning Plan to this type of tax assessment.

The League of Women Voters of Maryland has a position in opposition to increases in the sales tax which would make it more regressive, and favors increased use of a graduated income tax as a revenue source at the state level. We have not seen President Nixon's proposed legislation on a value-added tax, but we question whether this *type* of taxation will bear any less heavily on the poor and those with fixed incomes than the property tax now does. We also wonder how this will affect the ability of U.S.-manufactured products to compete with imports—will it further complicate our already difficult tariff situation?

Another question we must ask is how revenues collected at the federal level will be distributed. Will areas which carry more than their share of the burden of population—the poor, the old, the ill, the very young—with resulting higher need for services, receive a proportionately higher share of revenues?

The League is presently considering the question of whether the state should assume the total fiscal burden of education, and if so, how they should pay for it. One suggested source of revenue is state assumption of the industrial property tax. Because of competition among subdivisions for industry, much industrial land is apparently grossly underassessed. Statewide taxation of industrial real estate would provide an equalizer and enable higher assessments. The amount of local revenue lost would evidently not be significant at least in the city of Baltimore, and certainly not when weighed against the cost of education.

The major problem of redistribution of our fiscal resources seems to be that, no matter which tax method is applied, those areas least able to raise revenues often have the highest need to provide services. Nobody likes to pay higher taxes, and the property tax, partly because it is highly *visible* (as opposed to a value-added tax which would be hidden in the purchase price of an item) is much under fire. But because it is based on land values, it *can* be applied progressively, thereby redistributing the burden more fairly on those better able to pay. It also provides an urban area such as Baltimore, which has a high assessable base and a fairly low per capita income with a steady and predictable source of income which is not dependent on the whims of state legislatures or Congress, and which can be used as a basis on which to finance capital projects. Finally, the property tax may have unrealized potential as a tool for encouragement of sound land use, when coupled with wise and comprehensive planning and zoning.

REMARKS OF MR. GEORGE C. FREEMAN, DIRECTOR OF THE WASHINGTON BUREAU OF THE BOY SCOUTS OF AMERICA, IN A LETTER TO SENATOR MATHIAS

I have reviewed S. 2554, S. 992, and S. 632 all designed to bring about more intelligent planning of land use especially as it relates to the environment.

Mankind can well be at the fork in the road to his environmental future. One road leads to a better environment for living through man's mastery of his own technology; the other just could lead to gradual extinction of life on earth.

Even though Boy Scouts have traditionally fostered conservation, our present concern

is such that in 1971 we launched a national good turn called Project SOAR (Save Our American Resources). The program was so successful that we are continuing it in 1972, and the Girl Scouts are joining us.

While the B.S.A. does not attempt to influence legislation, certainly we would applaud in principle any intelligent effort to deal more kindly with our environment and with our dwindling land resources.

One long-time scout leader once said if we, as a nation, do not make wiser use of our land "the day will come when a boy can't find a gully to spit in.

We wish you well and appreciate your interest.

COMMENTS OF MR. VLADIMIR A. WAHBE, SECRETARY OF STATE PLANNING FOR MARYLAND, IN A LETTER TO SENATOR MATHIAS

I am encouraged by your concern for the need of comprehensive state land use planning, for I feel that the states should play an important role in determining the ultimate development, utilization, or conservation of its land resources. Although local and regional jurisdictions have a traditional and legitimate interest in land use planning, Maryland has become more deeply involved, lending a perspective to planning not otherwise considered. There are many important justifications for an increased state role. Included among these are the increased contributions or total assumption of responsibilities once considered local functions, and the magnitude of costs required to provide public services and facilities and the need to optimize their use, while simultaneously discouraging waste and reducing duplications. I would suggest that federal land use legislation require the state's planning department or its counterpart, where they exist, be charged with the responsibilities of the act. This would assure an interdisciplinary and integrated planning effort.

As you are probably aware, the Maryland Department of State Planning functions as the Governor's staff agency in planning matters and is charged with preparing a balanced, integrated program for the development and effective employment of the natural and other resources of the State. I would like to take this opportunity to outline some of the ongoing land use planning activities of this department.

At the request of the Governor, we have drafted an Executive Order, directing the Department of State Planning to prepare a Generalized State Land Use Plan and associated policies by December, 1973, to be followed by regulations, incentives and procedures to implement the plan. The suggested Order directs all departments, agencies, commissions and other organizations to assist to their fullest ability and requests the cooperation of all other public and private agencies, jurisdictions and individuals. The Department is to include among other items—

(1) an analysis of the consequences of existing State, regional and local plans and policies which influence land use.

(2) those natural features and processes which establish land use suitability, capability and environmental sensitivity for various uses.

(3) consideration and protection of historical, cultural, ecological, recreational and aesthetic resources.

(4) an analysis of the land use influences posed by supplying utilities, transportation networks, and other public services and facilities and the development of techniques to employ these elements in guiding land use.

(5) development of standards for public services and facilities and methods of assuring their implementation.

(6) existing and projected population levels, characteristics, densities, and distributions, including alternative arrangements; the amount and distribution of various types of dominant land uses, projection of future land use requirements, alternative allocations of future land use.

The Department of State Planning had previously identified the Lower Eastern Shore of Maryland as a pilot area in testing certain techniques to be used in developing the State Generalized Land Use Plan. A comprehensive inventory of natural and physical elements was compiled and the information has been graphically illustrated on transparent acetate which is overlayed on a geographic base map. By manipulating the overlays specific areas with development constraints or potentials (natural, environmental, or socio-economic) can be identified and appropriate policies formulated for their proper utilization or preservation. A few of the elements that we have mapped in this manner include soil suitabilities for sewage filter fields, agriculture suitability, groundwater aquifer recharge zones, transportation networks, and local water, sewerage, and general plans. Even this preliminary analysis has identified numerous inconsistencies between plans, development, and land use suitabilities.

As you are aware, the Department has requested funds from NASA for participation in the Earth Resource Technology Satellite Program. The information and techniques developed from this demonstration project will be applied to the development of the Generalized State Land Use Plan. We anticipate realizing many benefits from using the latest technology, including increased cost effectiveness while providing detailed information in a timely manner.

Additionally, the Department has prepared the Maryland Outdoor Recreation and Open Space Plan, the Maryland Historical Preservation Plan, the State's Housing Element, technical reports on the management of Maryland's wetlands, the Chesapeake Bay, and inventories of natural areas, groundwater aquifers and mineral commodities which relate to the State's land resources. These plans, reports, and inventories are elements of the State Land Use Plan.

If the Department of State Planning can be of assistance to you, please contact me.

NEW HAMPSHIRE CIVIL AIR PATROL ONE OF THE COUNTRY'S BEST

Mr. McINTYRE. Mr. President, I have always been proud of the New Hampshire Civil Air Patrol and the role they play in national defense. Particularly in these times when it is not unusual for people to detach themselves from national involvement, it is gratifying to see the people of New Hampshire support a national organization to the extent of making their State's CAP the third best in the country. I know it is moving towards first in the Nation.

I ask unanimous consent to insert in the RECORD at this point a memorandum to the citizens of New Hampshire from Col. Donald R. DeFoe, commander of the New Hampshire Wing, Civil Air Patrol, concerning activities of the New Hampshire Civil Air Patrol for most of 1971.

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

CIVIL AIR PATROL ACTIVITIES, JANUARY-OCTOBER 1971

The Civil Air Patrol in New Hampshire was rated third best in the country by the CAP National Commander in 1970. We are striving to be the *best* in the country in 1971 and our mid year evaluation suggests that we are on the way. In the area of communications capability, New Hampshire was best in the country in 1970 and continues to hold that position.

During 1971, thus far, New Hampshire Civil Air Patrol has engaged in five U.S. Air Force directed Search and Rescue missions. These missions represent 385 aircraft sorties; 573 aircraft flying hours and 829 man days by trained personnel. A conservative estimate of the dollar value of this participation is in excess of $50,000.00.

The Civil Air Patrol in New Hampshire is made up of 672 adults and young people who devote much of their time and treasure to improving their ability to contribute to the safety and security of their society. Of the 432 senior members of the Civil Air Patrol, 181 are pilots—nearly one third of all the registered pilots in the state. Our 240 cadets—between the ages of 13 and 18—learn and practice the values of self discipline, social responsibility and moral leadership. In 1971, forty six of our cadets attended a ten day encampment at Grenier Field; one went to South America, four have learned to fly, two have attended an Officers Training School, four have lived for a week in a hospital doing the jobs that need to be done in the emergency room, the laboratory and the operating room. A hundred are learning and practicing the field skills that save lives in the rugged New Hampshire mountains.

The number one mission of New Hampshire Civil Air Patrol is to voluntarily use its resources to meet emergencies. That it performs this mission is indicated by its action in the search and rescue missions and by such things as its response to the Keene Police Department request for aid in the search for a missing child; its response to the request from a Nashua trucking company to look for a stolen truck trailer; its aid to the Hillsboro, Francestown, Bennington Police and Fire Departments in the search for a mentally retarded man in the woods; when the Hooksett Police sought help in protecting the site of an aircraft accident in Auburn on October 8th, CAP responded with seventy-five man hours of organized, trained assistance.

What are the resources of Civil Air Patrol in New Hampshire? People of course. Four hundred and thirty-two seniors and two hundred and forty cadets. But these are not ordinary people, these are people who train and prepare to serve. In the past year they have devoted their own time and money to fly over eleven hundred hours learning how to search. They attend unit, state and national training schools, they conduct training with Civil Defense Agencies and they submit themselves to *Federal* evaluations of their training progress and their capabilities. On October 9, the U.S. Air Force awarded New Hampshire Civil Air Patrol its highest rating for Civil Defense capability. On October 16, New Hampshire received the highest national recognition for its search and rescue capability. This last recognition was particularly meaningful because it was managed by some of the thirteen Civil Air Patrol members who graduated on October 2 from a regional Mission Coordinator's School.

Other resources include the forty-seven vehicles, mostly special purpose and all in excellent condition. Two injured people rode down from Sharps Mountain on a CAP Weasel on September 21; no other vehicle could have helped them.

We rarely need to use our seventeen mobile generators but when we need them they are ready—with trained operators—to provide power for communications, or to save a million gallons of milk.

Communications is the key to the effective use of resources. In all the Civil Air Patrol in all of the United States—including Alaska, Hawaii and Puerto Rico—New Hampshire communications are the best. New Hampshire has forty-three new, single side band land stations; twenty new, single side band mobile units; seventy-five VHF stations in aircraft,

vehicles and fixed locations, and the trained personnel to operate the equipment. On every Civil Air Patrol activity, the CAP Mission Coordinator is in constant contact with all of his people, his vehicles, and his aircraft.

The Civil Air Patrol in New Hampshire owns ten aircraft. Members of the Civil Air Patrol own sixty-eight additional aircraft. These aircraft are not only valuable in searching, they are capable of priceless courier service as well.

No reference to CAP resources would be complete without noting the support of the US Air Force. New Hampshire has a regular Air Force Liaison Officer and his staff; nine US Air Force reservists and the outstanding support of the commander of Grenier Air Force Station. These people provide professional assistance and aid CAP in securing and maintaining much of its equipment.

New Hampshire Civil Air Patrol consists of thirteen squadrons with two more in the process of activation. The membership is a cross section of New Hampshire society, but leans substantially toward the more accomplished and more capable.

The mission of Civil Air Patrol according to the Congress of the United States (36US201–208) is to voluntarily use its resources to meet emergencies, to encourage aerospace education of the general public and to motivate young men and women to ideals of leadership and service through aerospace education and training.

PRESIDENT NIXON'S RURAL DEVELOPMENT MESSAGE

Mr. BENNETT. Mr. President, yesterday President Nixon again emphasized his concern and his commitment to rural America. He has called for increased congressional attention to the problems of the countryside as well as those of the cities. The President's call for action on his proposals of government reorganization and rural revenue sharing are, again, a direct invitation to Congress to act to assist rural Americans in their goal to preserve and improve the quality of life in the countryside.

I am especially pleased with the President's proposal to provide a substantial rural development credit program. This proposal not only involves the Federal Government in a lending capacity, but encourages local private lending institutions to become increasingly involved in the life and responsibility of their own communities. This proposal will provide badly needed funds to rural Americans for farm and community improvements which are badly needed but far too expensive for consideration without new and expanded developmental assistance programs.

The President has also emphasized the need for additional funds for improvement of the rural environment. Preventive action in rural areas, such as the President has called for, will go a long way toward eliminating future problems of the magnitude of those we face today. Conservation is a task which directly involves rural Americans and it is a problem which they are very willing to deal with if they have the means. The President's proposal will give rural Americans and their communities the help they need to work for the improvement of their environment.

Finally, the President has expressed his conviction, one which I share, that the responsibility for rural programs has long been in the wrong hands. The responsibility for local and community programs and problems belongs to those who have to deal with them. Farmers and other citizens of our rural areas who deal with the land and its people and products know their problems and the possible solutions better than Washington ever will. The President's goal is to give the people of rural America the opportunity and responsibility to make their own decisions and set their own plans for the projects which will affect them. There is much room for local leaders and citizens to work together for their common benefit. I am confident of their ability to plan effectively for their own future.

Mr. President, I represent an essentially rural State. Utah has its cities and its urban problems too and we are working with these, but in terms of land area the vast reaches of our State are open and lonely, and sparsely inhabited.

Our small towns are experiencing the problems of small communities all over America, their population is declining, money is not available for community facilities, sewer and water treatment, schools and other necessities. Approximately one-third of our rural counties have been designated as "economically depressed" and eligible for assistance through the Economic Development Administration. These areas, and many like them need the kind of attention and assistance the President has proposed. An attractive and economically active rural America has much to offer all of us, as we attempt to find once again the serene and peaceful life many of us once knew.

I am extremely pleased with the President's new objectives in rural development and I am disappointed that his previous proposals are still awaiting action from Congress. At this point a revitalized rural America is a congressional responsibility. I strongly hope we have the opportunity to deal with these proposals during this session.

IN PRAISE OF FRANCES KNIGHT

Mr. THURMOND. Mr. President, Miss Frances Knight, the U.S. Director of the Passport Office, is unquestionably one of the Nation's most outstanding servants.

As a longtime admirer of this efficient and distinguished lady, I was pleased to read an article about her in the February 1, 1972, issue of the Daily News, Washington, D.C., by Scripps-Howard staff writer Wauhillau La Hay.

Miss Knight, who is Mrs. Wayne Parrish in private life, has greatly improved the U.S. passport system and her office is generally considered one of the best run operations in Washington.

Mr. President, I ask unanimous consent that this article entitled "She Has Passport No. 1 and Runs a Tight Ship" be printed the RECORD.

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

SHE HAS PASSPORT NO. 1 AND RUNS A TIGHT SHIP

(By Wauhillau La Hay)

Frances Knight holds U.S. Passport No. 1. On it is a flattering picture.

Nobody else can make the first claim and few can make the second.

Miss Knight, director of the Office of Passport Service, is well acquainted with that old gag: "If you look like your passport picture, you really need a trip." So she had her pictures specially made.

"Sure, I've got No. 1," she says with an impish grin. "Otherwise, can't you just picture all the big shots in Washington who would be tearing their hair for that number?"

Controversial Frances Gladys Knight, who is Mrs. Wayne Parrish in private life, has been a thorn in the State Department's side ever since she was put in her present position in 1955. She calls a spade a dirty shovel, says "creeps are out to get me," doesn't hesitate to name names, hates bueaucracy with a purple passion—and keeps her job.

A SUPERB JOB

The truth is she does the job superbly and doesn't want any interference from what she calls "passport-expert-management-type characters."

Since 1955 she has cut down waiting time for passports from approximately six weeks to three days—less for special cases. She has simplified applications from three legal-size pages to one letter-size page.

Passports no longer bleed green on hot tourists' hands. They are now made of washable plastic.

They've been slimmed down from 48 pages to only 20. Many technical changes, most resulting in time and money savings, have been made.

The size of Miss Knight's department is indicated by the fact that more than 8 million valid passports are outstanding. Last year 2.4 million brand new ones, not renewals, were issued.

In 1955, she took over her new domain, then located in the Winder building across the street from the executive office building. Just 520,000 passports had been issued that year. In the basement, used as a prison during the Civil War, she found a million unified documents. Many of them were requests for passports.

Miss Knight started to clean house. She went to Capitol Hill to plead for funds to run a more efficient office. She cultivated the House and Senate. Today she has a special telephone line to take incoming calls from legislators.

"I'm on first-name terms with most of them," said Miss Knight. "They ask me questions and I say to them, 'Boys, these are the facts. If you don't like 'em, look into 'em. If you like 'em, give us a pat on the back.' "

The "boys" on the Hill usually respond by giving the slender, strawberry blond woman in her mid-60s, a pat on the back.

At the State Department, a discreet silence is maintained. She has tangled with almost everybody, from secretaries of state on down. At one point in her tenure, she was criticized for not giving passports to avowed Communists. Then a Supreme Court ruling came along which said she should.

The next thing she knew, a congressman was blasting her for going out of her way to give passports to Communists.

"I just do what I'm ordered to do," was Miss Knight's response. "They make the laws and I follow them to a letter."

PASSPORT TO THE MOON

Passports come in blue (regular) black (diplomatic) and maroon (official), and the only person in the United States who doesn't need one is the President. Everybody else does and that surprisingly includes Astronauts.

"To the moon? Sure!" She laughed. "Who knows where they're going to land? The Astronauts have official passports. Maybe someday a little Martian will come up to one and ask for identification!"

There's a "lookout file"—a list of names of persons who can't get passports. These fall into three categories:

1. Persons who have lost their citizenship for one reason or another. This would include

expatriates and persons wanted by the government.

2. Custody cases. Sometimes a husband or wife will want to spirit a child out of the country. The passport office steps in if a court order forbids the transport of the child.

3. What Miss Knight calls "welfare cases." These are U.S. citizens who have been stranded in another country and go to the consulate for payment of incurred bills and transportation back to the United States, then fail to repay their debt.

The job is taxing. "I'd be completely neurotic if I didn't have an out," she said. Her "out" is her ultramodern, windowless house on diplomatic row in Washington. It is filled with an amazing collection of art—paintings, sculpture, carvings, glass, papier mache, idols, masks, mobiles, Limoges, 16th Century triptychs.

Wayne Parrish a multimillionaire aviation expert, collects most of it, and Miss Knight cleans and repairs and restores art works in her own studio workshop.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the House had passed the following bills of the Senate, severally with amendments, in which it requested the concurrence of the Senate:

S. 748. An act to authorize payment and appropriation of the second and third installments of the U.S. contributions to the Fund for Special Operations of the Inter-American Development Bank;

S. 749. An act to authorize U.S. contributions to the Special Funds of the Asian Development Bank; and

S. 2010. An act to provide for increased participation by the United States in the International Development Association.

The message also announced that the House had passed a bill (H.R. 5586) for the relief of Vito Serra, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 5586) for the relief of Vito Serra, was read twice by its title and referred to the Committee on the Judiciary.

EQUAL EMPLOYMENT OPPORTUNITY ENFORCEMENT ACT OF 1971

The ACTING PRESIDENT pro tempore. Under the previous order the Chair now lays before the Senate the unfinished business, S. 2515, which the clerk will state.

The legislative clerk read as follows:

S. 2515, a bill to further promote equal employment opportunities for American workers.

The Senate resumed the consideration of the bill.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

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

The legislative clerk proceeded to call the roll.

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

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

Mr. ALLEN. Mr. President, the bill before us seeks to enlarge greatly the power of the Equal Employment Opportunity Commission in its field of operations. It does not change the law in any particular whatsoever with regard to unfair employment practices, practices which constitute discrimination. It does not change the law with respect to the basic, fundamental, and substantive rights of all our people to have a fair and equal opportunity to obtain employment, where employment opportunities are available.

These basic laws and rights remain the same, and I am sure that there is no quarrel whatsoever by a single Member of this body as to the right of every person in this country to have an equal and fair opportunity, without discrimination against him or against her, to obtain employment if employment opportunities are available. But, Mr. President, this bill does not create one single job in business or industry. All it would create would be the need for hundreds more of bureaucrats harassing business, industry, and employers throughout the country. It does not open up jobs. For every job that is obtained by a person against whom discrimination has been alleged, it would result in somebody else losing a job. So no jobs are going to be created, and every person concedes the right of each person in this country to have the right to go in life just as far as his ability and his ambition and his efforts will take him.

What is involved here, Mr. President, therefore, is not changing basic and fundamental rights. It changes the field of operation, the scope of the work of the EEOC, bringing under its jurisdiction tens of millions of additional employees, bringing for the first time under the scope of its operation employees of States, counties, cities, and agencies of States, counties, and cities, bringing under its operation for the first time every educational institution in the entire country. That would include colleges, universities, private schools, public schools, church-supported schools. Every type of educational institution would be covered.

It would also, Mr. President, for the first time give to the EEOC enforcement powers for its orders, edicts or decrees. When the EEOC was set up some 7 years ago, in 1964, it was contemplated that this bureau, would perform conciliation type services, advisory services, investigatory services, settlement of disputes between aggrieved employees and their employers. And I am sure that many constructive results have ensued from the operations of the EEOC. But this bill would extend to the EEOC not only the power to receive complaints, to investigate complaints, to seek to settle those complaints as between the employer and employee, but it would give the Commission, through its general counsel, the authority to file complaints or charges back with the Commission itself, so that the Commission is not only the recipient of the complaint; it is a jury, it is a prosecutor; it is the judge. What sort of due process is that, Mr. President?

Here is a mammoth Federal agency reaching out to become bigger. That is the type of ailment or condition that seems to be built into all Federal agencies and bureaus—the desire to be more important, the desire to have more employees, the desire to have more power. That is what the EEOC wants to do. It is reaching out for greater power. It wants to become more important. The work it has been doing for the last 7 years is not important enough to satisfy the EEOC. Why, it has built up a backlog of cases that they say will take 18 to 24 months to get to, and they say they anticipate that they are going to have 32,000 complaints filed this fiscal year ending June 30, and they anticipate 45,000 cases in the next fiscal year. That is even without amending the law and bringing in the tens of millions of additional employees. So they have plenty of work to do, Mr. President, without taking on more work.

Mr. President, it is rare that individual Members of the Senate have the opportunity that they have with respect to this bill—to strike a blow against mushrooming Federal bureaucracy, to strike a blow against the great increase in size of the Federal establishment, to strike a blow against the Federal Government's becoming an all-powerful government, to strike a blow against harassment of our citizens, our businesses, our industries.

How often have you had the complaint, I ask my colleagues in the Senate, from your constituents, "Well, the Government is getting too big. It is spending too much money"? Here is an opportunity to require the EEOC to stay within the bounds that Congress has given it and under which and within which it has operated for the last 7 years.

I assume, Mr. President, that the members of the EEOC, when they have gone to the Appropriations Committees of the House and the Senate to make their case for appropriations—I am not a member of the Senate Appropriations Committee, but I know without having been there that when the representatives of the EEOC have come in to request an appropriation—and I am sure the request gets bigger each time—they have not told the members of that committee, "Gentlemen, we are not performing a worthwhile work over there. We are not accomplishing anything. We do not need any money to carry on this Department, because it is not doing any good."

They have over 1,000 employees, and it has been brought out on the floor here that they have more than 300 volunteer employees, who are so interested in this crusade, if it can be called that, that they volunteer their services to work for this Commission. I dare say the EEOC is claiming before the Appropriations Committee that it is doing a good job and has done a good job during the 7 years of its existence.

Mr. President, I submit that the proponents of this legislation are reaching out for more power. They are reaching out for more enlargement of their functions. They are reaching out for a greater increase in the Commission's role than can be justified. They are not content to ask, in the bill before the Senate, that

the powers of the EEOC be extended to States, counties, and cities and agencies of the States, counties, and cities, and to all educational institutions. They are not satisfied to ask that the required number of employees to put an employer under the jurisdiction of the EEOC be reduced from 25 down to eight. They are not satisfied with that. They are not satisfied to have transferred from the Justice Department, as they seek to do in this bill, the pattern and practice suits which the Justice Department now has the authority to file against an employer who is not guilty of just isolated instances of discrimination, but who has followed a pattern and practice of discrimination. In those cases, the Attorney General or the Justice Department can bring proceedings against employers and the court will require that the employer change its pattern and practice with regard to its employment practices. They are not satisfied to have that power transferred to the EEOC.

They are seeking the power after having received complaints, investigated complaints, and filed charges on complaints to judge those complaints reach a decision with regard to the complaint and enforce that decision. Therein, Mr. President I submit that the proponents of this measure have asked for more than they should have asked for and more I believe than the U.S. Senate is willing to confer upon the agency.

Mr. President, without disturbing any of these provisions to which I have alluded other than the decision and enforcement power, not disturbing the extension of power over educational institutions and over local governments, and increasing the Commission's jurisdiction by cutting the required number of employees from 25 to 8, but simply on the issue of requiring the EEOC, after receiving complaints and investigating complaints, to file charges, not with itself as having predetermined the case, but with a Federal district court. Mr. President, I daresay that if that amendment had failed by the narrow vote of 48 to 46—this bill would have passed the Senate last week.

But we have a case here where a bureau or agency of the Federal Government is seeking too much; and having sought too much, and shown no willingness to compromise on this basic and fundamental issue of not depriving a person of his rights without due process of law, it may well follow that there will be no bill at all.

Mr. President, I could discuss this matter further at great length, but I see my distinguished colleague the Senator from Mississippi (Mr. STENNIS) in the Chamber, and I know that he wants at this time to speak on this amendment and on the bill.

For that reason, Mr. President, I am going to yield the floor and continue with my remarks at a later date. I am delighted to yield the floor at this time so that the distinguished Senator from Mississippi may address the Senate.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, what is the pending question before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 813) of the Senator from North Carolina.

Mr. STENNIS. As I understand, there is no agreement as to the control of time, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. STENNIS. I thank the Chair.

Mr. President, I am not going to attack the agency of the Government that will administer this bill if it passes, and that is administering the subject matter under the present law. I attribute to them the good intentions that I think go with almost all officials in their position, or in any public position. Certainly they do not intend evil. But I am going to address myself to the proposition of just where we are going now with reference to this matter of extending the power of the Goverment, of this agency or any other agency, and just how this process affects the so-called little fellow, the man who is out there scrambling for a living.

I mean every word of this. I am thinking of people I personally know, and people that I find in other areas of the country.

I am looking at this bill from his viewpoint. I am talking about the little fellow who has a small plumbing shop, a small radio shop, a small used auto parts business that he has built up himself from scratch, so to speak, or anyone else who has to work and scramble for a living and plan from day to day and year to year, who tries to accumulate a little something beyond a mere living in order to be able to take care of the growing needs of his growing family, who is looking forward to the day when they will be in high educational levels, depending on them for support.

I am thinking of this little fellow, who has to scramble around and pay taxes and share with the Government, percentagewise, far too much of his earnings, as I see it—not only the Federal Government but also the State government, the town government, the city government, and all the other levels of taxation under which he works, to which he is subjected. I am thinking of the little fellow who has to produce in order to meet his obligations, to meet his rent, if he does not own a little shop building, and meet all his other obligations.

I am ashamed to admit it, but I know that times have already created conditions in which a great many of the workers—I am not referring to any particular group or class—now do not have a sense of pride of achievement that people had when I was a boy and a young man and in my early adulthood. That sense of pride is not there—the sense of pride in getting a job and holding a job and getting some promotions.

A man who was operating a very creditable small factory said to me 3 or 4 years ago:

> People used to say to me, "I need a job. I'll be a good man for you. I want you to give me a chance. I'll give you the very best I have, and I'll try to earn promotion."

But times have changed so that they come by now and say, "How much do I get?" They do not ask the details about what their duties are going to be; just, "How much do I get?"

I am not demeaning the people, and I am not bemoaning the times. I have not lost faith in humanity or in our system of government, or anything like that. But I think we ought to talk more about conditions as we find them in the affairs of life.

I think some of this indifference is caused by the affluent times—not only the affluence of the times generally but also the affluence of jobs. Except in certain areas of the country, it is very easy to get a job. A person walks off one job and walks right into another.

I think part of the problem also is due to the fact that many people have this attitude: "Well, the man who employed me is afraid to fire me. He is afraid to punish me in any way. He is afraid to demand more. He is afraid I will leave, and he is afraid that I can retaliate or the organization I belong to can retaliate." But, even worse than that—there is some truth in it—he thinks he can get an agency of the Government to pounce on his employer, who has given him a chance, and have him rigged up and brought up before a court or even, under this bill, before a commission, to give an accountability as to charges that may be spurious.

I have never had any business experience. I am not a businessman. I have never been an employer. But I have done a great deal of work. As a young man, I had positions of responsibility and operated everything from a service station to a drug store, if I may be that personal; and I know something about the responsibilities of meeting bills at the end of the month, and I know something about the problems of people who are working for you.

When I was a young man, people had great pride in their work. They gave a real day's work for a day's pay. I would be totally lost in undertaking a job of that kind now. But I merely refer to that. I am the very opposite of an expert, but I know something about human nature, because I have lived a good while and have come in contact with many, many people, and have been in public office a long time. If I do not feel responsibility to the people who elected me, I am not going to be a good officer; and if I am working for someone to whom I do not feel responsibility, I am not going to be a good employee.

So, putting together what we are doing and what we have done, the State governments, the city governments, and now the Federal Government, are making too many people feel virtually independent of their employer, as I see it, and are killing within them the fine, individual characteristics of pride, responsibility, and obligation that used to be—and still are—in the minds of many people. But it used to be, across the board, one of the great strengths of our truly great American system.

I am concerned about this trend. I could enlarge on my feelings about the taxation that is eating into the very vitals of the little fellow I have been talking about. I use the word "little" not to refer to his mind or his dignity or his sense of honor or anything like that. He

is big in those respects. But he is a small operator.

In spite of the good faith of the present Congress and the present administration and everyone else, I think we are getting to a field of deficits in our Government that is becoming unmanageable. That is relevant to the little businessman or the little shopkeeper with respect to the problems he is facing. I think we ought to be centering more on the big things that are going to affect his future.

But, to return to the amendment: This amendment merely provides that—if adopted—it would leave the law, with reference to the extent of the coverage of the present law we have on the subject, at 25 employees; whereas, the bill would reduce it to eight or more.

I have no doubt that when this bill was originally passed, 25 was put in as the bottom, and they were not going to reduce it beyond that. The proposal now is to reduce it to eight or more, and there will be another proposal to reduce that. But whatever the level is now, the little man I have been talking about has his neck in the halter.

It may not apply to him today, but it is creating an atmosphere, a precedent, a bureaucracy, and a control of everything that these people are trying to do. The business that they are trying to run will be controlled by laws of this kind. We know, too, that bills are passed here, with every one of them to be considered on its merits. That is theoretically possible, but as a practical matter it is observed more in the breach than it is in the fact. I have always thought and said that the people I represent could live with and perhaps put up with any law that applied uniformly throughout the Nation, but here we are in a category where we can hardly apply it uniformly throughout the Nation. We cannot even put it into effect uniformly as to these little businessmen and little shop keepers.

The big man with all his resources, the corporate enterprises, the large companies, with their capital, with adequate funds with which to employ talent in the legal profession, for instance, and in management, and so forth, have a much better chance to meet obligations which might be imposed on them by a law like this. It is so obvious that we do not even have to argue it but just mention it to be convincing in that field. We have illustrations all over the country of little businesses and little shops closing up and going out of business due to harassment, because of requirements and demands made on them which they cannot meet. They cannot put up with a running battle with the Federal Government all the time. What can a little fellow employing eight persons do? How can he cope with the Department of Justice? How can he cope with the people in the community who are, in effect, his own employees who are suing him? What resources does he have to carry on these battles? He does not have them, of course.

There is no public defender that will take care of him, no government attorney going around over the counties or into the towns or through the countryside that will help him out that I know of or have ever heard of, for that matter. It is just the "easy one" that has to carry the load, endure the threats and, the harassment, and be brought into court. I will have to correct that term, because they will not be brought into court because the bill, as presently written, will not let them be brought into court but to the commission, as has been fully argued here already. The commission will have the power to make its own investigation and its own determination, in advance, as to whether charges should be filed, or this or that man should be brought to accountability. Then they have the power, after they have investigated, to hear the evidence and to decide it, to reach a conclusion and to make a judgment—so to speak, to make a legal order. Think of that, to make a legal order.

That order and that enforcement represent a cease and desist order that we have argued about. That means, "If you do not do what we say to you, we will lock up your shop and we will put you out of business."

People who have never been up against the hardships of life, and do not know this problem from a practical standpoint, may just take this as a matter of course and think nothing about it. I hate to refer to myself, but I have had some experience in that field. I was a district prosecuting attorney for 5 years in a district that kept me busy day and night in courts of unlimited jurisdiction, all the way from murders and rape and other associated grave crimes on down.

At that time, I would not have thought of holding that position if I had to be the one to pass on my own work, to decide the question of guilt or innocence of persons charged with crimes when I was prosecuting them, or that I was going to have to pass sentence on them if they were found guilty. That would have been unthinkable to me. It is contrary to all the precepts of our common-law system. It is contrary to common sense and logic. It is contrary to almost every legal system, much less the juris-prudence of our American system of justice.

I suppose they would justify it under the law of necessity, but in an industrial age there is no necessity to get down to the little shopkeeper who employs only eight or nine persons. It is ridiculous to talk about it being a necessity, and I say that with all deference to everyone. But the idea has been adopted here that it is necessary to bring this little group of businessmen in under the Commission rules.

When I think back over a lot of cases, large and small, that I had to handle and represent the State in, during those 5 years as a district prosecuting attorney, I realize how far that would have been from my idea of what was just and right—much less passing on my own work.

If I may make one more reference to that experience which is related, I later became a judge and had to pass on legal and punishment matters if they were criminal cases. I tell you right now, Mr. President, it is a serious matter, in a civil suit, to have to sign a decree that would take a man's homestead away from him and turn him and his family out in the cold; or for a judge to have to sign a decree when he has heard testimony on the admissibility of evidence in that same case, and there may have been some close questions, and he had to make rulings very quickly sometimes; every few minutes, and whether to admit or reject certain testimony, when maybe the decision I made determined the way the jury decided the case.

I tell you, Mr. President, it is no fun to have to sign a decree that would take away a man's property, much less his homestead—and much less to pass on matters that would send a man to prison for 20 years or for life.

But that is what this Commission will be doing. It will be passing on these cases. It will be the judge, the jury, and the executioner. It will have virtual power of life and death over these little shopkeepers—that is what it is.

The large companies, the big ones, they will have the money to employ the talent at least to defend them and meet the situation, but those with less resources cannot afford it. They are going out of business everywhere because of frustration or discouragement or the necessity to pay unwarranted expenses or through lack of efficient workmen.

The workmen seem to think they have the advantage. One does not have to imagine these things. He can go down here in these shops and stores and stand around awhile and see the kind of treatment the customers get compared to the treatment they received 15 or 20 years ago. I am not referring only to Washington. One can go almost anywhere in the country and observe this. Just my idea of human nature makes me believe that bills such as the pending bill and the other conditions I have alluded to create those conditions.

We hear talk about the times and the the youth and the fact that the youth are no worse than any other youth group has been. We hear it said that they are the victims of what we adults in a large way have let happen or have caused to happen and thus create these conditions. We do not call for the discipline, for the responsibility, and for the pride that we had in years past. We can build that up, but we are going in the opposite direction when we just keep passing one bill on top of another and putting, as a Government remedy in the bill, the things that the Government cannot do.

The Government cannot furnish the answer for most of the things about life, much less the hard things. I believe the most harassed person in America today is the small businessman, the small shopkeeper, the small storekeeper, or the small garage owner or operator. We are calling on those great hordes of people to pay these enormous taxes. We even tax charwomen that make their living down on their knees scrubbing floors. We reach in and—the States do, too, most of them—and take out a part of their earnings and put it into the great Federal Treasury to pay off these enormous appropriations that we make here. It is all right for them to have some responsibilities of Government. However, when they have to dig into their pockets and get their money to pay for it when they are making a bare living, it is going a long ways to bear down on them in that way.

The small operator, as I have said,

cannot afford to have enough staff people to keep him informed of everything that all the governments expect of him. There are not enough hours in a day for him to be able to figure out all of this for himself.

I am not just thinking up anything here. This comes to me through the mail. Anyone can walk down the streets of the city and stop and talk to people who want to tell him about these things. He will find out that these are the facts of life.

In recent years there has been a steady infringement by these regulations and Federal requirements on the affairs of these average people, the average businessmen, the men who are responsible in every way. They tell me that they are reaching the point where it is becoming impossible. They are reaching a stage where even the most well-informed individual cannot be conversant with every one of the Federal regulations that he is expected to obey.

I know people who are not under this law. However, they still get a lot of this literature and all the mail that comes in. They do not know what to think. Any Member of the Senate can judge from the volume and the nature of the mail he gets from his constituents just how many citizens are already bewildered by the maze of bureaucratic processes that enter their lives.

They are not sure what is expected of them. They are thwarted in their effort to accomplish legitimate objectives. They receive conflicting instructions from different agencies and sometimes from the same agency. They suffer inequities that sometimes take Members of the Congress weeks to get straightened out for them. And that is only done after volumes and volumes of letters and exchanges of memoranda have passed back and forth through our own busy staffs.

Mr. President, I know that from experience. After all, we do not begin to touch more than a fraction of 1 percent of the people, our constituents, that are the victims of these same errors and these same practices.

These agencies come before the Appropriations Committee, and I have the privilege of being on that committee and of serving on several of the subcommittees. I know how from time to time an effort is made to get into these matters and to get them worked out.

I find that the men who come up to Capitol Hill—and they are competent people—do not know and do not realize all that is going on in their own departments.

Somewhere these matters are going to become really intolerable, and it will be one of the weights that will help to break the back of our system of government.

The loads they have to carry contribute to the frustration, the hopelessness, and the downright fear of so many of our people who, as I say, have to think every morning when they wake up—and it is the first thought in their minds—about making a living for their families.

We will affect so many of these people that it will undermine part of the main structures of our system of government.

This bill would not only vest cease and desist powers in the Commission, but, as I have said, it would make them applicable to a business with as few as eight employees. This is talking about a small business which is without assets or capability to cope with the legal and administrative tangle that can be thrust upon them arbitrarily by the Commission and its employees.

With all respect to everyone, I cannot believe that the committee gave the fullest consideration to these people that live out in the villages, the little towns, and the communities. How in the world are they going to cope with the rules and regulations of such an agency?

There are counties in this country now that do not even have a doctor, much less a competent lawyer that would be available to represent these people. And if they do have such a man, he would have to charge a fee that most of them could not pay.

The pending bill just closes its eyes to the facts of life. They may have plenty of such men in Los Angeles or New York or elsewhere, but in the great vast, open spaces of this country and the rural areas and the rural States and the agricultural communities—and I am talking about towns on up far beyond what are purely rural areas—the people are just not able to comply with all the requirements of this law.

I mean the little operators. To say that employers of down to a level of eight would have to comply and be subjected to all these restrictions and could not even take the case to court, with all deference to everyone, that is just downright ridiculous. It is a requirement that those people cannot live with.

I wonder how the number eight got into the bill anyway. Who suggested eight? I am not dealing in personalities. Who suggested eight? Did that number come from the commission? Where did it come from? What kind of survey was made to see what were the capabilities of a little firm in a little town, even though it employed only eight persons? What resources does such a firm have? What are its capabilities? How can it cope with the Department of Justice? Of course, it cannot cope with it. I just think that this is a lick in the back. A lick in the back is what it will be to those small business people.

Once such a law is on the books, it will never come off. It will never be possible to get it changed. Those people do not have political strength at the polls. They are not organized. They will never have the political strength to get a law like this repealed.

So let us meet the problem head on if we want to reach down and get all the little people. We will just be running a lot of them out of business—that is, if the law is to be enforced—and will deny them a chance to have their case considered in court. It seems to me that we are depriving them of a tribunal for what is called American justice.

When we get down to a firm that employs only eight, that is truly a very small business, one, as I have said, without the assets and capabilities to cope with the legal and administrative technicalities thrust upon them arbitrarily by a commission and its employees.

What Senator has had time to read and analyze all the terms of the bill, even only the ones that might be applicable to the small employers? I know I have not had the time. I doubt that many of us have had a chance to go through this bill, and not only this bill but other bills that we will have to consider. None of us has the time to go through all the bills that will pile up on us before the time when this legislative year will be over. There is just not a chance in the world for Senators as a whole to consider them. I am sure that the manager of the bill and some other Senators understand it; but many of us who will have to vote on it just do not know what it all means. I have had the privilege of bringing before the Senate bills that the average Senator just does not have a chance to study in the limited time we have in the course of a year to pass on such matters.

My main point is: What about the little businessman who does not have legal talent, does not have a lawyer, does not have special training, does not understand legal terms or the administration of a commission, and does not know what "cease and desist" means. He may find out by experience, but he does not understand it in the beginning. He does not have a chance in the world to know about or understand the fine points. For that reason, small businessmen ought to be exempt.

Take the case of a small businessman who wants to make a start in his business. He may have only a wrench and a few other tools to work on automobiles. He may be able to work himself up to where he can have a little garage and do a good job, so that people will come from miles around to get his services. Why does he have to be put under the provisions of a law that I think was originally designed to apply to situations and problems that are created in cities, where the activities are more impersonal, and employees perhaps have never seen the people they are working for. There is a lot of difference between such a business and the so-called little shops at the lower level.

I simply say that the commonsense of this matter demands justice. Justice cries out. I am not a man given to emotion, but I believe it will be dangerous if we vote to jack the little fellows up and put them in a sack and put them in reach of any commission, not only this commission, but any other commission of this kind.

The small businessman will not have much choice about what he can do. He can go to court and seek justice, or he can submit. If he goes to court, he is going to take with him his money and his personal attention, both of which are more needed in his business. Logically, his inclination will be toward prudence instead of valor, and he will submit and, in effect, surrender. He will be placed in a position where, in fact, he will not have a choice. In other words, the proposed legislation would put him in the hands of the Federal Government, where he will be outweighed. The chances are that he is not going to answer to the court.

That is not justice; it is not equity; it is simply a case of a Federal official, in the name of the commission, issuing ar-

bitrary orders to a citizen. That is what it amounts to.

I go back to the small businessman in the small town. If he and his employees do not get along before there is intervention of this kind, they are not going to get along afterward. It is a personal thing. It is a personal matter. No law that we can pass will give them compatibility or happiness or satisfaction. There never has been any law that would do that in any kind of system or in any kind of country. I simply think we are fooling ourselves when we try to make ourselves believe that at that level, anyway, we are going to help anybody by trying to run his business in this fashion.

The little men in these businesses are not getting rich. They are not getting blood out of a man and filling up their bank accounts with a lot of money. They are barely making a living. I know, because I move among them and I have seen them, and I have seen a lot of life along those lines. He will be put out of business, in one way or another, if he has so much of that to put up with. It will destroy what relationship there is between employers and employees and others who are involved, and so disrupt that business that they will be getting out. That is not with reference to race, color, creed, or anything else—it is just commonsense.

The present criterion of 25 or more employees is not suitable to me, but taking that as a starting point—it is worse in view of the fact that if this bill becomes law apparently the cease and desist orders will still be used—to reduce the criterion now to eight employees is to strike directly at these very small fellows and bring EEOC activities into every village and hamlet across the Nation.

I want to make clear that I am not trying to get them out of doing anything that they should be doing. I know enough about life at that level to know that what they are doing is best for themselves and their employees and is the best for all. I come from a State that has as large a percentage of black people as any in the United States. I state on my own responsibility that I know, in the little place where I live, and other areas of my State, that the black man and the white man and the red man, and the rest, who deliver the goods and work, can get a job, to the extent that the economy will carry. In almost every case, he gets good treatment. In almost every case he will have a chance to get a promotion. There is no question about that. I know, because I have seen it happen since I was a boy and it is still happening that way. There is a desire to get those kinds of people—as I say, to the extent the economy operates in the area.

Passing a law here now is not going to create any jobs and make a stronger economy than we already have. I know people in that area are begging people to do some day work, putting up pine ceilings, for example. They cannot get the people to do that work. They are on welfare. I am not talking about just blacks. There are a lot of whites on welfare. It is so ridiculous to say it is necessary to jump on some fellow because he has as many as 8 employees, because the commission thinks he is not treating all of them right, when they are begging people to come in and take these jobs, to the extent that the economy as it is operating in those areas permits.

So let us not fool ourselves. The law is not going to bring a lot of relief to employees in those businesses where there are eight or more. What part of the country caused this number eight to be selected, and what benefits do they expect it to give? I ask that in the form of an honest question.

I can give names, dates, and places where people who are willing to work, and who have applied themselves, are mechanics, and good ones, in little garages and firms of that kind, to my personal knowledge. Some of them have been there for years. Some of them have branched out and have shops of their own. Some of them are white and some of them are black.

Somebody is trying to act as a doctor who has not been sent for, when nobody is sick, in these little places having eight or more employees. I question seriously the applicability of a provision carrying this number in the law. I do not agree to even the number of 25, but there may be some places in the country where there is some kind of need, or at least facts that would justify some people in believing that there was a need.

As I said the other day, the average little fellow, apart from this bill, is afraid of his own Government. There are so many demands and so many agencies that are advising him of what he has got to do and what he must do that he does not know where to turn. People are frustrated and they are harassed, and I think perhaps it will have to get worse before it can get better, but I have no doubt about what the trend is in large areas of the country.

I know how relieved I was at home at the time—and this was true in other areas of the country—when last August the President came out with the idea of putting a lid on things. I know there was rejoicing in the minds of little shopkeepers and garage keepers and small business men at the position the President was taking, because they felt things were running away with the big fringe benefits, guaranteed income, and all the other things going with the large operator and more affluent people. These people saw that they were left with less and less, and what little money they had would buy less and less food and less and less clothing at the clothing store and less gasoline for their cars, trucks, and pickups at the service station. You are going to destroy the little man you are trying to save, and you will turn all his employees out along with him.

I repeat, the average middle man in this country is downright afraid of the Federal Government, and often the State government. He is afraid of what it can do to him in any given set of circumstances. He cannot, as an individual, cope with the size and power and complexity of the Government, and he is afraid of what it is going to do next without asking him anything about it.

If this bill should become law, then I think it will be a further demonstration that this little man's fears are well justified.

Mr. President, those are my remarks and my feeings on the points that are primarily involved in this amendment. I do not particularly care to hold the floor any longer at this time, if there is someone else who wishes to speak.

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. COTTON. Mr. President, I made a few remarks the other day on this bill, and what I have to say is in a sense repetitious, but will go into somewhat more detail as to the reasons why, as a Senator from New Hampshire, I am so determinedly opposed to this particular measure.

Mr. President, I do not think it can be said that I am in any sense an opponent of civil rights, an opponent of integration, or an opponent of fair and equal opportunity. The State that I represent has no racial problems whatsoever. It was not until I was out of college and came to Washington, as a matter of fact, to work on the staff of a former Senator and go to law school here, that I had any personal contact with some of the problems that then existed and that still, of course, do exist in a measure.

As a young man, when I was in Washington, I rode the streetcars when those of one color had to sit in a certain part of the car and those of another color in another part. I have very vivid recollections of how shocked I was, as a New Hampshire Yankee, at some of the practices. I was here in Washington, incidentally, when a certain Congressman who felt that a black man had been disrespectful or flippant to him on the streetcar drew his revolver and shot him. He did not kill him, but he shot him. The matter was taken care of, I think, by some kind of compromise in police court, and the State from which that Representative came promptly elected him to the U.S. Senate, where he served for a good many years.

I remember later—20 years later—when I came back to Washington in 1947 as a Member of the House of Representatives, being in a sense rebuked or sneered at by a colleague. We were staying in the same hotel, and when we got into the elevator to go to the ground floor, that was being opearted by a black girl, I took my hat off. That was the custom in those days; we do not take off our hats to anyone nowadays, I guess, in an elevator. But I remember the rather caustic comment that was made.

Mr. President, I also recall, as a Member of this body, the early fights over the successive civil rights bills.

I supported them. Indeed, I well remember one of the civil rights measures—Senators will remember that there were three or four in succession, covering different aspects of the prob-

lem—when it was decided by the leadership of both parties that the time had come to break the filibuster, and we were assigned to stay in the Capitol all night. Cots were set up in the old Supreme Court room, and enough Senators to make a quorum were kept on the floor so that the filibuster had to be continued around the clock, day after day, until it was broken. I was one of those who stood by and helped break that filibuster and pass the bill.

But, Mr. President, there is a reaction that takes place when any cause, no matter how just, is carried to an extreme. We have only to read the pages of history to know what happens. It so happens that my ancestors in New England were of Puritan stock. I read with interest how the Puritans rose up and beheaded their king, Charles I. Then came the years of the iron hand of Cromwell during which morals, behavior, and the way of life were absolutely dictated at the point of the sword. When he died, what happened? The reaction took place, Charles II came back, and dissipation to a degree perhaps unequaled in English history took place.

The Puritans came to the New World and settled up in New England. Then they began to make the same rigid enforcement of what they happened to believe to be the proper moral and ethical code. Then came the witch-burnings in Salem. Fortunately, the infant country here outgrew that sort of governmental dominion.

Mr. President, there were other reactions. The excesses that took place in the days of Reconstruction after the War Between the States may well have sown the seed for much of the bigotry and prejudice that followed.

I remember, as a small schoolboy, when my grandfather, who was a veteran of the Union Army in his teens and later became a preacher, used to talk to me about those days in our history. I am sure it will not be offensive to anyone in the Senate if I repeat what he used to say to me. He said:

> The blame for the bloodiest war we ever had in our history can be laid on the shoulders of the southern fire-eaters. But, remember the shame and the stigma of Reconstruction must always be laid on the shoulders of the North.

Those days, when the sword and force were used to take one race and place it over another, resulted in the same thing that happened in the Puritan era. It resulted in a reaction—a reaction in which the inevitable occurred. The white race in the South reasserted its dominion, and I am sure reasserted it in a much more affirmative manner than it would have if the measures that preceded had been less obnoxious.

Mr. President, I supported all the civil rights measures until the omnibus civil rights bill of 1964. The reason why I feel so strongly about the pending bill is that the point I could not accept in the so-called omnibus civil rights bill of 1964 was title VII. I was perfectly willing that we should enforce equal opportunity in employment in all those industries and all those vocations and all the business and commercial activities of this Nation in which the employment was fairly large. Whether it be a corporation or a labor union or a hiring hall, I was perfectly willing to support a measure that would enforce equal opportunity, with enough teeth in the law so that it could be enforced in those situations. But it will be recalled that the Civil Rights Act of 1964 provided that this equal opportunity unemployment should first be administered and enforced against all employers employing 100 or more employees. Then, after a year, it would decrease to those who employed 75 or more; then, after another year, it would be decreased to those who employed 50 or more; and, finally, in the fourth year to those who employed 25.

The very fact that this particular provision was placed upon the people of this country in installments—in homeopathic doses, one might say—showed that the proponents of that measure must have realized that they were traveling on thin ice and that they were approaching a problem of enforcement that was bound in the future, or could in the future, be fraught with injustice and with violence and, if you please, with renewed prejudice, defeating the purpose of the act, because it would be bound to arouse antagonism.

I felt so strongly about it that I resolved that if title VII could not be remedied, I could not vote for the measure. I well remember going to the distinguished Senator from Minnesota, who was a Senator then and now is a Senator again, our good friend Senator HUMPHREY, who was managing the bill. I asked him whether he could see his way clear to leave that at 100, because if he could, I could support the bill—both vote for cloture and for the bill—with a clear conscience. He was very nice to me and said he could not go quite that far, and asked what I had to say about 50. It showed that he had some Yankee blood in him, too.

Finally, I thought it over, and I said that if the minimum number could be held to 50 in title VII, I would vote for the bill. Unfortunately, however, I was not given that opportunity—not because the Senator from Minnesota did not sincerely follow through on his agreement; but we had already voted cloture, and my amendment at the desk was to fix this measure of employment at 100. When I asked unanimous consent to amend it to 50, the majority leader—as he had to, I suppose—objected. So the vote came on the 100, and I was voted down, and the provisions going down to 25 remained in the bill.

I voted against the bill—one of only five Senators north of the Mason-Dixon line to vote against that omnibus bill of 1964, which had so many very meritorious provisions.

Mr. President, I am not trying to be a martyr or to plead for credit, but I want to say that I suffered from that vote. Many of the people of my home State could not understand why I had been one—conspicuously one—of five northern Senators to vote against probably the most far-reaching and most important civil rights measure perhaps in the history of the country. Fortunately, it did not cost me my seat, or it has not yet. But that is why I feel so strongly about it.

At that time, when I spoke for my amendment, I remember saying to the Senate that it was all right in an industrial plant to make sure that black and white, foreign and native born, the Jew, the gentile, and everyone else should receive equal opportunities for employment, but not when we get into a small firm that has 25 employees. Why, there are many country banks with more than 25 employees. In fact, most country banks in the smallest hamlets and villages of our land today, and in many insurance agencies, in that highly competitive business of selling insurance, have more than 25 employees. We have for years wept crocodile tears and wrung our hands in sympathy about small business, and Senators serve with pride on the Small Business Committee, and justly so, and they go home and tell their people how they fought to keep the little businessmen going. In the firms employing 25 persons, or even 30, in a highly competitive business field and when they select an employee, it is very much like selecting a partner.

I have felt and I still feel that that measure is far too low.

What have we here now?

Mr. President, this measure puts it down to eight employees.

I am sure that some of the proponents of the bill at this point, if they were listening to me—and not many are—would probably respond that this measure will be enforced with reason. They likely would say that probably in a small family business with 10 or 11 participants, it would be very unlikely—where the human relationship is so vital—for the Commission to be drastic in its enforcement.

When we write a Federal statute on the books, knowing—and I cannot believe but what a majority of the Senate knows—that it cannot completely, equally, and impartially enforce it, but when we write that into law, we are doing a very dangerous thing. It is a dangerous thing to enact laws that depend on the judgment, the restraint, and the wisdom of those who enforce it. It could be enforced by an arbitrary person to the detriment of some of the most precious rights an American has to make a living.

I do not care where the number is placed in the labor laws. I do not care where it is placed anywhere else, but in this particular measure I assert without fear of intelligent contradiction that it just cannot be enforced impartially.

Mr. President, can you imagine an ambitious black man who has worked, sweated, toiled, and built up for himself a business, a little plant, a little agency, some little business, and because he has done so under the handicap—if it is a handicap, and it still is in some measure—I hope it will not so continue—but under the handicap of his race, do you not expect, Mr. President, that when he has grown prosperous enough to employ some more people, that he will give that chance to people of his own race?

Of course, he is. Of course, he has a right to do so.

I cannot imagine that whoever enforces this statute, if we pass it, going in and saying to that black man, "You have got to employ two white people." I just cannot imagine it.

Well, if we are in a situation where fair enforcement in the eyes of the Government only works one way, even though there may be an element of justice in that attitude, we are passing an act that cannot and would not be enforced impartially between black and white or between men and women. It could not be.

Mr. WILLIAMS. Mr. President, will the Senator from New Hampshire yield?

Mr. COTTON. I yield.

Mr. WILLIAMS. I hesitate to interrupt the Senator because the presentation of his views is so forceful. Although it is not persuasive to me, it is respected by this Senator. But he did say that the small entrepreneur black man, starting a business and growing, might be ordered to hire two white employees. I cannot understand the point of his saying, "two." Is the Senator suggesting that there might be a quota system——

Mr. COTTON. No.

Mr. WILLIAMS. Built within this legislation?

Mr. COTTON. No, I am not suggesting any quota system. I do not say that it would be two. It could be two or even one. I am saying that it would rest in the discretion of the Commission whether the black man, who had grown to the point where he had a fair number of employees and turned away a white man, could have the law technically enforced against him. I do not suggest it would be. I know that it would not.

Mr. WILLIAMS. I agree, certainly that is the law. The law does contemplate that now for those who are covered. But when the Senator said "two," it suggested to me that he might be thinking in terms of a demand that there be a quota of people here. That, of course, is not within the bill——

Mr. COTTON. I thank the Senator for his correction. It was not my purpose to say that this law would provide for a quota, but under the law there is nothing to prevent members of the Commission deciding, in their own minds and consciences, as to what would be a fair number. Would the Senator agree with that either way, whoever the employer is.

Mr. WILLIAMS. Mr. President, I do not believe that is quite accurate either. Really it has to be found that individuals have been kept from employment, because they are of a race, religion, sex, or national origin that dictates to the employer that he not hire them. It is discrimination and is not evaluated on the basis of quotas.

Mr. COTTON. What the Senator is saying is perfectly correct. But the point does not reach the basis of the issue here. The Senator is perfectly correct, however. It would not be until someone turned someone else away. It would not be until someone elevated or gave a promotion to a member of one sex or one with seniority. In other words, we might have the seniority system involved, a system that so many Senators protest so strongly against. It would apply in an industry.

I am not suggesting that it is a matter of a quota. I am suggesting that the latitude allowed this Commission over these very small enterprises is one that could easily be abused. I am not suggesting that it will be abused. However, when we are passing statutes, as I have said before, we have to guard against the possibility of abuse. It could be exercised tyrannically.

I do not want to detain the Senate too long. However, I did want to get into the RECORD my own very strong feelings about this particular issue.

Mr. President, I suppose it is natural enough that legislators with the best of intentions and the most worthy aims fall into the habit of thinking that everything can be governed by law. I do not want to appear sentimental.

However, one of the stories that has always been brought home to me and has always reached my emotions, I think, more than almost any other story, is the story of the artist, Holman Hunt, who painted that great painting of Jesus in the garden with a lantern in his hand and knocking at the door. The story is that a critic said to Holman Hunt, "There is a flaw in that picture. You inadvertently left out something. There is on that door no knob or latch or any other means of opening that door."

Holman Hunt's reply was, "The door to the human heart can only be opened from within."

Mr. President, we can and we have and we should and we shall, as far as is fair and practicable in this law, apply it in favor of every American, and afford equal opportunity, equal social recognition and equal citizenship. However, when we go too far, the act becomes not a help but an irritant. And for my part, unless this bill were amended to permit a proper appeal of the edicts of these decisions and unless it were amended to maintain the minimum of 25 which, as I have stated in my opinion, is too few—I could not bring myself possibly to vote for this particular bill.

It would either be meaningless and only be enforced in certain sections of the country and certain places or where certain conditions exist, or it will become a precedent.

We have gotten to the point here that every governmental act that takes place is beginning to make the relations between the groups, nationalities, and races in this country more hostile rather than to ameliorate them.

I feel that this particular measure, going so far and creating almost a commissar or commissars to enforce the regulations, is fundamentally wrong and a mistake of the application of our power under the law. I feel strongly that this is a vicious step.

The appeal has been made by leadership to do the business of this session so that we can accomplish the work we have here assigned. Even the President beseeches us to act on his recommendations—and I am a strong supporter of the President and his desire to want us to act. Of course, I want to get on with the work of the Senate, but I do not want to do it at the expense of writing into the books an unwise and perhaps a tyrannical provision and I am not ready at this time to vote for cloture on this motion.

Mr. President, that is the reason that I wanted to state my reasons on the RECORD. I thank the Senators for their patience.

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

Mr. COTTON. I yield to the Senator from Mississippi.

The PRESIDING OFFICER (Mr. GAMBRELL). The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, I want to say to the Senator that as usual his remarks were filled with logic, commonsense, and a practical application to the problems of life.

I might say further that the Senator is from New England and I am from the Deep South. We have taken the same position on this amendment for almost identical reasons even though the economy of our respective areas is vastly different.

I commend the Senator from New Hampshire very highly for his logic and the reasons he has given. They are down to earth. The Senator from New Hampshire always has speeches of substance whenever he speaks and is a highly valuable Member of this body.

I thank the Senator from New Hampshire.

Mr. COTTON. I thank the Senator from Mississippi.

Mr. WILLIAMS. Mr. President, will the Senator yield for an observation?

Mr. COTTON. I yield.

Mr. WILLIAMS. Certainly it is fully appreciated not only by me but by the entire Senate that when the Senator from New Hampshire speaks—and it is not every day, although some of us wish he would speak more frequently—he speaks with reason and with a depth of conviction that, for another Member of the Senate, it is great to be in the presence of.

Of course, I disagree with the Senator from New Hampshire on the limited issue to which he has addressed himself today; that is, the level of employment or of membership in unions at which the enforcement of the law would take place. If the Senator does not mind standing for a few moments, I should like to recall that notwithstanding a difference with the Senator from Minnesota, back in 1964—the Senator from Minnesota sat in this place as the manager of the civil rights bill that year—the Senator from New Hampshire did vote for an opportunity to let the Senate as a whole come to its collective judgment and vote on the matter, and he did vote for cloture. His whole appreciation of the dignity of the individual, expressed in his legal rights, and civil rights, was involved in the cloture votes in 1965 and 1968, and the Senator's voting on substantive measures is fully understood. But from where I stand, we are dealing with the equality of life as it is reflected in the day-to-day opportunity for a man or a woman to make his or her living to take care of a family.

We have decided as a matter of national policy that a man should be able

to go to work for his family, notwithstanding the fact that he is black or white, or Protestant or Catholic; that that should not be the determining factor; that his ability, his industry, his integrity, and all of the other criteria should be the employer's judgment on the man or the woman who is seeking the job. Therefore, I personally feel that the Senator from New Hampshire is making a differentiation in terms of a personal relationship between an employer and an employee, and suggests more of an impersonal relationship in the larger establishment. There is a logic, as when you stand in the shoes of the man who wants a job. It does not matter whether it is with General Motors or the general store. He wants a job in order to take care of his family. When he comes in, if he is black, whether he goes to General Motors or goes to a smaller place, a job is all he wants. It is our feeling that it should not matter, really, how big or how small the establishment is. He should not be kept from his livelihood, because he happened to be born black or was raised Catholic or Protestant.

Finally, we have recognized the difference between big business and small business in many ways. We understand the hardship of running a small business in an increasingly complex society, where "big business" is the chief business. That is why Congress has been sensitive of small businessmen and has provided low interest loans and tax benefits. It has provided other programs to help small businessmen and promote their economic destiny. We have included special provisions to help small business.

Certainly I think we are not imposing too much at all to say that businessmen should recognize that discrimination in the selection of their employees is not in the spirit of the Constitution and is not according to the law that we enact here. So I respectfully disagree with the conclusion as to employment, although I will say that we recognize the practical application of the new law. That is why it was stepped down from applying to 100 to 25, and that is why we feel, with time having passed, that we are now at the point where the Commission can take on the responsibility of seeing that this kind of equality requires the reduction to eight members or eight employees.

Finally, the Senator from New Hampshire said that if the proper appeal procedure were available to the employer and the number remained at 25, he might vote for the bill. I simply wondered whether the Senator could tell me what he would consider the appropriate appeal from a judgment of the Commission should be. Should the appeal be to the circuit court of appeals? Is there any other specific method of appeal that the Senator has in mind?

Mr. COTTON. No. First, I may say to my friend from New Jersey that he is always very fair and is always very kind in his comments. I appreciate them. That is characteristic of him.

In answer to his last question, I have felt, in voting on some of the amendments offered by the Senator from Colorado. (Mr. DOMINICK), as well as amendments offered by other Senators, that it may make resort to an appeal more expensive. But frankly, I will say to the Senator that I am not—this individual Senator is not—nearly so much disturbed about the alleged inadequacy of provisions for appeal as I am in the number of operatives that would bring the employer under the act.

I should like also to say to the Senator from New Jersey that it is always a wonder to me that in view of these last steps for enforcing conduct and rights of individuals by law, no one seems to take any notice of the fact that they may be completely counterproductive.

Suppose I am employer of 10, 12, 14, or even 20 employees. Suppose that a man of the black race should appeal to me for a job. I am sure that I would give it to him. I am sure that I would like, and many other employers would be happy, to give to those who are not of their particular color or race an opportunity. But there is something I know as an employer from the act we passed in 1964, which will be true in this act if we pass it. I know if I employ a white man and he turns out to be lazy or inefficient or unsatisfactory, I can call him right into my office and fire him and, in all likelihood, nobody is going to question my right to discharge him, because of his incompetency. But if, in my earnest desire to help a member of a race that has had all these difficulties through the years in getting a fair break—and members of that race have had their difficulties, and I am one who sympathizes with them in it, and realizes that the unemployment among Negroes at the present time is much greater than among white people—I also know that if I employ him and give him a chance and he turns out not to be a good employee and not to be efficient—because inefficiency and laziness are not the monopoly of any particular race—and I fire him, the first thing I know I will be under the scrutiny of the agents of this Commission.

I will have to go through the long ordeal and expense of trying to prove that I did not discharge that man, because of his color; I discharged him, because he was not an efficient employee. I may have to go to the Court of Appeals. I do not know.

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

Mr. COTTON. Just one moment.

I am not saying that the statute requires this; I am talking about the practical situation. So, in a sense, when one tries to go so far in this perfectly laudable attempt to enforce equal rights—and nobody can gainsay that what we want is equal opportunity—as a practical matter, we may be making things more difficult, and I might say to someone seeking employment, "Sorry, I do not have an opening right now. I am not putting on employees. Business is not so good. Sorry, young man," and perhaps sometime later employ somebody of my own race. That could be one of the by-products of this particular act.

May I say, before I yield again to my friend, the reason I brought up Holman Hunt and that famous utterance of his that the door to the human heart can only be opened from within, is that we have reached the point now in this country when that is the only way we can achieve what I am sure every one of us hopes and prays for, and that is the kind of society where no race, no creed, no nationality suffers discrimination. We cannot go the whole way, we cannot go the last mile, by a statute. We cannot enforce it with a bayonet. It has to be by the example of good and earnest people of both races seeking a society in which we can live together.

Now I yield to the Senator.

Mr. WILLIAMS. Mr. President, I just wanted to say that, recognizing there might be an economic hardship on a small business or a small union in defending a situation similar to the one described by the Senator from New Hampshire, it might come to that, and if so, in all justice there should be a ruling in favor of the small businessman who was firing for justifiable reasons that had nothing to do with the race of the employee. In those situations, we have now included in the bill a provision for mandatory legal fees to be assessed and to be paid to the prevailing party.

Mr. COTTON. If he prevails.

Mr. WILLIAMS. Yes.

Mr. COTTON. I did not intend to take another minute, but let me say this from practical experience. Long before I ever expected to come to Congress, I was practicing law in my own city of Lebanon, N.H. At that time the labor legislation became law. I guess it was the Wagner Act, but, at any rate, it was the legislation that was to protect workers from being discriminated against, because they were members of a union or seeking to form a union. That became a Federal law. People were appointed in various sections of the country to enforce it or to try complaints. In almost every instance, those who were appointed to try those complaints were former union organizers or executives.

So one day a young man was discharged from a small plant in my city. I do not know how many Senators ever worked in a brickyard. I did once when I was in school. Senators know, if they ever worked in a brickyard, that the clay, as it is soaked and is being passed into the place where it is imprinted into bricks, is extremely heavy and can be a lethal weapon. This rather rough young man persisted in taking up a handful of clay—I do not know whether playfully or spitefully—and throwing it at fellow workers, until one day he struck a man on the side of his neck and that man was in bed, in a cast, for more than 6 months. But before that happened, because of his unruliness, his employer fired him. He immediately took his appeal to the National Labor Relations Board. In my innocence as a country lawyer, I thought I had plenty of evidence and right on my side. We went down to Boston after the case was ruled against us by the State authorities. I want to tell Senators that that situation has changed. I think we now have enforcement of the labor laws in a much more impartial way.

I did not have any more chance of

convincing that tribunal in the city of Boston that the employer who fired this man—the man happened to be the secretary of the union—was justified than I have today of becoming Vice President of the United States, and I purposely choose a very extreme illustration.

Immediately the order was issued that he had to restore this man to his employment and he had to pay him wages for all the time that he was out of employment. Of course, we could have taken an appeal to the courts, but it was not worthwhile. Later this same habit of that young man—who I think is more thoughtless, perhaps, than vicious—caused the injury that I mentioned, and he was then discharged and nobody objected.

This is just an example of what happens when you have a statute administered by people who are fanatically in favor of the purpose of the statute. I am not reproaching those who are. I have every admiration for the Senator from New Jersey, the Senator from New York, and other Members of this body who are earnestly seeking a society in which every member, as the Senator from New Jersey has so eloquently stated, has a chance to earn a living for himself and his family. I am simply saying we have reached the point where we have to try to do it by other means than with a club.

Mr. President, I yield the floor.

Mr. STEVENSON. Mr. President, equal employment opportunity has been enshrined in the Constitution for over 100 years as part of the concept of equal protection of the laws under the 14th amendment.

That great amendment gave Congress the power "to enforce, by appropriation legislation" equal protection of the laws. Yet it was not until the enactment of title VII of the Civil Rights Act of 1964 that Congress acted forcefully to combat employment discrimination.

Now that we have had nearly 8 years of experience under the 1964 act, it is appropriate to take stock of what has been done and what has not. It is clear that despite much progress, we cannot expect EEOC effectively to combat the subtle yet vicious forms of employment discrimination we can expect to encounter in the 1970's. It would only be repetitive of me to belabor the unhappy statistics of the EEOC's conciliation record over the last 7 years. My distinguished colleague from New Jersey and other Senators have placed these statistics on the record, and they reveal the inadequacy all too clearly.

These same statistics, however, also reveal that discrimination in employment continues to exist—perhaps in greater and in more insidious ways than any of us had imagined—and that therefore the fight for improved legislation continues on. Discrimination against women, discrimination against blacks, discrimination against Spanish-speaking people, discrimination against American Indians, discrimination against Orientals—the list grows in size and diversity with each passing year.

That mere conciliation powers might be inadequate was recognized early, and so in each of the last four Congresses there has been legislation to give EEOC something more. In the 89th Congress the House acted upon a measure to give the EEOC the power to issue cease-and-desist orders, but the Senate failed to act. In the 90th Congress, the Labor and Public Welfare Committee of the Senate reported out a similar bill, but the full Senate failed to act. The Senate did act in the 91st Congress, passing a cease-and-desist bill 47 to 24, but the House did not act.

In the meantime the evidence of employment discrimination mounted. After three abortive efforts, there is simply no justification for further delay—a bill giving the EEOC new and more meaningful powers must be passed this year to put the full force of Government behind the effort to end employment discrimination. As the U.S. Civil Rights Commission concluded in its report of last December, "The Federal Civil Rights Enforcement Effort: One Year Later"—

> One problem which permeates all EEOC activities is its lack of enforcement powers. Until this crucial legislative deficiency is corrected, EEOC's ability to effectively deal with the enormous issue of employment discrimination will remain limited.
>
> As EEOC's workload mounts and its staff increases, all of these unresolved problems will loom even larger as factors affecting its potential effectiveness. For the continuing viability of the agency these impediments to EEOC success must be addressed promptly and vigorously.

The Senate has been considering in these last weeks whether to give the EEOC the power to issue cease-and-desist orders or only the power to ask a court to issue such an order if the EEOC finds discrimination. Last week the Senate had the opportunity to make this choice very clearly and very directly on three separate occasions, and on each occasion it opted for the former alternative, just as it did in the 91st Congress.

At this point, Mr. President, I ask unanimous consent that at the conclusion of my remarks there be printed a report of the Civil Rights Committee of the Chicago Bar Association relating to the proposed amendments to title VII of the Civil Rights Act of 1964. This report was forwarded to me by Mr. Jacques G. Fuller, executive director of the Chicago Bar Association. The report cogently and logically states the case for expanded powers for the EEOC, and concludes that—

> The pervasiveness of discrimination in employment throughout the United States and the complexity of this problem requires the expertise of an administrative agency equipped with judicially enforceable cease-and-desist powers to attain a maximum of enforcement effectiveness under the provisions of title VII.

There are, of course, many other elements of this bill besides granting cease-and-desist to the EEOC: The expansion of the jurisdiction of the EEOC to State and local governments and to employers with as few as eight employees; the transfer of the antidiscrimination functions of other agencies—the OFCC, the Justice Department, the Civil Service; the removal of the exemption for educational institutions except for religious institutions in pursuit of their religious activities. Nearly every one of these various provisions has been the subject of a floor amendment, and each Senator has had a chance to study the merits of those provisions and cast his vote according to his respective conclusions. And in some instances—the transfer of the functions of the Office of Federal Contract Compliance, for example—an individual provision of the bill has been found not to be in accord with the wishes of a majority of the Senators voting.

But now the will of the majority of the Senate has been made clear on virtually all of the major provisions of the bill, and the time has come to get on with the business of the Senate. I have already expressed my belief that the Senate should get on with its business of enforcing the 14th amendment, the raison d'etre of this Government, by voting to invoke cloture.

So let us be about the business of our Government. Let us act, in the words of the Commission on Civil Rights, "promptly and vigorously," to give all women and all men something very simple: The opportunity to be able to pursue the employment of their choice with the knowledge that their color, their sex, their nationality, or their religion will not be held against them.

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

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

REPORT OF THE CIVIL RIGHTS COMMITTEE OF THE CHICAGO BAR ASSOCIATION ON PROPOSED AMENDMENTS TO TITLE VII OF THE CIVIL RIGHTS ACT OF 1964

On September 16, 1971, the House of Representatives rejected H.R. 1746, legislation that would give the Equal Employment Opportunity Commission (EEOC) power to issue cease and desist orders comparable to those powers now exercised by most federal regulatory agencies. CONGRESSIONAL RECORD, volume 117, part 24, page 32114. In its place, the House passed a substitute bill, H.R. 9247, proposed by the Nixon Administration, giving the EEOC the right to sue in the federal courts to enforce the provisions of Title VII of the Civil Rights Act of 1964, §§ 701–16, 42 U.S.C. §§ 2000 e to 2000 e-15 (1964), prohibiting discriminatory employment practices.

Title VII of the Civil Rights Act of 1964 prohibits employment discrimination by employers, labor organizations, employment agencies, and joint labor-management training programs on the grounds of race, color, sex, religion or national origin. Sec. 703(a), (b), (c), (d). Under Section 706(a) of Title VII, the EEOC was created to deal with the charges of employment discrimination under the title. Although the Commission is empowered to investigate charges of discriminatory employment practices, its function in the attempt to resolve such grievances, after making a finding of reasonable cause, is limited to "informal methods of conference, conciliation, and persuasion." Sec. 706(a). If these methods fail, Title VII provides that a civil action may be brought by the aggrieved party in a federal district court. Sec. 706(e). If the court finds an unlawful employment practice, it may enjoin the practice and order any affirmative action considered appropriate including particularly reinstatement or hiring with or without backpay. Sec. 706(g).

Ever since Title VII was first enacted, dissatisfaction with the Commission's limited function of conference, conciliation, and persuasion has been reflected in strong efforts to pass legislation giving the Commission cease and desist powers. The Johnson Administration, for example, asked Congress repeatedly

to give the Commission such powers. *H. Report*, No. 82–238, p. 2. Finally, in 1970, in the 91st Congress the Senate passed S. 2453 giving the EEOC cease and desist powers, although the Nixon Administration opposed the measure with its own bill authorizing the EEOC to go to the federal courts for enforcement orders. *Id.*, p. 2. H.R. 17555, a bill similar to S. 2453, was reported in the House but died in the Rules Committee. *Id.* Thus, neither S. 2453 nor H.R. 17555 reached the House floor.

In the present Congress, Mr. Byrd of West Virginia and others introduced in the Senate on September 14, 1971, S. 2515, a bill which included the provisions approved by the Senate in 1970 providing cease and desist powers for the EEOC. S. 2515 also consolidates federal equal employment programs under the EEOC by transferring to the Commission the authority of the Office of Federal Contract Compliance (OFCC) in the Department of Labor to require companies receiving government contracts to be equal opportunity employers and of the Civil Service Commission to require equal opportunity in federal employment. Although the House Committee on Education and Labor voted to report H.R. 1746, a bill identical to S. 2515, on June 2, 1971, the House passed instead the Administration substitute, H.R. 9247. See *H. Report*, No. 92–238; CONGRESSIONAL RECORD, volume 117, part 24, page 32114. S. 2515 is, however, still pending in the Senate and awaiting both a Committee Report and final action by the Senate. *See Hearings on Equal Employment Opportunities Enforcement Act of 1971*, 92nd Cong. 1st Sess. (1971).

Because of the pervasive nature of employment discrimination in our society, the strongest possible enforcement powers are needed to eliminate such discrimination. It is the recommendation of this Report that by giving the EEOC judicially enforceable cease and desist powers the EEOC would become more effective in overseeing the enforcement of equal job opportunities than it would if it had only the power to seek court enforcement on its own. Accordingly, we express our support for the grant of cease and desist powers to the EEOC as found in S. 2515 and oppose the enactment of court enforcement powers as recently passed by the House in the substituted bill, H.R. 9247.

THE INEFFECTIVENESS OF CONFERENCE, CONCILIATION AND PERSUASION UNDER THE PRESENT STATUTE

Title VII of the Civil Rights Act of 1964 prohibits discrimination in employment by four major groups: (1) employers of 25 or more persons (Sec 701(b)); (2) labor organizations with 25 or more members, or which operate a hiring hall or hiring office (Sec. 701 (e)); (3) employment agencies (Sec. 703 (b)); and (4) joint labor-management committees controlling apprenticeship or other training or retraining programs (Sec. 703 (d)). To enforce Title VII, the Act established a five-member commission whose members are appointed by the President and approved by the Senate, "as a national counterpart to State and local fair employment practice commissions. . . ." *See Federal Civil Rights Enforcement Effort, A Report of the United States Commission on Civil Rights 1970*, p. 263. It is estimated that the coverage of Title VII includes approximately 75 percent of the Nation's labor force. *Id.*, p. 264. Exemptions from coverage include: employees of federal, state, or local governments, (Sec. 701 (b) (1)), *bona fide* private membership clubs, (Sec. 701 (b) (2)), Indian tribes, (Sec. 701 (b) (1)), employees of religious organizations who perform work related to religious activities, (Sec. 702), and employees of educational institutions who are engaged in educational activities. *Id.*

Despite the wide jurisdiction of the EEOC and the prevalence of discriminatory employment practices, the function of the Commission is limited to seeking the elimination of job discrimination through the "informal methods of conference, conciliation, and persuasion." Sec. 706 (a). The commission process begins when a complainant files a sworn, written charge that he is aggrieved by one or more of the unlawful employment practices listed in Sections 703 and 704 of the Act or when a Commission member charges that a violation of the Act has occurred. An investigation follows, and if probable cause is shown, the Commission must seek the offender's voluntary compliance with the Act. If such conciliation efforts prove unsuccessful, the EEOC, not later than sixty days after the filing of the complaint, must notify the complainant who may then file suit in federal district court. Sec. 706(e). If there is applicable state or local law prohibiting employment discrimination, the complainant must first seek redress under those applicable laws before filing with the EEOC. Sec. 706 (b). In addition to this conciliatory function, the EEOC can refer cases to the Department of Justice for action where it is alleged that a "pattern of discrimination" exists and it can file *amicus* or supporting briefs when individuals file cases. Sec. 706, 707(a).

Although the conciliation process does have some theoretical merits to commend it, the failure of the EEOC's conciliatory function to even dent the abundance of discriminatory employment practices throughout the country is not seriously questioned by anyone. William H. Brown III, Chairman of the EEOC, in testimony before the Subcommittee on Labor of the Committee on Labor and Public Welfare of the Senate, stated that since its beginning in 1965, the Commission has received 81,004 charges and that in less than half of this number was the Commission able to achieve a totally or even partially satisfactory conciliation.* *See Hearings on the Equal Employment Opportunities Enforcement Act of 1971*, 92d Cong., 1st Sess. (1971), p. 53. It is clear that significantly large numbers of aggrieved individuals have not been able to achieve any settlement at all through the EEOC and, consequently, are forced either to give up their claims or to seek redress through the federal courts. *Id.*, p. 53. The current estimate is that during the present fiscal year, more than 32,000 charges will be filed with the Commission. *Id.*, p. 55. Because of this rapidly increasing work-load, charges are not resolved on a timely basis and, as of June 30, 1971, the EEOC had a backlog of almost 32,000 cases. *Id.*

The Commission's inability to deal with the ever-increasing number of complaints with the limited authority currently available to it is especially disturbing in the light of the relevant statistics regarding the employment and income of minority groups and women. Chairman Brown's testimony, mentioned above, is especially revealing:

"In a special report released this year by the Bureau of the Census, 'The Social and Economic Status of Negroes in the United States,' it is clear from the statistics presented that while Negroes have made strides toward bettering their position, the goal of social equality is not yet to be seen . . .

"For example, the reports show that the median family income for Negroes in 1970 was $6,279 while the median income for whites for the same period was $10,236. This earnings gap between the races is obviously largely attributable to disparate employment policies. This conclusion is supported by statistics which show that Negroes are concentrated in the lower-paying less prestigious positions in industry, and are largely precluded from the higher-paid more prestigious positions. . . .

"While the statistics on Spanish-speaking Americans are not nearly as current or as complete, available data indicates that this, the second-largest ethnic minority group in the Nation with approximately 7.5 million members, faces a similar plight. In 1969, the median family income for Spanish-speaking American families was $5,641. About 17% of these families had incomes of less than $3,000. . . .

"The other major group which is subject to blatant discrimination in employment are the approximately 30 million employed women in the Nation. [These] women constitute approximately 38% of the total work force. . . .

"[I]n 1968, 60% of women but only 20% of men earned less than $5,000 per year, while only 3% of women but 28% of men earned $10,000 per year or more." *Id.*, pp. 50–53.

These figures show what critics of the EEOC's lack of enforcement authority have been saying all along: the EEOC must be given the strongest possible enforcement powers to carry out its objective of eliminating discrimination in employment. When the weak conciliatory function of the Commission is considered together with the small proportion of cases resolved by private litigation and the total of only sixty-nine pattern and practice cases that the Department of Justice has brought, the inadequacy of the present means of enforcing our alleged goal of equal employment opportunity becomes glaring. Federal Civil Rights Enforcement Effort (1970), pp. 336, 341. During fiscal year 1970, for example, the Commission itself participated in 167 private suits and recommended only 78 pattern cases to the Attorney General. *See Fifth Annual Report, E.E.O.C.*, p. 17.

THE NEED FOR CEASE-AND-DESIST POWERS

Contrasting the EEOC's settlement record with that of the NLRB and state fair employment practices commissions (FEPC's) helps to expose the primary reason for the EEOC's comparative failure. The NLRB, for example, has settled 90% of the discriminatory employment charges it has retained through settlement agreements, voluntary withdrawal of the charges or dismissal. *See* A. Cox & D. Bok, Labor Law: *Cases and Materials* at 138 (7th ed. 1969). FEPC's with cease and desist powers have achieved a 95% successful conciliation rate where probable cause is found. *See* Note, "Employment Discrimination: State FEP Laws and the Impact of Title VII of the Civil Rights Act of 1964," 16 W. Res. L. Rev. 608, at 622 (1965).

Without effective enforcement power the EEOC will not be any more successful in resolving its increasing volume of complaints than it has been in the past. Such power, it is generally conceded, could take two forms: either the Commission could have the power to bring suits in the federal courts on behalf of complainants, or the Commission could have administrative cease and desist powers comparable to those powers presently exercised by most federal regulatory agencies. The basic issue, then, is which of these alternatives will insure the most effective enforcement of Title VII.

One of the main arguments of the proponents of the judicial approach is that the court remedy will provide relief more quickly. Surely quick relief is essential to effective enforcement. But the experiences which appear to be most relevant as possible indicators in respect to the relative comparison of delays do not support the judicial approach. The delay experienced in the administrative proceedings before the NLRB,

* "A successful agreement is one in which EEOC, the respondent and the charging party are all signatories. In a partially successful conciliation, the respondent does not sign an agreement but does agree to eliminate the discrimination identified in the decision. If no relief is secured the conciliation is considered a failure." *Federal Civil Rights Enforcement Effort*, n. 715 at 327.

for example, from the filing of a charge in an unfair labor practice case until the trial examiner's decision is issued, averages only 7½ months. *House Report No. 92–238*, p. 11. Moreover, approximately 95% of the unfair labor practice cases do not go beyond this stage! *Id.* The experience of the state fair employment practices commissions may be even more to the point. In 1965 there were twenty-five states that had some form of prohibition against discrimination in employment. *See* Note, 16 W. Res. L. Rev. at 614, *supra*. Only five of these states did not have statutes providing cease and desist power for their fair employment practices commissions or their counterparts. *Id.* In all of the twenty-five states where probable cause was found, in about half of the cases filed ninety-five percent of these cases were disposed of by conciliation without even the need of a hearing. *Id. See also* a 1963 study of the Senate Labor Committee, 110 *Cong. Rec.* 7207 (April 8, 1964). The more recent experience in New York as related by Congressman Reid, the former chairman of the New York State Commission Against Discrimination (now the division of human rights), is especially significant:

"The figures in New York's experience clearly emphasize my point. Between 1945 and 1967, 16,129 complaints were received by the New York commission; 98 percent of them—all but 326—were settled before they were ordered for hearing and more than two-thirds of those ordered for hearing were settled before the hearing was completed.

"That means that in New York in 22 years only 110 cases out of 16,000 needed further action, and that is largely because the State commission possessed cease-and-desist powers." CONGRESSIONAL RECORD, volume 117, part 24, page 32093.

Giving the EEOC cease and desist powers, as the experience of state fair employment practice commissions amply demonstrates, would work to reduce both the delays and the backlog by effective action and by encouraging settlement of complaints *before* enforcement becomes necessary. If the cease and desist approach did not work or if there were advantages to the court enforcement approach, then why has the administrative alternative been chosen by, at latest count, 32 states? *See* remarks of Congressman Reid, CONGRESSIONAL RECORD, volume 117, part 24, page 32093.

In addition, the problem of court congestion should not be overlooked. The EEOC has estimated that, should the court enforcement alternative be chosen, an additional 20,000 cases would be introduced into the federal judicial system. *Id.*, at H 8528. Chief Justice Burger has opposed any increased burdens for the federal courts without first providing for the reorganization of the federal judicial system. Addressing the American Bar Association last year, he stated:

"The difficulty lies in our tendency to meet new and legitimate demands with new laws which are passed without adequate consideration of the consequences in the terms of case load." Burger, "State of the Judiciary—1970," ABA Journal, Oct. 1970, p. 932.

Even though delays vary considerably from district to district, the courts are more congested than ever before. In the major population center of the Southern District of New York, for example, the wait from the time a case was ready for trial until the nonjury trial in fiscal 1970 was 38 months. *See House Report, supra*, p. 11. The delay in the Eastern District of Louisiana was 24 months. *Id.*

A second argument advanced in favor of the judicial approach is that questions of employment discrimination arouse strong emotions and such matters, it is said, are more appropriately resolved in a court where federal judges command the respect of the public. *House Report, supra*, p. 62, Minority Views. Public respect for the forum of resolution in such matters is unquestionably important, but the administrative cease and desist machinery would not lack public esteem. To the contrary, the administrative process appropriate to resolving the complex problems in the employment discrimination area requires the expertise that an administrative tribunal is better suited to supply. Remedies fashioned by experts in the subject matter will more likely command the public respect than not. Problems of respect, moreover, have not arisen in regard to the state fair employment practice commissions and there is no apparent reason why such problems need occur in the federal context.

In connection with the above point on the greater prestige of federal judges, a third argument for the judicial approach is that the courts are better able to secure needed evidence for an appropriate disposition of the cases because of their discovery and subpoena powers. But there is little, if any, support for the proposition that the federal agencies, like the NLRB and the FTC, armed with the customary administrative investigatory powers, have been substantially handicapped in the development of adequate evidence for the proper disposition of cases. There is also genuine positive value in the circumstance that administrative tribunals are less subject to technical rules governing evidence, pleadings and motion practice. *House Report, supra*, p. 11.

The opponents of cease and desist power for the EEOC also argue that the administrative process would be inherently unjust if administered by the EEOC and that principles of justice require employment discrimination cases be heard only in federal courts. In support of this position, two claims are made: first, they claim that the EEOC has "attained an image as an advocate of civil rights" and as such "cannot be an impartial arbiter" of Title VII cases, *House Report, supra*, p. 59, Minority Views; second, they also claim that by giving the EEOC cease and desist powers, a party would be presumed guilty before he would have been properly heard, or in short, the agency making the initial finding cannot also adjudicate the final order. *Id.*

As for the first claim, it is true that the EEOC has been an advocate of civil rights, but then this role has come about only because of its lack of enforcement powers. The filing of *amicus* and supporting briefs is certainly compatible with the Commission's proper concerns, and considering that this has been its only participation in the enforcement process, this is hardly a basis for condemnation. Moreover, the EEOC experience thus far does not indicate a lack of objectivity in the disposition of the charges filed with it.

The claim that the EEOC is too biased to objectively adjudicate Title VII issues merges with the claim that the Commission should not make both the initial findings and the final orders. Both these claims ignore the procedural safeguards provided by the Administrative Procedure Act. Hearing examiners, for example, would be employed by the Civil Service Commission and not by the EEOC. If any party feels that bias has occurred during any proceedings, records are kept to insure adequate judicial review.

The sixth argument advanced for the judicial approach is that lack of sufficient funding causes more delay in the administrative process than in the courts and, it is claimed, this has been the real reason for the two-year backlog of cases presently before the Commission. *See* Comment, "Developments in the Law—Employment Discrimination and Title VII of the Civil Rights Act of 1964," 84 Harv. L. Rev. p. 1271. First, as mentioned earlier, the major cause for the current backlog before the Commission is its lack of enforcement power. Without effective enforcement provisions, recalcitrant employers have little motivation to attempt the conciliation process, and they are well aware of the fact that the final burden for attaining compliance would involve a time-consuming and costly court suit that most employees can ill afford. As for the funding problem under Title VII, the best question appears to be: Where would the small amount of funding the Commission would be likely to get do the most good? Would it be better spent in processing cases before the Commission or in bringing suits in courts? Experience seems to point towards administrative processing rather than court enforcement as the better choice.

CONCLUSION

Besides granting the EEOC the authority to issue judicially enforceable cease and desist orders in the Courts of Appeals, there are other provisions of S. 2515 which would serve to augment its administrative effectiveness. This bill would extend the coverage of Title VII to employers of eight or more workers and to unions with eight or more members, instead of the twenty-five figure limit now imposed. Also, federal, state, and local government employees as well as employees of educational institutions would be covered. We believe that the pervasiveness of discriminatory employment practices justifies such broadened coverage.

S. 2515 would retain the right of private suits under the existing law. It would also transfer the right to bring "pattern of practices" suits in employment cases from the Department of Justice to the EEOC, and it would transfer the functions of the Office of Federal Contract Compliance to the EEOC. These administrative transfers are based on the eminently sensible concept of concentrating all related enforcement responsibilities in a single agency. Overlap would thereby be reduced and coordination of a concerted effort to eliminate discrimination in employment might be better achieved. All of these provisions perhaps should be justified at some length, but that would miss the central focus of S. 2515 and the major contention of this Report. The pervasiveness of discrimination in employment throughout the United States and the complexity of this problem requires the expertise of an administrative agency equipped with judicially enforceable cease and desist powers to attain a maximum of enforcement effectiveness under the provisions of Title VII.

THE GERMANENESS RULE

Mr. STENNIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. Under the Pastore rule, is it in order to introduce a bill now?

The PRESIDING OFFICER. The period of 3 hours under the rule of germaneness does not expire until 2:04 p.m. However, even then it would require unanimous consent to introduce a bill, since the period for the transaction of routine morning business has passed.

Mr. STENNIS. Very well. I do not seek the floor, Mr. President.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated

to the Senate by Mr. Geisler, one of his secretaries.

EMERGENCY ACTION TO END TRANSPORTATION DISPUTES—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. GAMBRELL) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Labor and Public welfare:

To the Congress of the United States:

As the dock strike on the West Coast continues to impose a cruel and intolerable burden upon the American people, I appeal once again to the Congress for emergency action to end these transportation disputes.

There are now two bills before the Congress dealing with transportation stoppages, and immediate action is urgently required on both:

—S.J. Resolution 187, which would quickly halt the West Coast strike and lead to a fair and early settlement under binding arbitration.

—And the Crippling Strikes Prevention Act, S. 560, which would grant the executive branch sufficient authority so that future disruptions in the transportation industry could be averted.

The American public is rightly frustrated today by the inaction of Congress in ending the West Coast strike. Some crops are rotting while others are stalled in their bins, export customers are looking for more dependable trading partners, and jobs and businesses are threatened with extinction. Tens of thousands of people, who share no part of this dispute, are suffering needlessly.

Yet our Government stands idly by, paralyzed because the executive branch has exhausted all available remedies and a majority in the Congress has been unwilling to enact necessary legislation. This failure to act in time of need speaks directly to the question of why some Americans have lost confidence in their government.

We must act now, swiftly and decisively. Twelve days ago I proposed special legislation to end this strike and asked for enactment within a week. That deadline has passed without a response, and I must report to the American people today that I cannot predict when relief will come. To say that I am disappointed is to state the case in its mildest terms.

For those who argue that the Government should not interfere with collective bargaining, the short answer is that the bargaining in this case has thus far failed—and failed badly for 15 months. I share the belief that Government ordinarily should not tamper with the freedom of bargaining, but when the processes have broken down and the Nation's health and safety are at stake we in public office have no right to turn our heads.

I am also aware that some members of Congress believe this strike will soon be settled at the bargaining table. I sincerely hope they are right, and I urge the parties to continue their bargaining, but the 15 months of fruitless bargaining which have already passed convince me that we cannot depend on this solution.

ISSUES OF GREAT URGENCY

In the absence of an agreement, the critical question is whether all of us in Washington sense the urgency of these issues. I can assure you that the farmer whose grain is wasting away and the exporter who has lost his contract regard this strike as a matter of utmost urgency, and I plead with the Congress to recognize their plight.

For two years I have been trying to impress upon the Congress the need for new legislation in this field. In 1970, during the 91st Congress, and again in 1972 during the 92nd Congress, I proposed the comprehensive crippling strikes prevention program so that future transportation stoppages could be resolved. There has been precious little affirmative response. Yet I am confident that if the Congress had enacted those measures, there might have been no strike on the West Coast and the issues in dispute would have been fairly settled.

Let us resolve that this stoppage on the west coast will be the last of its kind. The Congress should act immediately to end he west coast strike and, with utmost dispatch, pass the Crippling Strikes Prevention Act.

THE CRIPPLING STRIKES PREVENTION ACT

Certainly the more far-reaching of the two proposals on which I am seeking action is the Crippling Strikes Prevention Act. It would give the President additional—and, in my opinion, essential—new authority to deal with emergency disputes in the railroad, airline, maritime, longshore, and trucking industries.

First, it would discontinue the emergency strike provisions of the Railway Labor Act of 1926 and provide that all transportation disputes be settled under the Taft-Hartley Act. Currently, disputes in the railroad and airline industries are subject to the Railway Labor Act while all other emergency transportation disputes are governed by the Taft-Hartley Act. Of the two acts, the railway labor law is clearly the inferior. Under it, the President can delay a strike or lockout for 60 days by appointing an Emergency Board to study the issues and recommend a settlement. Unfortunately, these provisions only seem to discourage hard bargaining because the parties are hesitant to compromise their position before the Board is appointed, and then, recognizing that the Board will probably seek a middle position, the parties tend to adopt a more extreme stance in order to pull the Board in their direction. Thus the gap widens between the disputants and because neither the Board nor the President has any additional authority, strikes often resume at the end of the 60-day period. These resumptions have occurred at the rate of more than one per year since 1947, and four times during this administration alone I have been forced to ask Congress for special legislation. This is a sorry record, best consigned to our history books.

THREE NEW OPTIONS

Secondly, I propose a major revision of the Taft-Hartley Act to give the President three new options in the case of all emergency disputes in the transportation industry. Under current provisions of this Act, the President may appoint a Board of Inquiry when he believes that a work stoppage imperils the Nation's health or safety. Upon receiving a report from the Board on the status of the strike, the President may direct the Attorney General to petition a Federal District Court to enjoin the strike for an 80-day "cooling-off" period. But there the formal authority of the Federal Government ends: the Board of Inquiry may issue no recommendations on a settlement and the President has no additional options when the 80-day period elapses except to ask for emergency legislation. On nine of 30 occasions when this machinery has been invoked since 1947, a strike or lockout has resumed after the 80-day period, as it has now on the West Coast.

To permit a more flexible Federal response, I propose that the President be granted three options when the "cooling-off" period fails to produce a settlement:

—First, he could extend the period for 30 days, a most useful device if the dispute seems to be near an end.

—Secondly, he could require partial operation of the troubled industry, so that those segments essential to the national health or safety could be kept in operation for an additional 180 days.

—Or thirdly, he could invoke a "final offer selection" procedure whereby the final offers of each party would be submitted to a neutral panel. This panel would select, without amendment, the most reasonable of the offers as the final and binding contract between the parties. Unlike bargaining which now occurs under the Railway Labor Act or under arbitration, this approach would encourage the parties to narrow their positions so that they could persuade the panel of their reasonableness. Thus genuine negotiations and settlement would be encouraged automatically.

Among the additional features of this proposal is the establishment of a National Special Industries Commission to conduct a two-year study of labor relations in industries which are especially subject to national emergency disputes.

As I informed the Congress 2 years ago, the Crippling Strikes Prevention Act creates a balance between two cherished but sometimes inconsistent principles: the protection of the national health and safety against damaging work stoppages, and the protection of collective bargaining from interference by the Government, "Ideally," I said then, "we would provide maximum public protection with minimum Federal interference."

Without doubt, my proposal would tip the present scales back in the direction of greater protection for the public, but we must face up to the hard realities that the old way simply has not worked. The scales, in fact, have been heavily weighted against the public. The actions I propose would not only correct the balance but would also preserve and enhance the processes of collective bargaining.

THE WEST COAST DISPUTE

The present tie-up on the West Coast vividly illustrates why we need the Crippling Strikes Prevention Act. Both the failure of negotiations and the resulting economic losses have been a painful lesson for us all.

Talks and negotiations between the parties have dragged on for 15 months, and I have used every remedy at my command, but to no avail. The Taft-Hartley machinery has been tried, and it has failed. Two extensions in time have been arranged by Government mediators, and twice the mediators' efforts have fallen short. And I have met personally with the parties. Yet this strike has resumed. In my view, it is abundantly clear that present legislation is inadequate and that we need comprehensive solutions.

Only now are we beginning to realize the full damages of the first 100-day strike which closed down the West Coast ports between July 1 and October 9, 1971. I recounted some of these losses to the Congress in my message 12 days ago, but the facts bear emphasis:

—It is estimated that American exports would have been $600 million higher during this 100-day period except for the work stoppage.

—The strike was particularly hard on our farmers, who have been exporting the product of one cropland acre out of four. During the June–September period, farm exports from the West Coast dropped from $288 million in the same period in 1970 to $73 million in 1971.

—Wheat farmers suffered the worst calamities of all, as their sales to major Far Eastern markets fell off drastically. Japan, for instance, purchases over 50 percent of her wheat from the United States. Since April, we have lost sales to Japan of at least 25 million bushels of wheat valued at $40 million. Ominously, the day after the strike resumed last month, the Japanese purchased 8.7 million bushels of wheat for a spring delivery, but only 1.6 million bushels were bought from the United States.

—Our merchant fleet also sustained heavy losses, as did exporters of vegetables, rice, cotton, and livestock, and wood products, and numerous related industries.

APPALLING HUMAN COSTS

Overall, the 100-day strike thrust a spike into our progress toward economic recovery, threatened our balance of payments, and undermined the confidence of foreign buyers who need to rely upon dependable deliveries. But the most appalling costs were in human terms—those tens of thousands who were not parties to the dispute but suffered because of it.

Those same people are suffering needlessly again, as the costs of resuming the strike begin to mount. I met yesterday with the Governors of California and Washington, whose States along with Oregon lost an estimated total of $23.5 million a day during the 100-day strike, and they have reported to me that the cost of this resumption is intolerable to their economies. The State of Hawaii is also beginning to feel the punishment. If the strike persists for several weeks, we can anticipate a significant increase in unemployment on the West Coast and huge financial losses for many people across the country.

We can and must end this dispute. Because the parties have already been bargaining under different ground rules for many months, I do not think it would be fair or wise in this case to impose the "final offer selection" solution which I am proposing in the more comprehensive Crippling Strikes Prevention Act. I also see no merit in another "cooling-off" extension because it offers little hope of resolution and it only increases the uncertainty in foreign markets. Instead, I urge the adoption of a plan for settlement by arbitration. As I explained to the Congress 12 days ago I am asking that a three-member arbitration board be appointed by the Secretary of Labor to hear all the issues and then issue a settlement that would be binding for at least 18 months. No strike or lockout would be permitted from the day this legislation is enacted until the expiration of the binding settlement established by the board.

I strongly favor free collective bargaining, but the time has come for decisive action. I call upon the Congress to take such action on both this emergency bill and the Crippling Strikes Prevention Act.

RICHARD NIXON.

THE WHITE HOUSE, *February 2, 1972.*

WEST COAST DOCK STRIKE

(The following discussion, which took place later in the day, is printed at this point in the RECORD by unanimous consent.)

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there now be a period for not to exceed 15 minutes, under the control of the distinguished Senator from New York (Mr. JAVITS), for a discussion which he wants to undertake at this time on the west coast dock strike.

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

Mr. JAVITS. I thank my colleague from Montana.

Mr. President, I wish to discuss the problem of the west coast dock strike, as I am the ranking member both of the Committee on Labor and Public Welfare, and of the Subcommittee on Labor.

I shall yield pieces of the time to other Senators who are in the Chamber—my colleague from Oregon (Mr. PACKWOOD) who is, with me, a sponsor of the bill which is here pending sent up by the administration and, hopefully, if he can be relieved of his duties in the Chair, my colleague from Ohio (Mr. TAFT), and other interested Senators.

Mr. President, I take this action now, as it is in between two bills, and it is clear that we will not vote on the pending amendment to the EEOC bill and, therefore, nothing is being interrupted and we will not be helping extension of debate on that matter—which I would not wish to do.

The President has appealed to us today in a special message—which is very unusual—to act with respect to the west coast dock strike. He calls our attention to two bills. One is the administration's bill dealing with this strike on an ad hoc basis, Senate Joint Resolution 187, and the second is the administration's bill, of a generic character, S. 560, to deal with disruptions in the transportation industry.

This is a longstanding situation to which I have addressed myself now for something like 7 or 8 years. I have recognized that there is no labor measure more important than that which will permit the country to operate in the face of a crisis situation which would stop its operations.

Mr. President, I wish to emphasize that the only reason we have been able to deal with the situations—and we have dealt with them in this ad hoc manner since 1963 when we first passed the bill dealing with the 1963 firemen's dispute—is that American workers were dedicated and patriotic enough so that they obeyed the law which we passed on this subject dealing with their most dearly won rights.

I wish to make that very clear. Without this patriotic feeling on the part of the American worker, our country could be in anarchy, even if legislation were passed. But we do have the deep feeling of faith and confidence in our Nation that when there is a law, it will be obeyed by Americans and all workingmen no matter how strongly they may feel about a given issue. And this imposes a tremendous responsibility on us to be fair, equitable, and intelligent in respect of such a law and not make it oppressive or endeavor to suppress any legitimate working right of any workingman or, for that matter, any employer.

We have a history in which we have acted in an ad hoc manner in these disputes. I ask unanimous consent that there be printed in the RECORD a history of the previous bills, beginning with 1963 and again in 1967, on the shop craft wage dispute in 1970, the shop craft dispute again in 1971, and the signalman's dispute in 1971, all of which were dealt with and effectively disposed of by ad hoc legislation.

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

CONGRESSIONAL ACTION TO SETTLE EMERGENCY LABOR DISPUTES

Five railroad disputes have resulted in enactments of legislation by the Congress. These disputes are as follows.

I. 1963 OPERATING EMPLOYEES DISPUTE

P.L. 88–108 (August 28, 1963)—Established a seven member arbitration board to render a binding award on both parties (Class I railroads and five operating brotherhoods) with respect to use of firemen on diesel locomotives and the size of road and yard crews; directed parties to resume collective bargaining on all other issues.

II. 1967 SHOPCRAFT WAGE DISPUTE

P.L. 90–10 (April 12, 1967)—Provided for a 20-day extension of period of statutory restraint. Strike scheduled for April 13 by six shopcraft unions over wages.

P.L. 90–13 (May 2, 1967)—Provided for an additional 47-day extension of period of statutory restraint, until June 19, 1967, with the understanding that President Johnson

would offer a plan to settle controversy "within a few days".

P.L. 90-54 (July 17, 1967)—Authorized President to establish special mediation board and, failing settlement through mediation (within 90 days), to impose settlement (on basis of Emergency Board recommendations).

(In one additional labor dispute under the Railway Labor Act but involving the airlines, Congress was in the process of passing legislation when the parties reached a negotiated settlement.)

III. 1970 SHOPCRAFT WAGE DISPUTE

P.L. 91-203 (March 4, 1970)—Provided for a 37-day period of statutory restraint prohibiting a strike or lockout in dispute by National Railway Labor Conference and four shop-craft unions (machinists, electricians, boilermakers and sheet metal workers).

P.L. 91-226 (April 9, 1970)—Provided settlement of the above dispute by establishing as the contract, the terms of the memorandum of understanding dated December 4, 1969, agreed to by all negotiators for disputing parties, although subsequently ratified by general membership of only 3 of the 4 unions involved.

IV. 1971 WAGE-WORK RULES DISPUTE

P.L. 91-541 (December 10, 1970)—Provided for 81 day extension of period of statutory restraint in dispute between Class I railroads and four rail unions (operating employees except engineers, railway clerks, dining car employees and maintenance of way employees). Also implemented the first year wage increases recommended by the Emergency Board by providing a 13½ percent pay increase; five percent of which was retroactive to January 1, 1970 and remainder effective November 1, 1970.

V. 1971 SIGNALMEN DISPUTE

P.L. 92-17 (May 17, 1971)—Provided for extension of period of statutory restraint to October 1, 1971. Also implemented first year wage increases recommended by Emergency Board—5% for all employees effective Jan. 1, 1970; 30 cents per hour for leaders, effective Nov. 1, 1970 and 18 cents per hour for regular employees.

Mr. JAVITS. The President wishes us in essence to pass legislation for this particular situation—Senate Joint Resolution 187—which calls for a conclusive finding by a board of arbitrators as to what would be the terms and conditions under which the workers return to employment.

One aspect of this bill which is rather unique is a provision for a referee, a special official, to deal with the problem of disputes during the period this matter is before the panel of arbitrators. That is a very unique and a very interesting provision especially tailor made for this situation. Otherwise it is pretty much a straight-down-the-line arbitration authority.

When the bill was introduced, I introduced it by request because I feel that what we should do is to give, even in this ad hoc measure, at least the same flexibility which the President seeks in his proposed generic bill. I myself have a generic bill, S. 594, which provides for even more flexibility than the President's bill—for example, my bill would permit seizure. I have had a generic bill now for some 8 years.

It has been one of the things I have fought most consistently for. And I dislike so much to say it, but it must be said. This is it. I have had this bill in and I have fought for it because I have seen the country frustrated and chagrinned time and time again in such situations. Indeed, it is not just the country that is hurt by the strike, but the workers also. They have to earn a living. They are not anxious to sit and dangle their feet off the curb all day, all month, or all year.

This is in addition to the country's urgent need for critically essential public facilities.

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

Mr. JAVITS. I yield.

The PRESIDING OFFICER (Mr. ALLEN). The Senator from Nebraska is recognized.

Mr. CURTIS. Mr. President, would that legislation deal with all transportation, or is the Senator focusing attention on the dock strike only?

Mr. JAVITS. The administration has two bills. The first bill focuses attention on the dock strike only. The second bill is the generic bill. It covers all transportation industries.

My own bill, to which I have referred, covers all national emergency work stoppages. And that is what we have to get to. There is no way out of it.

My answer to the Senator in this case is that, much as I appreciate the President's initiatives, we cannot operate under a generic bill at this time to deal with this emergency. We are up against it. And we should move to do something or the whole country will hold us accountable. We will have to pass an ad hoc bill for this situation.

Mr. CURTIS. I hope that something can be done. The junior Senator from Nebraska is of the opinion that perhaps we need both types of action. I hope that something can be enacted quickly to meet all conditions. At the same time it would be my hope that legislation could be advanced to take care of the situation generally, so that we would not get into this predicament so often.

Mr. JAVITS. There is no question about that. I can assure the Senator that I have worked hard for this objective for years. This is a signal opportunity to work for it again. It may be that we can find a way to do both, even in this bill.

We tried it once before. The Senator from Ohio (Mr. TAFT) offered an amendment, generic legislation, to the Economic Stabilization Act. Unfortunately, we found we simply blocked ourselves out of the Senate. So we had to forego the generic bill. The Senator from Ohio got a pretty good vote on that amendment.

This is the time to apply pressure for a generic bill. The Senator is absolutely right in calling the matter so strongly to our attention.

Mr. CURTIS. Mr. President, if the Senator would yield further, I would like to point out that our transportation systems are in a little different category than industry generally. I agree that strikes are costly. They are costly for the workers and for the company. Transportation is the lifeblood of our economy. When there is a stoppage of the transportation, the amount of injury that occurs is very great.

When we have a dock strike, it has a sort of domino effect on our national economy. Whenever ships cannot be loaded, these agricultural commodities pile up. And pretty soon the storage facilities and the dock facilities are filled. It backs up clear to the point where the crops are produced. As a result the price is forced down.

It is estimated that the dock strike this past year cost Nebraska grain producers 10 or 12 cents a bushel, which is a sizable item because it takes it off the top, we might say, where it is needed to provide earnings for the farm operator.

I again commend all those—the distinguished Senator from New York (Mr. JAVITS) and others—who are working on this legislation. I also would like to express the hope that we get some action very soon.

Mr. JAVITS. Mr. President, I thank the Senator from Nebraska. I wish to yield to the Senator from Oregon (Mr. PACKWOOD), who is a cosponsor of this legislation with me.

I point out what the President said, and I think it is pretty extraordinary for a President to say:

> The American public is rightfully frustrated today by the inaction of the Congress in ending the West Coast strike.

He says that he does not know what he can do in the absence of action by Congress. I do not think that any of us, whether majority members or minority members, on our committee wants to vote contrary to the desires of the President.

I say this only to buttress the determination of our committee with regard to this matter. I hope very much and have every reason to believe that the Labor and Public Welfare Committee is going to have—and it has already had one hearing—hearings and will give most urgent and high priority attention to this matter.

I feel in good faith that it will do its utmost to report a bill. We all hope and pray that the parties will settle. However, we are told that they will not settle the matter unless we act. We have been absolutely told that in so many words by the Secretary of Labor. We have yet to call the employers and the union. We will do that. There is no problem about their testifying.

I rise today not in any sense of complaint or remonstrance, but to point out what the absence of generic legislation has done to us. It has put a great section of the country in a dreadful position. The losses are estimated to be billions of dollars in terms of commerce and trade and employment occasioned by this dispute.

I had a delegation here from Hawaii the other day and they told me vividly of the privation which they are undergoing. They told me that it is simply intolerable for our country.

So I speak today only to emphasize, in the public domain, the urgent need for the highest priority for action on the proposed legislation.

I now yield 5 minutes to the distinguished junior Senator from Oregon.

Mr. WILLIAMS. Mr. President, before the Senator yields, will he yield briefly to me?

Mr. JAVITS. Yes. May I ask the dis-

tinguished majority leader if we may have an additional few minutes?

Mr. MANSFIELD. Yes. Mr. President. I ask unanimous consent that the time for discussion on this subject be extended 15 minutes. Within that time, I hope that we may finish this discussion, because we are behind in our schedule. Perhaps more time may be needed for hearings.

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

Mr. WILLIAMS. Mr. President, first of all, the Committee on Labor and Public Welfare has had hearings on the bill. Secretary Hodgson came before us. We have now scheduled hearings for tomorrow with the Secretary of Agriculture and the Secretary of Transportation, and on Friday with the parties to the dispute themselves. So we are proceeding this week as rapidly as the other part of the Senate schedule will permit on this very urgent matter.

I would say that it was made very clear—crystal clear—to the committee by the Secretary of Labor that the generic bill that was sent to us sometime ago by the administration would not, if it had been enacted, been available in the settlement of the particular dispute that is now under discussion, that is before the country, and is a great emergency today. Because of the uniqueness of the situation, the final offer or selection would not have been a remedy that would have been available in this dispute. This simply emphasizes the complexity of the problem and also suggests to me, as chairman of the committee, that the Senator from New York, with his broader, more comprehensive proposal, with provisions that give greater flexibility in obtaining a remedy, has to be still a matter of concern to the people.

Mr. JAVITS. We can amend the bill, even the administration's bill. I am sure we could put it in shape. We have my own bill to draw on. The chairman has excellent ideas on this subject. Other Senators also have bills in.

I deeply believe that the important point I am making is that we should act. I think the Senator from New Jersey agrees with me. We should act because, obviously, it seems clear now that in the absence of congressional action the parties are not going to settle. The economic situation and, probably ensuing this, the social situation in the area affected are simply unacceptable. So I accept the chairman's statement and my only exhortation is that we should not let the United States find itself frustrated because we did not act.

Mr. WILLIAMS. I would finally say that there is one difference of approach—the possibility that this particular dispute will be settled without governmental fiat. I do not quite share the view of an impossibility of settlement, the feeling that there is an impossibility of settlement, that the Senator from New York has. The parties are meeting right now. As I understand, the offers of today were different from the offers of yesterday.

Mr. JAVITS. The Senator from New York is advancing no opinion on that, because he does not know. But he says that the President of the United States and the Secretary of Labor say that there will be no settlement unless there is legislation. So are we going to take the responsibility of deferring legislation? Then he can properly say that all the losses are on our heads in Congress. I doubt very much that we want to accept that responsibility.

Mr. WILLIAMS. We certainly ought to give the parties an opportunity to work out their differences.

Mr. JAVITS. They have had 15 months. They have now been negotiating 15 months. That is a long opportunity. I cannot stand up and fight for more than that.

Mr. WILLIAMS. I hope they are listening to the Senator, because they are meeting today. Our hearings are scheduled through the remainder of this week. They certainly have today, tomorrow, and Friday.

Mr. JAVITS. To that I say, Amen. Nothing would make me happier than for them to settle.

Mr. President, I yield 5 minutes to the distinguished junior Senator from Oregon.

Mr. PACKWOOD. Not only have we been waiting 15 months. It is going on 17 months since the west coast negotiations began and we are in our 17th week of the strike. The Senator from New York has indicated that the President has literally thrown up his hands and said there is nothing else he can do. The Senator from New York is right. There is nothing else that the President can do under existing law. He has invoked the Taft-Hartley Act emergency procedures, and that is the end of the power he has.

If this west coast crisis is to be resolved now, and also in the transportation industry generally, it will be achieved only if Congress is willing to enact new legislation, emergency legislation to deal with the current crisis and permanent legislation to obviate the need for similar crisis legislation in the future.

The issue is clear and simple. A handful of industrial leaders and union leaders have no right to strangle this Nation's economy just because they cannot get together and settle their dispute.

The right to strike did not come down with the Bill of Rights in this country. It did not come down with Moses. The right to strike has been guaranteed by Congress, except under extraordinary circumstances, because we felt it a separate and important economic remedy in the economic equation.

The President is saying to Congress, correctly that at some stage there are limits on the right to strike, and one of the fundamental limits is the power to shut the country down.

When the men went back to work on the docks of the Pacific coast under the Taft-Hartley injunction, the productivity on the docks was so low that, for all practical purposes, we can assume there were deliberate slowdown tactics. If we did nothing but give the parties another 6 months, 3 months, or 2 months to negotiate, and told the dockworkers to go back to work, we will be faced with the same low productivity and the same high costs that we found before.

Those who are affected by strikes have a right to a remedy. Congress has to face up to the situation. In this case, we should look at ourselves in the mirror and see where our obligations lie. I hope we will see that they lie with the people of the country, who have been devastated over the past 6 months by the crippling unresolved disputes in the transportation industry.

Mr. HATFIELD. Mr. President, I would like to join my colleague from the State of Oregon (Mr. PACKWOOD) and the Senator from New York (Mr. JAVITS) in drawing the attention of our colleagues to the tremendous impact that this strike has had not only on the economy of the West but on the general economy of the Nation.

The Senator from Nebraska (Mr. CURTIS) while on the floor a few moments ago—he is now presiding in the chair—indicated that this strike had a special impact on the agricultural economy. I would like to point out that in the past year our country had an imbalance of payments of $31 billion, the highest in our history. One of the reasons why we had this imbalance is the loss of exports as a result of the dock strike.

Oregon supplies 71 percent of the wheat shipped abroad. In 1970 the United States had 60 percent of the grain market in Japan. Now we have less than 40 percent of that market in Japan because of the fact that we have not been able to deliver. At the same time, we have to look at the fact that Australia and Canada had a bumper year in its wheat crop, and they have picked up the markets in Japan and the Far East because of our failure to supply them from the west coast ports.

Once a market in agricultural commodities is lost, one does not regain that market easily, because the market in that area wants a dependable supplier. If they feel they are going to be beset by breakdowns in the transportation system, they are not going to come back to that same seller again.

I would like to emphasize not only that the dock strike has cost us, in the 100 days, $100 million in wheat exports alone, but that this is a problem for the entire Nation, because we export the farm production of one harvested acre for every 25. Last year the production of 80 million acres of commodities moved into overseas markets.

I would also like to point out that, with the President of the United States undertaking a trip to China, the expectation of many people in this country is that economic relations will develop as a result of that trip, or perhaps it will lay the foundation for future economic relations. Most of the commodities, for example, that would be shipped to the mainland China market would be agricultural commodities, which are, again, highly dependent upon our transportation system over water.

I would also like to point out for the record, because many times we hear we are just about *ready to settle the strike*—and even this week we have seen the parties go back to the table to begin negotiations again—that on September 25, 1971, the President of the United States visited Portland on his way to Alaska to welcome and meet the Emperor of Japan.

While the President was in Portland, Mr. Harry Bridges, of the ILWU, and Mr. Flynn, of the Maritime Association, met with the President of the United States.

Following that interview and discussion a public statement was issued which gave the clear implication that there could be a settlement, and hopefully a settlement could take place within the next week.

I do not believe that statement is a reason for inaction in this particular strike or that we can afford inaction on the part of the Senate to move ahead with some kind of fair ad hoc legislation, because we have seen too many indications in the past for hopeful settlement that ended with no settlement.

I would like to add the observation that, in our great dilemma today, with its economic impact on the west coast, the general tendency of people, when we get into a crisis of these proportions, is to take the first proposition that is offered. We seek any straw that is offered. I would like to indicate that a very important element of the free enterprise system is collective bargaining, and I would like to make sure that, whatever action is taken, it is not punitive action inequitable to anyone or tending to handcuff either side to the dispute. Let us not, because of the serious situation we face, rush into precipitate action or enact legislation that is punitive in nature. I think we must remember that, as our No. 1 objective, we must protect the public interest, and, by the same token, take no action that would inject government into the dispute in such a way that would destroy collective bargaining, thereby destroying the heart and soul of the free enterprise system.

I would like to recall the words of a very great American, who was an expert in labor-management affairs, having been the troubleshooter for two Presidents of the United States, President Harding and President Coolidge. I refer to the Secretary of Commerce during their administrations, Mr. Herbert Hoover, who said that, in terms of the real free enterprise system, we must jealously protect the free collective-bargaining process.

So I want to join in that caution at this time, not to diminish the responsibility we have for action, but to recognize that we have to protect the free collective bargaining process of our free enterprise system.

Mr. President, I need not stress again the importance of this issue in my State, nor my continued efforts to bring this dispute to an end. In late July, I sent a telegram to the President, urging that he meet with Mr. Harry Bridges and Mr. Ed Flynn to discuss the need to settle this strike quickly.

I ask unanimous consent that my letter to the President, plus the acknowledgement from Bill Timmons, of the President's staff, appear at this point in the RECORD.

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

JULY 22, 1971.

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

MY DEAR MR. PRESIDENT: I am writing to express my deep concern over the economic consequences of the longshoremen's strike on the West Coast. I need not repeat the statistics of what the strike is doing to the economy of California, Oregon, and Washington. The rail strike compounds the problem, particularly in the lumber industry.

While I recognize the factors which would weigh against your intervention, I would ask that you consider some action which, if nothing else, would focus public attention on the two parties. Perhaps a meeting with Mr. Edward Flynn, of PMA, and Mr. Harry Bridges, of the ILWU, would give impetus to the parties to work toward a solution.

Public pressures for government intervention in stronger terms than this will increase the longer the strike continues. A meeting with the two parties might provide the spark that is needed to move toward a just settlement.

The effects of this strike are of great concern to me. I have talked with both Mr. Flynn and Mr. Bridges. I want to offer you any assistance I can.

Sincerely,

MARK O. HATFIELD,
U.S. Senator.

THE WHITE HOUSE,
Washington, July 24, 1971.

Hon. MARK O. HATFIELD,
U.S. Senate,
Washington, D.C.

DEAR MARK: This will acknowledge and thank you for your July 22 letter to the President concerning the West Coast dockworkers' strike. You may be assured your letter will be brought to the President's early attention.

At the present time the Federal Mediation Service has offered its assistance at the regional level to encourage the parties to come together and start talking. The Administration is aware of the problems presented by this strike and is keeping the matter under active review.

With cordial regards,

Sincerely,

WILLIAM E. TIMMONS,
Assistant to the President.

Mr. HATFIELD. Mr. President, President Nixon finally did meet with the two gentlemen in Portland on September 25 to urge a settlement. I do wish he had taken this step earlier, for this long, protracted delay in settling this dispute could have been speeded up.

On August 5, 1971, a group of 24 western Senators sent a joint letter to the two parties, urging an end to the strike, and stressing the impact on our foreign agriculture sales that had occurred, and would occur, if the strike were not settled.

I ask unanimous consent that the press statement announcing the joint letter, along with a copy of the letter, appear at this point in the RECORD.

There being no objection, the press statement and letter are ordered to be printed in the RECORD, as follows:

NEWS FROM SENATOR MARK O. HATFIELD,
AUGUST 5, 1971

A bipartisan group of 24 Western Senators, headed by Oregon Republican Mark Hatfield, urged resumption of talks in the West Coast dock strike in letters to negotiators Harry Bridges, of the I.L.W.U. and Edward Flynn, of the P.M.A.

Hatfield said all the Senators are "deeply concerned" over the impact of the strike on agriculture exports. He said foreign shippers already are turning to Canada and Australia for wheat and feed grain purchases.

"Over five million dollars worth of agriculture exports move through West Coast ports daily," said Hatfield. "Our farmers face financial ruin unless a settlement is reached soon."

Hatfield said the Senators also fear the long-term effects of the strike on our whole foreign trade position in the agriculture area.

"We fear foreign buyers will not continue to put as great a reliance on U.S. agricultural goods in the future because of the problems caused by the strike," he said. "Other foreign producers also are enjoying success because of the strike, and may compete more vigorously with the U.S. in the future for Far East markets."

"The erosion of the healthy fiscal boost to our balance of payments from agriculture exports comes at a time when the country can ill afford it."

Hatfield said he also personally fears long term loss of export markets for agriculture products, which "could damage the stance on trade legislation of some Congressmen from agricultural areas."

The 24 Senators, (15 Republicans and 9 Democrats) include Senators Hatfield, Jackson, Jordan of Idaho, Cranston, Packwood, Tunney, Church, Young, Fannin, Dole, Fong, Inouye, McGovern, Burdick, Pearson, Bellmon, Hansen, Curtis, Bennett, Moss, McGee, Dominick, Hruska, and Allott.

U.S. SENATE,
Washington, D.C.

Mr. HARRY BRIDGES,
President, International Longshoremen's and Warehousemen's Union, San Francisco, Calif.

Mr. EDWARD FLYNN,
President, Pacific Maritime Association, San Francisco, Calif.

DEAR SIRS: We wish to express our deep concern over the impact of the West Coast dock strike on the export of agricultural products. This segment of our agriculture industry contributes significantly to our nation's economy. Approximately $5 million in agricultural exports move through West Coast ports daily.

We are disturbed that the strike is causing foreign purchasers of these products to shift to Australia and Canada. It is reported by the Department of Agriculture that the known loss of U.S. agricultural export business with Japan for the first two weeks of July totalled an estimated $7.7 million. Because agricultural exports lack a "market permanency," these sales will be lost forever to our growers and shippers. We fear these purchasers may be reluctant to rely as heavily in the future on our products. The longer this strike continues, the more this fear grows. If future U.S. purchases are curtailed, both your groups will be affected adversely.

Throughout the past decade agricultural exports to Pacific Basin countries have been a vital ingredient in assisting our balance of payments. Continuation of the strike hurts our balance of payments at a time we can ill afford it.

In view of the importance of agricultural exports to the economy of our states—and the entire nation—we ask that good faith bargaining talks be held so the strike can be resolved.

Sincerely,

MARK HATFIELD.

Mr. HATFIELD. Mr. President, 1 week later, I provided the two parties with copies of letters I exchanged with the Ambassador from Japan, Mr. Ushiba, on the potential effects of the strike on trade between our two countries.

I ask unanimous consent that a statement announcing this, along with copies of our two letters, appear at this point in the RECORD.

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

STATEMENT OF SENATOR HATFIELD,
AUGUST 13, 1971

Senator Mark Hatfield said today that he had supplied both Harry Bridges of the I.L.W.U. and Edward Flynn of the Pacific

Maritime Association with copies of letters he had exchanged with Japanese Ambassador to the U.S. Nobuhiko Ushiba which he said "points up the serious long-range implications of the current dock strike."

Hatfield said he had asked Ushiba for his evaluation of the problem as it relates to Oregon and that "his answers were certainly worthy of consideration by both sides in this current controversy."

Ushiba told Hatfield that in 1970 "Portland shipped $296.1 million worth of goods to Japan and imported $149.1 million worth of goods from us.

"Since the storage capacity for wheat in Japan is limited to about one month's consumption, Japanese purchasers of West Coast wheat have been obliged to shift their source of supply to Gulf ports as well as Canada, Australia, etc.," Ushiba said.

"If the dock strike continues, it is possible that such a shift to other supply sources will take place on a much larger scale," he said.

Hatfield said that the Ambassador told him that "If the strike continues for a long period, the stock of American logs in Japan, presently available in two months' supply, will be depleted, and it is expected that the Japanese importers of this commodity will also be obliged to look to other supply sources."

Hatfield said that he agreed with Ushiba that agricultural products are most vulnerable to a shift in supply sources.

Hatfield said that he had written to Ambassador Ushiba in early August and that he has sent copies of his letter and the answer to Bridges and Flynn "in the hope that it will provide additional evidence of the need for a very early settlement of the strike."

"If we lose these markets this summer we may have lost them forever," Hatfield said.

U.S. SENATE,
Washington, D.C., August 2, 1971.

His Excellency NOBUHIKO USHIBA,
Ambassador of Japan, Embassy of Japan, Washington, D.C.

DEAR MR. AMBASSADOR: As you are aware, my state of Oregon has a vital interest in insuring the continuance of good economic relations with your country. One of the greatest contributions of Oregon to our mutual trade is in the area of agriculture exports.

I am writing to ascertain your views on the current West Coast dock strike—and the rail strike as well—and its effects on the commerce between our countries.

While I personally am well aware of the current impact of the strikes on the export of wheat and feed grains, I would like to know your thinking on its effect thus far, as well as what will happen if the strike continues for a long duration.

Have these strikes had an impact on your country's economy? How will it increase as the strike continues?

Can you comment on the effect of the strike on the export of logs and other forest products from our West Coast?

While I believe we face an immediate crisis as far as this summer's crops are concerned, I also am troubled by potential long term effects of these strikes. I would be very interested in your thoughts on the future impact—and the potential—to our agriculture exports that these strikes are having.

Naturally, I also would welcome any further comments you have that I have not raised?

If you have no objections, I would like to make public your response. In view of the critical time factor, I look forward to hearing from you at your earliest convenience.

Thank you for your attention to these points.

Sincerely,

MARK O. HATFIELD,
U.S. Senator.

EMBASSY OF JAPAN,
Washington, August 5, 1971.

Hon. MARK HATFIELD,
U.S. Senate.

DEAR SENATOR HATFIELD: Thank you for your letter of August 2. I am very aware of the fact that your state of Oregon and my country have long benefitted from our mutual trade. In 1970, Portland shipped $296.1 million worth of goods to Japan and imported $149.1 million worth of goods from us. I believe that the continuation of these good economic relations is most desirable for both of us.

In your letter, you asked my views on the current West Coast dock strike and its effects on the commerce between our countries. I am happy to inform you of the following facts:

(1) Since the storage capacity for wheat in Japan is limited to about one month's consumption, Japanese purchasers of West Coast wheat have been obliged to shift their source of supply to Gulf ports as well as to Canada, Australia, etc. Already about 100,000 tons of wheat have thus been purchased from other countries. If the dock strike continues, it is possible that such a shift to other supply sources will take place on a much larger scale.

(2) Other American exports to Japan are likewise adversely affected. For example, the exports of fresh grapefruit, whose import into the Japanese market was liberalized on June 30 of this year by my Government have been adversely affected, much to the disappointment of the Japanese consumers, who had looked forward to price reductions because of the liberalization. It is reported that Japanese importers are now considering imports of fresh grapefruit from South Africa as alternative sources of supply. Likewise, if the strike continues for a long period, the stock of American logs in Japan, presently available in two months' supply, will be depleted, and it is expected that the Japanese importers of this commodity will also be obliged to look to other supply sources.

(3) Generally speaking, experience tells us that once a market has been lost because of a shift in supply sources, it is difficult for the exporter to regain them. This is particularly true with respect to agricultural products. I am afraid that such development may harm the long-term interest of the United States.

I hope that the above information answers your questions.

Yours sincerely,

NOBUHIKO USHIBA,
Ambassador of Japan.

Mr. HATFIELD. Mr. President, soon after Labor Day, I again contacted the White House to urge that the Taft-Hartley provisions be invoked, so that the crippling effects of the strike could be alleviated.

I ask unanimous consent that the acknowledgment from Bill Timmons of Mr. Nixon's staff to my letter appear at this point in the RECORD.

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

THE WHITE HOUSE,
Washington, D.C., September 10, 1971.

Hon. MARK O. HATFIELD,
U.S. Senate,
Washington, D.C.

DEAR MARK: This will acknowledge your letter to the President regarding the West Coast dock strike and urging that he invoke provisions of the Taft-Hartley Act. You may be assured your views will be brought to the President's attention.

With cordial regards,

Sincerely,

WILLIAM E. TIMMONS,
Assistant to the President.

Mr. HATFIELD. Mr. President, in December, I contacted both parties again to urge a settlement before the expiration of the Taft-Hartley provisions. I ask unanimous consent that my telegram to Mr. Flynn and Mr. Bridges appear at this point in the RECORD, along with the response from Mr. Flynn.

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

TELEGRAM

Mr. HARRY BRIDGES,
President, ILWU,
San Francisco, Calif.
Mr. EDWARD FLYNN,
President, PMA,
San Francisco, Calif.:

I urge you to take all possible steps to settle the West Coast dock strike before Christmas. The consequences flowing from a resumption of the shipping tie-up are incalcuable.

Please advise me how you assess the prospects for settlement. Please advise me on any action I can take to assist. Please respond by wire at your earliest opportunity. I will make public or keep private your response as you so indicate.

I repeat that the future economic growth of the entire Northwest is in jeopardy if the strike resumes.

Thank you for your consideration of my request. I look forward to hearing from you.

Sincerely,

MARK O. HATFIELD,
U.S. Senate.

TELEGRAM

Senator MARK HATFIELD,
U.S. Senate Building,
Washington, D.C.:

Pacific Maritime Association has requested resumption of negotiations with ILWU on December 20 in attempt to reach agreement before Taft-Hartley injunction expires on December 25. Agreement possible by that date as parties are not too far apart.

ED J. FLYNN.

Mr. HATFIELD. Mr. President, as my colleagues here today are aware, I have spoken with you in private, as well as addressing remarks here on the Senate floor about the need to settle this strike. I hope that it can be brought to a close judiciously and quickly, and our region of the country can begin to repair the damage done by the crippling effects of the strike.

Mr. PACKWOOD. Mr. President, I yield 3 minutes to the Senator from Hawaii.

Mr. FONG. Mr. President, I would like to join my colleagues in discussing the west coast dock strike, which has strangled my State and crippled the national economy for 117 days. As my colleagues know, beginning last July 1, the strike dragged on for 100 days. Then the President invoked the Taft-Hartley Act, and the longshoremen went back to work. But the Taft-Hartley Act cooling-off period was ineffective in bringing the parties together in spite of two informal extensions beyond the 80-day injunction period. We are now in the third week of the renewed west coast dock strike.

My colleagues have told us how damaging the west coast dock strike has been to the national economy. I want to tell my colleagues that this dock strike has been particularly damaging to my State, because Hawaii is an island State.

We depend almost entirely upon sea transportation for most of our food, medicine, heavy equipment, household appliances, automobiles, parcel post, cattle feed, industrial products, clothing—almost every item essential to modern living and our economy. Maritime commerce is without a doubt Hawaii lifeline. Without seaborne cargo, Hawaii would be unable to survive. More than 80 percent of all commodities processed or consumed in Hawaii are imported. And, of course, we must export our agricultural and industrial exports to mainland markets or die.

The PRESIDING OFFICER. All time alloted for this discussion has expired.

Mr. FONG. Mr. President, may I ask for 2 minutes?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be 5 more minutes allotted to this discussion, 1 minute to be allotted to the Senator from Hawaii and 4 minutes to the Senator from Ohio (Mr. TAFT).

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. FONG. Mr. President, in the remaining 1 minute, let me say that my State has been a sitting duck for a dockworkers' dispute which is not in the State of Hawaii, but is on the west coast. We in Hawaii are hostages to the dock strike.

We know what happened in the first 100 days of this strike when the ships no longer sailed between Hawaii and west coast ports. Thousands of people were put on reduced work weeks. Businesses were forced to close or severely cut their payrolls. Unemployment in November reached the highest level since Hawaii became a State in 1959. Shortages developed in essential consumer goods as well as in supplies for local industry, such as construction materials.

The adverse impact of this strike on Hawaii's economic growth and development will be felt for years to come.

We need remedial legislation to relieve the drastic situation now confronting Hawaii, and we need it right now.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Ohio is recognized.

Mr. TAFT. Mr. President, I shall not go into great detail today on the need for legislation in accordance with the President's message. I think that is obvious. I think it has been obvious for a long time.

On November 30, when we considered the price stabilization bill, I offered an amendment which, for all practical purposes, would have amended the bill to just about the same bill the President has asked for, on a comprehensive basis, not on a compulsory arbitration basis. We acted on it, but, unfortunately, failed to get a majority. I predicted that we might well have to come back during the Christmas holidays to consider that. Fortunately, there were delays in the strike breaking out again, and that did not occur.

The evidence is overwhelming that there is a national emergency involved here, and a regional emergency as well, and Congress must act, and act with dispatch, and I trust that will happen.

I must say I am not as optimistic as the chairman of the committee in his outlook that the strike is about to be settled.

As a matter of fact, the latest information that I have received today from the Labor Department with regard to the strike is as follows: That as of 3 p.m. this afternoon, the parties are nowhere near a settlement. In fact, the parties are just as far apart as they were a few weeks ago. Mr. Bridges, Mr. Flynn, and others are coming to Washington this Friday to testify on the House side. Secretaries Volpe and Butz and the Assistant Secretary of Commerce will appear tomorrow to testify on this subject.

It is said that legislation, particularly with regard to the last offer selection process, would not have met this need. My recollection, with all due respect to the distinguished Senator from New Jersey, the chairman of the committee, was that what the Secretary of Labor said in testifying before the committee was that at this time, in this State, the matter had already gone down the plank so far that the last offer selection process would not work in these circumstances; and that statement or that general position is repeated by the President in the message he sent up to Congress today.

I do not believe I necessarily agree with that position, but it certainly was not the position taken by the Secretary of Labor that the last offer selection process would not have worked had that been in the law at the outset of this dispute. In fact, quite the contrary. In an article in the New York Times of February 1, Secretary Hodgson himself indicates very clearly that the last offer selection process is desirable, and far more desirable than involuntary arbitration.

I firmly believe that, given a cooling-off period, the last offer selection process, if given a chance to work in this circumstance, would work better than compulsory arbitration.

Whatever we have to do, we have got to move in some direction in this regard.

The PRESIDING OFFICER (Mr. CURTIS). The Senator's time has expired.

Mr. TAFT. I ask unanimous consent to have printed in the RECORD the article entitled "Updating the Law," written by Secretary Hodgson, to which I have referred.

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

[From the New York Times, Feb. 1, 1972]

UPDATING THE LAW

(By J. D. Hodgson)

WASHINGTON.—Congress does not want for work or problems but more of both are headed that way unless Congress recognizes transportation disputes is rickety stuff that no longer works.

The methods we rely on today when a railroad or airline strike threatens a national disruption of commerce is the Railway Labor Act, a product of 1926, in the days when transportation unions led a cliff-hanging existence.

That law served some purpose then, though never as much as some claimed for it. Strikes for new contracts aside, the procedures in that law for dealing with conflicting interpretations of existing contracts have long been unsatisfactory. Umpires handling operating rail-union cases are burdened today with a backlog of 3,000 cases.

That grievance component of the Railway Labor Act seldom attracts public attention, and the irony is that the United States taxpayer, not the parties to the complaints, pays for the umpiring and the record-keeping. This is true in no other industrial sector.

We are now in the seventies, a half-century removed from the organization and recognition struggles that led to the Railway Labor Act. The acceptance of these unions is no longer a national question, yet we are stuck with a law so structured, and so interpreted in practice, that bargaining seldom begins in earnest until the Government declares a state of emergency and calls in a board of neutrals.

The report of the neutrals purports to be appropriate settlement terms, but, instead, their report becomes the take-off point for bargaining.

If the parties refuse to submit to binding arbitration there is nothing left for the executive branch but to try mediation, which it has been working at all along anyhow.

Mediation in skilled hands often is a marvelous healer. The Government has a pool of skilled mediators who have struggled at times to the point of damaging their own health in day-after-night sessions unto exhaustion.

When the parties to a dispute are hurting only themselves, that's their own business. When such disputes cause inconvenience to others there is a cause for more concern. When the effects go beyond inconvenience and cause such disruption to commerce that millions suffer financially, or worse, the Government has to act in the name of public health and safety.

Congress has recognized this obligation to act, but its recognition has been limited to single-shot actions. Four times since 1970 it has felt impelled to pass special laws to prevent a breakdown in train services, which still move the bulk of the nation's cargo.

This kind of piecemeal lawmaking damages the institution of free collective bargaining by tempting the bargainer holding temporary political advantage to let his dispute go to the legislative branch.

Congress is not structure to use the aptitudes possessed by some of its individual members to deal with these complex situations. Nor has Congress the time to deal with emergency disputes on a case-by-case basis, though that is the prospect it now faces in the dock dispute.

Emergencies by definition demand fast action, and it is a truism that hastily passed laws are usually inadequate laws.

The task of resolving emergency disputes belongs, after the parties themselves, to the executive branch. But executives need tools, and Congress is the toolmaker.

The raw materials for these tools have for two years begged for Congressional action, but nothing has been legislated in this area. President Nixon's 1970 proposal would cover all major transportation, such as dock strikes. With such a law on the books we would not now be pleading for ad hoc legislation.

President Nixon, for the long run, proposes to give the executive a choice of options appropriate to the circumstances of each dispute. As a final, if necessary, step, there is an element of compulsion that differs from orthodox compulsory arbitration. In a sense it is compulsory bargaining. One trouble with compulsory arbitration as an end-of-the line procedure is that if the parties think the arbitrator is going to split the difference, they will tactically keep their differences as far apart as possible. That setting is hostile to effective bargaining.

In compulsory bargaining, on the other hand, there is an incentive to reasonableness. The proposed final offer selection method requires both sides to submit their most reasonable offers for a binding contract. A panel of neutrals would select, without alteration, one of these offers as the final contract. The

parties, knowing the selector board aims for reasonableness, will seek that reward, and good sense will tell them to submit reasonable offers.

Here is an ingenious, last-resort action for private parties who sometimes need, in the public interest, a nudge to use mind instead of muscle.

What is needed first is the authority of Congress.

Mr. FONG. Mr. President, I ask unanimous consent that I be permitted to have printed in the RECORD certain data with regard to the damages the dock strike has caused to Hawaii.

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

TESTIMONY OF DR. THOMAS K. HITCH, CHAIRMAN OF THE BOARD (1971–1972), CHAMBER OF COMMERCE OF HAWAII, BEFORE THE MERCHANT MARINE SUBCOMMITTEE OF THE U.S. SENATE COMMERCE COMMITTEE, JANUARY 18, 1972, HONOLULU, HAWAII

The worst spell of unemployment in Hawaii's modern history followed the longest dock strike in Hawaii's history. The 177-day strike of the ILWU longshoremen in Hawaii in 1949 was followed by unemployment that was estimated at over 32,000 workers which at that time accounted for nearly 17 percent of the labor force in the Territory.

The second worst spell of unemployment in Hawaii's modern history followed the second longest dock strike. The 99-day West Coast dock strike from July 1 through the first week in October 1971 was followed in November with estimated unemployment of over 23,00 workers, which represented 6.4 percent of the State's labor force. With the national unemployment rate in November at 6.0 percent, our rate of 6.4 percent is higher than the national average—the first time that that has been the case since 1957.

The 1949 dock strike was not only longer than the 1971 strike, but it was more complete. The 1971 strike only stopped ships from coming from the West Coast for the 99 days; foreign ships were not involved and the East and Gulf Coast ports were not closed until a week before Taft-Hartley action sent the West Coast longshoremen back to work. By contrast, the 1949 strike of Hawaii's longshoremen affected all ships destined for Hawaii's ports. The proper nomenclature then should perhaps be that the 1949 strike was devastating, while the 1971 strike was seriously damaging.

The devastating 1949 strike resulted in a 3 percent rise in prices from May to October as many vital commodities were in short supply or actually disappeared from the shelves and a 12 percent decline in retail sales. Total construction activity declined by one-third, the number of visitors declined by 5.5 percent, total wages and salaries declined by 9 percent, and employment declines by industry from the fourth quarter of 1948 to the fourth quarter of 1949 were as follows:

	Percent
Construction	−23.3
Manufacturing	−1.0
Services	−3.0
Wholesale and retail trades	−3.6
Sugar (field)	−3.3
Pineapple (field)	−9.7

As a result of lost employment opportunities, some 23,000 persons (net) migrated from Hawaii between mid-1949 and mid-1950.

The 1949 strike was particularly devastating because of two factors: first, 1949 was a recession year on the Mainland and some of the impact of that recession would have been felt in Hawaii in any case and second, Hawaii entered the strike in anything but a prosperous condition. Unemployment at the beginning of 1949 was in excess of 7 percent and would have been higher except for sizable net outmigration in the preceding two years.

By contrast, when the West Coast dock strike started on the first of July 1971, Hawaii was still in an overall prosperous economic condition—not growing as fast in the first half of 1971 as in the earlier years, but still considerably more prosperous than the country as a whole and vastly better off than the West Coast. This is indicated by the fact that the average unemployment rate for Hawaii in the first half of 1971 was only 4.6 percent while for the country as a whole the rate was 5.9 percent. The impact of the 99-day 1971 West Coast dock strike, then, was to slow Hawaii's growth very appreciably overall, rather than to turn the hole economy down—although some sectors did in fact register an absolute decline.

This is shown dramatically by comparing the growth in total State civilian employment from November to November for the last eight years:

	Percent
1963–64	5.0
1964–65	5.6
1965–66	3.5
1966–67	5.0
1967–68	5.2
1968–69	6.8
1969–70	4.1
1970–71	0.5

From November 1970 to November 1971 employment in the following sectors of the Hawaii economy declined:

	Percent
Sugar (mill and field)	−2.1
Pineapple (cannery and field)	−13.3
Diversified manufacturing	−5.0
Durable goods	−13.6
Non-durable goods	−1.3
Construction	−13.9
Transportation	−4.4
Wholesale trade	−1.2
Hotel services, Maui	−1.6
Hotel services, Kauai	−8.7

The only areas in which employment increased by more than a couple of percentage points were hotel services on Oahu and Hawaii, finance, insurance and real estate, and State and County government.

The impact of the 1971 strike on prices is clouded by the price freeze of August 15 which took place midway in the strike. However, the freeze did not apply to unprocessed agricultural commodities, and the "fresh fruits and vegetables" component of the Honolulu Consumer Price Index rose by 10 percent from June to October, whereas in prior years there was normally a seasonal decline during the late summer and early fall.

The following categories of tax revenue statistics from the State Department of Taxation show the possible impact of the 1971 strike.

General fund revenues.—For fiscal 1971, revenues increased 9 percent, with June 1971 growing at 9.9 percent over June 1970. For the first five months of fiscal 1972, the growth declined to 2.8 percent as compared with the same period a year ago.

Contracting.—The tax base grew 40.5 percent in fiscal 1970, but slowed to a growth of 2.1 percent in fiscal 1971, very close to the estimate made by the Tax Department. For the first five months of fiscal 1972, the tax base total was 12.4 percent below the prior year figure, approximately four times more than the rate of decline that had been estimated. This leads to a conclusion that the dock strike accelerated the decline.

Retailing.—Increase in gross sales for fiscal 1971 was 12.2 percent, with June 1971 recording a 22 percent increase. For the first five months of fiscal 1972, increase in gross sales was 4.4 percent, most of which was inflation in the form of higher prices to pay for expensive air freight shipment of goods.

Hotel rents.—For May 1971, the increase was 18.1 percent over May 1970. For June 1971, the increase was 24.3 percent over the previous June. For the first five months of fiscal 1972, rents were down 3.3 percent from the same period a year earlier.

Salaries.—For fiscal 1971, salaries paid increased by 11.8 percent over fiscal 1970, with June 1971 growing by the same percentage. For the first five months of fiscal 1972, the growth rate shrank to 3.3 percent from the same period a year ago.

Aviation fuel consumption.—For fiscal 1971, consumption was down 1.5 percent from fiscal 1970. For June 1971, it was up 6.7 percent. But for the first five months of fiscal 1972, consumption was up 16.2 percent, largely due to the substantial increase in air freight movement between the West Coast and Hawaii.

Pineapple.—The tax base for the first four months of fiscal 1972 was $42 milion vs. $63.2 million for the same period fiscal 1971. For November 1971, the tax base was $8.7 million vs. $3.9 million for November 1970, showing the pickup in shipments since Taft-Hartley.

The Chamber of Commerce of Hawaii conducted a survey in the closing days of December among its business members to get a clearer picture of the impact of the 99-day dock strike. I would like to present to this Subcommittee some of the results of this survey, divided by industries, and certain quotations that illustrate the vulnerability of business and the uncertainty and utter helplessness that result when the lifeline to the only insular state of our nation is cut. Over 250 member firms responded to the questionnaire.

We have divided the responses into the different sectors of business as follows: retailing, wholesaling and distribution, transportation, construction, diversified manufacturing, hotel and restaurants, finance, and miscellaneous services.

Retailing.—Of the firms that reported the strike's impact on sales, declines form normal levels ranged from 3 to 17 percent. In profits before taxes, the decrease from normal levels was much more pronounced. Here are some random figures: A domestic car dealer—down 200 percent, meaning a loss; a foreign car dealer—down 50 percent; an appliance furniture dealer, down 52.9 percent; a paper products dealer—down 138.81 percent, which apparently means a loss; a housewares retailer, down 25 percent; a large department store, down 5 percent; a drug store, down 18.7 percent. Employment was cut by some retailers—the severest being about 15 percent—but most retained their staff during the strike—some by cutting average weekly hours and others by taking a trimming in profits.

Here is a comment by a dry goods store manager: "Because of the air of uncertainty during the strike, orders for holiday goods were not placed until October after the (Taft-Hartley) injunction was issued. Some of these goods arrived in early December in time for the holiday season. The bulk arrived too late, the week of Christmas and later.

"Several December promotions were canceled because merchandise purchased specifically for them did not arrive.

"The prospect of the strike being resumed has caused more problems. We have had to stock up again and have brought in more merchandise than usual for this time of year.

"We have been fortunate in that many of our suppliers extended longer terms during this period. However, what of the many other firms that were not as fortunate?"

A florist (Pua Lani Florist) said: "We were unable to receive Christmas merchandise for resale, we were unable to receive supplies necessary to maintain our quality standards, we were unable to receive normal supply of materials needed for flower arrangements. Our fresh cut flower shipments via air cargo were delayed due to excessive air shipments normally shipped by sea freight . . . we lost

two shipments completely, reducing two weeks income by 90 percent."

Hawaiian Motors Ltd., normally a very successful Dodge agency, reported that its profits before taxes between August 1 and December 31 dropped 200 percent from what it considers normal into a loss position.

"The strike prevented arrival of 350 1971 model cars and delayed introduction of 1972 models by 60 days which we estimate to have cost us another 200 sales for a total loss of 550 new car sales.

"Due to the lack of cars, we had to close down five branch operations," the company said.

Another automobile dealer said: "The worst effect has been the terrible uncertainty as to job security which adversely affects decisions by consumers on major purchases."

A furniture dealer said: "The inability to receive regular shipments has resulted in our firm having to either purchase excessive inventories or run out of stock, with substantial losses from operations. The expense of increased inventories, storage, etc., has taken away a substantial portion of our normal profits for the year."

A paper products dealer, commenting on the impact of the strike, said his firm lost markets, lost key personnel from lay-offs, morale suffered during the strike, and cash flow suffered as smaller customers had difficulty meeting payments.

An exporter and importer of agricultural products said a $7,200 shipment of ginger root to the West Coast was a total loss due to the strike. "Our Christmas sales orders were not delivered until the holiday season was over. When they started to arrive, they came after truck after truck until all storage space was gone. But because of a threat of a resumption of the strike, we placed extra heavy orders for which we were forced to borrow money. We have never experienced such damaging effects in our operations in the past."

A gift and card shop owner: "If somebody built a fence around the State of Iowa making inter-state commerce impossible, troops would be called out. Many of our friends, and we ourselves, are making plans to move back to the Mainland. This is a ridiculous situation."

Transportation.—An automotive leasing firm said it has been forced to stiffen terms because of delinquency in payments. This has damaged relations even with good customers, and "it will take several years to regain their good will."

A tour company said parts for its tour buses had to be flown in and it had to bear the higher costs. Some of the parts are extremely heavy and higher costs will undoubtedly be passed on to customers.

Hotels and restaurants.—A linen supply firm said its sales were down 6.8 percent from normal, and profits before taxes were down 60 percent in August.

The Napili Kai Beach Club on Maui said food costs for its restaurant increased by $12,000 during the strike. "Delay of construction materials from the Mainland forced delay in the opening of a new wing from December 1, 1971, to April 1, 1972, which will result in lost sales of $120,000."

Hana Ranch Inc. built up its inventories in anticipation of a long strike, tieing up valuable capital. "It seems the more remote you are, the greater the effect of a strike," the company said.

Construction.—Reporting declines in sales and profit before taxes (from what they consider normal) were:

A construction materials supplier—sales down 25 percent, profits down 225 percent, which is a substantial loss.

Lillie-Continental Mechanical Corp.—sales down 25 to 30 percent; profits down 20 percent.

A painting contractor—sales down 5 percent; profit down 10 percent.

A concrete accessories firm—sales down 35 percent; profit down 28 percent.

A general contracting firm—sales down 20 percent; profit down 20 percent.

A large firm with a large construction division reported that the strike caused lost revenues of $18 million and lost profits of $1.5 million, plus $10 million in lost wages and $3.8 million in lost taxes.

Wimberly, Whisenand, Allison & Tong, architectural and engineering design firm, said a strike like the one on the West Coast docks last summer "delays construction of buildings in progress and increases cost; it also makes developers hesitant about placing new projects out for bids."

A prefab home manufacturer said his output was reduced about 50 percent from July to October, with payroll which normally runs around $600,000 annually cut 25 percent during that period, and losses amounting to more than $100,000. "Materials ordered in late April for delivery before June 30 arrived in late December. If another strike is called," he said, "we will close down at the first sign of a production slow-down due to lack of materials."

Sika Chemical Corp. said increasing inventories before the strike increased its warehouse costs by 35 percent. Then when the East Coast docks were struck, it had to move freight from its New Jersey factory by rail to the West Coast for shipment to Hawaii, which increased transportation cost 115 percent. Now with the threat of a resumption of the West Coast strike, it is increasing its inventories again at substantially higher cost than normal, to protect its customers.

An electrical contractor said the strike delayed new construction projects, forced it to stockpile materials, hurt its cash flow, increased its interest expense, increased costs of warehousing and handling, decreased sales, and increased transportation costs because air freight was required.

Mililani Town Inc., major land developer, said interrupted flow of materials caused layoffs, decreased efficiency of operation and cut into profits. "A major expense is interest that must be paid by the company and by purchasers of partially completed homes where construction has been delayed."

Diversified manufacturing.—Many small manufacturers suffered heavy losses in sales and profit during and after the strike.

A snack food manufacturer reported sales dropped 25 percent during the final month of the strike due to increased costs in alternate means of transportation of materials from the Mainland.

A canner whose supplies are almost all shipped in and the finished product shipped out found it difficult to get supplies from East Coast sources even at much higher cost. The company said, "Shipping strikes which occur with regularity in Hawaii will have to be considered as an additional cost of doing business. Management will think twice before expanding operations in areas where strikes can tie up business for three to six months at a time."

Crossroads Press Inc., a publishing firm, reported what numerous small businesses experienced during the strike—slowing down in collection of receivables. "In the five months since the strike started, we sent five times the amount in receivables to a collection agency than in the previous three years combined." Employment was cut by 5 percent, sales dropped 18 percent from normal and profit before taxes was down 35 percent. "December business, reflecting the strike, is estimated to be 15 percent below normal, and advance orders for January are discouraging," the company said.

Hilo Meat Co. Ltd., a meat packing firm based in Hilo, Hawaii, said "the meat industry averages less than a penny profit per dollar of sales and we are no exception.

"Consequently the added cost of obtaining raw materials from the East Coast, by air, and from Vancouver, British Columbia, turned a profitable operation into a loss. (Profits before taxes for November and December were 105 percent below normal or in the red.)

"The price freeze prevented raising prices. But even without the freeze, unless the entire industry raises prices, a small segment such as ours can rapidly become non-competitive if we alone do so."

A large manufacturer of gases and other industrial supplies increased inventories before the strike to keep its operations going normally. But competition was so keen for shipping space after the strike that it could get only enough raw material to operate its largest plant at one-third capacity.

Finance.—Banks, like other businesses, experienced an increaes in delinquent loans due to the strike. Coins were a problem as their inventory declined, and one bank received a supply from the East at additional cost, but it would be prohibitive to fly them in.

Jerry Hay Inc., an insurance agency, said "premium payments began to lag in the second month of the strike. We had to advance premiums in those cases. A resumption of the strike will force us to borrow money because we have used up our surplus."

Avco Financial Services reported that the major impact of the strike on its business "was the inability of many customers to make payments. We had to grant an abnormal number of requests for extensions. Our delinquency rate rose substantially—in loans in July and August and sales contracts in October. Volume of business dropped in August, September, and October.

"Potential customers are hesitant to obligate themselves on time payment debts, afraid their income may be affected," it said.

Wholesaling and distribution.—Wholesalers, distributors, food brokers, and manufacturer's representatives appear to have suffered large loss of sales and in profits because the nature of their business requires shipment of goods from the Mainland.

A distributor of electrical equipment reported that in the three months since August 1 sales were down 15.6 percent from normal, profit before taxes was down 57.4 percent, employment was down 25 percent and average weekly hours worked down 20 percent.

Another electrical supplier reported sales down 12 percent and profit before taxes down 30 percent because manufacturers absorbed air freight expense to help keep projects going. "But they will not absorb such costs in the future and they are just going to forget the Hawaii market."

Hawaiian Magazine Distributors, largest such distributor in Hawaii, reported it chartered thirteen 707-jets at a cost of $108,000 to bring over its perishable magazines that have to be delivered on a current basis. It is an 82-employee firm and suffered a $12,246 loss in profit before taxes between August 1 and November 20. If the strike resumes, the firm will consider discontinuing all distribution for the duration.

J. A. MacCosham & Co. Ltd., a meat wholesaler, said it invested an extra quarter million dollars in inventory for the strike, but by September, it had to fly in new supplies, and sustained losses for September and October. "Air freighting of food becomes a necessity in a strike, and every family in Hawaii is hurt by the higher costs."

A wholesale distributor of petroleum products tripled its inventory above normal levels in anticipation of the strike but by mid-September its stock was so low that it had difficulty supplying its customers. As a result, it has lost a number of accounts, including a large one. Between August 15 and November 15, its sales dropped 30 percent and profit before taxes showed a loss, 132 percent below its normal profit level.

Thom Equipment Co. Inc., an industrial distributor, reported that sales in the three months of the strike were down 33 percent from normal levels, and profit before taxes disappeared—down 200 percent from normal profit levels. Because it cannot quote firm delivery schedules due to the uncertainty of the labor situation, military and government agencies are sending their requisitions directly to Mainland supply depots, and local purchases are down by 50 percent.

South Seas Record Distributors Inc. reported that due to poor retail sales in records in the five months since the strike started, its sales to retailers dropped 15 percent and losses were substantial—262 percent below normal profit before tax levels.

Athletic Supply of Hawaii Ltd. reported that stockpiling in anticipation of the strike reduced the impact on its business, but only for a month. "Then we began to feel the impact and it is continuing to this day as we have been unable to rebuild our stocks. There has not been sufficient shipping space available.

"During the latter part of the strike we were using air freight and our cost increased greatly. The worst effect, however, was the fact that much of our merchandise cannot be airfreighted as the differential between ocean and air freight is too great. This applies to toys because of their bulk as against their cost, and it applies to sporting goods such as barbell sets, pool tables, table tennis, playground equipment, and gymnasium equipment.

"Until the shipping situation can be cleared up by Federal law, we see nothing but continued losses for business in the State of Hawaii and a continual increase in cost for the consumer."

Eastman Kodak Co. said it had supplied its dealers by air even at substantially higher cost and that it has absorbed that cost.

"Some products, such as X-ray supplies, are required for health and safety," the company said. "Many of the chemicals needed in radiography are considered hazardous and cannot be shipped via air. They must come by water transportation.

"Although we have tried to build sufficient stocks to satisfy local needs, we lack warehouse space and any extended shutdown of shipping could jeopardize the health and safety of our people in Hawaii."

Quality Wiping Rag Co. Inc. reported that lack of shipments forced it to cut employment by 40 percent for four months beginning in late July, and average weekly hours were down also by 40 percent and as high as 73 percent in the worst three weeks beginning in late October.

"We depend on raw materials from the Mainland for production of industrial rags for our local customers and to fulfill the General Services Administration contracts, which we have not been able to fill completely.

"As a business which supplies military agencies, we must be able to asure deliveries or local suppliers would be bypassed by the military which would purchase their supplies from Mainland sources and have them shipped in military vessels," it said. The company reported substantial losses during the four months through November 15, with profits before taxes down 137 percent.

Services: Western Girl Inc., temporary office help agency, reported that a few customers went out of business. Most, however, just tightened their belts and didn't hire except where absolutely necessary. During the three months beginning September 1, its sales were down 35 percent from normal levels and the business showed a loss.

Pacific Broadcasting Co. Inc. lost much of its fall business and had only 25 percent of its anticipated business under contract for January due to the uncertainty of the labor situation. During September and October, sales were down 18 percent from normal, profits before taxes down 52 percent, and employment down 40 percent.

Hospital Association of Hawaii reported that heavy reliance on disposable items within recent years presents a potential crisis in health care without adequate and steady shipments of supplies from the Mainland. During November, many hospitals found themselves very short of all kinds of plastic containers and disposable paper products such as patient drapes, bed pads for the chronically ill, and towels.

An advertising agency reported its billing for September, October, and November was down 28 percent from 1970. The October billing was less than half its October 1970 billing. "Accounts with no merchandise to sell don't advertise," it said.

A firm providing professional service to business said the biggest impact of the strike on its business was the serious delinquency problems on receivables as well as dramatic increase in credit losses. "We are certain the full impact of the strike has not yet been fully demonstrated. We believe it will continue for at least four months even in the absence of a resumption of the strike."

Wally Ruckert & Co., an advertising agency, reported the impact from the strike was worst between October 1 and December 31, when sales dropped 53 percent from normal, profit before taxes dropped 85 percent, employment was decreased 33 percent.

Now let me turn to the long-range, indirect effect of shipping strikes on Hawaii. Here I can speak from many years of experience as vice chairman of the Territorial Economic and Planning Coordination Authority from 1959 to 1960, as vice chairman of the State Board of Economic Development from 1960 to 1962, as chairman of the Governor's Advisory Committee on Financing from 1958 to 1962, as chairman of the Mayor's Advisory Committee on Financing from 1960 to 1969, and as senior vice president and chairman of the Research Division of the First Hawaiian Bank for the last twelve years. I have also participated in many trips around the Mainland trying to sell investors on Hawaii, speaking to groups and talking with investors on many occasions in New York, Boston, Hartford, Chicago, Dallas, Los Angeles, Houston, San Francisco, Seattle, and Portland.

The primary long-range impact of strikes that interrupt shipping to Hawaii is to make it more difficult to attract investment capital to Hawaii.

For the last 20 or more years, the economic growth of Hawaii has been financed in large measure by capital attracted from outside of Hawaii. This is necessarily true for three reasons. The first is that even if most savings of Hawaii residents were kept in liquid form and invested locally, our rate of economic growth has been such that the funds would be inadequate. The second reason is that more and more savings of residents of Hawaii are channeled into institutions located on the Mainland—such as insurance companies, mutual funds, the stock and bond market, etc. The third reason is that more and more of business enterprise in Hawaii is owned by non-Hawaiian parent corporations, so that profits made locally are not left here for local investment but are channeled to head offices in New York, Boston, Chicago, San Francisco, etc. There are some 2,000 foreign (non-Hawaii) firms registered to do business in Hawaii. They include the Kaiser cement plant and property development on Oahu; Standard Oil Co. of California's oil refinery; Weyerhaeuser's and Fibreboard's cardboard container manufacturing; hotel chains such as Hilton, Sheraton, Western International, Holiday Inn, and Cinerama; and Boise Cascade in retailing and land development. Now engaged in business in Hawaii are all the major oil companies (Shell, Phillips, Union, Texaco, and Standard); all the major insurance companies; airlines such as Pan American, United, Northwest, Western, Continental, Braniff, American, TWA, and a host of supplemental air carriers; major van lines (Bekins, Martin, Dean, Smyth); major milk and milk-products distributors (Foremost and Beatrice Foods); leading retailers (Sears, Penney, Kress, Woolworth, Hartfield, Roos-Atkins, Parkview-Gem, Longs Drug); the major U-drives (Hertz, Avis, National); two major bakery chains (Continental and Ward Foods); a brewery (Schlitz); and a supermarket chain (Safeway). In addition to such major foreign firms, a large number of traditionally local firms are now owned outside of Hawaii (Hawaiian Telephone Co., C. Brewer, Honiron, HC&D, First Insurance Co., etc., etc.)

The result is that personal savings and business profits tend to flow out of the State, and that economic development hinges in large measure upon our ability to attract outside investment funds into the State. Our ability to attract such funds is always given a serious setback by any strike that interrupts shipping. In 1960 I wrote a 24-page pamphlet entitled "A Brief Review of Hawaii for the Businessman" and toward the end of it, I dealt with four subjects which I had found caused the Mainland investor the greatest concern—taxes, land tenure, cost of living, and strikes. In the pages devoted to these four subjects, I felt it necessary to devote half the entire space to the last subject—because I knew from experience that that subject was of most critical concern—even though we had not had a significant interruption to shipping since 1952.

My bank alone services more than $125 million of mortgages that it has sold to Mainland investors, and the greatest concern of my colleagues arising from last year's strike is that it will be vastly more difficult to sell mortgages to Mainland investors in the future than it has been in the past. Would you invest money in Hawaii (or Florida, or any other part of the country) if that area were subject to being cut off from the rest of the world by all means of transportation—including ships, cars, buses, trucks, railroads and airlines? Hawaii, unlike any other part of the country, is served only by ships and airlines, and while we have never had a simultaneous shutdown of both, even that is a possibility. Even a strike of one of our two methods of physical contact with the rest of the world is enough to scare most investors out of their wits—and that is precisely what a strike does. I would suggest that a recurrence of the dock strike for three or four months or more in 1972 would set Hawaii back economically for a decade. I make this statement advisedly after much thought and experience.

Another long-range impact of a strike interrupting shipping is that it weakens the entire fabric of the Hawaii business community. Many firms that were strong become weak, many that were weak become marginal, many that were marginal become submarginal, many that were submarginal become defunct. Those that survive such a strike emerge in a weaker condition than before and are therefore more subject to any adverse condition that might develop in the future.

A final long-range impact of such strikes is the permanent loss of markets by our export industries. Other witnesses will document this fact, but we know from long experience that when Hawaiian products are not available, purchasers shift to other sources of supply and such shifting is very difficult if not impossible to reverse.

The conclusion to be drawn from these last comments is that Hawaii will suffer from the 99-day 1971 dock strike for years to come, just as she suffered from the 177-day 1949 dock strike for many years. In fact, it was not until about 1955 that Hawaii's economy began to turn upward after the 1949 strike. The final conclusion of all my testimony can be

summed up by reminding you that shipping is still Hawaii's life line, and that a severed artery bleeds profusely.

I think it is obvious from what I have said that the Chamber of Commerce of Hawaii will support strongly any legislation that will make a major contribution to protecting Hawaii from shipping interruptions. We believe that with certain modifications, S. 2836 would make a significant contribution to achieving this objective.

There are two modifications that we would recommend. First, we think the option given to the Governor of Hawaii to trigger the mechanics of S. 2836 should start immediately with the beginning of the strike instead of waiting 30 days, because (1) the governor should know by then whether or not there is a likelihood of a settlement in the near future and (2) at best no ships would be serving Hawaii for at least a month or perhaps two months or more after the mechanics are put in motion. Should he wait until the strike was already 30 days or more old, Hawaii might not see any ships under steam until the strike had lasted two-and-one-half or three months or even longer.

Second, we seriously doubt that there would be anything like an adequate supply of available American ships not involved in the dispute to do any good. The solution to this is twofold. One solution would be to write into the bill a temporary suspension of the Jones Act for the duration of the strike so that foreign ships could be used in the Hawaii-Mainland trade. The second solution would be to use ships of companies involved in the dispute but to use them under some terms that did not in fact remove the economic pressure on them to settle the strike. We are not enough of marine accounting specialists to suggest how this could be done, but we feel sure that it could.

Aside from the merits of S. 2836, let me strongly urge this Subcommittee to do everything it can to put the U.S. Senate on record as recognizing that interruptions to shipping constitute a dire emergency to the State of Hawaii. Certainly any legislation designed to protect this island community must move from the base of a recognized problem that must be solved. As far as Hawaii is concerned, we *must* make a break with the thinking that says that no part of the nation is in jeopardy until the entire nation is in jeopardy and that therefore the only emergency that merits action is a national emergency.

I feel that I have demonstrated today that a shipping or dock strike that severs Hawaii's life line is in fact a threat to the life of one of the 50 states of the nation. The only remaining question is: Will the Congress tolerate a situation that can effectively destroy one of the states of the Union? I sincerely hope that the answer is "No," and that this Subcommittee will make a major contribution to persuading the entire Congress to say "No."

RETAIL BOARD, CHAMBER OF COMMERCE OF HAWAII, STATEMENT BEFORE SUBCOMMITTEE ON MERCHANT MARINE AND FISHERIES, SENATE COMMITTEE ON COMMERCE, JANUARY 18, 1972

My name is Wellington Chu. I am President of the Retail Board and General Manager of the Ala Moana Center. The Retail Board represents all the major retailers as well as a large segment of the smaller retail outlets on Oahu.

I welcome this opportunity to express the retail viewpoint and the impact that shipping interruptions have on our retail industry. This hearing is heartening to our island people, because it reflects the United States Government's concern for the well-being of Hawaii.

The West Coast dock strike, which started July 1 and was temporarily halted by the Taft-Hartley injunction on October 7, dramatically illustrated Hawaii's dependence upon uninterrupted shipping. The strike was particularly serious for many retailers and for those who depend upon them to secure the necessities of daily living.

The retail industry is the largest employer, other than government. It creates more new jobs than any other industry and it is the largest gross income tax producer for the State, generating 44% of the total State gross income tax revenues. Annual retail sales for the State exceed two billion dollars.

When we talk about retailing, we mean only those businesses that sell commodities direct to the consumer. We are not including the activities of restaurants, hotels and other service industries, although in some respects they come under the classification of retailing.

Hawaii's geographical position requires merchandising methods that are of an unique nature. As an island state, completely separated by 2400 miles of ocean from the rest of the U.S.A., its dependency on waterborne shipping is enormous. Other states have alternate transportation systems—rail or truck—and many have the additional choices of river or ocean shipping. But when normal ocean shipping is disrupted, Hawaii's only alternative is air freight, which places an added economic burden on Hawaii's people.

No other state in the Union is confronted with the cost of carrying such large inventories. In Hawaii, a normal procedure for a merchant is to anticipate his stock requirements 60 to 120 days in advance on each of the thousands of items in inventory. From the time the order is placed with a supplier on the mainland to the date the merchandise is received in the merchant's warehouse, the average time lapse is 60 to 90 days. In retailing, a high rate of turnover of inventory is a major factor in making a profit. Any interruption of shipping, whether it be a "slow down" or a complete shut down, reduces the rate of turnover and has an immediate effect on Hawaii business. Interference of shipping for the duration of over one month has serious effects on retail sales, operating costs, unemployment and profits. Business begins to feel the full impact of a strike after 90 to 100 days, and at that stage it becomes more serious by the day, with casualties among business firms and employment rapidly increasing.

A comparison of Hawaii with other states on this issue is quite revealing. Mainland stores can receive merchandise in two to seven days by truck or rail from their suppliers, which enables them to carry a smaller inventory and have greater flexibility in stock control. This results in a much smaller warehouse requirement, a decrease in the cost of money that is invested in inventory, and a lower cost of handling inventory. The geographical and transportation advantages enable mainland stores to replace fast moving items in a few days

Keeping in mind these introductory remarks, it is easily understood why a shipping strike, which may be only an inconvenience to some states, has a serious effect on Hawaii's retailers. We estimate a loss of retail sales on Oahu as a result of the 1971 shipping strike to be in the area of 40 million dollars.

The first six months of 1971, retail sales increased 10.04% over the same period of 1970. We had projected a smaller increase of 8.7% for the last six months of 1971 because of the economic conditions of the nation. 75% of our projected increase was lost during the period of July 1 through November 30 of 1971 as a result of the shipping strike. (See "Exhibit A")

Harmful side effects within the retail industry include unemployed personnel, reduction in seasonal work in retail stores for students and others, financial failure of firms, reduced profits and higher consumer prices.

The effects go far beyond the shores of Hawaii. Mainland manufacturers produced merchandise in anticipation of orders from Hawaii which did not materialize, so they were over-stocked and their profits for 1971 were reduced. Some mainland producers experienced a complete loss of perishables that were ready for surface shipment to Hawaii during the period of the strike.

The large retail stores shipped approximately 35% of their inventory by air during July, August and September. The air freight cost on the "all kind rate" cargo is approximately 44% higher than surface freight, and the additional cost had to be absorbed by the retailer after the enactment of the wage-price-rent-freeze on Aug. 15th.

The impression of many on the mainland was that the west coast shipping strike was not seriously affecting Hawaii because adequate food was available and there was no starvation. Although food is of prime importance, the State's economy cannot survive on necessities alone. It must be recognized that the strike had deteriorating effects on the economy of Hawaii to a degree where it impeded the progress of government, business and individuals. It even extended into reduced Federal Government tax revenues and increased Federal unemployment costs. Every person and business in Hawaii has been affected, either directly or indirectly by the strike. Numerous industries across the mainland have also suffered losses as a result of the strike.

Recovery from a shipping strike is long, tedious and costly to the merchant. The regular flow of incoming merchandise has ceased. Stocks are out of balance or depleted, which reduces sales and profits; cargo is backlogged from the coast to consolidation points in the midwest, etc.

Some merchandise consigned to Hawaii's retailers has been on the West Coast docks since September, due to lack of shipping space. Retailers did not receive some of their Christmas merchandise in time for sale in 1971, so their inventories, obsolescence, and warehouse costs are excessive.

Normally, the merchandise is paid for by the retailer when it leaves the supplier. When merchandise is delayed by a strike, the money invested by the merchant has been lying idle.

Merchandise arrives in such large quantities after a strike that the merchants' physical plant and facilities are incapable of processing the shipments without delays and substantial increased costs.

For a healthy economy, Hawaii needs to attract new business, but the past history of recurring shipping and dock strikes is a major factor which is considered by companies contemplating opening a business in Hawaii. The control by one union of the west coast docks, the local docks, and the sugar and pineapple industries, cannot be overlooked by prudent businessmen. Also, there is the threat of a strike by the members of any of the five unions who operate the ships that supply Hawaii.

The retail industry has invested hundreds of millions of dollars in Hawaii and is continuing to invest in new shopping centers, new stores and expansion of existing stores; but when one segment, whether it be employer, labor unions, or government, can arbitrarily take action that strangles the economy and growth of a State of the United States of America, it is time that our elected Congressmen in Washington balance the scale by adopting legislation that is fair alike to business, the consumer and labor. The people of the 50th State should not be forced to live under the constant threat of economic disruption from surface shipping strikes.

The salient points of our testimony can be summarized as follows:

1. Hawaii is particularly vulnerable to

shipping interruptions due to its separation from the rest of the United States by 2400 miles of ocean.

2. The recent west coast shipping strike seriously impaired the retail industry, causing a decrease in profits due to less frequent turnover of inventory and increased expenses.

3. The strike increased unemployment, when unemployment was near a record high.

4. It increased prices to the consumer—adding to the inflationary spiral. (80% of the goods consumed in Hawaii is shipped in.)

5. The strike increased the expenses of the State and caused a substantial loss of tax revenue.

6. Recurring shipping interruptions discourage investments and new businesses from opening in Hawaii.

7. Costs to the Federal Government were increased with a corresponding decrease in Federal Government tax revenues.

8. Mainland suppliers suffered decreases in business due to loss of sales to firms in Hawaii—further resulting in losses to State and Federal tax revenues.

For these reasons we endorse the adoption of legislation that will protect Hawaii against repeated interruption of shipping, and respectfully request Congress for prompt action.

EXHIBIT A

RETAIL SALES COMPARISONS OF 1970 AND 1971, 1ST DISTRICT (OAHU)

	Actual retail sales January through June	Actual retail sales July through November	Projected retail sales July through November[1]	Actual retail sales July[2]
971	$867,428,084	$716,035,983	$756,086,954	$130,617,020
1970	788,268,649	695,572,175	695,572,175	155,258,942
Gain or loss	79,159,435	20,463,808	60,514,779	(−24,641,922)
Percent gain or loss	+10	+2	+8.7	−18

[1] Estimated figures on the basis of uninterrupted shipping.
[2] West coast shipping strike started July 1, 1971.

Source: General excise and use-tax base (current), State of Hawaii, director of taxation.

(This marks the end of the discussion which was ordered to be printed at this point in the RECORD.)

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. GAMBRELL) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of Senate proceedings.)

CONVENTION ON THE MEANS OF PROHIBITING AND PREVENTING ILLICIT IMPORT, EXPORT, AND TRANSFER OF OWNERSHIP OF CULTURAL PROPERTY—REMOVAL OF INJUNCTION OF SECRECY

Mr. BYRD of West Virginia. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Convention on the Means of Prohibiting and Preventing the Illicit Import, Export, and Transfer of Ownership of Cultural Property—Executive B, 92d Congress, second session—transmitted to the Senate today by the President of the United States, and that the convention, together with the President's message, be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

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

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to accession, I transmit herewith the Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property.

The illicit movement of national art treasures has become a matter of serious concern in the world community. Many countries have lost important cultural property through illegal exportation. The theft of art objects from museums, churches and collections is increasing. Rising prices for antiquities stimulate looting of archaeological sites, causing the destruction of irreplaceable resources for scientific and cultural studies. In addition, the appearance in the United States of important art treasures of suspicious origin gives rise to problems in our relations with other countries.

The Convention, adopted on November 14, 1970, by a vote of 77 to 1 with 8 absentions at the Sixteenth General Conference of the United Nations Educational, Scientific and Cultural Organization, is a significant effort at multilateral cooperation to help preserve the cultural resources of mankind. Under the Convention, each state undertakes to protect its own cultural heritage and agrees to cooperate in a number of important but limited respects to help protect the cultural heritage of other states. Perhaps the heart of the Convention from the standpoint of the United States is Article 9, which establishes an important new framework for international cooperation.

Under this Article, the states parties undertake to participate in a concerted international effort to determine and to carry out the necessary corrective measures in cases in which a state's cultural patrimony is in jeopardy from pillage of archaeological or ethnological materials.

The convention also requires states parties to prohibit the import of cultural property stolen from museums, public monuments or similar institutions and to take appropriate steps, upon request, to recover and return such cultural property. In addition, they pledge to take what measures they can, consistent with existing national legislation, to prevent museums and similar institutions within their territory from acquiring cultural property originating in another state party which has been illegally exported after entry into force of the Convention.

I am enclosing the report of the Secretary of State, which more fully explains the Convention and the reservation and understandings we recommend. Certain provisions of the Convention will require implementing legislation, which the Executive Branch will be prepared to discuss during the Senate's consideration of the Convention.

I believe international cooperation is required in order to preserve the priceless heritage of humanity, and I urge the Senate to give prompt advice and consent to United States accession to this Convention, subject to the reservation and understandings recommended in the report of the Secretary of State.

RICHARD NIXON.

THE WHITE HOUSE, *February 2, 1972.*

SENATOR COTTON COMPLETES 25 YEARS IN CONGRESS

Mr. GRIFFIN. Mr. President, when this session of Congress convened, one of our most distinguished and beloved colleagues reached a milestone in his career.

At that point, the senior Senator from New Hampshire (Mr. COTTON) completed 25 years of service to his State and the Nation as a Member of Congress—first in the House and since 1954 in the Senate.

If it were the choice of NORRIS COTTON alone, no attention whatever would have been focused upon this achievement. But he has so many friends and admirers in and out Congress that such an anniversary could not—and, happily, did not—go unnoticed.

In the best of all tributes, hundreds of Senator COTTON's friends and neighbors gathered together in his hometown of Lebanon, N.H., last Monday night to observe the anniversary and indicate their high esteem and warm affection for NORRIS COTTON.

From all reports, it was quite an event. There were messages from the President, the Vice President, Cabinet officers and from many of his Senate colleagues. The principal speaker for the occasion was our distinguished minority leader (Mr. SCOTT) who said very eloquently what many of us feel about the great American who serves New Hampshire as its senior Senator.

Mr. President, I ask unanimous consent that the text of the remarks delivered by Senator SCOTT be printed in the RECORD.

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

SENATOR HUGH SCOTT OF PENNSYLVANIA, REPUBLICAN LEADER, AT TESTIMONIAL DINNER, FOR SENATOR NORRIS COTTON, LEBANON, N.H., JANUARY 31, 1972

Somewhere out there in America there may be a happier, more relaxed testimonial dinner than this—but I doubt it very much.

I know there's nothing like it going on elsewhere in New Hampshire tonight. Instead your ski slopes are littered with Democratic presidential hopefuls—all going downhill.

And there must be half a hundred of their campaign offices with doors wide open and workers trying to hustle people inside. About the only ones willing to go in are bill collectors from the telephone, utility and air line companies—they got burned in 1968 and 1970 with Democratic promises to pay—which appear to be as empty as their campaign promises.

But there I go being political, in a gathering which is really just plain friendly.

Is there anything nicer than a hometown bash just to honor one of your own who has really made good? Not to raise funds, not because he is running for anything, but just to break bread, and raise a toast or two or three to the Lebanon lawyer who practiced here so long and so amiably, became a state legislator in the best and most professional sense of the word——

And topped it off by making his mark in Congress, first the House, then the Senate.

And I really mean Norris Cotton has made his mark.

I feel just a mite ill at ease speaking to Lebanon people about Senator Norris Cotton. After all, I am being called upon to deliver an oration about one of America's greatest orators.

You people who have heard Norris—and I am sure every living person in New Hampshire had heard him at least once—have developed high standards in speech making. I am told even those now in their graves rest more easily because they heard Norris at least once in their lifetime. And even old Dan Webster smiles down upon him benignly, as he sits at Dan's old desk in the Senate.

He's known throughout the country as the Granite State Orator. You have no idea what happens in the Senate when Norris decides it is time to let loose an oratorical blast—I might say he is best when he does it straight off the cuff.

When some of my colleagues rise to orate, there is a rush for the doors. When Norris gets going, they pour back in to hear him.

And does he get results! One afternoon a young Democratic Senator was making a batch of charges against some official in the Nixon Administration. Norris came into the Chamber, realized that much of this was just plain hearsay, rose up and let loose a few choice paragraphs,—so choice in fact, that the other Senator in embarrassment, apologized on the floor of the Senate, right then and there—and literally fled the Chamber. Interestingly enough, he was defeated in his try for reelection.

But Norris doesn't play favorites; he is not one of these 100% My Party Right or Wrong types. He is a loyal Republican, and generally a solid supporter of the Nixon Administration.

But in the best New Hampshire sense, he belongs to no man. He relies on his own judgment; he makes up his mind using his own highly developed, independent good New Hampshire common sense.

And when he decides to differ with his Administration, there is very little doubt about where he stands. One afternoon he stood up and in a few short, magnificent paragraphs made it clear he wasn't buying an Administration proposal—topping it off referring to the bureaucrats carrying out the programs as a "bunch of boy scouts"—

This was on the floor of the Senate. Evidently the word ricocheted down Pennsylvania Avenue to the White House in a very few minutes. Before Norris got back to his office, his staff was getting rather frantic phone calls from Administration officials wanting to know what they could do to change Senator Cotton's opinion of them.

I am told he let them stew in their juice for a while, and then, repeated to them his analysis of their actions. After which, they changed their tune.

Norris Cotton is in fact a real leader. A real spokesman for New Hampshire, New England, and the Nation.

He occupies positions of leadership in the Senate; highest ranking Republican member of the Commerce Committee; highest ranking Republican member of the Appropriations Subcommittee on Health, Education and Welfare; Secretary of the Senate Republican Conference, Member of the Senate Republican Policy Committee.

In our Party deliberations in the Senate, Norris is one of the most thoughtful, witty and delightful speakers.

And he is also part of the Senate Leadership group which confers with President Nixon nearly every Tuesday morning at the White House.

But I don't want to say too many fine things about Norris tonight, even though they are true. I don't want to run the risk here of having a repeat of what happened to a certain Republican Senator—whose name shall be forever buried—who was the guest of honor at a testimonial dinner not too long ago.

Man after man stood up and praised him to the skies. His colleagues started out by calling him a great American. By the time the tenth or twelfth of them had spoken he had become the Greatest Living American. And by the time it was all over, he had begun to believe it himself.

After the dinner he got in his car and turned to his wife and inquired, "After all, Honey, how many Great Americans do you know?"

She looked at him calmly and answered, "One less than *you* think I know."

I have been honored by being elected Senate Republican Floor Leader. I cannot let this opportunity pass without telling you—Norris Cotton's friends and neighbors—how much this friend means to me personally in helping me meet the burdens of my post.

Without his help, his stout support, his candid and honest comments—and he has no hesitation in telling me when he thinks I am wrong—my job would be impossible.

I have dwelt at length on Norris Cotton's oratorical abilities. But you in Lebanon, and all the people of New Hampshire know him also for his talents as a writer.

You know this through the News Letter he sends out to you from time to time when the Senate is in session. Let me tell you about his News Letter: there is simply no other Senatorial letter that can compare with Norris Cotton's for simple, clear style and eloquence.

One such letter in particular will always stay in my mind. Because it not only stands as a model of eloquence, but it also glows with Norris Cotton's reverent love for his country.

He wrote it about six years ago on Veteran's Day and it was a description of Arlington Cemetery, across the river from Washington, where lie buried so many of our heroes, some famous, some known only to friends or relatives—but all heroes.

One of my staff got hold of a copy, and he was so moved by it that he passed it on to me. As I read it, I felt that prickling of the scalp, that shiver, that smarting of the eyes which we only know when the deep mystic chord of "Duty, Honor, and Country" has been touched.

How right it was for a New Hampshire man to speak so reverently of those who fought and died for their country. Your state may be small in size, but it has given tough-grained men to all our mortal combats, from the colonial wars to those of the 20th Century.

Norris, I will always think of that News Letter as one of the finest essays on patriotism I have ever read. And I will also think of how fortunate you are to come from such a great state, and how fortunate that great state is to have you as its preeminent spokesman in the Congress of our United States.

Mr. ERVIN. Mr. President, I wish to join in the tribute the distinguished assistant minority leader (Mr. GRIFFIN) has paid to Senator NORRIS COTTON.

I think it need be said of NORRIS COTTON that he unites in himself, in unique fashion, commonsense, a high order of intelligence, a high degree of intellectual integrity, and an unsurpassed amount of political courage.

EQUAL EMPLOYMENT OPPORTUNITIES ENFORCEMENT ACT OF 1971

The Senate continued with the consideration of the bill (S. 2515) to further promote equal employment opportunities for American workers.

Mr. FANNIN. Mr. President, I rise in support of amendment 813 to S. 2515.

First of all, I want to state that I am opposed to this bill without the Dominick amendment, which was narrowly defeated in two earlier votes. If we are to have this legislation, however, we must try to reduce the detrimental effects and correct some of the other obvious shortcomings of the bill.

The amendment before us is a very reasonable one, and I think goes a long way in helping in this direction.

It would maintain the present law which exempts employers with fewer than 25 workers from coverage. S. 2515 would reduce the number of employees to eight.

In other words, the new, arbitrary power we are granting to the Equal Employment Opportunities Commission could be and would be used not only against small businesses and small factories, but against what are essentially family businesses.

Now I am not arguing that family businesses nor any businesses should discriminate in employment. I fully believe that people should be hired for jobs on the basis of their ability and their compatibility with the tasks that are to be performed. Twenty-five is not any magic number, nor is the number eight. We might make it 50, or 20, or three, or perhaps total coverage of all businesses clear down to the number one, though I think this would be very inequitable. But to arrive at the figure of eight is just as inequitable.

But there is an element of practicality that must be taken into consideration.

It is estimated that the change in the coverage from businesses employing 25 down to businesses employing eight would bring another 6½ million persons under the equal employment opportunities provisions.

This is, of course, very misleading because it makes it sound like 6½ million persons really are gaining some new benefit. Actually, in my estimation, this legislation will cause more harm than good and will hurt more employees, as well as employers, than it will help.

Mr. President, in Arizona we have many small businesses which are run by families. They have several family members as employees, they have other workers that are as much close friends of the owners as they are employees of the firm.

We have more Indians in our State than there are in any other. We have vast reservations on which Indians are living. We are trying to bring industry to those reservations. We have many

towns adjoining those reservations and we are attempting to bring industry into those areas. Many of them would be operated by families and would have as few as 8 or 10 employees. I am wondering whether this bill would operate to their detriment. I would say that if it were enforced the way some Senators are discussing, it would be very detrimental to those Indian citizens. On some of those Indian reservations we have unemployment of 50 to 70 percent and as I stated previously, we are trying to correct this situation.

We have many firms elsewhere that are, in essence, ethnically oriented.

The National Economic Development Association office in Phoenix has been doing an excellent job of providing loans for minority-operated businesses. The NEDA is described as a catalyst in both the Federal and private sectors to develop and coordinate opportunities for Spanish-surnamed individuals and corporations to engage in profitable business enterprizes.

This week I received in the mail a booklet from the National Economic Development Association. This 22-page booklet is entitled, "Directory of Mexican-American Businesses in the Greater Phoenix-Metro Area."

The National Economic Development Association determines whether or not these businesses are operated by Mexican Americans by the identification of these individuals by their racial parentage.

Mr. President, approximately one out of every six Arizonans is of Spanish or Mexican-American descent. Phoenix and Tucson are filled with businesses—firms that have operated for many years even back into territorial times—that have been established by persons with Spanish surnames. We are proud of this heritage, and we are proud of the industry and progress of Mexican Americans. They are a proud people who work hard, who are honest and law abiding. They take just pride in their own heritage, and their language.

Spanish surnames are carried on many small businesses in the Phoenix area. In many cases, of course, these businesses employ people of not only Mexican-American descent, but of other races—white, black, Chinese, Indian or whatever.

It also is true, that many of these small businesses employ Mexican Americans almost exclusively. These are small businesses, perhaps of 10 or 12 employees at the most, operating quite successfully in those areas of Arizona.

In some cases, the businesses are in effect an extension and an intensification of the heritage of these people. They have a common culture and heritage which they live 24 hours a day, on the job and off.

Mr. President, there are other cases in which small businesses are operated in a very like fashion.

I know this certainly is true all over the United States, but it is especially true in the southwestern United States, and in many cases the firm is in itself an element of the culture of a people—Mexican American, Jewish, black, or whatever.

Are we to tell these small businesses that they can no longer operate in this manner, that—if they have an all Mexican American, or all Jewish, or all-whatever, staff of workers—they must integrate?

We talk about our welfare rolls, and the tremendous increase in them that has come about in the last few years. What would they do with these people who would be displaced if we insisted and the EEOC made it mandatory that they integrate such establishments?

Mr. President, it seems to me that we still have room in our country for these small businesses which do no harm, and indeed, fill a great need for certain people who like to work in a friendly, personal, culturally comfortable atmosphere.

I also am concerned about what happens to part-time workers. Is it possible that this legislation may cause some firms to eliminate the services of semi-retired employees?

We have many retirement areas in Arizona. These people need, especially since we have had inflation in the past few years, some employment to make it possible for them to support themselves. I feel that it is vital that they have a chance to work part time.

If a firm has, say, seven employees, would it add the eighth, the ninth, or the 10th, if this legislation goes into effect? In fact, even now, would they add more than 24? Would reducing the number to eight not be a disincentive from giving employment to additional workers? Is it not possible that a small company which simply does not want to be under the provisions of this law might cut back its work force and thus cost the jobs of people who are desperately in need of the income? I believe this is entirely possible and even likely.

There are some businesses that are established in retirement areas, and I think that we all realize that there are no doubt a great number of certain ethnic groups in those retirement areas. Consider the hardship that would be placed upon the employer if he had to bring people in from miles away, and also the problems the employee would have, in many instances, where he is just working part-time and certainly could not afford the cost of transportation to a distant place of business to obtain employment.

Some may say that my concerns in the area are not realistic. But I say there is reason for concern. With the extremes that we are seeing in America today, anything is possible.

Zealots who have the best of intentions could bring about eradication of cultures and heritages which we have built upon. I do not want to see this happen; not to my own heritage, not to the Mexican-American; not to any one of the many ethnic groups or races which have helped build the foundations of America.

I do not want to see one great mass of faceless Americans who speak, think, dress, and act identically. Yet that seems to be the ultimate in the direction our Federal bureaucracy is trying to take us.

Mr. President, I also would like to make a few additional comments about bureaucracy—and this is just another huge layer of bureaucracy we are adding here. I want to talk about what we are doing to the small businessman, the entrepreneur. Again I say we are throwing up one roadblock after another to private enterprise. We are building regulation-after-regulation that means only one thing—the little man does not have a chance.

A magazine I was reading this week carried a very good example of what I am saying.

This is what a would-be businessman was saying:

All my life, I've wanted to be in business for myself. I wanted to be an entrepreneur. I thought a small operation could be swifter, could run rings around the big outfits by accentuating personal service, and provide the boss—me—with greater personal satisfaction.

Three years ago, I left a pretty good job to start my own show. It was a two-men-and-a-girl establishment. We had a good product—a service. We had some darned good customers. Everything looked dandy.

"Then came the forms. There were forms to be filled and reports to be made to the federal government, to the state, to the city, like you wouldn't believe. The majority of my time was spent struggling with forms and there wasn't enough time or energy left to do the primary job.

So I gave it up and went back to work for a larger organization.

Mr. President, this is happening all over America, unfortunately. We see the small entrepreneur going out of business. We see very few corner groceries or other small business operations now, whereas just a few years ago, before we had all the redtape and the problems that they have to solve, they were doing quite well.

Mr. President, I have heard that lament time after time, that they have given up their places of business because they just could not do the work that was involved as far as Government restrictions were concerned. Now we are going to add another Government restriction.

Men and women who are very able and eager to run small businesses find that they are overwhelmed by paperwork and regulations and redtape. I realize that it is not only the Federal Government, but they also have the same problems with cities, counties, States, and other jurisdictions.

Still, at every level of government we are encouraging people to go into business, to try to do something for themselves.

Operating businesses should be relatively simple if everyone is to enjoy fully the opportunities we like to believe we have in America. Every day something seems to be done in Congress or in the maze of Federal agencies that works to defeat this part of the American dream. On one hand we are telling our people that we are going to be of assistance to them, and on the other hand we are passing legislation that will be very detrimental to them in many areas.

The Mexican-American citizens are in various businesses—air-conditioning service, appliances, architecture, automobile body repairing and painting, bakeries, ballrooms, a large number of barber shops, beauty shops, bicycle shops—an array of talent that is being utilized now by these people in small businesses. Some are in the contracting business and are producing, in most cases, low-cost homes.

They are having great difficulty in construction work because of the regulations with which they have to contend. I do not think we should give them further concern.

As I have said, operating businesses should be relatively simple if everyone is to enjoy fully the opportunities we like to believe we have in America. But we are putting up a barrier to these opportunities.

Mr. President, any type of small firm may find itself with eight employees. They start out small; they are successful; we want them to be successful. In many instances, they desire to employ their neighbors, their friends, their relatives. Should we block that operation? It does not take a very large operation to utilize eight employees. It could be a family-run restaurant that stays open, say, for 12 hours a day or 14 hours a day and has two shifts. It could be a small department store, a garage, or even a lawn mowing service.

I know of one illustration in which a witness testified before one of our committees about a tamale factory that employed quite a number of people. They would like to branch out and have smaller factories in some of the other communities. If they were employing as many as eight people in these smaller factories, they probably would stay where they are and just deliver out of the central factory. But I think it would be very beneficial to the communities if they could operate in those communities; and they say that they could do so successfully if they did not have too many restrictions.

It really does not take too much of a business to have 25 employees, but there is quite a difference between eight and 25. It seems much more likely that a firm with 25 employees no longer can be considered a family business per se. Many family businesses employ more than eight. A business of 25 employees, if it stays in business very long, will have the manpower and experience to cope with the bureaucratic redtape that has been growing in this country. The business with 25 employees also probably will be recruiting employees from the population in general, rather than relying on family and long-time acquaintances for a work force.

Mr. President, I do not believe that reducing the coverage of the equal employment law from businesses with 25 employees to businesses with eight employees—family businesses—will significantly help minority employment in America.

I recall that when we were talking about passing this legislation, the issue arose as to whether or not small businesses would be brought under these regulations. Of course, at that time that was one of the arguments in favor of passing it—that this would not affect small businesses which had fewer than 25 employees. Now we are bringing it down to eight employees.

As I have suggested, if carried to the ultimate, as bureaucratic zealots are prone to do, it could actually hurt minority employment. It could provide new impediments to the creation of small businesses, especially by minority groups.

It is time for us to start making life a little simpler for our people, for our businessmen. We keep passing law after law here, and, more often than not, we compound the problems we already have in America.

Unless we adopt this amendment, we will have added another complication and will have done nothing to help the people we seek to help through this bill.

I firmly support the amendment. I feel that the adoption of this amendment will at least be of some benefit with respect to this legislation.

Mr. President, I yield the floor.

QUORUM CALL

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. I have nothing further now, and I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

FOREIGN ASSISTANCE AND RELATED PROGRAMS APPROPRIATIONS, 1972

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily, until tomorrow morning, that is, and that the Senate proceed now to the consideration of Calendar No. 567, H.R. 12067.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

H.R. 12067, making appropriations for foreign assistance and related programs for the fiscal year ending June 30, 1972, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none and it is so ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The Senator from Wisconsin is recognized.

Mr. MANSFIELD. Mr. President, will the Senator yield so that I may propound a unanimous-consent request, without losing his right to the floor?

Mr. PROXMIRE. I yield.

Mr. MANSFIELD. Mr. President, it is my understanding that the distinguished Senator from Hawaii (Mr. FONG) has an amendment at the desk on which he intends to ask for the yeas and nays. In view of the fact that we have a sufficient number of Senators on the floor, I ask unanimous consent that it be in order for the Senator from Hawaii to ask for the yeas and nays at this time.

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

Mr. FONG. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. PROXMIRE. Mr. President, at long last I am glad to be able to report the foreign assistance and related programs appropriation bill for fiscal year 1972 (H.R. 12067). While the committee reported this bill Tuesday, January 25—the very same day on which Foreign Assistance Act appropriations were authorized—I cannot help but feel a sense of frustration because in this case—and others—the combined legislative process has not worked and the end result is that Congress has failed to provide appropriations in a timely manner. Seven-twelfths of the fiscal year is now past and those whose task it is to administer these resources—no matter how gifted—cannot possibly plan and execute an orderly, effective, cost-conscious program not knowing how much or how little money would ultimately be available.

I am pleased to note what the distinguished chairman of the Appropriations Committee and the combined leadership have already done this year to place the legislative committees on notice that appropriations will not be included in annual bills unless they were authorized prior to June 1, 1972. This action, coupled with the fact that most fiscal year 1973 economic foreign assistance programs were authorized in last year's bill, should enable us to move forward without undue delay.

Because of my long-time and continuing concern over these delays, I announced last June that I would begin foreign operations hearings on February 15 and complete them by April 1. Unfortunately, the unavoidable delay which we have experienced in the passage of this bill will make that goal unattainable. We will, however, begin on February 29 hearings for all agencies receiving their appropriations through this bill other than the Department of Defense and the Agency for International Development. These two agencies which receive by far the larger part of the funds appropriated through this bill will be delayed at least 60 days after passage. This will permit us to consider their illustrative fiscal year 1968 presentation by country as compared to their reconstituted 1972 country program. This new and highly laudable procedure is required by last year's amendments to the Foreign Assistance Act.

The total amount recommended by the Senate Appropriations Committee for fiscal 1972 is $2,888,635,000 which is $1,454,000,000 less than the budget estimate and $114,826,000 below the amount passed by the House.

Mr. President, I ask unanimous consent that at the close of my remarks there be printed a composite table showing recommended committee action on the levels of the several different appropriations contained in this bill and a comparison to: First, funds appropriated in fiscal year 1971, second, the Presi-

dent's amended budget estimate, and, third, the appropriations bill passed by the House of Representatives.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 1.)

Mr. PROXMIRE. I would now like to briefly comment on those items in which there has been an indication of interest and which might be considered to be of significant importance.

TECHNICAL ASSISTANCE

The committee finds itself in general support of technical assistance and recommends an increase over the House, although slightly less than the authorization, for both worldwide and Alliance for Progress technical assistance.

POPULATION GROWTH

In previous years this important program was funded from moneys appropriated for technical assistance and development loans. The committee's recommendation would break these funds out into a new appropriation which should provide for improved management and planning.

AMERICAN SCHOOLS AND HOSPITALS ABROAD

The committee recommends $20 million, which is an increase of over 50 percent above last year's program. Included is bill language restricting unbudgeted projects to $2 million and eliminating earmarking for specific institutions as proposed by the House.

REFUGEE RELIEF ASSISTANCE—EAST PAKISTAN REFUGEES

In view of the uncertainties surrounding the return of refugees from India to Bangladesh and widespread confusion over total numbers involved, the committee recommends $175 million for this new item. If the overall situation firms up, the committee will consider additional funds for this compelling, humanitarian endeavor. It does believe, however, that other nations—including the Soviet Union—should be expected to provide at least two-thirds of the cost, with one-third of the worldwide effort being borne by the United States.

DEVELOPMENT LOANS

The committee recommends a sharp reduction in development loans as follows:

First. In its action on the Foreign Assistance Authorization Act, the Senate called for elimination of development loans by June 30, 1975, and the bill, as it finally emerged from conference, called for these bilateral loans to be reduced to $100 million by that date. In this regard, it should be noted that the committee recommendation of $200 million in new obligational authority, when added to reappropriated balances in the amount of $358 million, would provide a total new availability for fiscal year 1972 of $458 million.

Second. The committee shares the view of the administration and the legislative committees that the need for development loans is better addressed by multinational banks than on a bilateral basis. In this regard, it should be noted that well over $1.5 billion is requested for fiscal years 1972 and 1973 as the U.S. contribution to international financial institutions.

Third. While the bill and report speak only to new obligational authority, it should be borne clearly in mind that repayments from prior loans and other availabilities are reappropriated in this bill to $558 million rather than the $200 million indicated as new obligational authority.

Fourth. Over $1.7 billion in development loans from previous years is now in the pipeline and as yet this has not been reflected in delivered assistance.

Fifth. The Agency for International Development has within the past several days—since the committee reported the bill—stated that it does not propose new lending in fiscal year 1972 to Brazil—proposed $70 million—and, of course, new lending for India—proposed $230 million—has now been suspended.

If the Senate desires to increase bilateral lending, then obviously the high level of support provided multinational banks by the committee should be reduced.

MILITARY AND SUPPORTING ASSISTANCE

The committee recommends substantial reductions in the level of military and supporting assistance. In this regard, it should be noted that only a relatively small portion—very few Members of the Senate and almost no members of the public appreciate this—of our total foreign military and related assistance is provided in this bill.

As a matter of fact, about a year ago, the Joint Economic Committee held hearings, and we found that even the State Department did not know how much our military assistance was. Nor did the Defense Department. Indeed, the GAO made an investigation and found that nobody knew how much we were providing in military assistance. They have since made a study and I think have a better idea of how large this is now.

In the opinion of the committee, these amounts, as proposed, were excessive and distributed to far too many countries.

There are those who say we should not cut the military aid in this bill. But look at the totality of our aid or support for our friends and allies abroad.

First, Vietnam cost $8 billion a year for U.S. forces. Of course, it is down a great deal from what it was a few years ago, but it is still very big.

Second, we spend about $14 billion a year in NATO. But in addition to these, there are other huge costs—military assistance service funded is about $2.5 billion. This item appears in the defense appropriation bill. The portion pertaining to military assistance, however, is very rarely discussed because of the size and complexity of the bill. There are so many other things in it.

Grant aid is $350 million in the committee's recommendation.

Another $250 million goes for military headquarters, military missions, and NATO infrastructure.

Cash sales, Export-Import Bank loans, and credits were almost $2 billion last year.

The budget request for supporting assistance was $764 million.

Food for peace has used from $100 to $150 million in recent years for military support.

The U.S. military purchase of Vietnam piasters. In the 6 years from 1965–70 the subsidy was $680 million—or about $110 million a year.

There is another $1 billion at least—in fact, there may be "untold billions" which represent "surplus and nonsurplus" property given by us to nations such as Korea or those getting "service funded aid." This is not all accounted for, but from information that has been supplied we know that it is at least a billion.

These funds go to some 46 different countries in the world. There are also ship loans, and other surplus programs.

We propose to cut but a relatively small portion of $6 to $7 billion of the grand total of grants, loans, sales, and gifts from all sources and through all channels. Certainly this should be possible.

MILITARY SALES

For military sales the committee recommends the entire amount authorized of which $300 million is earmarked for Israel in the authorization bill.

OVERSEAS PRIVATE INVESTMENT CORPORATION

The committee has elected to delay appropriation of the $25 million for the Overseas Private Investment Corporation's reserves until the legislative committees can review the very serious plight of this relatively new organization.

Mr. FULBRIGHT. Mr. President, will the Senator from Wisconsin yield for a question?

Mr. PROXMIRE. I yield.

Mr. FULBRIGHT. Did the committee have an opportunity to study the probable consequences of the expropriation of American-owned property in Chile?

Mr. PROXMIRE. The committee did not in any great detail.

Mr. FULBRIGHT. The Senator has no idea, in other words, even an estimate, of what it might be?

Mr. PROXMIRE. Information at hand indicates that about $200 million of the $250 million total relates to Cuban expropriation but I do not have a firm figure.

We thought, under the circumstances, that the committee chaired by the Senator from Arkansas would want to look into the rate structure and find out if they could do something to prevent this enormous burden falling on the general taxpayers.

Mr. FULBRIGHT. I congratulate the Senator. I think he is eminently correct. I think it should be looked into.

Mr. PROXMIRE. Mr. President, to continue with my opening remarks:

CUBAN REFUGEE PROGRAM

The committee recommends substantially more than is included in the House bill but calls for elimination of this special Federal program restricted only to Cuban refugees by June 30, 1973, with welfare and medical assistance to be terminated by February 22, 1972, for those Cuban refugees who have been in the United States more than 3 years.

INTERNATIONAL FINANCIAL INSTITUTIONS

In allowing the entire amount requested for the International Bank for Reconstruction and Development—IBRD or the World Bank—$246,100,000—and the Inter-American Development Bank—IDB—$261,760,000—the committee recommends a grand total

of $507,760,000—over half billion in this bill alone as the U.S. contribution to development loans through multinational banks. This is the approach the administration says is much preferable to bilateral loans—it is also the redirection strongly supported by the Foreign Relations Committee, the Appropriations Committee, and myself. My understanding is that the Committee on Foreign Relations shares that view also.

It would also be fair to say that in approving these substantial amounts and knowing that in 3 weeks the administration would be back before us requesting over $1¼ billion more for this purpose as a starter for 1973, I felt that the time had come to substantially reduce our bilateral loan program which, on the whole, I believe most critics regard as pretty much of a dismal failure.

EXPORT-IMPORT BANK

The committee report calls for closer coordination of over-all economic policy in spending this huge sum of over $7 billion.

In addition, the Senate bill strikes a House amendment barring assistance to Ecuador; it provides a limitation of $800,000 in funds used by the Inspector General of Foreign Assistance; and includes language and an indefinite appropriation for unemployment assistance included at the request of Senator MAGNUSON, chairman of the Senate Appropriations Subcommittee for Labor; Health, Education, and Welfare.

This bill, as reported by the committee, has been developed from several hundred hours of hearings, briefings and discussions with departmental officials. In many instances, it also reflects concerns evidenced by many Members of the Senate in connection with deliberations on the Foreign Assistance Authorization Act. It also reflects substantial reduction of U.S. development loans from a bilateral to a multinational basis through international banks. I believe the amounts are prudent, and under the circumstances, adequate for the needs of agencies concerned; and I believe that any Senator who will study the committee hearings and committee report can support the bill as recommended by the committee without amendment.

EXHIBIT 1

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1971 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1972

Title I—Foreign Assistance Act Activities

[Note.—All amounts are in the form of "appropriations" unless otherwise indicated]

Item	New budget (obligational) authority, fiscal year 1971 (includes supplements)	Budget estimates of new (obligational) authority, fiscal year 1972	New budget (obligational) authority allowed in House bill	New budget (obligational) authority recommended by the Senate committee	Senate committee recommendations compared with— New budget (obligational) authority, fiscal year 1971	Senate committee recommendations compared with— Budget estimates of new authority, fiscal year 1972	Senate committee recommendations compared with— House allowance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
FUNDS APPROPRIATED TO THE PRESIDENT							
Economic Assistance							
Worldwide, technical assistance	$166,750,000	[1] $232,929,000	$150,000,000	$165,000,000	−$1,750,000	−$67,929,000	+$15,000,000
Alliance for Progress, technical assistance	82,875,000	[2] 129,745,000	75,000,000	80,000,000	−2,875,000	−49,745,000	+5,000,000
International organizations and programs	103,810,000	[3] 141,000,000	41,000,000	138,000,000	+34,190,000	−3,000,000	+97,000,000
Programs relating to population growth	[4]	[4]	50,000,000	125,000,000	+125,000,000	+125,000,000	+75,000,000
American schools and hospitals abroad	12,895,000	10,175,000	17,200,000	20,000,000	+7,105,000	+9,825,000	+2,800,000
Indus Basin Development Fund, grants	4,925,000	15,000,000	7,500,000	15,000,000	+10,075,000	----------	+7,500,000
Indus Basin Development Fund, loans	6,980,000	12,000,000	6,000,000	12,000,000	+5,020,000	----------	+6,000,000
United Nations Relief and Works Agency (Arab refugees)	1,000,000	----------	----------	----------	−1,000,000	----------	----------
Contingency fund	22,500,000	100,000,000	30,000,000	30,000,000	+7,500,000	−70,000,000	----------
Refugee relief assistance (East Pakistan)	----------	[6] 250,000,000	175,000,000	175,000,000	+175,000,000	−75,000,000	----------
Alliance for Progress, development loans	287,500,000	235,000,000	150,000,000	50,000,000	−237,500,000	−185,000,000	−100,000,000
Development loans	420,000,000	400,000,000	250,000,000	150,000,000	−270,000,000	−250,000,000	−100,000,000
Administrative expenses:							
A.I.D.	51,000,000	[7] 60,200,000	54,600,000	50,000,000	−1,000,000	−10,200,000	−4,600,000
State	4,100,000	[8] 4,555,000	4,255,000	4,221,000	+121,000	−334,000	−34,000
Subtotal, economic assistance	1,164,335,000	1,590,604,000	1,010,555,000	1,014,221,000	−150,114,000	−576,383,000	+3,666,000
Military Assistance							
Military assistance	690,000,000	705,000,000	552,000,000	350,000,000	−340,000,000	−355,000,000	−202,000,000
Security Supporting Assistance							
Security supporting assistance	569,600,000	[9] 764,614,000	575,000,000	400,000,000	−169,600,000	−364,614,000	−175,000,000
Subtotal	2,423,935,000	3,060,218,000	2,137,555,000	1,764,221,000	−659,714,000	−1,295,997,000	−373,334,000
Overseas Private Investment Corporation							
Overseas Private Investment Corporation, reserves	18,750,000	25,000,000	25,000,000	----------	−18,750,000	−25,000,000	−25,000,000
Inter-American Social Development Institute							
Inter-American Social Development Institute (limitation on obligations)	(10,000,000)	(11,000,000)	(----------)	(11,000,000)	(−10,000,000)	(−11,000,000)	(+11,000,000)
Total, title I, new budget (obligational) authority, Foreign Assistance Act Activities	[10] 2,442,685,000	[11] 3,085,218,000	[12] 2,162,555,000	1,764,221,000	−678,464,000	−1,320,997,000	−398,334,000
Title II—Foreign Military Credit Sales							
Foreign military credit sales	200,000,000	500,000,000	510,000,000	400,000,000	+200,000,000	−110,000,000	−110,000,000
Military credit sales to Israel	500,000,000	----------	----------	----------	−500,000,000	----------	----------
Total, title II, new budget (obligational) authority, Foreign military credit sales	700,000,000	510,000,000	510,000,000	400,000,000	−300,000,000	−110,000,000	−110,000,000
Title III—Foreign Assistance (other)							
FUNDS APPROPRIATED TO THE PRESIDENT							
Peace Corps	90,000,000	[13] 82,200,000	68,000,000	77,200,000	−12,800,000	−5,000,000	−9,200,000
Limitation on administrative expenses	(31,400,000)	(28,400,000)	(24,000,000)	(24,500,000)	(−6,900,000)	(−3,900,000)	(+500,000)
DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS							
Ryukyu Islands, Army, Administration	6,736,000	[14] 4,564,000	4,216,000	4,564,000	−2,172,000	----------	+348,000
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE							
Assistance to refugees in the United States (Cuban program)	112,130,000	[15] 144,103,000	100,000,000	129,000,000	+16,870,000	−15,103,000	+29,000,000

Footnotes at end of table.

EXHIBIT 1

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1971 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1972—Continued

Title I—Foreign Assistance Act Activities—Continued

[Note.—All amounts are in the form of "appropriations" unless otherwise indicated]

Item	New budget (obligational) authority, fiscal year 1971 (includes supplements)	Budget estimates of new (obligational) authority, fiscal year 1972	New budget (obligational) authority allowed in House bill	New budget (obligational) authority recommended by the Senate committee	Senate committee recommendations compared with— New budget (obligational) authority, fiscal year 1971	Senate committee recommendations compared with— Budget estimates of new authority, fiscal year 1972	Senate committee recommendations compared with— House allowance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
DEPARTMENT OF STATE							
Migration and refugee assistance	$5,706,000	[16] $8,690,000	$8,690,000	$5,790,000	+$84,000	−$2,900,000	−$2,900,000
FUNDS APPROPRIATED TO THE PRESIDENT							
International Financial Institutions							
Asian Development Bank (paid-in capital)	20,000,000	----------	----------	----------	−20,000,000	----------	----------
Inter-American Development Bank:							
Paid-in capital	25,000,000	75,000,000	13,240,000	75,000,000	+50,000,000	----------	+61,760,000
Callable capital	200,000,000	136,760,000	136,760,000	136,760,000	−63,240,000	----------	----------
Fund for special operations	50,000,000	50,000,000	----------	50,000,000	----------	----------	+50,000,000
Subtotal, IDB	275,000,000	261,760,000	150,000,000	261,760,000	−13,240,000	----------	+111,760,000
International Bank for Reconstruction and Development:							
Paid-in capital	----------	24,610,000	----------	24,610,000	+24,610,000	----------	+24,610,000
Callable capital	----------	221,490,000	----------	221,490,000	+221,490,000	----------	+221,490,000
Subtotal, IBRD	----------	[18] 246,100,000	----------	246,100,000	+246,100,000	----------	+246,100,000
International Development Association	160,000,000	----------	----------	----------	−160,000,000	----------	----------
International Monetary Fund (Quota increase)	(1,540,000,000)	----------	----------	----------	(−1,540,000,000)	----------	----------
Total, title III, new budget (obligational) authority, foreign assistance (other)	669,572,000	747,417,000	330,906,000	724,414,000	+54,842,000	−23,003,000	+393,508,000
TITLE IV—EXPORT-IMPORT BANK OF THE UNITED STATES							
Limitation on program activity	(4,075,483,000)	[19] (7,323,675,000)	(7,323,675,000)	(7,323,675,000)	(+3,248,192,000)	----------	----------
Limitation on administrative expense	(7,048,000)	[20] (8,072,000)	(8,072,000)	(8,072,000)	(+1,024,000)	----------	----------
Total, title IV, Export-Import Bank of the United States, limitations on use of corporate funds	(4,082,531,000)	(7,331,747,000)	(7,331,747,000)	(7,331,747,000)	(+3,249,216,000)	----------	----------
Title V—Department of Labor Unemployment Trust Fund							
Department of Labor Unemployment Trust Fund	----------	----------	[21]	----------	----------	----------	----------
Grand total, new budget (obligational) authority, titles I, II, III, IV, and V	3,812,257,000	4,342,635,000	3,003,461,000	2,888,635,000	−923,622,000	−1,454,000,000	−114,826,000
Reappropriation of unobligated balances:							
(a) Economic assistance	(26,503,000)	(25,149,000)	(25,149,000)	(25,149,000)	(−1,354,000)	----------	----------
(b) Military assistance	(6,300,000)	(4,000,000)	(4,000,000)	(4,000,000)	(−2,300,000)	----------	----------
(c) Security supporting assistance	(768,000)	(2,721,000)	(2,721,000)	(2,721,000)	(+1,953,000)	----------	----------

[1] Includes an increase of $1,654,000 contained in H. Doc. 92-93.
[2] Includes an increase of $745,000 contained in H. Doc. 92-93.
[3] Includes $13,300,000 for UNRWA which was funded in fiscal year 1971 from "Supporting assistance."
[4] In fiscal year 1971, this program was funded at a level of $100,000,000 mostly from the "Development loan" accounts.
[5] In the fiscal year 1972 budget, this program was proposed to be funded at a level of $100,000,000 mostly from the "Technical assistance" accounts.
[6] Submitted as a budget amendment in H. Doc. 92-166.
[7] Includes an increase of $2,600,000 contained in H. Doc. 92-93.
[8] Includes an increase of $155,000 contained in H. Doc. 92-93.
[9] Includes an increase of $2,064,000 contained in H. Doc. 92-93.
[10] Unobligated balances as of June 30, 1970, reappropriated.
[11] Unobligated balances as of June 30, 1971, requested to be reappropriated.
[12] Unobligated balances reappropriated.
[13] Includes an increase of $11,000,000 contained in H. Docs. 92-03 ($1,100,000) and 92-122 ($9,900,000).
[14] Includes an increase of $144,000 contained in H. Doc. 92-93.
[15] Includes an increase of $103,000 contained in H. Doc. 92-93.
[16] Includes an increase of $40,000 contained in H. Doc. 92-93.
[17] Includes an increase of $211,760,000 contained in H.Doc. 92-149.
[18] Submitted as a budget amendment in H. Doc. 92-149.
[19] Includes an increase in limitation of $3,690,735,000 contained in H. Doc. 92-175.
[20] Includes an increase in limitation of $373,000 contained in H. Doc. 92-93.
[21] Indefinite.

(The following discussion, which occurred earlier in connection with the debate on the pending bill, is printed at this point in the RECORD by unanimous consent.)

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

Mr. PROXMIRE. I yield.

Mr. PASTORE. If the Senator will permit, out of order I invite attention to a matter in which I am very interested.

Mr. PROXMIRE. I am aware of it, and I think the Senator has taken a very constructive position. I am happy to approve.

Mr. PASTORE. First, I want to say that the manager of the bill was courteous enough to address himself to me on this matter before he did take action, and he did take action.

I agree with him that something needs to be done to bring America's contribution to these international agencies into an area of fair proportion by comparison with other governments—governments that sometimes even have not met their commitments. That is true about the United Nations, and that could be true about the International Agency for the Peaceful Uses of Atomic Energy.

That does not take away, however, from the importance of this agency; because if there is any future in the atom at all, that future will not be found in bigger and better bombs that are built to destroy, but will be found in the peaceful pursuits and uses of atomic energy.

I have attended, as a designate of the Senate, a number of these conferences in Vienna; and I have always found them to be very enlightening and very constructive. I want to say at this juncture, for the purpose of the RECORD, that this is no debating society. Some technical papers, of quite some importance, are read there, by some of the best minds in the world, on atomic energy and on science. That meeting, from time to time, has been addressed by our own Glenn Seaborg, who is a Nobel prize winner. I have met many of these scientists from all over the world.

This agency has two very significant characteristics: First, it has a great political-psychological effect upon our relations with other countries of the world, no matter what countries they are; and, second, it gives us an opportunity to formulate international agreements with reference to safeguards.

The Senator will recall that when we enacted the Nonproliferation Treaty, we spelled out in that treaty that we would share the largesse of the peaceful atom with all the nations of the world, on the condition that none of this material

would be used for military purposes. In order to avoid that, we have to have international inspection, and that, of course, has been achieved by this agency.

One of the big concerns of atomic energy is, "What do you do about the disposal of waste?" And you have to have international agreements, because this is an international problem. Of course, they are very interested in the environment, and that was much of the discussion on the agenda at the last meeting we had—so much so, that Senator SYMINGTON, a member of our committee, visited Vienna; and he came back very much impressed, as did the Senator from Colorado (Mr. DOMINICK).

I realize that something needs to be done about reducing this. The only thing I object to is the strong language that has been used. I am afraid it is a little too abrupt. I wonder whether we could convey the idea that it is the sense of the Senate—I have drawn an amendment, because there is nothing we can do now about the committee report—that the total U.S. contribution to the International Atomic Energy Agency be negotiated by the State Department with members of IAEA, in order to bring our contribution down to a percent not to exceed 31.5; and that progress made on these negotiations shall be reported to the Foreign Relations and Appropriations Committees of the Senate by September 30, 1972.

I wonder whether the Senator could accept this amendment in substitution of the language in the bill.

Mr. PROXMIRE. I say to the Senator from Rhode Island that, as we all know, he is more expert in this matter than almost any other Member of the Senate, and certainly far more than the Senator from Wisconsin.

I recognize that the difference would be that rather than direct that this be done and order it done, we simply ask that it be negotiated.

Mr. PASTORE. Negotiated.

Mr. PROXMIRE. The Senator from Rhode Island and the Senator from Wisconsin agree that, proportionately, it is too high now.

Mr. PASTORE. That is right.

Mr. PROXMIRE. That we ought to reduce our contribution to 31.5 percent.

Mr. PASTORE. We make outside contributions beyond our commitment. We have always been very generous. But things have changed. Other nations are much better off now than they were when this was established. I think it is a fine agency. I would not want to do anything abruptly, because this would throw everything into a dilemma. This is a direct order that they cannot pay one nickel more than 31.5 percent.

Mr. PROXMIRE. I point out to the Senator that that fits in well with the views expressed in another part of the committee report. It relates to all other international agencies. I will read it:

As a general rule it is the sense of the committee that a "fair share" for the United States should not exceed 20 to 30 percent of true multinational programs, and it is within this range that it shall endeavor to allocate United States contributions to international organizations and financial institutions beginning with fiscal 1973.

So the amendment of the Senator from Rhode Island is in keeping with that part of the report.

Mr. PASTORE. That is right—with the spirit of that.

Mr. PROXMIRE. I ask the Senator from Hawaii how he feels about this.

Mr. FONG. I think the word "negotiate" is much better than the word "direct." We welcome that.

Mr. PASTORE. If the Senator will permit, I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The bill is not open to amendment as yet. The committee amendments have not been agreed to.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that this amendment be taken up out of order. The Senator from Rhode Island has other business, and it would be very helpful if that could be done.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

On page 2, line 21, insert the following:

"It is the sense of the Senate that the total United States contribution to the International Atomic Energy Agency be negotiated by the State Department with the members of the IAEA in order to bring our contribution down to a percentum not to exceed 31.5. Progress made on these negotiations shall be reported to the Foreign Relations and Appropriations Committees of the Senate by September 30, 1972."

Mr. PROXMIRE. Mr. President, I hope the Senate will support this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. FULBRIGHT. Mr. President, reserving the right to object, I did not hear this. What percentage do we actually pay now?

Mr. PASTORE. The point is not so much the percentage but the fullness of what we pay. We make additional contributions in one form or another.

Mr. PROXMIRE. To the best of my knowledge, I think it is 40 percent.

Mr. FULBRIGHT. The Senator does not wish to change that?

Mr. PROXMIRE. No, the Senator from Rhode Island wants to change it. He wants it to go down to 31.5 percent. We are suggesting that they negotiate.

Mr. FULBRIGHT. In other words the Senator wants to be polite. I agree with that. I thought it was the amount.

Mr. PASTORE. The Senator must always be polite and be in full decorum.

Mr. PROXMIRE. This is committee language anyway.

The PRESIDING OFFICER (Mr. TAFT). The question is on agreeing to the amendment of the Senator from Rhode Island.

The amendment was agreed to.

Mr. PASTORE. I thank the Senator from Wisconsin very much.

(This marks the end of the discussion of the amendment. By unanimous consent it was ordered to be printed in the RECORD at this point.)

Mr. PROXMIRE. Mr. President, I ask unanimous consent that all committee amendments be agreed to en bloc—except the amendment on page 11, lines 6 to 8—and that the amendments as agreed to, be considered as original text for purpose of further amendment; and, further, that the amendment on page 11, lines 6 to 8, be withdrawn.

Mr. FULBRIGHT. Mr. President, reserving the right to object, I want to make a brief statement before we get into possible amendments——

Mr. PROXMIRE. The Senator from Hawaii (Mr. FONG) is the ranking Republican Member and he was going to make a statement and then offer an amendment.

Mr. FULBRIGHT. I wanted to comment only generally upon the work of the committee before we got into argument on the Senator's amendment. That is the only point I make now.

Mr. FONG. How long does the Senator wish to speak?

Mr. FULBRIGHT. Three or 4 minutes.

The PRESIDING OFFICER (Mr. TAFT). The Chair would inquire as to whether points of order desire to be reserved in the unanimous-consent request of the Senator from Wisconsin.

Mr. PROXMIRE. Yes, Mr. President.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin?

Mr. BYRD of Virginia. Would the distinguished Senator from Wisconsin state his unanimous consent again?

Mr. PROXMIRE. Yes. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc except the particular amendment on page 11, lines 6 to 8, which I am asking to be withdrawn. I want the amendments to be considered as original text for purposes of further amendment. I am also asking unanimous consent that the following technical amendment be adopted, on page 10, line 15, to strike out 205 and insert in lieu thereof 209(d).

That is the usual request asked for by bill managers when they manage appropriation bills. In addition, I am asking that points of order be reserved.

Mr. BYRD of Virginia. Mr. President, reserving the right to object, it is possible that I may have an amendment on page 15 dealing with international financial institutions. If the request of the Senator from Wisconsin is agreed to, what then would be the situation in regard to amendments?

Mr. PROXMIRE. So far as page 15 is concerned, it would be treated as original text and the Senator from Virginia would be free to offer an amendment. He would not be prevented from doing that, as I understand it.

The PRESIDING OFFICER. The Chair advises the Senator from Wisconsin that he is correct.

Mr. BYRD of Virginia. Further reserving the right to object, if it were not done in that fashion, there would automatically be a vote on each of the amendments, then, on the bill reported by the committee; is that not correct?

Mr. PROXMIRE. That is correct.

Mr. BYRD of Virginia. The Senator has reserved page 11, he says?

Mr. PROXMIRE. On page 11 we are simply withdrawing an amendment. This was the language put in by the House in

the absence of passage of the Foreign Assistance Act and we are deleting it.

The other is a change of section. As it passed the House, the bill before us contained language that would not make this effective until after the authorization bill had been passed. As the Senator remembers, the authorization bill was delayed.

Mr. BYRD of Virginia. Mr. President, would it seriously inconvenience the Senator from Wisconsin if he were to eliminate from his unanimous-consent request the item on page 15 dealing with international financial institutions?

Mr. PROXMIRE. Mr. President, I will defer my response to the Senator from Virginia until the Senator from Arkansas can speak. It will only take 3 or 4 minutes.

Mr. President, I withdraw my unanimous-consent request.

The PRESIDING OFFICER (Mr. TAFT). The unanimous-consent request is withdrawn.

Mr. PROXMIRE. Mr. President, I yield 5 minutes to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 5 minutes.

Mr. FULBRIGHT. Mr. President, may I say with respect to section 11 that it is my understanding that the President has not yet signed the authorization. So, technically, section 11 would still be valid. Suppose he does not sign the bill or vetoes it—I do not think he will—since I am informed that he has not yet signed the authorization. So it really is of some value, isn't it?

Mr. PROXMIRE. I would be willing to have it stay in.

Mr. FULBRIGHT. If he does, it is surplus.

Mr. PROXMIRE. The Senator is correct.

Mr. FULBRIGHT. I say that merely for the record.

Mr. PROXMIRE. What we could do is delete it here, and if the President has not signed it, it would go to conference and we could take the House language.

Mr. FULBRIGHT. Mr. President, I wish to congratulate the Senator from Wisconsin for his work on the bill. He and the members of the Appropriations Committee are to be commended for reducing the House amounts for the foreign aid and military sales program by $508 million. But the amounts for the regular foreign and military sales programs are still much too high in my view because of our Government's financial state and our needs here at home.

I wish to point out that the total is still $279 million more than Congress appropriated for these programs in the 1970 fiscal year, in spite of the valiant work of the Senator from Wisconsin and his colleagues.

In view of the vast and dramatic deterioration of this country's financial position, I think this fact is a sufficient commentary on the bill. I know that the Senator from Wisconsin and his colleagues did the best they could, because I know the amount of pressure and influence that has been brought to bear on the other side by the administration and their allies. I think the Senator has done a great job in reducing it as much as he has. However, it is still more than I think it ought to be.

I do not think the Senator from Wisconsin, no matter what he did, could have done anything more. So, although I believe the amounts should have been reduced even further, the bill is a tremendous improvement over the House version.

I was particularly pleased to note these actions by the committee and I wish to call attention to the basic ones:

Substantial reductions in the appropriations for supporting assistance and the military grant aid program;

Reduction of the bilateral loan programs to begin the phaseout as recommended by the Foreign Relations Committee;

Restoration of funds for U.S. contributions to the U.N. development program and the Inter-American Development Bank;

Deletion of funds for the Overseas Private Investment Corporation, whose programs are questionable both as to public policy and financial soundness;

Deletion of the House language waiving the requirement that the appropriation can be used only pursuant to an authorization; and

Inclusion of language to make the appropriation contingent upon passage of the authorization bill, S. 2819, further protecting the integrity of the normal legislative process.

I wish to add, also, that the committee's report is most thorough and informative. It gives the Senate much useful and detailed information about the programs to be financed by this bill and why the committee took the action it did.

Mr. President, I might say that the report is a dramatic contrast to those on many bills involving more money. In many respects, many of the reports on bills that involve very large amounts of money are so cryptic that no one knows what they are all about.

So, I think that informing the Senate about the programs to be financed by this bill is a great step forward. The Senator from Wisconsin has done his homework in the first year that he has served as chairman of the subcommittee. He has rendered great public service to the country.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article appearing in the Washington Star of January 20, 1972, relating to the Japanese foreign aid program to the State of Washington. It brings up to date how the Japanese churches and Christian organizations are rendering some aid to the unfortunate people of Spokane, Wash.

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

SPOKANE GETS "FOREIGN AID" FROM JAPANESE CHURCHES

SPOKANE, WASHINGTON.—Japan has made its second "welfare" delivery to the State of Washington, which has one of the highest unemployment rates in the United States.

Five tons of rice were distributed today in the Spokane area. It was donated by Japanese Christian Churches, without government involvement, and was delivered by the Rev. Sadao Ozawa.

Last month, Seattle's sister city of Kobe, Japan, delivered foodstuffs for distribution to poor and unemployed families in the Seattle-Takoma area.

"Japanese churches and Christian organizations have received a lot of support from the American churches and Christians in the past 100 years," Ozawa said.

Mr. FULBRIGHT. Mr. President, it is a great commentary that we are continuing our programs of assistance to foreign countries when so many people in our own country are in dire need of assistance from our own Government.

Mr. President, I realize that we cannot reverse these programs that have such tremendous momentum. I recognize that a program such as the Peace Corps is quite a different program from what it was when it was originated by President Kennedy during the campaign of 1961. However, I think that it is very difficult suddenly to reverse a program that has been under way so long and to trim it back in relation to our own needs.

Again I say that the Senator from Wisconsin has done a magnificent job with what he had to work with in sending the bill back in an amount below what the House had recommended.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator from Arkansas.

Mr. President, I apologize to the Senator from Hawaii (Mr. FONG), who has been very patient. I wish to renew my request. I hope that the Senator from Virginia (Mr. BYRD) will let us have the committee amendments adopted. He is then, of course, perfectly free to offer an amendment at any time. It would be completely in order. I hope the Senator from Virginia will permit us to do that.

Mr. BYRD of Virginia. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. BYRD of Virginia. Mr. President, as I understand it, the committee has recommended that funds for the Inter-American Development Bank be increased from $150 million, as approved by the House, to $261 million.

Mr. PROXMIRE. Mr. President, the committee followed the recommendations of the authorization committee and the administration and the generally expressed view that may not be shared by the Senator from Virginia, that we should shift from a unilateral aid to a multilateral aid basis. That is the most effective way in which to do it.

Based on this reasoning, we cut very sharply the development loans that are unilateral.

Mr. BYRD of Virginia. Mr. President, may I say that merely shifting it from unilateral loans to multilateral loans does not help the taxpayer any.

Mr. PROXMIRE. It helps the taxpayer a very great deal. When we shift to multilateral loans, the American taxpayer only pays part of the loan. In the case of the World Bank, it is far less than half.

Mr. FULBRIGHT. IDA is 40 percent, and the World Bank is less than 30 percent.

Mr. PROXMIRE. The Senator is correct. It is less than 30 percent. This seems to be a real savings to the taxpayer. It does go further than the House went.

Mr. BYRD of Virginia. It is not any savings when the House of Representatives reported $150 million and the Senate comes in with $261 million. That is no saving to the taxpayer.

Mr. PROXMIRE. We are below the House $508 million in the foreign assistance activities, and $114 million overall. That is a savings to the taxpayer.

Mr. BYRD of Virginia. If we stick to the Inter-American Bank, as I understand it on page 15, the House recommended $150 million and the bill is reported to the Senate with a recommendation of $261 million, which is an increase of $111 million.

Mr. PROXMIRE. The Senator is correct. That is correct if he sticks with that item only. That does not give a fair picture of what we have done. However, if he sticks to that one appropriation, he is absolutely correct.

Mr. BYRD of Virginia. I am not talking about the total bill, but altogether for this particular item.

Mr. PROXMIRE. The Senator is correct.

Mr. BYRD of Virginia. There has been a substantial increase compared with what the House did.

Mr. PROXMIRE. The Senator is correct.

Mr. BYRD of Virginia. On line 12, the language reads:

. . . and $50,000,000 shall be available for the Fund for Special Operations.

Is that included in the $261 million, or is it in addition to the $261 million?

Mr. PROXMIRE. Will the Senator please state the page and line numbers?

Mr. BYRD of Virginia. Page 15, line 12.

Mr. PROXMIRE. Let me read the language. I think the language makes that very clear:

Investment in Inter-American Development Bank: $261,760,000 to remain available until expended, of which—
$75,000,000 shall be available for paid in capital; $136,760,000 shall be available for callable ordinary capital; and $50 million shall be available for the Fund for Special Operations.

Unless my arithmetic is wrong, that ought to add up to $261,760,000. So the $50 million is a part of the $261,760,000.

Mr. BYRD of Virginia. The $50 million is a part of the $261,760,000?

Mr. PROXMIRE. That is my understanding; that is correct.

Mr. BYRD of Virginia. Beginning with line 16, for the World Bank, the committee, as I understand it, added that section, line 16 through line 20, a section which the House did not have; and the committee recommends that $246,100,000 be appropriated for the World Bank. The House did not have that item. Is that correct?

Mr. PROXMIRE. The Senator is correct, and I would like to ask unanimous consent to insert at this point in the RECORD a table reflecting these amounts and future projections which I believe will prove helpful.

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

U.S. CONTRIBUTIONS TO INTERNATIONAL FINANCIAL INSTITUTIONS (ACTUAL) THROUGH FISCAL YEAR 1971, PROJECTED THROUGH FISCAL YEAR 1976

[In thousands of dollars]

Institution	Through fiscal year 1970 (actual) U.S. contribution compared to total			Fiscal year 1971 (actual)			Projected estimates fiscal year 1972–76 [1]			
							1972		1973	
	Total	United States	United States as percent of total	Authorized	Budget estimates	Appropriated	Authorization	Budget estimates	Authorization	Budget estimates
International Bank for Reconstruction and Development:										
(1) Paid-in capital	2,313,012	635,000	27.5	24,610	24,610	----------	----------	24,610	----------	----------
(2) Callable capital	20,842,920	5,715,000	27.4	221,490	221,490	----------	----------	221,490	----------	----------
IBRD total	23,155,932	6,350,000	27.4	246,100	246,100	----------	----------	246,100	----------	----------
International Finance Corporation: (1) Paid-in capital	106,954	35,168	32.9	----------	----------	----------	----------	----------	----------	----------
International Development Association: (1) Paid-in capital (subscriptions)	[2] 2,375,595	952,291	[2] 40.1	160,000	160,000	160,000	960,000	322,000	----------	320,000
Inter-American Development Bank: [3]										
(1) Paid-in capital	388,500	150,000	38.6	150,000	50,000	25,000	----------	75,000	----------	50,000
(2) Callable capital	2,374,500	1,023,520	43.1	673,520	336,760	200,000	----------	136,760	----------	336,760
(3) Fund for Special Operations	2,328,000	1,800,000	77.3	100,000	100,000	50,000	900,000	50,000	----------	450,000
IDB total	5,091,000	2,973,520	58.4	923,520	486,760	275,000	900,000	261,760	----------	836,760
Asian Development Bank:										
(1) Paid-in capital	490,300	100,000	20.4	20,000	20,000	20,000	----------	----------	60,000	20,000
(2) Callable capital	502,000	100,000	19.9	----------	----------	----------	----------	----------	240,000	80,000
(3) Consolidated special funds	175,000	----------	----------	----------	----------	----------	100,000	60,000	----------	40,000
ADB total	1,167,300	200,000	17.1	20,000	20,000	20,000	100,000	60,000	300,000	140,000
African Development Bank:										
(1) Paid-in capital	80,000	----------	----------	----------	----------	----------	----------	----------	----------	----------
(2) Callable capital	107,000	----------	----------	----------	----------	----------	----------	----------	----------	----------
(3) Special fund	[4]	[4]	----------	----------	----------	----------	----------	----------	----------	----------
AFDB total	187,000	----------	----------	----------	----------	----------	----------	----------	----------	----------
Total	32,083,781	10,510,979	32.8	1,349,620	912,860	455,000	1,960,000	887,860	300,000	1,296,760

[1] The projections for certain international financial institutions are made in the absence of either; (a) international discussions or negotiations on the future level of multilateral funding for such institutions, or (b) budgetary decisions by the executive branch. Accordingly, the figures shown represent only a continuation forward of present levels and timing of U.S. inputs to the respective institutions.

[2] Includes pt. I countries plus convertible contributions of pt. II countries.
[3] Does not include adjustments to be made as a result of Canada joining the Bank.
[4] Fund not established through this period.

Source: International financial institutions and Treasury Department, Jan. 18, 1972.

Institution	Projected estimates fiscal years 1972–76 [1]—Continued						Cumulative through fiscal year 1976 [1]		
	1974		1975		1976				
	Authorization	Budget estimates	Authorization	Budget estimates	Authorization	Budget estimates	Total	United States	United States as percent of tota
International Bank for Reconstruction and Development:									
(1) Paid-in capital	----------	----------	----------	----------	----------	----------	2,535,212	659,610	26.0
(2) Callable capital	----------	----------	----------	----------	----------	----------	22,842,720	5,936,490	26.0
IBRD tota	----------	----------	----------	----------	----------	----------	25,377,932	6,596,100	26.0
International Finance Corporation: (1) Paid-in capital	----------	----------	----------	----------	----------	----------	106,954	35,168	32.9

U.S. CONTRIBUTIONS TO INTERNATIONAL FINANCIAL INSTITUTIONS (ACTUAL) THROUGH FISCAL YEAR 1971, PROJECTED THROUGH FISCAL YEAR 1976—Continued

[In thousands of dollars]

Institution	Projected estimates fiscal years 1972–76 [1]—Continued						Cumulative through fiscal year 1976 [1]		
	1974		1975		1976				
	Authorization	Budget estimates	Authorization	Budget estimates	Authorization	Budget estimates	Total	United States	United States as percent of total
International Development Administration (1) Paid-in capital (subscriptions)		320,000	960,000	320,000		320,000	[2] 6,797,722	2,712,291	[2] 39.9
Inter-American Development Bank:									
(1) Paid-in capital							774,900	300,000	38.7
(2) Callable capital			673,520	336,760			4,703,400	2,033,860	43.2
(3) Fund for Special Operations		450,000	1,350,000	450,000		450,000	5,178,000	3,700,000	71.5
IDB total		450,000	2,023,520	786,760		450,000	10,656,300	6,033,800	56.6
Asian Development Bank:									
(1) Paid-in capital		20,000		20,000	60,000	20,000	905,000	200,000	22.1
(2) Callable capital		80,000		80,000	240,000	80,000	2,110,553	429,000	19.9
(3) Consolidated special funds	150,000	50,000		50,000		50,000	681,199	250,000	38.7
ADB total	150,000	150,000		150,000	300,000	150,000	3,696,752	870,000	23.5
African Development Bank:									
(1) Paid-in capital							80,000		
(2) Callable capital							107,000		
(3) Special fund	15,000	15,000					160,000	15,000	9.4
AFTB total	15,000	15,000					347,000	15,000	4.3
Total	165,000	935,000	2,983,520	1,256,760	300,000	920,000	46,962,660	16,262,359	34.6

Mr. BYRD of Virginia. So insofar as the World Bank and the Inter-American, all that the committee has done has been to increase the amount by making available a total amount of $507 million, and that represents an increase of $357 million over what the House recommended for those two items. Is that correct?

Mr. PROXMIRE. The Senator is correct.

Mr. BYRD of Virginia. If the Senate agrees to the unanimous-consent request by the Senator from Wisconsin, and some Senator desires to offer an amendment, what would be the time limitation on the amendment?

Mr. PROXMIRE. Limitations on amendments are 1 hour, as I recall, and there are 6 hours on the bill. The Senator from Wisconsin will do his best to assist the Senator from Virginia, if the Senator from Virginia wishes to offer an amendment.

Mr. BYRD of Virginia. If the Senator's unanimous-consent is not approved, then what is the limitation insofar as discussion is concerned?

Mr. PROXMIRE. There is no difference; it would still be an hour.

Mr. BYRD of Virginia. Not on each committee amendment?

Mr. PROXMIRE. It does not matter. We could yield time from the bill, and I will do that if the Senator offers an amendment.

Mr. BYRD of Virginia. I do not want to inconvenience the Senator from Wisconsin.

Mr. PROXMIRE. I would greatly prefer that. I will be delighted to offer the Senator time, and I will do my best, in talking with the minority side, to have them offer additional time, if the Senator requires it.

Mr. BYRD of Virginia. I thank the Senator from Wisconsin and the Senator from Hawaii. The time will be adequate, as I see it. If the Senator from Virginia offers an amendment to the committee bill, he will have to bear the burden of that argument. If it goes in the form in which it now is, the Senator from Wisconsin will have to bear the burden of the argument as to why the amount has been increased. I do not object.

Mr. PROXMIRE. I appreciate that.

Mr. President, I now renew my unanimous-consent request. I ask unanimous consent that the committee amendments be agreed to en bloc—except the amendment specified before, on page 11, lines 6 through 8—and that the amendments as thus agreed to en bloc be considered as original text for the purpose of further amendment; that the amendment on page 11, lines 6 through 8, be withdrawn; and that all points of order be reserved.

I also ask unanimous consent that the following technical amendment on page 10, line 15, be adopted: On page 10, line 15, strike out "205" and insert in lieu thereof "209(d)".

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, line 5, after "section 211", strike out "$150,000,000" and insert "$165,000,000".

On page 2, at the beginning of line 12, strike out "$75,000,000" and insert "$80,000,000".

On page 2, line 16, after "section 301", strike out "$41,000,000" and insert "$138,000,000, of which $15,000,000 shall be available only for the United Nations' Children's Fund".

On page 2, line 24, strike out "$50,000,000" and insert "$125,000,000".

On page 3, line 1, after "section 214", strike out "$17,200,000" and insert "$20,000,000"; in line 2, after the amendment just above stated, insert a colon and *"Provided,* That only such projects enumerated in the respective reports of the Foreign Affairs Committee of the House of Representatives and the Foreign Relations Committee of the Senate covering authorizing legislation for programs funded hereunder shall be financed out of the funds made available under this head: *Provided further,* That the maximum amount of funds allocated to any nonbudgeted project shall not exceed $2,000,000."; and, in line 9, after the amendment just above stated, strike out "to be available for obligation or expenditure solely in accordance with the following allocations:

American University of Beirut, Lebanon	$6,000,000
Feinberg Graduate School of Weizmann Institute, Israel	1,500,000
University of the Americas, Mexico	1,500,000
Robert College, Turkey	1,000,000
Project HOPE	1,500,000
American Hospital in Rome, Italy	300,000
Program support	200,000
Unallocated funds	5,200,000".

On page 3, line 13, after the word "section", strike out "301" and insert "302(b)(2)"; and, in line 15, strike out "$7,500,000" and insert $15,000,000".

On page 3, line 17, after "section 302(b)(1)", strike out "$6,000,000" and insert "$12,000,000".

On page 4, at the beginning of line 7, strike out "$150,000,000" and insert "$50,000,000".

On page 4, line 11, after "section 201", strike out "$250,000,000" and insert "$150,000,000".

On page 4, at the beginning of line 16, strike out "$54,600,000" and insert "$50,000,000".

On page 4, line 22, strike out "$4,255,000" and insert "$4,221,000".

On page 5, line 22, after "United States", strike out "$552,000,000" and insert "$350,000,000".

On page 6, line 3, after the word "section", strike out "401" and insert "531"; in line 4, after the word "amended", strike out "$575,000,000" and insert "$400,000,000"; and, in line 7, after the word "Congress", insert a colon and *"Provided further,* That of the funds appropriated under this paragraph, not less than $50,000,000 shall be available for obligation for security supporting assistance for Israel only."

On page 6, after line 20, strike out:

Overseas Private Investment Corporation, reserves: For expenses authorized by section 235(f), $25,000,000, to remain available until expended.

On page 6, after line 23, insert:

INTER-AMERICAN SOCIAL DEVELOPMENT INSTITUTE

The Inter-American Social Development Institute is authorized to make such expenditures within the limits of funds available to it and in accordance with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 849), as may be necessary in carrying out its authorized programs during the current fiscal year: *Provided*, That not to exceed $11,000,000 shall be available to carry out the authorized programs during the current fiscal year.

On page 10, after line 16, strike out:

SEC. 112. The funds appropriated or made available pursuant to this Act shall be available notwithstanding the provisions of section 10 of Public Law 91–672.

On page 10, at the beginning of line 20, change the section number from "113" to "112".

On page 11, after line 3, strike out:

SEC. 114. No part of any appropriations contained in this Act may be used to provide assistance to Ecuador.

On page 11, line 13, after the word "Act", strike out "$510,000,000" and insert "$400,000,000".

On page 11, at the beginning of line 22, strike out "$68,000,000" and insert "$77,200,000"; and, in the same line, after the word "exceed", strike out "$24,000,000" and insert "$24,500,000".

On page 12, line 13, after the word "appurtenances", strike out "$4,216,000" and insert "$24,500,000".

On page 14, line 1, after the word "Code", strike out "$100,000,000" and insert "$129,000,000"; and, in line 5, after "United States", insert a colon and *"Provided further*, That none of the funds made available herein shall be available after February 22, 1972, to furnish medical and welfare payments to refugees who have resided in the United States for three years or more."

On page 14, line 22, after "5 U.S.C. 3109", strike out "$8,690,000" and insert "$5,790,000"; and, in line 23, after the word "exceed", strike out "$7,650,000" and insert "$4,750,000".

On page 15, at the beginning of line 9, strike out "$150,000,000" and insert "$261,760,000"; in line 10, after the word "which", strike out "$13,240,000" and insert "$75,000,000"; in line 11, after the word "available", strike out "solely"; in line 12, after the word "available", strike out "solely"; and, in the same line, after the word "capital", insert a semicolon and "and $50,000,000 shall be available for the Fund for Special Operations."

On page 15, after line 13, insert:

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

To pay for the increase in the United States subscription to the International Bank for Reconstruction and Development, as authorized by the Act of December 30, 1970 (Public Law 91–599), $246,100,000, to remain available until expended.

On page 18, after line 11, insert a new section, as follows:

SEC. 504. Not to exceed $800,000 of the funds appropriated under title I of this Act and for the Peace Corps under this Act may be used to reimburse the expenses of the Inspector General, Foreign Assistance, of which amount not to exceed $650,000 may be expended for compensation for personnel.

On page 18, after line 17, insert a new section, as follows:

SEC. 505. The Secretary of the Treasury is hereby given the authority to advance from the general fund of the Treasury, without fiscal year limitation and without prior appropriations, to the extended unemployment compensation account, as repayable advances (without interest) such sums as may be necessary to make such payments. Such repayable advances shall be repaid, without interest, by transfers from the extended unemployment compensation account to the general fund of the Treasury, at such times as the amount in the extended unemployment compensation account is determined by the Secretary of the Treasury, in consultation with the Secretary of Labor, to be adequate for such purpose. Any amount transferred as a repayment under this paragraph shall be credited against, and shall operate to reduce, any balance of advances repayable under this paragraph.

On page 19, after line 7, insert a new section, as follows:

SEC. 506. For making the repayable advances authorized to be appropriated to the extended unemployment compensation account in the Unemployment Trust Fund by section 905(d) of title IX of the Social Security Act, such sums as may be necessary to enable the Secretary of the Treasury to make such advances until June 30, 1972. The Secretary of the Treasury shall make such repayable advances without prior specific appropriation other than as is herein provided at such times as he determines, until June 30, 1972, in consultation with the Secretary of Labor, that the amount in the extended unemployment compensation account is insufficient for the payments to States out of that account which are provided for by law.

Mr. FONG. Mr. President, for the foreign assistance and related programs for fiscal year 1972 the administration requested $4,342,635,000. We received from the House a bill passed on December 8, 1971, H.R. 12067, which totals $3,003,461,000. We have for consideration today this bill as reported out by the Appropriations Committee with a total of $2,888,635,000, a reduction of $1,454,000,000 from the administration's request. It provides funds for the foreign economic and military assistance programs, several international financial institutions, the Export-Import Bank, the Peace Corps and other smaller appropriations for administration of the Ryukyu Islands, assistance to Cuban refugees in the United States and assistance for migration and refugees administered by the State Department.

The largest portion of appropriations in this bill relates to foreign economic and military assistance which is financed under titles I and II of the bill. I firmly believe that we have cut these requests far too much, that we have been penny wise and pound foolish in our action. Let us look at what has happened during the long process of congressional action on these requests.

The administration requested $3,595,218,000 for these programs. The authorization committees of the Senate and the House recently ironed out their differences and have now passed a bill which authorizes, along with some previously permanently authorized programs, $2,793,555,000 for these same programs, a reduction of $801,663,000.

On December 8, the House passed an appropriation bill which provides $2,672,555,000, a further reduction of $121,000,000 or a total of $922,663,000 below the administration's request.

Now the Senate Appropriations Committee has reported a bill which provides only $2,164,221,000 for these two titles—a reduction of $1,431,000,000 below the administration's request. This means a 40 percent cut—a real meat cleaver approach to this Nation's international interests.

The $2,164,221,000 in the committee's report for foreign economic and military assistance is $978,464,000—almost $1 billion—below the $3,142,685,000 appropriated in fiscal year 1971 for the same programs—a one-third reduction from last year. At the same time, the agencies responsible for these programs were authorized until last November 15 under the joint resolution for continuing appropriations to operate at the fiscal year 1971 level, and for the last 2½ months they have been authorized to operate at a substantially higher level than now proposed in the committee's report.

I submit that such action makes it impossible to run these programs on a reasonable and sensible basis. Not all of us may agree on the priorities or the levels of funds contained in this bill, but we should promote sound management, not destroy whole programs or tear up carefully constructed international policies.

On April 21, 1971, over 9 months ago, President Nixon submitted his message to the Congress on the foreign assistance program and requested $764,614,000 for supporting assistance programs, $705,000,000 for grant military assistance, and $510,000,000 for military credit sales. At the same time he proposed a far-reaching reorganization of the security assistance program to meet more effectively the objectives of the Nixon doctrine. He said:

This new Security Assistance Program would, I am confident, serve our national interest in the 1970's in a number of important ways. It would:

Enable us to meet U.S. commitments more effectively and at lower costs;

Strengthen the self-defense capabilities of nations to whose security the U.S. is committed by treaty, by special political ties, or by essential U.S. interests;

Help to reduce the need for, and likelihood of U.S. military involvement overseas;

Foster increased local initiative and self-sufficiency;

Support U.N. peacekeeping operations; and

Reduce potential frictions by lowering the U.S. profile abroad.

Nine months have gone by since the President's request. In that time he has made great efforts and progress in accomplishing the objectives he outlines to serve our national interests more adequately. By May 1, American forces in Vietnam will be down to 69,000. Overseas troop strengths are being reduced in other countries and areas. The Vietnamization program is making steady progress. Last week the President made public the secret efforts he has been making

to break the deadlock in the Paris negotiations and bring an end to the war in Vietnam.

The funds in this bill for the security assistance program play a major role in accomplishing the objectives of the President outlined last April. They are directly related to the results he has achieved to date.

Sixty percent of the funds that he requested for security assistance are programed for East Asia and the Pacific.

Twenty-seven percent are for the Near East and South Asia.

The authorization bill which this body passed on December 17 earmarked $50 million in supporting assistance and $300 million in foreign military credit sales for Israel alone.

How badly does the Appropriations Committee bill now before us affect the President's objective?

The $764.6 million for supporting assistance has been reduced to $400 million, including $50 million for Israel, which is $218 million below the amount authorized. The administration already has obligated $332 million during the first 6 months of fiscal year 1972. If only $400 million are appropriated now, the remaining balance of $68 million, along with the estimated recoveries and unobligated balances of $50 million, will leave only $118 million available for the last 6 months of fiscal year 1972.

The request for $510 million for foreign military credit sales has been reduced to $400 million, which is the full amount provided in the authorization bill. The authorization bill provides that $300 million of the aggregate ceiling on foreign military credit sales shall be made available for Israel only.

Looking at these severe reductions in the security assistance programs—$827.5 million below the request—and the great effort that President Nixon is making to seek improvement in this area, I believe it is time that this body recognize the importance of these programs in meeting our national objectives. There should be no further reductions in the committee amounts for these programs.

Mr. President, at this time I offer two amendments to H.R. 12067. The first amendment will increase funds for the Alliance for Progress development loan programs from $50 million to $150 million.

The second amendment will restore to the Inspector General's office its full budget of $1,200,000, of which not more than $1,028,000 may be expended for compensation for personnel. This second amendment will not increase the foreign aid request at all since the funds will be coming from money in the bill for AID, for military assistance programs, and for the Peace Corps.

Mr. President, in order to save some time and shorten the period needed to consider the bill before us, I ask unanimous consent that a statement relating to the activities of the Export-Import Bank, which I had planned to deliver, be inserted into the RECORD at this time.

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

STATEMENT BY SENATOR FONG

I would like to comment briefly on Title IV of the pending bill which relates to the activities proposed for the Export-Import Bank for fiscal year 1972.

I think we are all acutely aware of the recent reports which show that the United States last year suffered a deficit in its international trade account for the first time since 1893. Mr. President, this trend must be reversed not only because of its importance to the overall U.S. balance of payments position, but, of equal importance, because of the effect which our competitive trading position has on the total U.S. economy. Let's not forget that what exports really mean are jobs here at home, income to businesses and individuals, profits to our industry which can be used for further development and expansion, and revenues to our governments at all levels. Exports come from, and thereby affect, all segments of U.S. production—from agriculture, manufacturing, mining, from small and medium size businesses as well as large businesses. In fact, frequently many businesses and workers may not even realize that the product they are producing will eventually end up for export.

One of the key elements in exports sales today is financing. In international business, like we see every day in domestic business, buyers worldwide are seeking credit for their purchases. This, of course, is especially true of the large, technology-intensive products where the United States has held a commanding edge until recently. But now it is also true of the smaller, less costly items, even down to food products and small consumer goods.

Mr. President, all of the major industrial countries of the world today provide some type of government support to their exporters. For most of these countries, international trade has been a matter of national survival. It is becoming so today in the United States.

The Export-Import Bank is the one U.S. Government agency which provides assistance to U.S. producers of goods and services in financing their normal commercial export sales. Eximbank presently has a wide range of programs designed to meet the many varying needs of the U.S. exporter in the international market place. I certainly think that we must recognize that the role of this agency is more critical today than ever before in its 37-year history. And we must be sure that it has all the tools it needs to do the job.

Mr. President, Eximbank's job is to assist in the financing of all types of U.S. export sales where that financing cannot be handled by the private sector. Although Congress, wisely I believe, has provided the Bank with broad authority in the formulation and operation of its programs so that it can adjust readily and quickly to the ever-changing needs of the marketplace, we have required by statute that the Bank must supplement and not compete with resources available from the private financial community.

This means that whenever Eximbank enters a transaction, they do so only because the sale of the U.S. product could not be made without this type of governmental assistance. The reasons, of course, are many and varied—either the amount of financing required is too great to be handled by the private community alone, the risks inherent in international transactions cannot be handled by private sources, or terms necessary to meet foreign government-supported competition can only be provided by a combination of private and government financing.

I believe that Eximbank programs and operations as currently structured represent what is required for support of the U.S. exporting community and are not being provided simply because the authority is there.

Eximbank, although an independent agency, is of course a part of the U.S. Government. As such, it is governed and regulated by various statutes and administrative regulations and procedures. It must comply with the provisions of the Government Corporation Control Act; it must submit an annual budget for review and approval first by the President and then by the Congress; its Board of Directors serves at the pleasure of the President, with the consent of the Congress; its borrowings to fund its operations must be approved on all counts by the Secretary of the Treasury; and its policies and operations are subject to review and recommendation within the Administration at the highest levels.

Chief among the latter is Eximbank's membership in the National Advisory Council on International Monetary and Financial Policies, which is chaired by the Secretary of the Treasury and is composed of the Chairman of the Federal Reserve Board, the Secretaries of State and Commerce, and the Chairman of Eximbank. All major Eximbank policies and programs are reviewed by the NAC, as well as all transactions where the Eximbank obligation is over $10 million. In addition, all of these agencies are represented at formal meetings of Eximbank's Board of Directors where action is taken by that Board on applications submitted to the Bank and on decisions to go to the market for funds.

Mr. President, I think two points are very clear here. The first is that Eximbank is playing a critical role in our nation's efforts to expand its export trade, which certainly must be a major national goal. The second is that far from operating in a vacuum isolated from other national goals and policies, Eximbank activities are now closely and more than adequately coordinated within the Federal Government to ensure that its policies and programs conform with overall U.S. economic and monetary policy.

The PRESIDING OFFICER. Does the Senator call up his first amendment?

Mr. FONG. Mr. President, I call up my first amendment, to increase the Alliance for Progress Development Loan. I offer the amendment for myself and in behalf of Mr. ALLOTT, Mr. BROOKE, Mr. JAVITS, Mr. KENNEDY, Mr. PERCY, Mr. COOPER, and Mr. TUNNEY.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 4, line 7, strike out "$50,000,000" and insert in lieu thereof "$150,000,000".

Mr. FONG. Mr. President, like all appropriation bills, the one before us now represents a compromise. There are those, including myself on the Appropriations Committee who feel we should spend more on foreign aid, and there are those who feel equally strongly that the funds should be used instead for America's domestic needs or for defense.

Although I would have liked to see most of the economic assistance categories in this bill increased. I feel that on the whole the amounts recommended will permit AID to continue its programs in most parts of the world at an adequate, although reduced, level. There is, however, one item—Alliance for Progress Development Loans—which is so inordinately low that I feel compelled to seek the support of my fellow Members to restore the cuts made by the committee.

The administration's request for $235 million was the lowest since the inception of the Alliance for Progress. The House appropriations bill included $150 million for Alliance loans, which is the amount originally authorized by this body and $56 million less than the final authorization level.

In contrast, the $50 million recommended in our appropriations bill is so small that it would effectively gut the

program. It may interest Senators to know that the committee's recommendation of $50 million is $237 million less than the sum appropriated in fiscal 1971; $185 million less than the budget estimate for fiscal 1972; $156,500,000 less than what Congress authorized in its foreign aid bill last week; $100 million less than the sum appropriated by the House of Representatives; and $100 million less than the amount authorized by the Senate prior to its conference with the House. While I would strongly prefer that we appropriate the full $206.5 million authorized, I believe it is imperative that we provide at least the $150 million passed by the House.

Mr. President, much has been said about the special relationship between the United States and Latin America. The United States has built up over the years important patterns of trade, cultural and educational exchange, and political cooperation with our southern neighbors which have benefited us as much as the Latin Americans. Latin American countries already import more from us than they export to us. AID development loans help to expose Latin Americans to U.S. products and guarantee that these rapidly growing economies will continue to look to the U.S. for much of their import needs. But perhaps most important of all, should Latin Americans' aspirations for a better life be frustrated, our own well-being and security will inevitably suffer.

Cuts of this magnitude will be inexplicable to our Latin American friends. There is already a considerable uneasiness and skepticism in Latin America about our Alliance for Progress commitments. Indeed, some Latin Americans believe that the United States has concluded that Los Angeles is unimportant. Consider, for example, the effect on the major recipients, Colombia and Central America, who together are scheduled to receive some 55 percent of these loans. Not only will their development programs falter; they cannot help but seek some unintended political explanation for the action.

It is not just the political leaders of these countries who will wonder what the United States is trying to say. AID loans lay special emphasis upon improving the lives of the people, especially those in rural and slum areas who have often been passed over during the recent years of rapid economic progress. AID loans in Latin America are closely linked to our technical assistance programs in agriculture, education, housing, health, and urban development. For the most part these loans do not finance one large physical superstructure, such as a road or an airport. Rather, AID loans for the most part constitute a line of credit which makes it possible for the borrower country to import from the United States vital goods and management services which they must have to proceed with their development programs. Our failure to follow through on our commitments at this time—more than halfway through the fiscal year—will disrupt plans in these countries at all levels, from the agriculture ministry to the individual school or clinic.

I have heard it said that the development loan needs of Latin America will be amply met by the multilateral lending organizations such as the Inter-American Development Bank or the World Bank. I welcome the shift of our resources to these organizations and am encouraged by their progress. However, testimony this year before the subcommittee confirms that these organizations are not ready to carry the entire burden. We will be deceiving ourselves if we assume that appropriations for AID can be cut to the level recommended by the committee without serious disruptions to specific programs and to the overall development effort.

Our loans have been designed in the context of multilateral planning. If we back out now, many multilateral loans will themselves be jeopardized because of the lack of a critical U.S. bilateral input.

These risks are too great to take. I therefore have offered an amendment to raise Alliance for Progress development loans to the level in the House bill of $150 million.

Mr. President, I want to make it very clear that this amendment deals with loans and not grants. Every loan that is made by AID in Latin America is repayable in U.S. dollars. The only aspect of our development loan program that can be considered as a "grant" is the concessional interest rate that is extended to the recipient countries.

Development loans are currently being made to our Latin American neighbors at a rate of 2 percent during the first 10 years of the grace period and 3 percent for the balance of the loan period which usually runs for 30 years.

The fiscal year 1972 budget request submitted to the Congress last January—which requested $235 million in new appropriations for Latin American loans—would have funded a loan program of $310 million for 15 Latin American countries and regional programs. The latest requirements proposed by AID have reduced this amount to $284.5 million for 14 countries and regional programs. Clearly this reduced program will have to be reevaluated even if the appropriation for new funds is increased to $150 million. But it would be impossible to meet even the most urgent needs if only $50 milion in new funds were appropriated.

When we consider the fact that: First, at this late date in the current fiscal year, preparations and discussions on loans to a number of countries are well under way; second, the majority of our Latin American neighbors are scheduled to participate in our development loan program for fiscal 1972; third, we should be doing everything that is reasonably possible to improve our relations with our neighbors to the south; fourth, a drastic reduction from $287,500,000 for fiscal 1971 to $50 million for fiscal 1972 is not only an insult to our allies in Latin America, but a breach of our moral and political commitment to work more closely with our friends to the south, we can fully appreciate the negative repercussions that can follow if the funding level recommended by the Appropriations Committee is not increased to a more reasonable and realistic amount.

I therefore urge my colleagues to support this amendment.

Mr. BYRD of Virginia. Mr. President, will the Senator yield?

Mr. FONG. I am happy to yield to the Senator from Virginia.

Mr. BYRD of Virginia. Has the Senator submitted his amendment?

Mr. FONG. It has been submitted, and the yeas and nays have been ordered.

Mr. BYRD of Virginia. I thank the Senator. That was the purpose of my inquiry.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. FONG. I am happy to yield to the Senator from New York.

Mr. JAVITS. Mr. President, I support the Senator's amendment, and I appreciate his willingness to add me as a cosponsor of it. I ask unanimous consent for that purpose.

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

Mr. JAVITS. Mr. President, my reason for supporting the amendment is this: The cut which has been made, as the Senator from Hawaii has pointed out, is unusually drastic. The reason that I think it is ill-advised under present conditions is that in the present state of the world, with the problems which affect us worldwide, it is our duty to look forward rather than backward. I, therefore, see a new urgency for a continuing close relationship with Latin America. I think it would be idle to say that we are buying such a relationship with the amount of money here or with any amount of money involved. The amount of money and the number of projects involved are not really that telling. But this is really not the issue.

Mr. President, the issue is the fact that we have conducted the Alliance for Progress on a given level, and now indicate, as it were, a disapproval or a reversal of policy in such a material cut, especially as it is not justified by the fact that worthwhile and provident projects are not available. This signal would, I think, be very harmful to us rather than help us. When one considers the order of magnitude in which amounts are appropriated for defense, in the billions, not in the millions, I believe that for any appreciable improvement in terms of the morale factor in Latin America—they do not have to love us, but at least they can feel that we have genuine solicitude for their own economic and social future—it is unwise to forego the advantage of that, after it has been built up with so much effort and treasure over the decades.

For those reasons, Mr. President, I believe we would be well advised not to curtail the program to the drastic extent to which it has been curtailed, and I consider it a privilege—and this is an area of the world I know a little about, having concerned myself with the area for at least 25 years—to support the amendment of the Senator from Hawaii.

Mr. FONG. I thank the Senator from New York for his support of the amendment.

Mr. JAVITS. Let me say one other

thing which I think makes vivid the point I am making.

There is an association of the developing countries called UNCTAD, in which about 77 countries are involved. UNC TAD is having its third international meeting in Santiago, Chile, in April. UNCTAD concerns itself with trade and development and if our commitments in the AID area are reduced at the same time we are not meeting our negotiated commitments in the trade area in the form of generalized preferences—and Europe and Japan have—the United States could reap an increasingly ill wind from the whole of the developing world.

I repeat, if one could justify it on the ground that there were no worthwhile projects available, the funds might be cut strongly; but in the presence of worthwhile projects, considering what we have invested in the security of this hemisphere, I believe we would be wise to appropriate this additional amount.

Mr. PROXMIRE. Mr. President, from the time in opposition to the amendment, I yield myself 5 minutes.

The committee believes that the $50 million which it recommended for Alliance for Progress loans is adequate and the amendment proposing a higher amount should be defeated for these reasons:

First, there is an additional $77 million in other availabilities reappropriated in this bill making the total of new funds for the Alliance for Progress to $127 million rather than the $50 million which is new obligational authority only.

Second, over $905 million in Alliance for Progress development loans is now in the pipeline and the impact of this tremendous balance is yet to come.

Third, here, really, is the heart of my opposition to the Fong amendment: An additional $900 million in Inter-American Development Bank soft loans was authorized just yesterday by the House; this is in addition to the $50 million made available last year and $50 million in this bill for the same purpose. An additional $400 million is anticipated as the U.S. contribution to IDB capital—a grand total of U.S. development loans in Latin America of almost $1.5 billion over the next 12 months alone.

Let me repeat that: The grand total of funds requested for U.S. development loans in Latin America in the next 12 months will be $1.5 billion.

Fourth, the committee has appropriated $125 million for the population program under a separate appropriation. This program amounting to $100 million last year came largely from funds appropriated for worldwide and alliance loans—$61 million in 1971. This is one of the reasons for the smaller appropriation recommended this year.

Fifth, of the original request for bilateral loan funds, over $70 million was requested for Brazil, and since the committee report, the Agency for International Development advises that it does not contemplate any new lending in Brazil this year.

Mr. President, if Congress is ever going to shift to the use of multinational loans, it seems to me that this is the kind of step we have to take.

As I said before, if this amendment is adopted, I will do my best to reduce the amount that is available for the Inter-American Bank. It does not make any sense for us to do it both ways. I would agree with the Senator from Virginia that under those circumstances we ought to cut back the Inter-American Bank. We should do it one way or the other—at least, shift one way or the other.

In conclusion, there is no real basis on which an increase over the committee recommendation can be justified, and I strongly urge the defeat of the amendment.

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

Mr. PROXMIRE. I yield 5 minutes to the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, I oppose the amendment offered by the Senator from Hawaii.

The Appropriations Committee has followed the basic policy recommended by the Foreign Relations Committee and approved earlier by the Senate. It reduced the bilateral loan program for Latin America and emphasized the multilateral program carried out by the Inter-American Development Bank. The Foreign Relations Committee included a provision in the fiscal year 1972 authorization bill which required phasing out of the bilateral loan program by June 30, 1975. The Senate adopted this provision and it was approved in slightly revised form in conference.

The President has said that he wants to increase emphasis on the multilateral aid. Congress has gone one step further and has legislated a phased reduction in bilateral loans. The Appropriations Committee's action in reducing appropriations for the Alliance for Progress loan and increasing those for the Inter-American Bank implements the policy Congress has already adopted.

I might point out that only last year the Senate approved, by a vote of 49–13, a bill to authorize a U.S. contribution of $900 million to the soft loan window of the Bank. A total of $837 million is included in the 1973 budget for U.S. contributions for the Bank's operations. Latin America is not being neglected; it is only that the channel for giving aid is being changed from a bilateral to a multilateral basis.

The $50 million to be appropriated here is not all that will be available for bilateral loans to Latin America, however. In addition, there will be $76.7 million available from repayments on old loans and from carryovers, for a total of $127 million—a sizable sum, indeed, out of a budget that is more than $40 billion in the red.

The Appropriations Committee's action on this issue should be commended by the Senate, and I hope that this amendment will be rejected.

I think that the urgency which the Senator from New York mentioned is the urgency, really, to change our aid policy toward Latin America from a bilateral to a multilateral basis because of the conditions which have resulted from the program we have now. Our relations, as everybody knows, are not in the best of shape. I do not believe that to continue the bilateral program would be the right policy to accomplish the purpose stated by the Senator from New York, which is to improve our relations with Latin America. I believe that the proper way to do it is the way recommended by the Committee on Appropriations—a shift of our aid to a multilateral basis.

The PRESIDING OFFICER. Who yields time?

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

Mr. PROXMIRE. I yield 3 minutes to the Senator from Missouri.

Mr. SYMINGTON. I would ask a question of the able Senator from Wisconsin.

Before that, I would also say, with sincerity, that if the Senate had listened more to the warnings the able senior Senator from Wisconsin has been giving the Senate over a period of years about the growing danger incident to our growing expenditures, the actual deficit this year might be much closer to the estimate made this time last year. As I understand it, the estimated deficit for this year was $11.6 billion, but the actual deficit is already admitted to be $38.8 billion. Is that correct?

Mr. PROXMIRE. That is my understanding. The deficit for next year is estimated to be $23.5 billion.

Mr. SYMINGTON. I thought it was over $25 billion.

Mr. PROXMIRE. Perhaps so.

Mr. SYMINGTON. If the deficit as against the estimate is about the same next year we will be approaching a $90 billion deficit, will we not?

Mr. PROXMIRE. The Senator is correct.

Mr. SYMINGTON. And this request is made despite the fact we have also added some $246 million for the Inter-American Development Bank?

Mr. PROXMIRE. That is correct. That is my understanding.

Mr. SYMINGTON. What justification can we have today, facing this gigantic deficit, and with the serious problems we have, both fiscal and monetary standpoint, to add in this way to those problems?

How do we justify to our constituents adding to this problem, this debt, in this way?

Mr. PROXMIRE. It is very difficult to justify, when it is recognized, as we indicated, that $1.5 billion of loan money is going to be available in the next 12 months, under the provisions of this bill as it now stands. Even if the Fong amendment is rejected, $1.5 billion will be available.

As the Senator from Arkansas has pointed out—and he has had far more experience than I will ever have in this area—we seem to have made a policy decision to move in the direction of multilateral lending, and that seems to be the position taken by the administration. That seems to make sense, because we get cooperation from other countries, and it is far better in terms of relationship with the borrowing country. If we are going to do it that way, we should not have the enormous amounts that are proposed for unilateral lending, too.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. PROXMIRE. I yield an additional 3 minutes to the Senator.

Mr. SYMINGTON. On page 5 of the report of the distinguished chairman of the subcommittee, it states that the fund for special operations, that is for soft loans, of the Inter-American Development Bank—that is money for Central and South America, is it not?

Mr. PROXMIRE. That is my understanding.

Mr. SYMINGTON. It states the U.S. contribution to this multilateral fund is 66.7 percent of the total. That is the percentage this country puts up as against what all other countries put up. Is that correct.

Mr. PROXMIRE. That is right.

Mr. SYMINGTON. The highest percentage of bilateral contribution made by any country?

Mr. PROXMIRE. That is right.

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

Mr. SYMINGTON. I yield.

Mr. FULBRIGHT. But it is less than 100 percent; and the Senator from Hawaii in his proposal wants to pay 100 percent. Assuming that these are good projects, is it not better to pay 66 percent than to pay 100 percent?

Mr. SYMINGTON. Mr. President, I regret the statement just made by the able Senator from Arkansas, because he has now made the point I was going to make. But it is very well taken. Despite the now admitted deficit of almost $40 billion—and some economists tell me it is going to be a great deal more when all the figures are in—we nevertheless, some of us, still want to give another $100 million of the American taxpayers' money to foreign countries in this latest proposal.

Mr. PROXMIRE. The Senator has made an excellent point, and I am glad that he and the Senator from Arkansas made it together. As the Senator from Arkansas points out, that is better than putting it at 100 percent.

Mr. FULBRIGHT. Yes.

Mr. SYMINGTON. Except for drug abuse control, it is the largest percentage this country currently puts up in any multilateral arrangement or agreement that we have. Nevertheless we now want to make it, as the Senator from Arkansas points out, 100 percent, far beyond the already agreed upon 66.7 percent.

Mr. PROXMIRE. I thank the Senator.

Mr. SYMINGTON. Mr. President, I shall oppose this amendment. This Nation faces serious fiscal and monetary problems—possibly more than any other of the developed countries in the world today.

I oppose the amendment because I believe we are being asked on this floor today to do far more than our share.

Mr. FONG. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER (Mr. STEVENSON). The Senator from Hawaii is recognized for 5 minutes.

Mr. FONG. Mr. President, I was very much amused at the comments of the distinguished Senator from Arkansas (Mr. FULBRIGHT), and the very senior member of the committee the Senator from Missouri (Mr. SYMINGTON), relative to the amounts of money we authorized for the Inter-American Bank. We know that we have gone through a lot of discussion on the floor of the Senate relative to the amounts of money that we should appropriate and authorize for this institution. The Committee on Foreign Relations, working with the House Foreign Affairs Committee, authorized for the Inter-American Bank the sum of $261,760,000. That is what was requested by the administration. This sum of money was authorized by the joint conference between House and Senate, and now the chairman of the committee, who was also the chairman of the conference committee, comes in and tells us that we should not have done that.

His committee came forth with a bill and presented it to Members of the Senate and we adopted it. That is all we are doing here with the Inter-American Bank, appropriating the amounts of money that they asked us to authorize. Now both Senators come in here and say that we are authorizing too much.

Again, on the development alliance loan fund, the amount which was arrived at by the authorizing committee, of which the distinguished Senator from Arkansas (Mr. FULBRIGHT) is the chairman, and on which the distinguished Senator from Missouri (Mr. SYMINGTON) is a very senior member, that committee authorized $206,500,000. Now they come in and tell us, because of the great deficit we are facing, and because of the plight of the American budget, that this sum of money which I have asked to be raised from $50 million to $150 million be not passed, when my amendment asks for only $100 million more, to raise it from $50 million to $150 million—not even up to the $206,500,000 which they had approved as a result of their work in the Committee on Foreign Relations and in the conference, and asked the Senate to approve.

So the argument presented here by these two distinguished Senators who are members of the Committee on Foreign Relations, I think, is really not substantial because they were parties to the agreement which came before Congress, which came before the Senate, and which we know the President will sign.

Now the distinguished Senator, the Chairman of the Committee on Foreign Relations, states that there is now $905 million in the pipeline.

Mr. President, when we talk about the pipeline, let us see what that means.

In nontechnical language, the word "pipeline" refers to money already made available to AID by Congress, but not yet spent.

After receiving its funds from Congress, AID enters into a variety of agreements with recipient governments or directly with suppliers of goods and services, somewhat in the manner of a purchase order and commits specified amounts of money to specific purposes. Until these purposes are accomplished and the bills have been received, the funds are not paid out but are set aside for payment purposes. Thus a pipeline is created by reserving moneys to fulfill contract agreements.

This $905 million that the distinguished Senator speaks about is in the pipeline. They are moneys which have been committed when we appropriated the money in previous appropriation bills.

The AID people went on and committed themselves to the suppliers and they say, "You may have this money but you must complete the project."

In many instances these projects are not completed. So, therefore, the money is in the pipeline but the money is not available for reuse, because that money is committed and is committed to be paid when the project is completed and when the supplier has provided the goods and services.

When we talk about money in the pipeline, therefore, we are really talking about money that has been committed and earmarked—money that will be spent unless the contract is for less than the amount which was contracted for.

There may be a little saving in that. In that respect, I will show that there has been some saving.

Such funds cannot be diverted to other uses without breaking agreements with other governments, and without leaving unfinished development projects already in progress and/or without breaking contracts for U.S. suppliers of goods and services.

We make a contract with a supplier to supply cement, for example, or to supply technical assistance or to supply equipment, like a bulldozer, for a job to be done in South America, say in Ecuador, and we commit ourselves that when we deliver the equipment we will pay the amount of money.

The PRESIDING OFFICER. The time of the Senator from Hawaii has expired.

Mr. FONG. Mr. President, I yield myself 3 additional minutes.

The PRESIDING OFFICER. The Senator from Hawaii is recognized for 3 minutes.

Mr. FONG. Mr. President, now this money is committed, although not spent. If we were to say, "Let us take that money away from this commitment and give it to someone else," we would be breaking our contract and telling the supplier that we have contracted with them but we will have no more contract with them and the contract is abrogated and there is no more contract. So we would be going back on our agreement.

From time to time there are savings as a result of a decreased project cost or project revisions. These savings, however, are available for other purposes only if reviewed and authorized by Congress.

Pipelines build up in many U.S. Government agencies when the agencies undertake projects which are not completed within a single fiscal year. For example, it takes a number of years to complete a complex hydroelectric project. When AID lends a country $10 million to buy American equipment or to pay for American engineers for a similar project, some part of the $10 million will not be paid out until the last generator or transformer has been delivered and installed, and the last contract employee has gone home.

Suspension of a development loan not only endangers progress already realized

under the loan but also disrupts the development process in the recipient country.

For example, if we lend $2 million for a certain project and then we find that only $500,000 has been expended, we still have $1.5 million in the pipeline. If we take away that $1.5 million and put it into another project, that project will be held up and held in abeyance and all efforts made by the recipient country to go ahead with the project, the money they have spent up to the time when we take away the money, will have been lost.

When AID signs a loan agreement, providing for financing the import of breeding stock, for example, to improve the cattle industry in a developing nation, the recipient government may invest large sums in ancillary services—slaughterhouses, freezing plants, transport, feedmill facilities—as part of the development program. The construction of a hydroelectric dam involves economic commitments within the borrowing nation including the employment of thousands of laborers and technicians and the purchase of quantities of goods from local industries.

In other words, when we commit ourselves to loan a certain amount of money for a project, the project involves much more than the amount of the loan we commit ourselves to.

For example, we may say, "We will lend you $10 million. However, the project may cost $25 million." Because we have made a commitment to these countries, they will commit themselves to the spending of $15 million of their own money because the project will cost $25 million. We have committed ourselves to lending them $10 million. And we can see that they have done certain things and that they have expended a certain amount of money. We cannot say, "You complete the project yourselves, because we will not lend you any more money."

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. FONG. Mr. President, I yield myself an additional 3 minutes.

The PRESIDING OFFICER. The Senator from Hawaii is recognized for an additional 3 minutes.

Mr. FONG. Without the delivery of the U.S. machinery, a wheat mill constructed on the strength of a loan agreement will never benefit the hungry children it was designed to help and will waste the financial resources already invested in the project.

Participant training agreements that bring foreign students to the United States for specialized training that will promote economic development would be voided, and both sponsoring institutions and trainees keenly disappointed if study programs were abruptly cancelled in the middle of the training period for lack of funds. The purposes of long term technical assistance contracts undertaken by a U.S. university to improve an agricultural extension system or a teacher training program of a developing nation would be damaged if the contract were terminated early, and contract cancellation costs would be an unproductive and additional expense.

Loan suspensions would also have costly repercussions for U.S. industry. When AID lets a contract to a U.S. manufacturer, the manufacturer gears up his production to fulfill the contract. A year or more may pass before production is completed and delivery takes place. Without payment, and without another market for the equipment, he would suffer a grievous and undeserved loss.

What I am saying is that because we commit ourselves to appropriate funds for loans to certain countries, we tell them that the funds are available and that we are committing ourselves to the loan. Therefore they proceed on the basis of our commitment to spend their own money. Once they do this, we cannot abrogate our commitment. The contracts and the $905 million to which the Senator from Wisconsin alluded is that type of money.

There is a little overflow from that type of money from costs which do not come up to the amount which we think the project will cost, although sometimes the project is cancelled. So, from that standpoint, may I say that the only amounts available for the Alliance for Progress for next year is $19 million for Latin America and $45 million on repayment of interest and loan payments. In other words, only $65.2 million is available.

Mr. President, this sum of $65.2 million has been calculated in the budget. It has already been calculated by those who have worked upon the authorization program. It has already been taken into consideration by those who have discussed this matter. It has been calculated in the administration's budget. So, when they say that we have $905 million in the pipeline, they are not telling us the full story, because there is not that amount available for loans to these countries.

Mr. President, may I say that I am very astonished that the Chairman of the Foreign Relations Committee and the very senior member of the Foreign Relations Committee, the distinguished Senator from Missouri (Mr. SYMINGTON), now come in and say that my amendment to increase the amount—$150,000,000 is wrong.

The PRESIDING OFFICER. The time of the Senator has expired.

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

The PRESIDING OFFICER. The Senator has not yielded himself additional time.

Mr. KENNEDY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KENNEDY. Mr. President, is there only 5 minutes remaining to the Senator?

Mr. FULBRIGHT. The Senator has time on the bill if he wishes to yield. I was going to ask the Senator a question because he mentioned my name two or three times.

Mr. FONG. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, the Senator called attention to the authorization bill. First of all, I wish to say that I voted against the conference report on the authorization bill. I believed the total was too much. For the Senator to say that it was in the budget and should not be touched is not the point. If the Senator looks at the misjudgments behind the budget, he will see that the President estimated the deficit would be some $11 billion or $12 billion. It turns out now to be more than $40 billion. For the Senator to say that we should not touch an item because it was included in the budget is not very persuasive.

Mr. FONG. I am not saying that. I am saying that after the passage of the amendment in the amount of $150 million, the matter went to conference and the House raised it from $150 million to $206.5 million.

Mr. FULBRIGHT. That was not with my approval.

Mr. FONG. I am not saying that it was.

Mr. FULBRIGHT. But the implication was that that was with my approval. I think that the bill is much too large. We have gone on to proceed with a policy of shifting to multilateral aid.

The President has expressed himself and indicated that he favored it and that it should go in that direction.

The Senator now wants to reinstitute the bilateral aid, although the committee has already increased the multilateral aid for Latin America.

Mr. FONG. The bilateral and the multilateral passed the Senate with this figure. The conference committee agreed to a different figure. The sum we have put into the multilateral is the same authorized by the conference committee.

Mr. FULBRIGHT. There are many reasons for that. The Appropriations Committee often has differing views. Conditions are different. We have discovered, for example, that the budget is in much worse condition than we knew a month ago or that the President knew a year ago when the President said there would only be a deficit of $11 billion or $12 billion.

Mr. FONG. The authorization bill was only agreed to last week.

Mr. FULBRIGHT. I did not agree to it. It is all right to say that the Senate did. However, the Senator from Arkansas was not in favor of the amounts in that bill.

Mr. FONG. Mr. President, I realize that the Senator from Arkansas was not in favor of the bill. However, the bill went through his committee and he was chairman of the committee.

Mr. FULBRIGHT. I have only one vote.

Mr. FONG. And the child that came from his committee was the bill.

Mr. FULBRIGHT. In addition, they have changed the bill; $125 million, I believe, has been broken out into a separate appropriation for population work, which used to be funded out of other items. That is another item which the Senator ignores as its influence on this issue. That change makes the money available for bilateral loans much larger than he would lead us to believe. That money will not be taken out of other items now.

Mr. FONG. Mr. President, I yield 3 minutes to the Senator from Vermont

and I will then yield 2 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 3 minutes.

Mr. AIKEN. Mr. President, I believe we could well devote more of our aid programs to multilateral programs. However, I think it would be a grievous mistake to go as far as some would go in this direction. We must retain the right to make bilateral agreements in the aid program, particularly with the countries to the south of us—South America. So, I am very much opposed to letting the countries of Western and Eastern Europe or the countries of Asia or other members of the International Banks determine our relationship with those countries to the south of us which traditionally support the United States. Of course, about half a dozen, such as Cuba, Chile, and three or four other small countries, voted against us in the United Nations.

I do not want to let those countries on other continents determine our relationship with Latin America. I think it would be an extremely shortsighted operation on our part.

I agree that we have made too many promises in the past. We should not make so many promises in the future. However, above all else, I think that we should keep the promises we have made.

The PRESIDING OFFICER (Mr. STEVENSON). The Senator's time on the amendment has expired.

Mr. KENNEDY. Mr. President, will the Senator from Hawaii yield me 5 minutes on the bill?

Mr. FONG. I yield 5 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, as a cosponsor, I fully support the amendment of the Senator from Hawaii. I support it for the reasons that have been touched on by the Senator from Vermont (Mr. AIKEN), about the United States effectively hedging on some of the fundamental and basic commitments we have made to our friends to the south.

Mr. President, I believe that the level we are requesting—$150 million, an increase of $100 million over the committee recommendation—clearly is justified by the existing need.

The authorization for this program is at more than $200 million and the level of requests from the governments of Latin America is at more than $285 million.

It is important to note that the loan program has shifted in recent years towards the development of human resources.

Thus, even the committee report recognizes this shift, noting that the aid programs are "geared to strengthening the human rather than physical infrastructure—people, institutions, and knowledge."

The increasing focus on agriculture, education, housing and urban development represents the areas I believe our bilateral aid program should continue to assist until the multilateral agencies fill this critical gap.

And I want to emphasize that I believe our increased participation in multilateral development lending institutions is the correct direction for us to be moving.

However, the $50 million level for the alliance represents too abrupt a reduction in the bilateral program, particularly since it comes so late into the year.

Essentially, we would be cutting back fairly substantially at this date while tentative negotiations are underway with requesting nations for loans at a much higher level.

Also I think that at this point in time, we should be endeavoring to alleviate the concern of Latin America that the United States is turning its back on the pressing needs of development in the alliance countries.

As they glance back at the events of this year, there is much regret.

We imposed a 10-percent surcharge on Latin American nations although those nations had nothing whatsoever to do with our balance-of-payments problems.

We have had an announcement of an expropriation policy, which in effect puts our policy toward our Latin American friends in the hands of the corporate giants of the Nation. If they do not feel they are going to get full compensation, we are going to cut off aid. This new policy also endangered the future of the multilateral concept by suggesting that the U.S. representative in the IDB and World Bank veto any nation's loan request if that nation had expropriated an American company.

That is a mistaken, misguided policy by those recent statements.

The denial of a loan to Chile, when Chile was attempting to get an export loan for airplanes, and the heavy-handed policy of the United States toward that country, have been criticized throughout Latin America.

We invited the President of Brazil to this Nation and warmly embraced him despite his government's very slow crackdown on political torture.

We have witnessed a series of actions and a lack of actions which must be interpreted by our friends to the south as a callous disregard of our relations with the Latin American countries.

All of these incidents have raised legitimate questions in Latin America about the nature of our relationship.

I believe it would be unwise for us to carry out the deep cut in the Alliance Development Loan Fund at this time.

I have been critical of the Alliance in the past and I have felt that it has failed to achieve many of its goals. But I do not believe that the way to define a new policy is to cut appropriations 7 months into the fiscal year.

It also is important to recognize that the discussions involving project and program planning do not merely involve this Nation and the recipient Latin American government.

To a degree, we have been able to coordinate this planning with the IDB, with the Latin American Committee on the Alliance for Progress—CIAP—and with United Nations and World Bank representatives.

I believe it would be disruptive to this level of coordinated development planning for the United States to pull back at this time and I believe it would set back our long-range effort to unify development planning.

Thus, in 1965, where AID lending represented some 65 percent of total Inter-American Development Bank, World Bank and AID loan commitments to the hemisphere, the AID program at the $150 million level will represent less than 15 percent of the anticipated level of funding.

We have begun a process which I believe must be carried even further in the future, with an assurance of multilateral assistance in education, health, agriculture and housing at the level required, I believe the bilateral program can be reduced accordingly. But that time has not yet arrived.

Therefore, I would urge that we demonstrate our continued concern and dedication to Latin American development by raising the current level of Latin American development loan funding to $150 million, the same level as the House approved.

I hope the amendment will carry.

Mr. JAVITS. Mr. President, will the Senator yield 2 minutes to me? I should like to speak in favor of the amendment.

Mr. FONG. I yield 2 minutes to the Senator from New York.

Mr. JAVITS. I think the real problem is the precipitous decline in the amount of bilateral aid. We all agree on phasing toward the multilateral concept of AID, but what we are phasing and how we phase is critically important. I submit for the RECORD, a table which shows that the percentage beginning with 1964, when it was 56 percent, has gone down to 15 percent in fiscal 1971. It would be a slightly lesser percentage still even if $200 million were authorized for fiscal 1972.

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

LOAN LEVELS, LATIN AMERICA

[In millions of U.S. dollars]

	Commitments (fiscal year)					
	1964	1967	1968	1969	1970	1971
AID	477	439	421	236	319	232
IDB	123	445	391	508	681	659
IBRD	253	271	372	458	703	671
Total	853	1,155	1,184	1,202	1,703	1,562
AID as percent of total	56	38	35	20	19	15

Mr. JAVITS. By cutting it down to $50 million, we really cut them down. I think that will cost us far more heavily than the amount is worth in our relations with those countries.

When we recognize how these countries have been disadvantaged by the European Common Market in these special trade deals, and when we consider the potentiality of our own security, it is a modest price to pay.

For all these reasons, and the reasons advanced in the arguments by my colleagues, I hope the amendment will be agreed to.

Mr. FONG. Mr. President, I yield 3 minutes to the able Senator from Illinois.

Mr. PERCY. Mr. President, the $50 million to be appropriated for Alliance for Progress development loans in the bill before us is not adequate. The issue before us is whether this body wants to be responsible for virtually ending our

assistance to our Latin neighbors, since at this level the bilateral lending program in Latin America will effectively be put out of business.

I do not believe that we as a people can be indifferent to the very real needs of the people of developing countries in this hemisphere, and I do not believe that we are. It would not be sensible for us to vote out an appropriation which even suggests such indifference.

Some have argued that the slack created by the abrupt disappearance of the bilateral program can be picked up by the multilateral agencies. This, however, is not the case. The multilateral agencies cannot provide the full measure of the development resources needed in the region. The AID program—particularly at its reduced levels of recent years—engages in important lending activities which cannot be undertaken entirely by the other agencies. By and large, its activities concentrate on educational and agricultural priorities, through programs meshing U.S. know-how, research, and training with the needed capital. The bilateral program has been worked out in close cooperation with other hemisphere nations, the International Development Bank, and the World Bank. It is consistent with their priorities and is an essential part of their plans and objectives.

It is clear that abruptly cutting out the bilateral program, therefore, will not only leave unfillable gaps, but, further, that its virtual elimination can also badly undercut ongoing and proposed country and multilateral efforts. In short, the proposed action will simply pull the rug out from under the plans and expectations of the recipient countries and the other lenders.

I see no sense in appropriating a symbolic Alliance for Progress lending level of $50 million which would be a symbol of indifference to the aspirations of the people of Latin America. The $206.5 million for Alliance lending authorized by both Houses is itself a historically low level, given the needs of the hemisphere and our country's capacity to be helpful. It is simply inadequate.

I strongly recommend that we approve the amendment to increase the Alliance for Progress lending level to $150 million.

Mr. COOPER. Mr. President, I support the amendment to restore to the Alliance for Progress the amount of $150 million authorized in the Senate conference report upon foreign aid.

The United States is providing assistance to countries in Latin America in various multi-lateral forms, but I prefer to keep alive some bilateral decisions between the United States and the countries of Latin America.

I support the amendment also because I believe it imperative that the United States continue to express its friendship for our neighbors in Latin America and our willingness to join with them in developments desired by them. Our closest relationships should be with Canada and the countries of Latin America.

Mr. BROOKE. Mr. President, I am pleased to join as a cosponsor of the amendment offered by the distinguished senior Senator from Hawaii (Mr. FONG) to increase the appropriation for development loans for the Alliance for Progress.

Strategically, economically, and politically, the United States has an abiding interest in the peaceful and progressive development of the Latin American nations. We share a common hemisphere, a common history, and common values of individual freedom and social development. It is right that over the last decade, our development assistance program should have reflected our special relationship with the many nations of South and Central America.

Mr. President, testimony before the Foreign Operations Subcommittee in recent years has made it very clear that the central socioeconomic problem facing all the governments of Latin America is uneven development of human and natural resources. Latin American countries, like most developing areas, have "pockets" of development: central cities, mining areas, and short transportation routes. But the rest of the country, often including the bulk of the population, remains essentially untouched by modern education, sanitation, housing, and especially employment opportunities.

Employment is truly the key to economic, social, and political development. It is, therefore, particularly disturbing to me that AID officials testifying before the subcommittee in recent years have referred to an unemployment rate throughout Latin America which is estimated to be as high as 40 percent. No nation can long preserve order and promote peaceful development when 40 percent of its populace is unemployed or underemployed. Such a situation clearly invites radicalism and revolution.

It is for this reason that the U.S. AID program in recent years has focused its attention in Latin America on "sector development." Under this program, a government will designate a particular region of a country or a particular national program for comprehensive change. The focus may be on constructing a network of roads which will bring out raw materials, permit agricultural development, and provide employment. Or the program may concentrate on increasing enrollment in primary or secondary schools throughout the country by a given percentage. One program of this nature in Colombia has sought to expand primary schools in rural areas, while another program in the same country focuses on buying land and distributing it to small farmers who, in turn, are given technical assistance, education, and credit.

Sector loans, as they are being pioneered by AID, have another advantage in that they make hard currency—American dollars—available to developing nations so that they may purchase needed goods abroad. In exchange, the recipient country makes a comparable amount of its own currency available to the development project agreed upon between its government and the United States. And the United States provides training, education, and advisory aid. The developing nation thereby obtains a double advantage from its loan and vastly increases its rate of progress as a result.

Given all of the advantages of our development loan program to Latin America, I was deeply concerned when the Appropriations Committee, on which I serve, voted a drastic reduction in funds for this program so late in the year.

Congress appropriated $287 million for development assistance to Latin America in 1971. The fiscal 1972 request was for $235 million, and only last week Congress authorized $206.5 million for this vital program. The House has approved $150 million. Yet the committee approved only $50 million for this bill.

Mr. President, 7 months into the fiscal year is far too late to cut any budget by 75 percent! Loans have been, or are being, negotiated. Commitments have been made to 14 friendly nations in Latin America. Programs have been planned or initiated on the basis of a continuing resolution authorizing spending at last fiscal year's level. We cannot and must not force our Government into the embarrassing and unnecessary position of reneging on its commitments to the countries and peoples of Latin America.

Mr. President, I strongly believe that we should increase the appropriation for development loans to Latin America to a level of $150 million. Even this amount will force some cutbacks in AID programs. But the vast majority of vital programs can be continued and other programs can perhaps be postponed into future fiscal years. Let us, therefore, appropriate the additional $100 million for development loans—not taking the amount from other programs, but appropriating it outright for a program whose worth and accomplishments can clearly be measured.

Mr. President, I urge the adoption of the pending amendment.

Mr. PROXMIRE. Mr. President, I am ready to yield back my time on the amendment.

Mr. FONG. Mr. President, I have no more time.

Mr. PROXMIRE. Mr. President, I yield back my time on the amendment and ask for the vote.

The PRESIDING OFFICER. All time on the amendment has been yielded back. The question is on agreeing to the amendment of the Senator from Hawaii. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from New Mexico (Mr. ANDERSON), the Senator from Indiana (Mr. BAYH), the Senator from North Dakota (Mr. BURDICK), the Senator from Missouri (Mr. EAGLETON), the Senator from Alaska (Mr. GRAVEL), the Senator from Oklahoma (Mr. HARRIS), the Senator from Indiana (Mr. HARTKE), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. JACKSON), the Senator from Washington (Mr. MAGNUSON), the Senator from Wyoming (Mr. McGEE), the Senator from South Dakota (Mr. McGOVERN), the Senator from Minnesota (Mr. MONDALE), the Senator from Maine (Mr. MUSKIE), the Senator from Alabama (Mr. SPARKMAN), and the Senator

from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Nevada (Mr. CANNON), is absent on official business.

I also announce that the Senator from Mississippi (Mr. EASTLAND), is absent because of illness.

On this vote, the Senator from Minnesota (Mr. HUMPHREY) is paired with the Senator from North Dakota (Mr. BURDICK).

If present and voting, the Senator from Minnesota would vote "yea" and the Senator from North Dakota would vote "nay."

I further announce that, if present and voting, the Senator from Alaska (Mr. GRAVEL), the Senator from Washington (Mr. JACKSON), and the Senator from California (Mr. TUNNEY) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Idaho (Mr. JORDAN) and the Senator from Pennsylvania (Mr. SCOTT) are necessarily absent.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

If present and voting the Senator from Pennsylvania (Mr. SCOTT) would vote "yea".

The result was announced—yeas 41, nays 37, as follows:

[No. 27 Leg.]

YEAS—41

Aiken	Fannin	Pearson
Allott	Fong	Percy
Baker	Goldwater	Ribicoff
Beall	Griffin	Roth
Bellmon	Hart	Saxbe
Bennett	Javits	Schweiker
Boggs	Kennedy	Stafford
Brock	Mathias	Stevens
Brooke	McIntyre	Stevenson
Buckley	Metcalf	Tower
Case	Miller	Weicker
Chiles	Montoya	Williams
Cooper	Moss	Young
Dole	Packwood	

NAYS—37

Allen	Fulbright	Pastore
Bentsen	Gambrell	Pell
Bible	Gurney	Proxmire
Byrd, Va.	Hansen	Randolph
Byrd, W. Va.	Hatfield	Smith
Church	Hollings	Spong
Cook	Hruska	Stennis
Cotton	Hughes	Symington
Cranston	Jordan, N.C.	Taft
Curtis	Long	Talmadge
Dominick	Mansfield	Thurmond
Ellender	McClellan	
Ervin	Nelson	

NOT VOTING—22

Anderson	Hartke	Mondale
Bayh	Humphrey	Mundt
Burdick	Inouye	Muskie
Cannon	Jackson	Scott
Eagleton	Jordan, Idaho	Sparkman
Eastland	Magnuson	Tunney
Gravel	McGee	
Harris	McGovern	

So Mr. FONG's amendment, offered for himself and other Senators, was agreed to.

Mr. FONG. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MANSFIELD. Mr. President, I ask unanimous consent, and I believe it has been cleared all around——

Mr. PASTORE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MANSFIELD. I ask unanimous consent that there be a 20-minute time limitation on the amendment of the Senator from Massachusetts, the time to be equally divided between the Senator from Massachusetts (Mr. KENNEDY), the sponsor of the amendment, and the manager of the bill, the Senator from Wisconsin (Mr. PROXMIRE).

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

AMENDMENT NO. 832

Mr. KENNEDY. Mr. President, I call up my amendment No. 832.

The PRESIDING OFFICER. The amendment will be stated

The legislative clerk proceeded to read the amendment.

Mr. KENNEDY. I ask unanimous consent that further reading of the amendment be waived.

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

Mr. KENNEDY's amendment (No. 832) is as follows:

On page 14, lines 22 and 23, strike out "$5,790,000" and insert in lieu thereof "$8,690,000".

On page 14, line 23, strike out "$4,750,000" and insert in lieu thereof "$7,650,000".

Mr. KENNEDY. For the benefit of Senators, though we have a 20-minute time limitation, I do not think we will need all of the time.

Mr. STENNIS. Mr. President, I insist on order. We must be able to hear.

The PRESIDING OFFICER. The Senate will be in order.

Mr. KENNEDY. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, this is a simple amendment. It provides for the restoration of some $2.9 million to the refugee migration section of the pending appropriation bill. This $2.9 million, Mr. President, is an item which has been in that section of the bill for a period of some 25 years. It is used for the care and housing of refugees, primarily Jewish refugees who come from the Soviet Union, during their transportation and voyage to the State of Israel.

During recent years, this has been an extremely important part of the financing and the funding of this travel by thousands of Jewish refugees who have left the Soviet Union. I would say, Mr. President, that it is particularly important this year, because we have seen an enormous increase in the number of Jewish refugees leaving the Soviet Union and going to Israel. For example, in January, there were some 2,000 refugees, compared to a year ago, when the figure was only 200. It appears there is now much greater willingness by the Soviet Union to let members of the Jewish faith leave the Soviet Union and travel to the State of Israel. Therefore, I believe this kind of program is extremely important for humanitarian reasons. I very much hope that it will achieve the support of the Senate.

Finally, Mr. President, this program would affect approximately 70,000 refugees, of which 40,000 would be Jews coming either from the Soviet Union or from other eastern European countries and traveling to the State of Israel. It is not a great deal of money.

I know there is the argument—and the argument will be made—that the European countries ought to pick up this program. I think it is highly unrealistic that we could expect them to do so. I, of course, feel strongly that this is a humanitarian effort. It is a very key responsibility at this time.

For those reasons, Mr. President, I hope the amendment will be agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. I yield 1 minute to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Massachusetts has 7 minutes remaining.

Mr. PELL. Mr. President, I strongly support the amendment of the Senator from Massachusetts.

I worked 1 year of my life with refugees in Europe. I remember what the USEP program did. I know how efficiently it is being administered. I believe it is a program that has performed far better than many of our other aid programs and is one that should be continued.

Mr. PROXMIRE. Mr. President, I yield myself 5 minutes.

The committee strongly believes that there is an urgent need to consolidate U.S. refugee assistance efforts into a single office rather than have these programs fragmented between such diverse agencies as the Department of Health, Education, and Welfare, the Department of State, the Department of the Army, and the Agency for International Development.

Once this is done and responsibility for administration and coordination is fixed, the U.S. effort should be geared to operate through international organizations. This would permit the United States to shoulder a "fair share" of what is clearly an international responsibility.

It is evident that almost a quarter of a century after the dislocations of World War II the priorities and resources of the Department of State's Office of Migration and Refugee Assistance are almost exclusively directed toward European refugees. This discriminates against crying and almost overwhelming needs in the Near East, Nigeria, Vietnam, and particularly Pakistan.

Just as the United States has underwritten the entire costs of the Cuban refugee program, the committee feels that the European countries of original asylum—principally Austria, West Germany, Italy, Turkey, Lebanon, and Greece—are fully capable of meeting the need for care and maintenance of those seeking temporary refuge within their borders. Therefore, the committee recommends elimination of the U.S. refugee program—USRP—under which supplementary assistance has heretofore been provided for European refugees.

Actual fiscal year 1972 expenses incurred to date under continuing resolution authority should be underwritten first from administrative expenses for which the full amount has been allowed and which can now be sharply curtailed and, if necessary, from other programs such as the U.S. contribution to ICEM's administrative budget.

Mr. President, the Senator from Massachusetts has raised a very appealing issue, one which I support, recognizing the enormous burden on the State of Israel from the refugees who have come to Israel. I have studied this for many years, and I am sympathetic to any appeal of this kind. I do not know of any country that has borne such an enormous burden—and borne it as well as has Israel, because it is a country of refugees.

I would approve any reasonable amount for the purpose of aiding these refugees to Israel, but let us know what we are doing. How much of this money is to go for those Soviet refugees who are going to Israel? We ought to know that. There ought to be some kind of understanding with Israel. They ought to tell us what they want, what they need. It ought to be negotiated and worked out.

This is a back door kind of way, it seems to me, of continuing a program for one purpose, with a notion that somehow it is going to help in the area where all of us have the greatest sympathy.

I would be enthusiastically in favor of—I would like to sponsor, if I could—a bill that would assist Israel to the extent that they feel they need assistance and which would be constructive to them in taking care of the refugees they have to handle. I do not think this is the way to do it.

Mr. FONG. I yield myself 3 minutes.

Mr. President, the main thrust of the U.S. refugee effort in Europe is to assist in the resettlement of refugees who first arrive in countries contiguous to the Communist countries of Eastern Europe. It is in U.S. foreign policy interests that the countries of first asylum maintain a liberal asylum policy. The countries of first asylum cannot maintain a liberal asylum policy in the face of the economic and political burdens of an ever-increasing refugee population if there is no assurance that the refugees have the opportunity to move onward to resettlement countries of the free world. Our main effort, entirely through international and American voluntary agencies, is to provide expert counseling as to emigration possibilities, visa documentation services, medical examination, language training, and some supplementary care and maintenance.

The countries where the principal refugee camps are located—Austria, Germany, and Italy—pay 100 percent of the cost of maintaining these camps, including food for the refugees, maintenance and upkeep of buildings, all utilities—everything.

It is estimated that non-Communist European countries spend about $40 million a year to support East European refugees, while West Germany alone spends about $2 billion a year on refugees and expellees from Eastern Europe of German extraction. These countries also assist substantially—as does the United States—in alleviating refugee problems in Africa and Asia. Furthermore, refugee-receiving countries such as Australia—$92 million in 1970—spend substantial sums on refugees and migrants resettling in their own countries.

Abolishment of the U.S. refugee program would have the following unfortunate effects:

First. It might move countries of first asylum to curtail their lenient policy of refugee acceptance. If this happened, it could inhibit movement to asylum countries for those who wish to flee from political or religious persecution.

Second. Disruption of these voluntary agency operations through abrupt termination of USRP, as would be necessary under the Senate Appropriations Committee provision, would seriously damage the highly efficient and indispensable international resettlement mechanism which involves the joint participation of USRP, the voluntary agencies, the Intergovernmental Committee for European Migration, the United Nations High Commissioner for Refugees, and the countries of asylum.

This resettlement mechanism has been perfected through 20 years of experience in dealing with the continuing flow of refugees and in meeting large emergencies such as the Hungarian exodus of 1956, the exodus of Czechoslovaks and other Eastern European refugees after the Soviet invasion of Czechoslovakia in 1968, and the current large flow of Jews from the Soviet Union. To terminate or cripple USRP would place serious obstacles in the path of current resettlement efforts and inevitably drastically reduce the rate at which the refugees escaping from Eastern Europe could be effectively handled and received by free countries.

The list of voluntary agencies with which we have contracts follows:

The American Fund for Czechoslovak Refugees.
The Polish American Immigration and Relief Committee.
The International Catholic Migration Committee.
The World Council of Churches.
The Tolstoy Foundation.
The International Rescue Committee.
The American Jewish Joint Distribution Committee.
The United HIAS Service.

Third. The USRP program is the instrument through which the United States can assist the greatly increasing numbers of Jewish refugees from the Soviet Union expected to be about 40,000 in 1972. The assistance presently being given would cease just at a time when the plight of these refugees is in the forefront of national attention.

Fourth. There are 19,000 refugees in the pipeline right now who are in various stages of processing for resettlement. United States assistance through the voluntary agencies would cease immediately, and it is doubtful that necessary assistance would be forthcoming from the private sector, which is already heavily burdened financially. The image of the United States as a country with humanitarian interests would no doubt be sullied if these refugees who have been registered with the program were suddenly dropped.

Fifth. While the numbers of non-Jewish refugees from Eastern Europe has declined since the Soviet invasion of Czechoslovakia in 1968, there are still expected to be over 12,000 such escapees from Eastern Europe in 1972. They will need resettlement counselling and documentation assistance.

Sixth. Abolishment of this program would mean that United States is assisting seventh preference and other refugees from Communist China, but not from the Communist countries of Eastern Europe. This would be discriminatory and eventually could lead to the abolishment of such assistance now provided under the Far East refugee program.

Seventh. Curtailment or abolishment of the USRP program would probably result in a reordering of priorities and a consequent reduction of funds now going to other programs such as the Intergovernmental Committee for European Migration—which assists in loans and transportation to European and Chinese refugees—for language training, and so forth. Contracts with voluntary agencies have already been signed for the period covered by the continuing resolution. With European legal requirements to give employees notice of dismissal and pay termination costs, abrupt termination of the contracts would place the voluntary agencies in an extremely difficult financial position.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. FONG. I yield myself 1 additional minute.

Mr. President, the amendment only asks that $2,900,000 be restored. In view of the fact that these host countries are spending millions of dollars, in view of the fact that Germany is spending $2 billion and the non-Communist countries $40 million a year, I think we can ill afford not to spend $2,900,000.

Mr. KENNEDY. Mr. President, one final point.

I agree with the Senator from Wisconsin that what we really need is a Bureau of Humanitarian and Refugees Affairs within the State Department. Our committee recommended this in 1966. It would concern itself not only with the problems of refugees but also with the victims of natural disasters, and it would coordinate all the humanitarian programs.

I agree with the Senator. But we do not have that program, and I think it is unfortunate that we have not been able to develop that legislatively.

I regret that the Senator from Wisconsin does not feel that they have adequate information, because I believe that the figures are quite clear on the number of refugees—70,000 of them, of which 40,000 are Jewish. I think this program is completely justifiable. I hope the Senate will adopt the amendment.

Mr. PROXMIRE. Mr. President, if the Senator from Massachusetts will yield back the remainder of his time, I yield back the remainder of my time.

Mr. KENNEDY. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Mas-

sachusetts. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from New Mexico (Mr. ANDERSON), the Senator from Indiana (Mr. BAYH), the Senator from Missouri (Mr. EAGLETON), the Senator from Louisiana (Mr. ELLENDER), the Senator from Alaska (Mr. GRAVEL), the Senator from Oklahoma (Mr. HARRIS), the Senator from Indiana (Mr. HARTKE), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. JACKSON), the Senator from Washington (Mr. MAGNUSON), the Senator from Wyoming (Mr. McGEE), the Senator from South Dakota (Mr. McGOVERN), the Senator from Minnesota (Mr. MONDALE), the Senator from Maine (Mr. MUSKIE), the Senator from Alabama (Mr. SPARKMAN), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Nevada (Mr. CANNON) is absent on official business.

I also announce that the Senator from Mississippi (Mr. EASTLAND) is absent because of illness.

On this vote, the Senator from Washington (Mr. JACKSON) is paired with the Senator from Louisiana (Mr. ELLENDER).

If present and voting, the Senator from Washington would vote "yea" and the Senator from Louisiana would vote "nay."

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY), the Senator from California (Mr. TUNNEY), and the Senator from South Dakota (Mr. McGOVERN), would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator for Idaho (Mr. JORDAN), and the Senator from Pennsylvania (Mr. SCOTT), are necessarily absent.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

If present and voting, the Senator from Pennsylvania (Mr. SCOTT) would vote "yea."

The result was announced—yeas 62, nays 15, as follows:

[No. 28 Leg.]

YEAS—62

Aiken	Dominick	Nelson
Allen	Fong	Packwood
Allott	Gambrell	Pastore
Baker	Griffin	Pearson
Beall	Gurney	Pell
Bellmon	Hansen	Percy
Bennett	Hart	Ribicoff
Bentsen	Hatfield	Roth
Boggs	Hollings	Saxbe
Brock	Hruska	Schweiker
Brooke	Hughes	Smith
Burdick	Javits	Spong
Case	Jordan, N.C.	Stafford
Chiles	Kennedy	Stevens
Church	Mansfield	Stevenson
Cook	Mathias	Taft
Cooper	McIntyre	Tower
Cotton	Metcalf	Weicker
Cranston	Miller	Williams
Curtis	Montoya	Young
Dole	Moss	

NAYS—15

Bible	Fannin	Randolph
Buckley	Fulbright	Stennis
Byrd, Va.	Long	Symington
Byrd, W. Va.	McClellan	Talmadge
Ervin	Proxmire	Thurmond

NOT VOTING—23

Anderson	Harris	McGovern
Bayh	Hartke	Mondale
Cannon	Humphrey	Mundt
Eagleton	Inouye	Muskie
Eastland	Jackson	Scott
Ellender	Jordan, Idaho	Sparkman
Goldwater	Magnuson	Tunney
Gravel	McGee	

So Mr. KENNEDY's amendment (No. 832) was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FONG. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, I would like to direct the attention of the manager of the bill to page 11, under title III, under Foreign Military Credit Sales, to the provision confined to the Foreign Military Credit Sales. As I read those three lines, it says:

For expenses not otherwise provided for, necessary to enable the President to carry out the provisions of the Foreign Military Sales Act, $400 million.

I understand that a similar amount was authorized.

The PRESIDING OFFICER. No time has been yielded to the Senator.

Mr. PROXMIRE. Mr. President, I yield 7 minutes on the bill to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 7 minutes.

Mr. KENNEDY. Mr. President, as I understand the Military Authorization Act, the authorization was more specific in terms of how that money would be allocated. And as I understand the Authorization Act, it actually wrote into law that $300 million would be used for credit for the State of Israel for the purchase of certain planes. I was just interested in getting the opinion of the manager of the bill as to his view and the view of the committee on this particular matter.

Should we infer, from the fact that no indication is prescribed for in terms of the three lines I have referred to as to how the money was to be expended, that there is any kind of retreat from the intention of the committee to use the $300 million for military sales for Israel.

I would note that this body has undertaken in the past a firm expression of its determination to assure Israel the means necessary to defend itself. Through letters to the President signed by 76 Senators, through a resolution to that effect and through authorization in the Defense Procurement Act as well as the foreign aid bill, we have written this assurance into law.

Now I believe that we do not want to leave even the faintest possibility that our determination could be vitiated by administrative action. Thus, I believe we should reenunciate our decision to earmark $300 million of the Foreign Military Credit Sales appropriation in this bill for Israel only.

I would hope that the Senator from Wisconsin would share my view and would make this clear.

I would be interested in hearing if the Senator from Wisconsin could establish some kind of information on that.

Mr. PROXMIRE. Yes. The Senator from New York wants to have the same information. I yield to the Senator from New York.

Mr. SYMINGTON. Mr. President, I am interested in this matter also.

Mr. JAVITS. Mr. President, this matter went through our committee. And my authority on the matter has just broken up, the Senator from Missouri (Mr. SYMINGTON), who had so much to do with working out what we did work out.

We felt that a very strong case was made, especially in terms of aircraft to justify the earmarking. So, it becomes a matter of grave concern as to whether the substantive purpose which is already in the authorization and earmarked will be actually served by the authorization.

I would like to add to what the Senator from Massachusetts has said with reference to the background of the committee that the Senator from Missouri led the fight there and is an excellent authority on what we desire to do.

Mr. SYMINGTON. Mr. President, if I may add to the remarks of the distinguished Senator from New York, I fully support the suggestion of the distinguished Senator from Massachusetts, because there is no question as to what we did mean in the committee.

It was my privilege last month to be on the Suez Canal. I am convinced that these planes are needed for the defense of Israel.

Mr. PROXMIRE. Mr. President, may I say to the distinguished Senator from New York, the distinguished Senator from Massachusetts, and the distinguished Senator from Missouri that when the bill came to the subcommittee and the full committee, I deliberately, as chairman, in drafting the proposal to the committee, had exactly the same language the authorization bill has, that not less than $300 million shall be made available to Israel.

I wanted to keep it that way, however, the committee decided it was redundant. When we get to an authorization bill it is a clear requirement that $300 million is available only for Israel out of a total of $400 million for military credit sales.

It is my understanding that the subcommittee and the full committee have covered this proposal in that way. I am sure that Senators who have spoken on this subject reflect the sentiment of the committee that this item should be only for Israel.

Mr. FONG. I join the distinguished chairman in his interpretation of that provision.

Mr. JAVITS. That would be the legislative history on that provision.

Mr. PROXMIRE. Yes, indeed.

Mr. JAVITS. I thank the Senator from Massachusetts and the Senator from Missouri.

Mr. FONG. Mr. President, I yield myself 5 minutes. I call up my amendment dealing with the Office of Foreign Assistance.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 18, line 12, strike out "$800,000" and insert in lieu thereof "$1,200,000".

On page 18, line 16, strike out "$650,000" and insert in lieu thereof "$1,028,000".

Mr. FONG. Mr. President, I understand that the distinguished chairman is willing to accept the amendment.

Mr. PROXMIRE. Yes. At the time of our hearings, and since that time, the Inspector General of the Foreign Assistance has not been as cooperative in supplying timely information as I believe he might have been. However, within the past several days, material requested last summer has been forthcoming, and the Inspector General has assured me that he is now in a position to respond fully, completely, and in a timely manner to committee needs.

This understanding is formalized in an exchange of correspondence between myself and the Inspector General. I ask unanimous consent that the letters be printed at this point in the RECORD.

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

DEPARTMENT OF STATE,
January 28, 1972.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: I had a pleasant and helpful visit with Howard Shuman. He listened attentively and sympathetically to my story, and by now has, no doubt, communicated it to you.

First point that I wish to make is that, should the limitation imposed by Sec. 504 of H.R. 12067 stand, this office will be reduced to a caretaker status immediately, and totally out of business within two months. A quick glance at the figures will show why this is so.

Legislative Limitation	$800,000
Expended to date	655,000
Balance for the remaining 5 months	145,000

Since our salaries alone run $75,000 a month, it is obvious that we will run out of money in less than two months.

As I also pointed out to Mr. Shuman, the results of the proposed limit on our budget have been effective. We have now been able to have removed the restrictions imposed upon us which prevented our sending our reports to you on a timely basis. All of the reports made by this office to date have now been sent to Mr. William Jordan. It is our firm intention to continue to send these reports as they are issued.

I also had an opportunity to give a brief report on our work. I was proud to be able to point out that the number of our reports has almost doubled on an annualized basis in FY 1972 as compared with FY 1971. The financial benefits to the United States Government resulting from the work of this office have risen from $16,372,000 in CY 1970 to $38,547,000 in CY 1971. Furthermore, in the military assistance area, which I know is of particular interest to you, we have had only one less report in the first 6 months of FY 1972 than we had in all of FY 1971. I intend to maintain this increased interest in military assistance.

In addition to financial benefits measurable in specific dollars, we have also done work which, although harder to measure in absolute terms, may well be of far greater worth in improving the efficiency and the results of our foreign assistance programs. I mentioned two examples to Mr. Shuman: our review of the medical school at the University of Saigon and our ongoing review of AID's contracts with American universities.

I sincerely hope that something can be worked out to eliminate 504 of H.R. 12067. In accordance with Mr. Shuman's instructions, I will be calling him Monday morning for further word—needless to say I stand ready to do anything in my power that can be helpful.

Sincerely yours,

ANTHONY FAUNCE,
Acting.

JANUARY 31, 1972.

Mr. ANTHONY FAUNCE,
Acting Inspector General of Foreign Assistance, Department of State, Washington, D.C.

DEAR MR. FAUNCE: I have your letter of January 28 which I assume is in response to my letter of last June 24.

I regret your earlier inability to supply copies of the Inspector General's reports at the time they were issued to the agencies concerned. However, I am glad to know that any problems that may have existed have been resolved. The Committee is now engaged in a review of the reports which your office delivered to the Committee last Friday, and I have noted your "firm intention to continue to send the reports as issued." If any new impediment is raised to complying with my request in the future, please advise me immediately by letter.

I should think that the over-all reductions in foreign assistance would permit a concomitant reduction in the Inspector General's budget, but as Mr. Shuman told you I will give further consideration to the limitation recommended in the bill after the Commitee staff has completed its review of your reports.

I have also taken special note of your increased interest in the area of military assistance.

Best wishes,

Sincerely,

WILLIAM PROXMIRE,
Chairman, Subcommittee on Foreign Operations.

Mr. PROXMIRE. Mr. President, in view of this new responsiveness on the part of the Inspector General, I am willing to accept the amendment, which will limit funds for the Inspector General, but the limitation will be at the budget level and, therefore, will not curtail the amount requested for fiscal year 1972.

The PRESIDING OFFICER. Is all time yielded back on the amendment?

Mr. PROXMIRE. I yield back the remainder of my time.

Mr. FONG. I yield back the rest of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JAVITS. Mr. President, will the Senator yield me 1 minute?

Mr. FONG. I yield 1 minute to the Senator from New York.

Mr. JAVITS. Mr. President, earlier today, when I was not in the Chamber, some discussion took place about the Overseas Private Investment Corporation and why we seemed to be resting content to have $25 million. However, $25 million, within reservations for it, which is in the bill in the other body, has not been inserted, and we were not moving with respect to it. I believe that the committee is and has been dealing with the situation and is contemplating a consideration of the matter after testimony. Specifically, I believe that the Senator from Wisconsin (Mr. PROXMIRE), the manager of the bill, has very adequately given full accommodation to the consideration which such item will receive in the regular appropriation bill.

But I gather that various statements have been made respecting the operation of the Overseas Private Investment Corporation. I was the author of that amendment, and the Senate very generously went along with me, and it finally became law, so I feel a very special sense of responsibility for the operation of the agency for that reason.

Every insurance company, before it finally becomes mature and is a real moneymaker, has to demonstrate it by paying its liabilities. If it is hit with an important casualty and really pays, then it is a real insurance company. I have every reason to believe that the Overseas Private Investment Corporation will successfully surmount the Chilean problem. So the reverse backing of the United States is very necessary to enable a private, productive enterprise to function, and such a program will typify what such an agency can do with its capital resources.

I shall discuss this subject further, but I wanted to go on record today before we adjourned, since this question has been raised. I wish to thank the manager of the bill (Mr. PROXMIRE), and also the ranking minority member of the subcommittee (Mr. FONG), for the sympathy and understanding which have been manifested by them.

Mr. PROXMIRE. Mr. President, I yield myself 2 minutes on the bill.

There is no question that the Overseas Private Investment Corporation, which was authored by the Senator from New York, serves a very useful and valuable purpose. We recognize that it is essential, if we are going to get private investment to replace far more efficiently and more imaginatively the public investment which Congress and the President provide. I am for this program, as everyone who is thoughtful, I think, must be for it.

OPIC's proven losses are guaranteed by the full faith and credit of the United States. Its claims were something like $4 million at the time, the subcommittee held its hearings last June—they are now over $250 million.

It was our feeling, and the reason why we withheld appropriation of the $25 million requested was in order to take some action to make it as impressive as possible that there should be full hearings to determine OPIC's financial situation and the adequacy of the premiums charged with respect to it's operation. It should be, as the Senator from New York intended to be, something that would be operated at the expense of those who benefited, particularly a private investment corporation, not as a burden on the taxpayers.

Mr. JAVITS. I thoroughly agree. I think the operation is being handled in an admirable way. I am confident that OPIC will stand up in accordance with the insurance principle and pay every year's premium and that every year they will be able to pay off the losses and to make money.

Mr. FONG. Mr. President, I am very much impressed with the Overseas Private Investment Corporation. The cor-

poration has made $152 million as of this date from the fees they had collected.

Mr. JAVITS. Which is $1 million.

Mr. FONG. Which is $1 million.

The entire program, as I understand, was about $20 million or $30 million. So the program is working out very well. I understand that the directors have now increased the premium rates, so that they are getting larger fees; and also that they have reinsured some of the loans. For example, the Overseas Private Investment Corporation has reinsured $250 million of their risk with Lloyds of London, and are now reinsuring, or are about to reinsure, another $250 million with private investment bankers.

So they are doing a good job. I was told by the Ambassador of Chile that the fact that private investment corporations are in back of some of the businesses that are now being expropriated in Chile is one of the reasons why we are now negotiating on a very fine basis. So we can look forward to the fact that some of the businesses will be repaid—that is, the cost of these businesses will be repaid to those companies, and the Overseas Private Investment Corporation will not be called to pay the expropriation costs.

I feel that the Overseas Private Investment Corporation is a very good agency and that we should give it all the help possible. We have withheld this amount at present, because we want to look deeper into the situation. I know that after looking deeper into the situation we will come out with some plan.

Mr. JAVITS. I am very grateful to the Senator from Ohio. His comments are very gratifying.

ASSISTANCE TO ECUADOR

Mr. McGEE. Mr. President, a conference of nations is scheduled to take place during 1973 to consider a convention or conventions dealing comprehensively with the law and uses of the oceans.

Among the topics to be included are jurisdiction over the mineral resources of the ocean floor, fisheries, breadth of the territorial sea and access through straits for navigation.

The United States has many interests involved in this complex subject and will need the support of many friendly countries to secure those interests.

In view of this forthcoming conference of nations and continuing negotiations between our Government and governments of Latin American countries claiming 200-mile territorial seas and asserting jurisdiction within that territorial sea against foreign fishing vessels, it would be particularly untimely for the appropriation for foreign assistance for fiscal year 1972 to include a prohibition on assistance to Ecuador. Such a prohibition could well be counter-productive to out Nation's overall interest in the law of the seas.

Thus I strongly urge that in the conference with the House of Representatives on the 1972 appropriation for foreign assistance, the conferees from the Senate stand fast on the Senate bill which contains no such prohibition.

THE PEACE CORPS

Mr. MILLER. Mr. President, I would like to comment specifically on one item in the pending foreign assistance appropriation bill; namely, the amount for the Peace Corps. I commend the Senate Appropriations Committee for recommending the full amount of the authorization for fiscal year 1972, which is $77.2 million. I support that figure and I urge my colleagues to do likewise. I particularly urge the chairman and those senior members of the committee who will be on the conference committee to stand by this figure and impress on our friends in the House of the necessity to maintain that amount.

The budget request of $82.2 million was the lowest in 4 years. The Congress saw fit to lower the amount to $77.2 million, but the continuing resolution authorized spending at a level of only $72 million. The House allowance in this bill is only $68 million.

Because of my concern, I asked Director Blatchford for the implications of these reductions. He indicated that the Peace Corps could get by at the Senate committee level, but that is the rock bottom. At a level of $72 million, the Peace Corps would be forced to bring home large numbers of volunteers—perhaps up to 50 percent—and cancel its programs in over a dozen countries. Mr. President, this should not be allowed to happen. Our foreign aid program has received considerable criticism, but the Peace Corps is one of the best investments this country can make.

Coming from a great agricultural State, I am particularly pleased with the emphasis the Peace Corps is placing on agricultural projects—something I have long advocated. The Tenth Annual Report indicates that, in 1969, 82 farming specialists were in service with the Peace Corps, and 308 additional volunteers had some background in agriculture. By 1971 there were 225 specialists and 769 experienced farmers—about 2½ times as many in both cases.

It is projected that, during the current year, about 25 percent of all volunteers will be working in agriculture-related projects. These range from helping establish agricultural cooperatives to building vocational agriculture schools, and the projects utilize the special talents of vocational agriculture teachers, nutritionists, agricultural mechanics, foresters, agronomists, livestock specialists, and fisheries experts.

As we all know, increased food production and better agricultural production and marketing methods are the urgent needs of many countries of the world. The Peace Corps is helping to meet these needs by providing skilled agricultural specialists who are helping these countries help themselves. Let us provide the Peace Corps with the resources to continue this vital effort.

FUNDS FOR CUBAN REFUGEES

Mr. HUMPHREY. Mr. President, I want today to join with Senator CHILES and Senator GURNEY in support of their amendment to the foreign aid appropriations bill. This amendment would, as I understand it, delete the language in the Senate bill which calls for the cutting off of funds after February 22, 1972, for furnishing medical and welfare payments to refugees who have resided in the United States for 3 years.

If funds for these programs are actually cut off after February 22, it would mean a withdrawal of Federal refugee reimbursements to the States totaling $68,000,000. This is an enormous burden to bear, particulary considering the fact that it comes without warning. Florida is one example of a State which has been forward-looking enough to plan for the eventual phasing out of the Cuban refugee assistance program. But now is certainly not the time. Florida has educational and welfare programs which simply cannot go forward without Federal funding. These programs are not built in a day, even though they could be swiftly destroyed if Senators CHILES' and GURNEY'S amendment is not accepted.

Mr. President, I ask unanimous consent that a letter from the Secretary of Health, Education, and Welfare, Elliot Richardson, be printed at this point in the RECORD. It points out in detail the impact that a February 1972 cutoff date would have on those States which receive Federal assistance for their Cuban refugee population.

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

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., January 28, 1972.

Hon. HUGH SCOTT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SCOTT: The action taken by the Senate Committee on Appropriations, in the 1972 Foreign Assistance Appropriation Bill (H.R. 12067), reducing the amount for the Cuban Refugee Program to $129,000,000 and placing an abrupt and severe restriction on Federal reimbursements to the States for refugee welfare and medical assistance, has serious implications for the States and communities which have so generously accepted substantial numbers of refugees during recent years.

We refer specifically to page 14, lines 5–9 of the Bill as reported by the Committee: "Provided further, That none of the funds made available herein shall be available after *February 22, 1972*, to furnish medical and welfare payments to refugees who have resided in the United States for three years or more." (Emphasis added.)

Enactment of this provision would mean a withdrawal, during the remainder of fiscal year 1972 and fiscal year 1973, of Federal refugee reimbursements to the States totaling $68,000,000. Of this amount, an estimated $28,000,000 would be made up by Federal reimbursements under the regular public assistance and medical assistance programs, and $40,000,000 would have to be provided from State funds.

Recent court decisions have made clear that aliens cannot be excluded from our regular public assistance and medical assistance programs, and that this applies both to those programs which are federally aided (old-age assistance, aid to the permanently and totally disabled, aid to the blind, aid to families with dependent children, and Medicaid) and to those programs which are financed entirely from State or local funds (general assistance, home relief, etc.).

Under these circumstances, the effect of the provision proposed by the Committee would be simply to shift to the States, without warning and with little advance notice, a large portion of the financing of refugee

assistance. The difficult fiscal situations of the States are well known. Last year, at least nineteen States found it necessary to reduce their assistance payments to American citizens. We anticipate that a sudden shifting from Federal to State financing of a substantial portion of the refugee assistance funding will necessitate further reductions by the States in their welfare payments to our citizens.

This is precisely the type of situation which we believe should be avoided.

While we concur with the concept of a time-limited Federal responsibility for refugee welfare and medical assistance, we believe that a transition from the present situation should be made in a carefully planned and orderly fashion that will result in minimum hardship for both the States and the people involved. This is why this Department has committed itself to effecting substantial reductions in the refugee program upon the anticipated effective date of Welfare Reform legislation. Such legislation will enable most of the refugee assistance cases to be transferred to the regular programs *without* a severe financial impact on the States.

The anticipated effective date of Welfare Reform legislation is July 1, 1973. Therefore we can assure the Committee and the Congress that a substantial reduction will occur in the refugee program request for fiscal year 1974.

In addition, we have been advised that the airlift of refugees from Cuba to Miami will terminate prior to the end of the present fiscal year. The President's budget request for fiscal year 1973 does not include any funds for the airlift. Therefore we can also assure the Committee and the Congress that the entire refugee program will be phased out as rapidly as this can be accomplished without hardship to States and communities which have received the impact of substantial numbers of refugees. In fact, a phasing down of the program has already begun with a reduction of 30 percent in the Federal refugee program staff in Miami as a result of the diminished airlift flow experienced during the past few months.

It is our firm conviction that approval of the reduced amount indicated as needed for fiscal year 1972 ($139,000,000 rather than the original request of $144,103,000), together with the plan we have outlined above, provides the best possible means for an orderly transition from the present Federal refugee efforts to a complete phaseout of the program without placing a burden on many of our States and communities.

We urge that the Senate give careful consideration to this matter and act favorably upon the full amount indicated as needed for the present fiscal year.

With kindest regards,

Sincerely,

ELLIOT RICHARDSON,
Secretary.

Cuban Refugee Programs.—Estimated Effect During Next 16 Months of Cut-off in Federal Refugee Program Reimbursements to States proposed by Senate Committee on Appropriations for Welfare and Medical Assistance to Refugees Who Have Been in U.S. Over 3 Years. (Effective Date of Cut-off Proposed by Committee: February 22, 1972.)

The Cuban Refugee Program appropriation requests for fiscal years 1972 and 1973 include funds to continue the present policy of reimbursing the States 100% for financial and medical assistance to needy refugees so that such refugees do not become a burden on State or local resources.

A provision proposed by the Senate Committee on Appropriations for inclusion in the Foreign Assistance Appropriation Bill (H.R. 12067) would prohibit such reimbursements after *February 22, 1972,* for medical and welfare payments to refugees who have resided in the United States for three years or more.

The estimated effect on States of this limitation during the remainder of fiscal year 1972 and fiscal year 1973 would be as follows:

Estimated loss to States in Federal refugee program reimbursements under Senate committee restriction on reimbursements to States

Florida	$31,700,000
California	12,179,000
New York	10,230,000
New Jersey	7,601,000
Massachusetts	1,211,000
Illinois	1,000,000
Connecticut	1,000,000
Louisiana	762,000
Michigan	368,000
Texas	238,000
Oregon	238,000
Maryland	211,000
Other States	1,262,000
Total	68,000,000

Note.—Of the total of $68,000,000, an estimated $28,000,000 would be made up by Federal reimbursements under the regular public assistance and medical assistance programs, and $40,000,000 would have to be provided from State and/or local funds. Under the regular programs, the Federal percentage varies from State to State. No Federal funds would be available for general assistance type cases.

Mr. HUMPHREY. Mr. President, there are additional objections which should be made concerning the Appropriations Subcommittee's action on the Cuban refugee assistance program. I would first of all recommend that there be full funding for this program in line with the original budget request of $144,108,000. Secondly, I would urge the subcommittee to reconsider the recommendation in its report that the entire program be terminated by June 30, 1973. There are ways to save money, but this is not one of them, not when there is a question of assistance for educational, medical, welfare, and housing needs.

I think it is a mistaken assumption to make that because the number of Cuban refugees arriving in the United States is dwindling, that the problem of helping these refugees no longer exists. It most certainly does and many States are doing all they can to assume their responsibility in helping these people. It, nevertheless, is up to the Federal Government to work with the States in this regard.

Mr. President, I ask unanimous consent that my telegram to Governor Askew concerning the Cuban refugee assistance program be printed in the RECORD. In addition, I ask my colleagues to join in supporting every effort to secure the continuation of Federal funding for this program.

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

[TELEGRAM]

GOV. REUBIN ASKEW,
State House,
Tallahassee, Fla.:

I want you to know that I will oppose the Committee provision in the Foreign Assistance Appropriations bill which would eliminate or reduce funds for Cuban Refugee Assistance. I have told Senator Chiles' office I will support his amendment to the Appropriations bill.

It is most unfortunate that the Appropriations Committee did not take sufficient recognition of the enormous financial and social burden that the phasing out of this program would have on the State of Florida and the Cuban refugees who live in Florida. Dade County is reputed to have one of the best school systems in the country with an excellent program for Cuban school children. Were the funds for this program cut off by June 30, 1973, not only would the Cuban school children suffer the consequences but so would the entire school system.

In addition, there is a large elderly Cuban population in Florida who are not American citizens and as such do not qualify for Federal Welfare programs. Their housing, medical expenses, and resettlement costs are funded through the Appropriation bill. In two years they will not qualify for Federal Welfare, and, therefore, they are very much dependent on the funds in this bill.

Florida has over 100,000 Cuban refugees and has done an outstanding job in helping these people find jobs, homes, and receive a decent education. The state programs are prepared to become self-sufficient over time, but this bill would impose an enormous economic burden on the state without sufficient notice.

I therefore, will do whatever I can to make sure the Cuban refugee program remains fully funded beyond June 30, 1973. I salute you and the people of Florida for doing such an excellent job in welcoming and providing for these refugees.

HUBERT H. HUMPHREY.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time for the quorum call be taken out of neither side.

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

AMENDMENT NO. 854

Mr. BYRD of West Virginia. Mr. President, I have been asked by the distinguished Senators from Florida (Mr. GURNEY and Mr. CHILES) to call up amendment No. 854, by Mr. GURNEY, that it may be made the pending question.

The PRESIDING OFFICER. The clerk will please state the amendment.

The assistant legislative clerk read the amendment, as follows:

On page 14, line 5, beginning with the proviso strike all the language down through line 9 on page 14.

PROGRAM FOR TOMORROW

Mr. BYRD of West Virginia. Mr. President, I yield myself 1 minute on the amendment, on behalf of the Senator from Florida (Mr. GURNEY).

There will be no action on this amendment tonight. It will be the pending question tomorrow when the Senate returns to the consideration of the foreign aid appropriations bill. I think it is quite likely that there will be a rollcall vote on the amendment at that time.

The majority leader has asked me to state that, in the event cloture is invoked tomorrow, the Senate will continue with the unfinished business, but if the motion to invoke cloture fails of adoption

on tomorrow, it is the plan of the leadership to set aside temporarily the unfinished business immediately and to resume the consideration of the foreign aid appropriation bill.

The distinguished majority leader has also asked me to state that it is the plan of the leadership to adjourn the Senate by 5 o'clock tomorrow afternoon.

Mr. President, I suggest the absence of a quorum. I assume this will be the final quorum call of the day.

I ask unanimous consent that no time on the pending amendment be charged by virtue of the quorum call and that no time be charged against the bill.

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

The clerk will please call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, what is the pending question before the Senate?

The PRESIDING OFFICER. The pending question is the amendment offered by the distinguished Senator from Florida (Mr. GURNEY).

Mr. BYRD of West Virginia. I thank the distinguished Presiding Officer.

ORDER FOR ADJOURNMENT UNTIL 10:30 A.M.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10:30 a.m. tomorrow.

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

EQUAL EMPLOYMENT OPPORTUNITIES ENFORCEMENT ACT OF 1971

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the foreign aid appropriation bill now be laid aside and that the unfinished business again be laid before the Senate.

The PRESIDING OFFICER. The clerk will please state the bill by title.

The assistant legislative clerk read the bill by title as follows:

A bill (S. 2515) to further promote equal employment opportunities for American workers.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears none and it is so ordered.

Mr. BYRD of West Virginia. Mr. President, what is the pending question before the Senate?

The PRESIDING OFFICER. The pending question is on agreeing to the amendment offered by the distinguished Senator from North Carolina (Mr. ERVIN), amendment No. 813.

Mr. BYRD of West Virginia. I thank the distinguished Presiding Officer.

PROGRAM

Mr. BYRD of West Virginia. Mr. President, the program for tomorrow is as follows:

The Senate will convene at 10:30 a.m. After the two leaders have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes, and in the order stated: Senator BYRD of Virginia, Senator SPONG, and Senator HARRIS.

At the conclusion of the unanimous consent orders recognizing Senators, there will be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements limited therein to 3 minutes, at the conclusion of which the Chair will lay before the Senate the unfinished business, the pending question being at that time amendment No. 813, offered by the Senator from North Carolina (Mr. ERVIN). No time limit has been agreed to with reference to that amendment. However, the yeas and nays are ordered thereon.

Tomorrow, at 12:45 p.m., the 1 hour under rule XXII will begin running, and the mandatory quorum call will occur at 1:45 p.m., at the conclusion of which the automatic rollcall vote on the motion to invoke cloture will occur. In other words, the vote on the motion to invoke cloture will occur at about 2 p.m. tomorrow.

As I stated a few minutes ago, the distinguished majority leader wanted it clearly understood that if the motion to invoke cloture carries, the Senate, of course, will continue with the consideration of the unfinished business throughout the afternoon tomorrow. However, if the vote on the motion to invoke cloture fails, it is the intention of the majority leader to again set aside the unfinished business during the remainder of tomorrow and ask the Chair to lay before the Senate the foreign aid appropriations bill, on which there is a time agreement. Rollcall votes will occur tomorrow.

Finally, I repeat, the majority leader intends to adjourn the Senate by 5 o'clock tomorrow afternoon.

ADJOURNMENT UNTIL 10:30 A.M.

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10:30 a.m. tomorrow.

The motion was agreed to; and (at 6:39 p.m.) the Senate adjourned until tomorrow, Thursday, February 3, 1972, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate February 2, 1972:

OVERSEAS PRIVATE INVESTMENT CORPORATION

The following-named persons to be Members of the Board of Directors of the Overseas Private Investment Corporation for terms expiring December 17, 1974:

Dan W. Lufkin, of Connecticut, vice Robert F. Buck, term expired.

J. D. Stetson Coleman, of Virginia, vice Clifford H. N. Yee, term expired.

U.S. NAVY

Adm. Horacio Rivero, Jr., U.S. Navy, for appointment to the grade of admiral on the retired list pursuant to title 10, United States Code, section 5233.

Vice Adm. Richard G. Colbert, U.S. Navy, having been designated for commands and other duties of great importance and responsibility determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of admiral while so serving.

Rear Adm. Julien J. Le Bourgeois, U.S. Navy, having been designated for commands and other duties of great importance and responsibility determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

EXTENSIONS OF REMARKS

PAN AM FARES TO HELP MILITARY PERSONNEL AND THEIR DEPENDENTS

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, February 2, 1972

Mr. THURMOND. Mr. President, it is a pleasure to bring to the attention of the Senate what I consider to be an important development toward the improvement of conditions of military service. I refer to the recent announcement by Mr. N. E. Halaby, chairman and chief executive officer of Pan American World Airways, of new Pan Am fares for military personnel in overseas areas, and their dependents.

This action by Pan Am is of direct benefit to the military personnel overseas and their families. One of the heaviest burdens of military service is family separation caused by the serviceman being stationed far from home.

Mr. President, under these new fares for an example, a serviceman on leave, or his dependents, whether they live with him or in the United States, can travel via Pan Am's regularly scheduled flights from Frankfurt, Germany, to any one of four east coast U.S. cities serviced by Pan Am—Boston, New York, Baltimore, and Washington, D.C.

Pan Am deserves a commendation for showing this interest in the welfare of the U.S. serviceman and his dependents.

Mr. President, for the benefit of my colleagues who receive inquiries from servicemen regarding costs of travel, I ask unanimous consent for the Pan American announcement of December 22, 1971, regarding the proposed new fares from certain European cities, and their announcement of January 11, 1972, re-